

24 April 2019

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

STRONG FINANCIAL POSITON AS BEAM PREPARES TO LAUNCH NEW PRODUCTS / APPENDIX 4C

Highlights:

- **Cash flow positive operations with strong customer receipts**
- **Strong financial position and on track to post improved FY19 year-on-year results**
- **Secured new Iridium GO! order and first orders for Indian market in recent months**
- **Multiple growth opportunities beyond FY19 with new product launches**

Beam Communications Holdings Limited (ASX: BCC) is pleased to release its quarterly Appendix 4C and market update for the three months to 31 March 2019.

The Company is cash flow positive and continued to receive strong cash inflows from customer receipts in the quarter. Beam's cash balance increased to \$1.6 million during the period despite ongoing product development costs associated with a range of new products that the Company is preparing to launch in the coming months.

Beam is in a strong financial position and is confident it will post an improved FY19 full year result over the previous year even though, as highlighted in its previous earnings announcement, the second half results are not expected to duplicate its record first half performance, which was bolstered by the fulfillment of the initial Thuraya WE order.

Since January, Beam has secured a new order of 5,000 Iridium GO! devices (taking total orders for the device to 40,000 since 2014) and Beam has also entered the Indian satellite device market with first orders worth US\$250,000 received from equipment reseller Station Satcom.

Additional orders from Iridium and Station Satcom are anticipated in FY20, and the sales growth momentum from 1HFY19 for SatPhone Shop and the current portfolio of Beam-branded devices has extended into the current half.

Beam looks forward to providing further updates to existing and prospective shareholders in due course.

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 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (including deposits)	4698	13,496
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3096)	(8486)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(1038)	(3131)
(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	(55)	(114)
1.6 Income taxes paid	-	(16)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material) - Rent/GST	(61)	(312)
1.9 Net cash from / (used in) operating activities	448	1438
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(35)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property		
(e) other non-current assets – product dev. capitalised	(406)	(1290)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(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	(407)	(1325)

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	-	907
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)		
3.10 Net cash from / (used in) financing activities	-	907

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	1508	529
4.2 Net cash from / (used in) operating activities (item 1.9 above)	448	1438
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(407)	(1325)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	907

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	1549	1549

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	1549	1508
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)	1549	1508

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**

133

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**

1427

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	740	-
8.2 Credit standby arrangements		
8.3 Other (please specify) – Secured term loan	2760	907
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\$440,000) 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\$2,760,000) on the terms described in the ASX announcement on 19 October 2016. The term loan can be drawn as required.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(622)
9.2 Product manufacturing and operating costs	(2259)
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(1050)
9.6 Administration and corporate costs	
9.7 Other (provide details if material)	(100)
9.8 Total estimated cash outflows	(4031)

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:  Date: 24 April 2019
(Company secretary)

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.