

ASX ANNOUNCEMENT

25 March 2025

**NEW EMPLOYMENT CONTRACT FOR BEAM'S MD IN COST CUTTING DRIVE****Highlights:**

- **New remuneration package for Beam's Managing Director (MD) will save the Company at least ~\$240K a year**
- **The savings comes from a 10% cut in the base salary and superannuation, the removal of bonuses/incentives under the old contract and other costs tied to the MD's employment**
- **No options are included in the new contract, delivering added savings to Beam, which expensed \$44.7K in options for Beam's MD in FY24**
- **The only incentive in the new package is a 1.5%-3% incentive payment based on a minimum sale value of \$10M for the ZOLEO JV and the associated royalties**
- **The notice period under the new contract has been reduced to 6 months from 9 months**
- **The Board is looking to use the proceeds from the sale of the ZOLEO JV to undertake a capital return to shareholders**

**Beam Communications Holdings Ltd** (ASX: BCC, "Beam" or the "Company") is pleased to announce that it has successfully renegotiated an employment contract with Managing Director Michael Capocchi that will ensure leadership continuity to the business at this important juncture, while delivering material cost savings to the Company.

Under the new terms of the employment contract, which replaces the current contract and becomes effective on 1<sup>st</sup> April 2025, Beam will save a minimum of circa \$240K per year (at the current exchange rate).

**Reduction in salary and removal of current bonuses & incentives**

The cost savings come from a 10% reduction in Mr. Capocchi's US-dollar base salary and superannuation to US\$352,144, which equates to a reduction of ~\$62K, and the removal of bonuses and other incentives, including key-man insurance that is not reflected in his remuneration but will contribute to the cost savings for Beam.

Mr. Capocchi's US-dollar denominated salary provides a natural currency hedge to Beam as circa 85% of its total revenue is transacted in US dollars and his salary is paid out of a US-dollar bank account.

Further, no options are included in the new contract, which will deliver additional savings to the Company. Beam expensed \$44.7K in options in FY24 that relate to Mr. Capocchi's remuneration package.

**New incentive linked to the successful sale of ZOLEO**

The Board has also determined that it is in the Company's interest to have Mr. Capocchi based in the United States. Beam's key partners and customers, such as Iridium Communications Inc., who are crucial to the business, are based in the US. Mr. Capocchi has frequent and regular face-to-face meetings with these partners.

Moreover, it would be detrimental to the business if Beam did not have a key person on the ground in North America to manage the complex sales process of the ZOLEO Inc. joint venture.

To ensure an alignment of interests with shareholders during the ZOLEO sale process to Roadpost Inc., the Board included a 1.5% incentive payment linked to the final sale price of the ZOLEO joint-venture

and the MDP royalty buyout, conditioned on a minimum valuation of \$10 million. The percentage of the incentive can increase to a cap of 3% if the valuation comes in substantially above \$10 million.

Beam's largest shareholder and Non-Executive Chair, David Stewart, said:

*"The new remuneration package strikes the right balance for all stakeholders by delivering significant cost savings to the Company while ensuring we have the best possible chance of maximising the outcome of the sale process."*

*"I like to thank all shareholders for their patience as Beam undergoes this period of transformation, and I like to assure you that your Board and management are focused on unlocking the intrinsic value in the Company and returning capital to shareholders."*

### **Cut in termination notice period & industry benchmarking**

Mr. Capocchi is only entitled to a base salary, superannuation and the ZOLEO incentive scheme detailed above. Also, the notice period under the new open term employment contract is reduced to six months from nine months.

Beam commissioned an independent remuneration expert, HaRe Group, in 2022 to review Mr. Capocchi's salary package at the time. The expert found that the fixed remuneration package for Managing Directors in comparable companies to Beam range between \$405K to \$605K a year, depending on experience and expertise. This report does not take into account the high inflation environment since. Nonetheless, the Board notes that Mr. Capocchi's new base salary and super are comfortably within the band.

All figures are in Australian dollars unless otherwise indicated. This announcement has been approved by Beam's Board of Directors.

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### **About Beam Communications Holdings Limited**

Beam Communications Holdings Limited is an Australian publicly-listed company (ASX:BCC) that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment applications and services. Beam has developed several world-first innovations and its products and services are adopted by some of the world's largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat and Thuraya. Beam also developed the multi-award winning ZOLEO device, which generates recurring subscription revenues for the Group. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd [www.satphoneshop.com](http://www.satphoneshop.com). For more information, visit [www.beamcommunications.com](http://www.beamcommunications.com).