

21 January 2020

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

INCREASE IN CASH AND LAUNCH OF NEW PRODUCTS IN 2020

Highlights:

- **Cash position in December quarter doubles from September quarter to \$1.6m**
- **Total cash and available debt of \$4.3m**
- **Beam laid the foundations in the latest quarter for launch of new products in 2020**
- **This includes the much-anticipated debut of global messaging device ZOLEO**
- **Significant pipeline of new products to bolster growth from FY2021 onwards**

Beam Communications Holdings Limited (ASX: BCC) is pleased to release its quarterly 4C for the three months to 31 December 2019, recording an increase in operating cashflow and cash holdings over the previous quarter.

The Company's cash position at the end of December 2019 improved to \$1.6 million from \$798,000 at the end of the previous quarter, while it continues to have access to undrawn debt facilities of \$2.7 million.

Beam set the groundwork in the latest quarter for the introduction of several new products in 2020. Last month the Company announced the presales launch of the affordable and highly capable global messaging device, ZOLEO. Commercial deliveries are imminent and a follow up announcement will be made shortly.

Another milestone achieved by the Company in the December quarter was the securing of Telstra's approval for Beam's MG400 4G IoT router. The approval paves the way for the device to be sold Australia-wide ahead of the shutdown of Telstra's 3G network.

Beam was also awarded its seventh order from Iridium Communications Inc (NASDAQ: IRDM) for the Iridium GO! device during the quarter. Beam is anticipating further orders for the Iridium GO! in 2020.

Looking ahead, further growth opportunities for Beam will come from the launch of the next-generation Iridium mobile satellite devices using the Iridium Certus™ 9770 transceiver.

The Company has commenced development of this new range of mobile satellite equipment and these products are anticipated to bolster earnings from FY2021 onwards.

Yours faithfully,



Michael Capocchi
Managing Director



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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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (including deposits)	4407	6880
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2018)	(3933)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(930)	(2084)
(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	(40)	(77)
1.6 Income taxes paid	(3)	(178)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material) - Rent/GST	(60)	(146)
1.9 Net cash from / (used in) operating activities	1356	462
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(23)	(42)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property		
(e) other non-current assets – product dev. capitalised	(540)	(1221)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	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	(563)	(1260)

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	(3)	(146)
3.10 Net cash from / (used in) financing activities	(3)	(146)

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	798	2532
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1356	462
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(563)	(1260)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(146)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	1588	1588

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	1588	798
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)	1588	798

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**

139

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**

727

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	760	-
8.2 Credit standby arrangements		
8.3 Other (please specify) – Secured term loan	2900	970
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\$460,000) 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\$2,900,000) 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	(521)
9.2 Product manufacturing and operating costs	(2938)
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	(4659)

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: 21 January 2020

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.