

Market Announcement

24 October 2024

Beam Communications Holdings Ltd (ASX: BCC) – Suspension from Quotation

Description

The securities of Beam Communications Holdings Ltd ('BCC') will be suspended from quotation immediately under Listing Rule 17.2, at the request of BCC, pending the release of an announcement regarding the effect of the arbitration decision regarding the ZOLEO Inc. joint venture.

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Request for Voluntary Suspension

Beam Communications Holdings Limited ("Beam" or "the Company") requests a voluntary suspension of the Company's securities with immediate effect.

Beam provides the following information in relation to this request in accordance with ASX Listing Rule 17.2:

1. Beam requests the voluntary suspension having regard to the outcome of the arbitration relating to the ZOLEO Inc. joint venture between the Company and its joint venture partner. As a result of the arbitrator's decision, Beam will be required to sell its 50% share in that joint venture to its partner, at a price to be determined by independent valuation.
2. The arbitrator also made an order for costs against Beam, whereby Beam will be required to pay approximately \$2.4m to Roadpost on account of its legal investment in the process. The immediate effect of that order requires Beam to withdraw any prior guidance for FY25.
3. That Roadpost's costs, and the Company's, were as significant as they were is reflective of the value each party placed on defending, or acquiring, a 50% interest in ZOLEO Inc.
4. The Company will review its position in the course of the following week, but it is Beam's present intention to emerge from suspension on or before 30 October 2024, when it will also release its Appendix 4C Statement for the first quarter of FY25. At that time, the Company will also release a more fulsome assessment of the effect of the decision on Beam's short-term priorities, as well as detailing a significant cost base reduction.
5. Crucially, and separate to the terms of Beam's divestment of its interest in the ZOLEO JV, the Company continues to hold valuable intellectual property, that Beam regards as vital to the continued use of the ZOLEO device. It is Beam's position that this IP has value and will need to be licensed to, or acquired by, ZOLEO Inc, on terms acceptable to Beam. As the sole manufacturer of the ZOLEO device, Beam will also revisit the terms on which it may be prepared to continue supplying ZOLEO Inc with additional units and support services.
6. Beam is not aware of any reason why its securities should not be suspended.
7. This request was authorised for release to the ASX by the directors of Beam.

Dennis Payne
Company Secretary

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