

Beam Global

Yearend 2024 Operating Results Conference  
Call

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**CORPORATE PARTICIPANTS**

**Desmond Wheatley** - *Chairman, President, Chief Executive Officer*

**Lisa Potok** - *Chief Financial Officer*

## **PRESENTATION**

### **Operator**

Good day, and welcome to the Beam Global Yearend 2024 Operating Results Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing "\*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press "\*" then "1" on your touchtone phone, to withdraw your question, please press "\*" and then "2." Please note that this event is being recorded.

I would now like to turn the conference over to Lisa Potok, Chief Financial Officer. Please go ahead, ma'am.

### **Lisa Potok**

Thank you. Good afternoon and thank you for participating in Beam Global's yearend 2024 operating results conference call. We appreciate you joining us today to hear an update on our business.

Joining me is Desmond Wheatley, President, CEO and Chairman of Beam. Desmond will be providing an update on recent activities at Beam, followed by a question and answer session.

But first, I'd like to communicate to you that during this call, management will be making forward-looking statements, including statements that address Beam expectations for future performance or operational results. Forward-looking statements involve risks and other factors that may cause actual results to differ materially from those statements. For more information about these risks, please refer to the risk factors described in Beam's most recently filed Form 10-K and other periodic reports filed with the SEC.

The content of this call contains time-sensitive information that is accurate only as of today, April 11. Except as required by law, Beam disclaims any obligation to publicly update or revise any information to reflect events or circumstances that occur after this call. Next, I would like to provide an overview of our financial results for Beam's year of 2024.

Our 2024 revenues at \$49.3 million, more than double any previous year's revenue in the company's history, excluding 2023. It's a 124% increase over '22' revenues. And additionally, we have a five year revenue CAGR of 68%. We believe that this decrease in revenue is a result of order timing and uncertainty in the US government's zero-emission vehicle strategy related to the presidential election. These matters have mainly impacted our larger federal customers, and we do not believe that they signify any fundamental reduction in global demand for our products.

We have continued to invest in our sales resources with new sales in both the...with new hires in both the US and Europe in 2024, and we have further expanded our selling resources who are paid when they achieve sales, so they do not cost us money.

Our backlog as of December 31 is \$5.6 million. We generated a positive gross margin for the 12 months ending '24 of 15% compared to 2% in 2023, an improvement of 13 percentage point's year-over-year. Our gross profit included a \$3.1 million for non-cash depreciation and intangible amortization, which negatively impacts our profits.

Net of these noncash items, our gross margin was 21%. The continued improvement in gross margin is primarily because we are able to recognize the engineering design changes to our EVR that resulted in cost reductions to our bill of materials and labor efficiencies. Additionally, there were reductions in material costs, as a result of purchasing discounts as well as operational improvements and positive margins generated from the acquisitions in Europe.

Additionally, our engineering and operations teams continue to identify further cost reductions and efficiencies, which, along with the support from our Europe acquisition, we believe as our revenue grows in the future, our fixed overhead absorption will continue to improve, resulting in improved gross margins.

Our operating expenses for 2024 were \$19 million compared to \$17.5 million in '23. If you back out the \$400,000 positive impact of the noncash expenses, which is non-GAAP, and back out the full year operating expenses for the Europe acquisition of \$3.8 million, the increase year-over-year is \$1.6 million, which is mainly attributable to salaries and benefits of \$700,000 related to the new hires that we did in '24, \$400,000 related to outside services, partially related to the acquisition and \$400,000 related to marketing expenses.

Our loss from operations was \$11.7 million for the year ended '24 compared to \$16.3 million for '23. When you back out the noncash, non-GAAP items that included \$3.7 million for depreciation and amortization, \$3.3 million for stock-based comp and \$400,000 for the allowance for credit loss offset by the \$4.7 million change in the fair value of contingent consideration liabilities pertaining to the true-up of the earn-out payment for the Amiga acquisition, the noncash loss from operations was \$8.9 million for 2024 compared to loss from operations of \$11.8 million for '23.

The non-GAAP loss from operations decreased 24% year-over-year, due to the increased gross profit of the 13 percentage points in '24 and the management of our operating expenses. As for our cash balance at December of '24, it was \$4.6 million compared to \$10.4 million at the end of '23, the cash decrease between '23 and '24 included cash payments for our acquisitions of \$3.2 million.

Net cash used for operating activities was \$2.2 million for the 12 months ended December of '24 compared to \$13.3 million for the same period in '23. We have historically met our cash needs through a combination of debt and equity financing and more recently through our increasing gross profit contribution.

I will now turn the call over to Desmond to provide a business update.

### **Desmond Wheatley**

Right. Thank you, Lisa. And thank all of you for joining us for Beam's Global's 2024 full-year earnings call and for your support of this fantastic company. I'm probably going to repeat a couple of things that Lisa said because I think there were a couple of very important comments that she made there. So, just bear with me while I do that. I'm speaking to you tonight from Belgrade in Serbia, where I'm spending a few days before going to Abu Dhabi and Dubai early next week.

Earlier today, I was in Bucharest where I spoke to a Congress of over 100 Mayors and other government leaders about the value and importance of Beam Global's products in their markets. I'm doing the same in Abu Dhabi and in Dubai. And when I'm finished there, I'll spend a week in Spain with our partners Haiti, as we crisscross the country meeting with prospective customers.

While in Bucharest, I also met with our first Romanian customers who now have EV ARC systems operating in that country. I was honored to speak to the Congress of Mayors where Beam Global received the award for the most innovative product and sustainable transportation infrastructure. There was an impressive array of products and solutions at this very well attended Congress. So, being selected as the most innovative and best product was an honor and recognition indeed of the tremendous value that Beam Global's products deliver to our customers.

There's tremendous investment in Romania at the moment in transportation infrastructure with funds coming from the European Union and other sources. We never have an active...we now have an active and successful reseller in Romania. So, I look forward to further expanding our opportunities in this market.

There's so much opportunity in Europe, the Middle East and Africa for Beam Global's products. And it certainly is very appropriate that we're focusing on taking advantage of those opportunities. Anybody who hasn't been sleeping under a rock for the last couple of months, will know that the market conditions in the United States are far from ideal at the moment. Things were already challenging for everybody in the EV or sustainability spaces with the new administration's decidedly negative view on these fantastic new technologies.

And now the tariffs have raised a whole new level of uncertainty within our industry and across the broader markets. It is hard to comment too much on the impact of the tariffs at the moment because no one really knows, and they are changing daily.

But suffice it to say that we have good defenses in place for just about anything that can come down the pipe where tariffs are concerned. It's a great thing that Beam Global is in a position to take advantage of a massive new set of opportunities, which are neither subject to the Trump administration's tariffs or negative outlook on electric vehicles.

I'll be spending a lot of time on this side of Atlantic, and I intend to continue to focus a lot of my time and energy on expanding our opportunities in Europe, the Middle East and Africa. The current business development trip I'm onto is a good example of that.

Now I know all of you don't have time to listen to this on prior calls, so I'm going to start by giving you a few headlines. As Lisa said, Beam Global's revenue in 2024 was more than two times greater than any full year in our history, except for 2023. Our five-year cumulative annual revenue growth rate stands at 68%, an incredible rate of growth.

Sales to non-government entities increased dramatically throughout the year with corporate sales contributing 64% of our total in the fourth quarter. In 2024, we increased our gross margins from 1.3% to 15% GAAP. But gross profit net of non-cash is running at over 21% that we brought in over \$10 million of cash from \$50 million in revenue. Our cash burn, net of acquisition-related spend was less than \$400,000 a month. We're getting more efficient every day, and our gross profit contributions are increasingly paying our bills.

We have about \$14 million in working capital, which gives us about 35 months of run rate on our current cash and cash-like resources. We remain debt free. Our continuing gross margin improvement puts on a trajectory for positive cash flow this year. Tariffs and other negative impacts to the global economy could have an impact on this trajectory. But what is clear is that the actions that I and the management team are taking have set us on the right path where the

things that are within our control are concerned. We expanded Beam Global's business in 2024 through another acquisition. We announced the most significant expansion of our product portfolio in our history.

We implemented the most significant geographic expansion in our history. We continue to win new patents in both our energy storage and infrastructure businesses. We generated recurring revenue from a new business model. We initiated a program of resellers, agents and distributors as a sales force multiplication strategy without adding to our operating costs.

To sum up, while we are facing some of the most challenging times we've ever seen in the US, the steps we've taken to expand geographically and with our new product portfolio have set us up for success regardless of what takes place in the United States over the next couple of years. We're going to have a couple of rough quarters for sure.

Q4 2024 illustrated that, and frankly, we're going to see a bit more of the same in the first quarter of '25. This is a matter of timing. We've previously derived a great deal of our revenue from sales to the US Federal Government of our EV ARC product. We were not expecting this election result until late in '24.

Now we're in the process of transitioning to sales to non-US Federal Government customers and have a vastly expanded product portfolio. This doesn't happen overnight. It is a process, not an event, but we have all the pieces in place, and we're executing on our plan.

And now for more detail on some of the above comments. 2024 was indeed a year of tremendous expansion for Beam Global. It was a year in which we introduced more new sustainable transportation and energy security products in the last quarter than we've done in the last decade. It was also a year in which we expanded geographically into markets with billions of potential new customers for Beam. We completed another acquisition in Serbia, which will make our products less expensive, more effective and harder to compete with.

We won new patents as we continue to build our intellectual property portfolio using our technological differentiation. We won new customers with unique requirements that we believe only we can fulfill.

With these strategic moves and others, we created a platform for growth, which is unlike anything that we've had in the company's history. It is a very good deal that we've taken all these steps over the last couple of years because in the US at least, we are operating in a period of uncertainty and challenge, which is unlike anything that we've seen.

Let's deal with the elephant in the room. We've had an election. It's no secret that the new administration has less than favorable views about electric vehicles, unless, of course, we are talking about the new Tesla which the President just bought. The administration seeks to end the tax incentives for electric vehicle ownership and the provision of low interest loans for auto manufacturers to make electric vehicles. They further want to halt the purchase of electric vehicles by federal agencies and to halt the purchase of electric vehicle charging infrastructure.

Even more perplexing, the administration has instructed the General Services Administration, or GSA, to switch off existing electric vehicle charging stations, which are already paid for by the taxpayer and to find ways to get rid of the electric vehicles they already own. This is perplexing because with the money to buy them already spent expense, savings on electric vehicles are very obvious. We've heard from the GSA that this move will cost tax payers about \$1 billion.

And then, of course, the government will have to buy diesel and gas vehicles to replace all the electric ones they're getting rid of and pay for the fuel and maintenance and other costs associated with these moving forward.

Goodness knows what we'll do in four years. Now I personally don't agree with this move on any level. It's going to be expensive for the taxpayer and I'm one of them. It will do nothing to prevent the inevitable electrification of transportation, but it may put us further behind the Chinese than we already are.

From Beam Global's point of view, the administration's position on electric vehicles has created a new set of challenges for us and a significant impact on our pipeline of US sales opportunities. In the past, federal revenues have accounted for more than 50% of our total. And the pipeline, which we published is full of opportunities from federal buyers that prior to the election, we had very good reason to believe we'd turn into revenues in the fairly short-term. It's important to note that none of these opportunities have gone away, that's to say that material none of these buyers have contacted us and told us that they don't intend to move forward at some point. They remain interested in our products.

However, we have to be realistic. We have to assume that the administration does what it says is that, therefore these federal opportunities, which I'm still certain will happen in the future because as I said, the electrification of transportation is inevitable, may take far longer than we anticipated to come to fruition. I do believe that the federal government will return to being a significant opportunity for us in the future.

In fact, the delays caused by the current administration may have in the long run improve Beam Global's position for the federal government. At some point, they will have to start...restart rather, electrifying their fleets. And the later they leave it, the more urgency they'll have for the installation of EV charging infrastructure. Urgencies are a favorite word because we have the fastest deployed and most scalable EV charging infrastructure solutions available in the world today.

Just one more thought on the new administration. It sounds like we have much more in common with them than many people might think. For over a decade, Beam Global has been espousing secure, inexpensive reliable American Energy. While we do not agree with the drill, baby, and drill mantra or with reversing the great progress that American companies have made with electric vehicles and infrastructure, we do agree with the administration when it comes to sourcing energy locally and ensuring that America is an energy powerhouse moving into the next decade.

I'll be spending time in Washington, D.C. In the coming months, meeting with members of the Trump administration and showing them how Beam Global products, which are made in America, often by veterans, provide excellent energy security and an opportunity to grow onshore US industry.

So, while the Federal Government may not present a good opportunity for EV charging infrastructure at the moment, we do believe that there may be other opportunities with our energy security products once we've had a chance to describe and demonstrate them to the new administration.

It's also really important to point out that though the Federal Government may be slowing down its efforts, there were many states like California, for example, and the 17 states that link their

emission standards to California's, who are doubling down on their electrification of transportation efforts. California is our largest state customer. New York City is our largest municipal customer. Neither of them show any indication of reversing the progress that they've made with EVs.

On the contrary, if anything, we are seeing a return to increased activity from these entities. It is also...pointing out that while the Trump administration may not like electric vehicles, the consumer still does. Contrary to what you might have heard in the media, EV sales are up about 30% in the United States in the beginning of this year.

Cadillac anticipates that fully a third of its sales this year will be electric vehicles. EV sales continue to be a bright spot for many manufacturers and American consumers are showing in droves that they like electric vehicles and they want more and more of them. This will increase demand for the charging infrastructure, and we're seeing some of that increase through a return to sales to non-governmental entities, as well as those efforts, which I already mentioned in places like California, New York.

In the meantime, the rest of the world continues to electrify transportation at pace. Our international expansion moves have given us great opportunities for growth in the largest markets in the world for our products, but they've also created excellent defensive positions for us, as we seek to continue our multiyear trend of growth even though...even if we don't win meaningful sales to the US Federal Government.

Another effect of the new administration policies is the potential impact that tariffs may have on our business. We are consumers of steel, aluminum and copper and have many other parts and components which come from countries which are currently threatened with tariffs or operating under them.

Our products are BABA-compliant, which means that they comply with the Buy America, Build American requirements that certain federal and other government agencies have been buying products. We've historically endeavored to source materials and components from US producers wherever possible. So, achieving BABA compliance did not require significant changes to our manufacturing or purchasing processes. For example, we typically only use US steel to make our products. It is, however, impossible in this day and age to make any complex product with outsourcing at least some components from overseas.

Nevertheless, our historic reliance on US produced raw materials and components opt to reduce the impact of any tariffs on foreign imported items. Unfortunately, we've experienced rises in US produced materials prices, which have already come about as a result of the new tariffs. For example, steel prices have increased in the US as steel manufacturers and vendors react to the new pricing structure faced by importers. This is, of course, to be expected where any global commodities are concerned.

Here again, our moves into Europe are proving to be extremely beneficial for us. Our European operation based in Serbia is not subject to US tariffs, except when we bring components from there to the US. This means that we are able to procure out steel, aluminum and other materials without being subject to any new pricing. Well, I mean, except to the extent that global prices increase because of trade wars. I've mentioned before that we are able to produce our EV ARC product in Serbia less expensively than we can in the United States. This will be even more true in the new tariff environment in which we all have to operate possibly.

However, Beam Global should have excellent protections in place to defend us from increasing costs as we leverage our Serbian operations in the coming months and quarters. We'll be in a very special position of being able to continue to produce our products and sell them to customers in the largest markets in the world without being impacted by the tariffs to the same extent that we would have been had we not made these expansion moves into Europe.

Serbia is on President Trump's tariff list for one of the highest tariff percentage rates, because as it happens, Serbia sells more to the United States than the United States sells to Serbia. However, the absolute numbers are miniscule. So, we believe that it's very likely that in the event that tariff rates are negotiated as has been suggested by the current administration, Serbia will end up in the lowest bracket.

Jared Kushner has real estate development plans in Belgrade and President Trump son recently visited. We view these as good signs that Serbia will receive a receptive audience for reduced or zero tariffs. If that does end up being the case, we'll continue to use our Serbian operations to further reduce our cost of goods sold in the United States, as well as for producing products for all the other new markets we are addressing.

So just to summarize where we are as a result of the new administration. Well, it's true that we expect to see some reduction in federal orders in the coming months and quarters, we believe that our diversification moves have actually put us in an excellent position to continue to grow the company.

While we lost the opportunity to sell EV ARC products to federal entities in the short-term. What we gained, billions of potential new customers in the expanded geographic markets to whom we can sell all of the new products which we've introduced in the last six months. And as I said, we believe that we've not lost the federal sales and that they have simply moved right and will give us opportunities for further growth, perhaps with more urgency when they return.

The transition to these new customers, new markets and new products will inevitably create a certain degree of lumpiness in our order cadence and revenues. We can actually see this as we look at the second half of 2024 when we had a reduction in federal orders in the third and fourth quarters. And though we had impressive increases in enterprise sales, they were not enough to offset the reduction in federal sales during those periods when compared to our historically high 2023 revenues. Q1 of 2025 is being similarly impacted, though we have solid plans in place to mitigate these negative influences throughout the rest of this year.

Our 2024 revenues of approximately \$50 million we are still more than double any full year in our history except for 2023. But remember in 2023, we increased our revenues from \$22 million prior year, to just under \$70 million. Our five years revenue run rate now stands at \$6 million, \$9 million, \$22 million, \$67 million and for 2024, \$50 million. That's a five year CAGR, as I already said of 68%.

2023 was heavily impacted by the single largest order that we've ever received from the US Army. That \$30 million purchase order had to be delivered quickly because the Army needed charging infrastructure at speed, which no one else in the industry can deliver. Had we pushed some of those revenues into 2024, we would not be talking about a decline in revenues today at all. Similarly, and we never received that order, we wouldn't be talking about declining revenue today, because our five year revenues would have been \$6 million, \$9 million, \$22 million, \$30 million and then \$50 million. That might have made a pretty revenue growth chart and paradoxically made us look like more of a growth engine than we do now. But the simple truth



is, from a management point of view, looking at our growth over five years and considering all the new opportunities which we have through our new products and new geographies, we still feel strongly that Beam Global has only continued to enhance our growth potential.

Looking at the composition of our revenues, particularly in the second half of 2024 is also enlightening. We actually received more purchase orders in Q4 than we did in Q4 of 2023 and also more than in Q3 of 2024 when we first started seeing the impact of the potential from the election.

Importantly, our enterprise orders increased by 49% during that time and actually made up 64% of our Q4 orders. This is the first time in a couple of years that enterprise orders have been greater than government orders, which is a testament to our efforts to increase our sales to corporate entities.

Our European operations also contributed meaningfully, about a quarter of our 2024 revenue came from our new European operations. I've said it before, and I continue to believe that Beam Global will actually derive more revenues outside of the United States in the future. And I say that, still firmly believing that we'll continue to see sustained growth when viewed across more than a few quarters.

The lion's share of our revenues in 2024 were still derived through the sale of EV ARC with the majority of those in the United States. In 2025, we expect to see increases in contributions from our new portfolio of products and from the geographies in which we're selling. Put simply, while we've historically been a one country, one product and largely one customer company, we're now truly an international organization with a diverse portfolio of products, all of which appear to...have a great deal of appeal to a far more diverse set of prospective customers. So, the really good news in 2024 revenue numbers is that they demonstrate that Beam Global can create meaningful revenues growing in new sectors, even without material contribution from US government customers.

Two trends are important to note here. The first is our five year CAGR, which is already noted, it's just under 70%. The second perhaps, more important trend is that we've increased sales to non-government customers in the US, and we've increased sales through our European entity. By the way, that's also true of the legacy businesses which we acquired in Europe. Even though our European operations concentrated heavily on setting up the factory facilities to make EV ARCs and also on training their people to sell those products, they were still able to grow the legacy business of selling street lighting and other powered steel infrastructures and smart cities products while they were at it.

Another very important trend to make note of is our improving gross profitability. During the Q3 '24 earnings call, I reported that our unit level gross margins on EV ARCs were running in the 40% to 50% range. That's to say, every time we sell an EV ARC, we retain almost half of the revenue to offset our overhead costs. This is a dramatic and continued improvement. Our full year GAAP gross profits of 15% show again a significant improvement over prior year. And remember, we did higher volumes in the prior year, which means that our fixed overhead allocations were shared amongst a larger unit...number of units, and that we were still able to improve gross margins in 2024.

Adjusted gross margins, improving non-cash contributions and costs came in at about 21.2% or over \$10 million. This gross profit contribution is incredibly important to us because we're getting very close to producing enough of it to cover all of our overheads and generate positive

cash flow. In fact, if we maintain a gross profitability trend of 2024 and do the same revenue in 2025 that we did in 2024, in other words, no growth, then we would generate sufficient gross profit to cover all of our overhead costs. Let me say that again, maintaining our gross profitability trend and replicating 2024 revenue gets us to cash flow.

Now of course, the entire Beam team is working hard to generate growth in 2025, and we believe that we have the tools and opportunities to do that, but it is still useful to know that we now have the business operating at a level where even without growth, we can achieve positive cash flow, possible that the impact of tariffs and other recessionary impacts on the economy could scuttle these plans, but we're not ignoring that prospect. And as I've already mentioned, we're taking advantage of our European expansion and operations in Serbia and in the Middle East and Africa to minimize the risk from those sorts of eventualities taking place in the US.

In 2024, we still had some legacy backlog of EV ARCs, which we did not deliver at the new increased price. We also have not implemented all of the cost savings, which we're now taking advantage of. At the same time, we had several significant onetime uses of cash, mostly related to the acquisitions of both Amiga and Telecom. Now in 2025, materially, all EV ARC sales will be made at the new increased price. Our COGS will be reduced by the cost savings that we've implemented, and we have no further cash outlays related to either of those acquisitions.

So again, even without growth or any further improvement in our gross profit, we are on track to reach positive cash flow this year. Not surprisingly, we're not planning for no growth in revenues, and we're certainly not planning to have no more improvement in our cost structure. Just another example of a vastly superior Beam Global is today to where it was just a couple of years ago before we had all these excellent elements of our evolution, which both reduce risk and drastically improve our opportunities.

The positive cash flow has been assisted by our continued discipline where spending is concerned. During 2024, we held our operating cost study, even with the acquisitions and all the other developments we made. We've historically always operated on a tight cash budget. It is one of our specialties. We continue to have no debt, and our credit facility is still intact and untouched.

We have enough cash and other cash and other contributors to working capital like AR and inventory of completed products, all of which we convert to cash in short periods of time, so that we have sufficient financial resources to continue our operations to that period where we believe that we can be cash flow positive. Of course, at that time, we'll have a whole new universe of opportunities open up to us as the business creates enough free cash to cover overhead and pay our bills.

Our two main areas of focus to create growth in 2025, will be geographic expansion and winning sales for our legacy products, but especially for the new and exciting products that we brought to market in the fourth quarter of 2024. Those new products include BeamSpot, BeamBike, BeamPatrol, BeamWell and BeamScoop, as well as our street lighting, power electronics and energy storage product portfolios.

We've already made the first sale of BeamSpot, and our engineering teams are working to optimize that product for more general rollout this year. Our BeamBike product is a combination of charging infrastructure and electric bicycles, which we deliver in a bundle. This product is an excellent fit for bike sharing programs across cities, resorts and tourist destinations, bike rentals,

and large campuses and even logistics requirements. BeamPatrol's another product bundle, which provides rapidly deployed charging infrastructure and for law enforcement electric motorcycles from our new partner, Zero Motorcycles.

Recently, we were in Austin, Texas at a Speedway for Moto GP, where Zero Motorcycles was offering test rides of their products directly from our BeamPatrol product. It was a fantastic event, lots of dual marketing opportunities and tremendous exposure for both Beam and Zero. Last week, we were at Broadway Pier in San Diego for TEVCON, which is a law enforcement and military trade show where first responders and others who serve are exposed to new technologies, which can improve their missions. Here again, we had BeamPatrol with Zero Motorcycles leverage for law enforcement. The response has been actually fantastic. And again, we've got lots of dual marketing opportunities from this.

BeamWell is our war and disaster zone product, which provides electricity, freshwater and e-mobility. BeamWell is rapidly deployed anywhere that has a requirement for those essential services. The system is already on its way to the Middle East, and I'll be visiting Jordan at the end of April to present a new product to a broad gathering of authorities in the region. It's utterly unique, very timely and creates tremendous value for the people that it serves.

And also, I believe it will for Beam Global, too. We're thrilled to think that this life-saving technology will be in Gaza soon, if it's really permitted and we have reason to believe they will. We also have some interesting ideas and plans to promote BeamScoop, which I'm looking forward to sharing with you through our normal marketing channels in the coming months as it's launched.

As you're thinking about Beam Global's prospects for 2025, you should be aware that the revenue generated from these new products is not the same as we've historically generated from EV ARC alone. Let me give you a rundown. BeamBike when sold as a bundle with a dozen electric bicycles with revenue for over \$100,000. BeamPatrol complete with police electric motorcycles will generate revenue of \$170,000. BeamWell, sales were around \$130,000 and BeamScoop when bundled with electric scooters will sell for a little over \$100,000.

When you consider the average selling price for EV ARC has been around \$70,000, you can perhaps see why we're confident that with this new range of products, particularly with all the new geographies into which we're selling should put us in a position for significant revenue, whether or not we do much US Federal Government for EV ARC business this year.

We've been very busy with the new product development and with geographic expansion because we're still aggressively focused on creating significant growth opportunities for this company, no matter what politics throws at us. But it's not all that new products, we're continuing to aggressively sell the legacy products that we acquired through both acquisitions we made in Serbia, and we are improving upon them.

For example, having been a well-respected manufacturer of street lights for 30 years, because of our excellent engineering capabilities, we're now able to begin the process of integrating sensors, artificial intelligence, machine learning and network effects. So, in the future, we'll be able to offer existing and new customers options where street lighting and other intelligent street furniture is concerned.

They can continue to buy straightforward hardware solutions from us or they can elect to buy more complex and intelligent solutions, which deliver multiple layers of value to them and to their constituents. We intend to offer these product solutions either as capital sales or through finance options and perhaps one I'm most excited about as a service creating meaningful sources of recurring revenue for Beam Global.

The event, which I've just spoken in Bucharest is largely focused on so-called smart city solutions, and I was proud to note that Beam Global's product portfolio solves far more challenges than any other company I saw while I was there. That's probably why we won the innovation award. And it is not just new products that we're able to offer our customers, we've also introduced new business models most notably with the success of our driving on Sunshine sponsorship program with Vinci Airports.

This recurring revenue model is a further new opportunity for Beam Global to create new sales and new recurring revenue stream without having to significantly invest in evolving our business. Earlier this year, I spent a month on a sales tour on the Aegean Coast in Greece with our European sales team. It was an intense tour, seven days a week, breakfast, lunch and dinner meeting with prospective customers like mayors, airports, local governments, EV charging companies, bike-sharing companies and other entities who can gain value from owning our products.

The reaction was overwhelmingly positive everywhere we went. We found customers with the same challenges and the same needs, and we were able to demonstrate to them how our portfolio of products solve for both. I've never actually seen such a high ratio of positive reactions during a series of sales meetings.

Now I'm back in Europe and returning to the Middle East to do it again. I'm convinced that these activities and the activities of our other sales team members will bear fruit. This combination of new and exciting products selling into new and expanded geographies, many of whom have even greater urgency than we find in the United States. It's why I remain confident that we now have greater opportunities for growth than we've ever had in our history.

Our method of selling is changing too. Historically, we've made all of our sales with a small internal sales team. In the second half of 2024, we evolved our selling strategy to include agents, resellers and distributors. In fact, many of the meetings I had during my last European and Middle Eastern tours were set up by our external selling teams. And the same is true of this trip. In fact, at this time, I'll actually spend more time with external selling resources than with our internal teams.

The EV ARCs, I just saw in Romania, were sold by outside sales resources. What this means is that we now have a far expanded sales team. But because these external resources are only compensated when they sell products, we don't have similarly expanded operating costs. This evolution of our selling team goes hand-in-hand with our growth priorities of strategic and product portfolio expansion.

It means that we can take our greatly expanded product portfolio and sell it into greatly expanded geographic opportunities but without having to invest significantly or even at all any expanded operating costs.

In the second half of 2024, we added a new Vice President of Sales in the United States. He comes to us with a career built upon expanding the outside sales teams. He's an expert in the

ARC and he's going to be focused on the majority of his efforts in 2025 on sales force multiplication through the addition of these types of resources.

Similarly, in Europe, we added Igor Labovic, whose experience is very similar. Igor has also spent his professional career holding reselling networks, set for him in Europe. We're also getting significantly increased exposure through the excellent new partnerships that we've signed.

As I just mentioned, our partner in the electric motorcycle arena, Zero Motorcycles is already working with us to expand sales of their products with ours, as we bundle their motorcycles onto our BeamPatrol product. In the last two weeks, we've seen just how much customer prospects love that bundle in both Texas and San Diego.

And our Australian partner, Benzina Zero, who also has headquarters in Italy, is working with us to expand our sales into the Australian market and through representation in Italy. Benzina Zero is our partner for ruggedized scooters for our BeamWell product and also for electric bikes to be integrated onto our BeamBike product for bike sharing programs, resort and tourist town sales and anywhere where people want to operate electric bikes and are challenged by the infrastructure environments like New York City, for example.

Our retail relationships have already resulted in sales of EV ARC products in Romania, where I was earlier today, and Spain and the Middle East, and we're tracking opportunities in the Caribbean, Central and South America and on the African continent.

Never in our history, we had so many opportunities to sell, so many different types of products into so many new markets, all of this without significant investment and while managing our operating costs in the United States. While all of this is going on, our engineering and product development teams are continuing to improve our products and the methods we used to make them. The result of this is that the products are better, while costing less.

Notably, in Europe, we recently received CE certification. This is a huge benefit to us as with the CE mark, our products are now able to be sold across the European Union. The CE Mark also helps in the Middle East and Africa. In the United States, we are making an excellent progress with our updated UL certifications. These UL certifications are mostly important to federal customers. And as such, they become less important to our sales because, as I mentioned earlier, we believe that federal sales will be a less important part of our revenue generation this year.

Nevertheless, the modifications that we are making to the product as we go through the updated UL certification process is, we believe going to result in further significant improvements to our products, while we continue to concentrate on cost reductions.

So, we are moving into the remaining three quarters of 2025 with improved existing products, a vastly expanded product portfolio and even more vastly expanded set of geographic opportunities and with our direct and operating costs firmly under control. We've never had more opportunity for growth, and we remain debt-free and have sufficient financial means to continue to execute on our plan.

The public markets continue to be challenging for Beam Global and in fact, for everybody in our space, just by every other space at the moment. The new administration has created challenges to our sales opportunities but we've actively and aggressively managed our business

such that even in these extraordinary circumstances, we've defended ourselves from the possible downsides associated with these developments, while at the same time creating the greatest opportunity for growth in our history.

Remember, we used to be one product, one country and essentially one customer. We now have a dozen products, operating in 18 nations and addressing countless others where billions of people live and work who can be positively impacted by our products. During the recent all hands on deck meeting, I said to our employees, times are tough, but we are tougher.

That's absolutely true. We're not idle for one moment in 2024, and we won't be in 2025. We took all the steps and that's reasonably available to...for us to continue Beam Global's trajectory to becoming a highly profitable global player in the new energy and transportation industries, which were inevitable as they are massive.

I'm confident that the Beam team will continue this hard work and focus through 2025, which promises to be a seminal year in our history, a year in which we become truly global and in which we create positive cash flow and with it all the opportunities that that milestone enables.

As I said, the markets are tough at the moment. None of us expected to see our share price where it is, none of us expected to see the external pressures that we've experienced and that everybody else has experienced, but we are going to continue to do our job, keep our noses to the grindstone and keep up with this excellent expansion.

That concludes my comments for the moment, and I'll now hand it back to the operator, and I look forward to answering your questions. Operator.

## **QUESTION AND ANSWER**

### **Operator**

Thank you. We will now begin the question and answer session. To ask a question you may press "\*" then "1" on your touchtone phone. If you are using a speakerphone, please pick-up your handset before pressing the keys. If at any time your question has been addressed and you would like to withdraw your question, please press "\*" and then "2." Please stand by as we pause for questions.

And your first question today will come from Tate Sullivan with Maxim Group. Please go ahead.

### **Desmond Wheatley**

Thank you. How are you?

### **Tate Sullivan**

Hi. Hello Desmond. Thanks for having update. Can you review your product introduction timeline in terms of the new products? Do you have prototypes for many of the products, including the streetlight product? And I mean, are you expecting initial sales from many of these products this year? Or could it stretch into '26 as well, please?

### **Desmond Wheatley**

I'm certainly expecting to sell them in 2026 but no, I got to tell you, I think what we...the interest that we're seeing in BeamBike particularly, actually people love BeamBike. Everywhere I go, people love BeamBike. And that was a product that we actually developed to save lives to allow people to charge their bicycles outdoors instead of plugging them into their apartments and

burning themselves to death, when the batteries catch on fire which unfortunately, sometimes do, but we've seen a lot of interest in the US and in Europe for BeamBike. BeamPatrol, I think, has got a lot of potential as well with law enforcement, border patrol and others, both in the US and in Europe. These electric motorcycles are really getting traction with those law enforcement communities. But they just don't want to figure out how to do a charging infrastructure, or can't, so we solve that for them.

BeamSpot, we've already sold. We are making some dramatic improvements to that. That was...that's not to be that surprising. We did that with EV-ARC as well.

And BeamScoop the last one that we haven't really sort of officially done the marketing launch on that, but again, very popular. Well and then BeamWell, we've already sold that. It's on its way to the Middle East now. So, I think we can say we've sold BeamWell. We've sold BeamScoop...BeamSpot rather, and I believe we're going to get a lot of traction with bike and motorcycle products as well.

### **Tate Sullivan**

Thank you. And on BeamWell, the desalination equipment, do you guys...do you work with an outside provider, or you do not do that...or how do you integrate that into your equipment, please?

### **Desmond Wheatley**

That's absolutely right. The desalination has been around for a long time. I had my first experience of it four years ago when I went to sea as a young engineer, on ships. We had turn salt water into fresh water. Of course, there wasn't any other source. So, it's been around for a long time. So, I was very comfortable with it. And when this opportunity came up to create this life-saving product for NGOs in Gaza, I immediately knew what we had to do. And so, yes we've tried and tested technology. We don't have any risk where that's concerned. Our European team has done a fantastic job of integrating desalination plant onto the BeamWell product and also the four ruggedized electric scooters to give the e-mobility to deliver the food and water to those people who badly need it and medical supplies as well, by the way.

So, it's all tried and tested technology. And it's based on our EV ARC platform, so therefore covered by those patents and CE rated. So, we're in a great spot where that's concerned. And as I say, it's...the first is already on its way to the Middle East now, and I'll be there to welcome it, frankly, at the end of April, and we already have a significant array of very interesting parties who will be reviewing that. And then we have one in particular who we're working with to take it into Gaza.

### **Tate Sullivan**

And last for me, please, on recurring revenue. I think I caught your comments on, so it's the sponsorship revenue, and is that most of it now, but then is there also Amiga product maintenance recurring revenue? Or is that going forward on some of the smart city products?

### **Desmond Wheatley**

Yes, we do have some recurring revenue around maintenance, but I'm much more interested in these new models. It's certainly the sponsorship model. As you know, I've talked about that for a long time. It took me a long time to get that done. And I didn't...our Beam European team did it, plus and, but I think where you're going to see us go, Tate, as we are going to increasingly as we add more and more intelligence to the smart cities products, we already have great relationships.

This Romania trip has been fantastic for me. This Congress of Mayors seeing their response to our smart cities products. They want this intelligence. And some of them will want to make capital purchases for it. But even when they do, there's going to be a data...a recurring revenue stream from data. And then I sincerely believe that in the future, we will offer these entire things, hardware, software and data as a service and so create some good recurring revenue.

And by the way, that's the perfect use for our line of credit. We've got fixed price on that. We know how much the money cost. That would be a perfect time to dip into that line of credit to deploy infrastructure, which we can then take a recurring revenue stream. And of course, the simple arithmetic to figure out how to cover the cost of the money and then make a profit on top of that.

**Tate Sullivan**

Thank you Desmond.

**Desmond Wheatley**

Thank you Tate. All the best.

**Operator**

This concludes our question and answer session. I would like to turn the conference back over to Desmond Wheatley for any closing remarks.

## **CONCLUSION**

**Desmond Wheatley**

Well, that was not very many questions. Okay. Great. I must have covered every...everything. Listen, as I said earlier, the markets, the share price, I feel it very, very deeply. I have entire network that wrapped up in this company. I'm impacted just like everybody else's. I could never have imagined that we would find ourselves in the position that we're in right now. But I'm disciplined, and so is the Beam team. We're disciplined to keep on with our jobs and keep doing what we're doing. And as you've heard in my comments, the level of expansion in 2024 within a very disciplined cost structure has been breath-taking.

I'm proud of what the team has done, and I know they're going to continue to do. And I believe in the markets. I believe that this is a cycle, and I believe that as we keep doing what we're doing and to cash flow and profitability, and keep developing great new products and selling it to great customers and expanded geographies, that we will have a fantastically successful company and the markets eventually will reward us for that. I can't guess at what the administration or what politics is going to do over the next couple of years. But even that's a cycle, and it will come to an end. In the meantime, we're going to keep our noses to the grind and you can count on us to work very very hard to maximize the value of this company in every way that's within our control.

And with that, I thank you very much for your time and your attention, and please continue to support us. And if you have any comments or you want to talk to us directly, get in touch with Luke Higgins, who is our internal IR resource. He is ready and waiting for your calls and e-mails. And that goes to just comments about how much information you're receiving from him. I hope you're all receiving a hell of a lot more information than you'd used to from us, and we intend to continue with that. If you don't want to read it, just don't open it. We're going to keep letting you know what we're up to. Okay. Thank you, everybody.



**Operator**

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.