

31 Oct 2019

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

SIGNIFICANT INVESTMENTS TO GROW REVENUE IN FY21-22

Highlights:

- **Significant investments made to launch new products before end of calendar 2019**
- **ZOLEO on track for launch before the new year**
- **Beam invested in new 4G / IoT products to capitalise on 3G network shutdown**
- **Current quarter cash position to benefit from \$1m payment from Iridium**
- **Total undrawn debt facilities of \$2.8m with partially-drawn term loan facility extended to 2021**

Beam Communications Holdings Ltd (ASX: BCC) is pleased to release its quarterly 4C for the three months to 30 September 2019, which saw investments made in relation to the development of a number of new products, sales of which will commence in this quarter.

The new products, which are expected to contribute significantly to revenues over the next 12 to 24 months, and beyond, include global personal messaging device ZOLEO and 4G industrial gateways developed for specific Internet-of-Things (IoT) and Machine-to-Machine (M2M) applications.

The highly affordable and wearable ZOLEO device, which is aimed at several large markets such as rural residents and adventurers, will shortly be available online at SatPhoneShop.com, Amazon, eBay and at select reputable retail chains.

Beam is also close to securing Telstra approval for its MG400 4G gateways, which will open opportunities in the transportation, vehicular and marine markets, particularly as 3G units currently in use have to be upgraded ahead of the shutdown of the 3G network in 2024.

The required investments to develop and market these emerging and innovative products contributed to a decrease in Beam's cash position to \$798,000 at the end of September. The Company is expecting a payment of around \$1 million from Iridium in the current quarter for the August shipment of the Iridium GO! devices.

Furthermore, to optimise our funding flexibility and ensure our commitment to investing for the future, the Company and SGV1 Holdings Limited have agreed to extend the repayment date of Beam's existing term loan finance facility, disclosed in the ASX announcement on 19 October 2016.



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That facility now need not be repaid before 1 January 2021, although we note that there are no restrictions or additional fees payable by Beam upon repayment of that facility before its scheduled termination date.

Including the SGV1 loan, Beam has total undrawn debt facilities of around \$2.8 million.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Capocchi".

Michael Capocchi
Managing Director

For media and investor enquiries please contact:

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About Beam Communications Holdings Limited

Beam Communications Holdings Limited (formerly World Reach Limited) is an Australian publicly-listed company that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment, applications and services. Its products and services are adopted by some of the world's largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat & Thuraya, to fill the global needs of Information Communication & Technology markets. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd www.satphoneshop.com. For more information, visit www.beamcommunications.com.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Beam Communications Holdings Limited

ABN

39 010 568 804

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (including deposits)	2473	2473
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1915)	(1915)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(1154)	(1154)
(f) administration and corporate costs		
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(37)	(37)
1.6 Income taxes paid	(175)	(175)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material) - Rent/GST	(86)	(86)
1.9 Net cash from / (used in) operating activities	(894)	(894)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(19)	(19)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets – product dev. capitalised	(681)	(681)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	3	3
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (details if material) – R&D grant	-	-
2.6 Net cash from / (used in) investing activities	(697)	(697)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares - placement	-	-
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material) – JV Credit Allowance	(143)	(143)
3.10 Net cash from / (used in) financing activities	(143)	(143)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2532	2532
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(894)	(894)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(697)	(697)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(143)	(143)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	798	798

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	798	2532
5.2	Call deposits		
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	798	2532

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

147

CEO remuneration and Non-Executive Directors' fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

359

Payments for subcontract manufactured products and related activities on an arm's length basis

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	770	-
8.2 Credit standby arrangements		
8.3 Other (please specify) – Secured term loan	2960	980
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

AUD overdraft \$300,000 and USD overdraft US\$320,000 (=A\$470,000) with National Australia Bank secured by fixed & floating charge. Arrangements, including a priority deed with NAB, were completed on 15 November 2016 for a secured term loan from shareholder SGV1 Holdings Limited of US\$2,000,000 (=A\$2,960,000) on the terms described in the ASX announcement on 19 October 2016. The term loan can be drawn as required. The Company has reached a formal agreement with SGV1 Holdings Limited to extend the repayment date of the finance facility, disclosed in the ASX announcement on 19 October 2016, from 1 January 2020 to 1 January 2021.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(407)
9.2 Product manufacturing and operating costs	(1901)
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(1100)
9.6 Administration and corporate costs	
9.7 Other (provide details if material)	(100)
9.8 Total estimated cash outflows	(3508)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
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(Company secretary)

Date: 31 October 2019

Print name: Dennis Payne

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.