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ASX ANNOUNCEMENT

25 November 2020

BEYOND INTERNATIONAL LIMITED (ASX:BYI)

Managing Director's address to 2020 AGM

As stated in the Company's releases to the market between August 2020 and October 2020, management expected Beyond to return to profitability in the 2021 financial year.

It is pleasing to announce that the Group is on target to achieve a net profit before tax for the six months to 31 December 2020 forecast to be in the range of \$1.10 million to \$1.30 million, a significant improvement over the loss before tax of \$3.20 million reported for the corresponding period last year. This forecast assumes that the current economic trends continue.

The following is an update on each segment of the business:-

Television Production

With the acquisition of Seven Studios UK and the remaining 49% of US focused 7Beyond at the start of the 2021 FY, the Company is now a larger international production business with development and production capacity across three major English-speaking markets.

These corporate acquisitions, combined with the existing production business, have resulted in a broader global footprint, cost and management efficiencies, as well the opportunity to co-produce in multiple territories and thereby open the possibility to retain ownership and distribution rights to the programs produced.

As a consequence of Covid-19 the production model of traveling film crews around the world is no longer feasible and local production capacity in Australia, the US and the UK makes Beyond an attractive production partner for broadcast clients. Additionally, Australia is an attractive production base for international broadcasters looking to produce in a relatively safe Covid environment and the ability to access Federal and State production incentives.

More than 80% of budgeted (non-scripted) television production income for the 2021 financial year is now confirmed. Due to the pandemic a number of programs that were scheduled to be produced in the first half of the 2021 FY have been postponed to the second half of the financial year. The Federal Government's Jobkeeper subsidy has assisted the Company in maintaining its existing staff numbers which will enable the Company to proceed with the confirmed productions from January 2021.

The US market remains the largest customer of Beyond's programming with the UK set to increase in importance as a result of the acquisition of Seven Studios (UK) which has been rebranded Beyond Productions.

In addition to factual production (including lifestyle, food, science, kids, crime and automotive) the Company is now expanding its focus to competition reality series, dating formats and quiz shows. As a result, in the first five months of the 2021 FY Beyond has produced a UK version of "Pooch Perfect" for the BBC and the format is also in pre-production for a soon-to-be-announced network in another major territory. Additionally, Beyond has a number of series either in negotiation or development with a range of US broadcasters, including network-funded casting for two dating formats. Many of these series provide the potential for return orders and ongoing production and distribution revenue streams.

The US strategy is focused on emerging VOD services, the Company's traditional cable buyers and increasingly, reality formats for Network television. In addition to established streaming services such as Netflix and Amazon Prime, Beyond is working with newer outlets such as Paramount, Peacock, Disney+ and CBS All Access. We have two series in production for Discovery's soon to launch VOD service, "Discovery+". Beyond continues to lead in innovative content development and has two food series in production for millennially focused interactive service EKO, owned by Walmart.

"Halifax Retribution" completed shooting November 2019 and aired on the Nine Network (Australia) in August 2020 to positive critical response and record-breaking ratings. International marketing of the series has now commenced and a license to

screen the program in the USA has been concluded, with other major markets to follow.

International Sales of Finished Programs (Beyond Rights)

UK based distribution company TCB Media Rights Limited was acquired by the Company in April 2020 and has been integrated into the business with a number of cost synergies achieved which will improve the profitability of the division going forward. The business incurred one-off restructuring costs of \$0.6m which will be recognised in the accounts to 31 December 2020.

Respected industry executive Kate Llewellyn-Jones has been appointed CEO of the combined international rights licensing business (now called Beyond Rights) bringing commercial and strategic expertise to the Company. The management team has been restructured under Kate with new appointments in key operational and sales areas of the business.

Connie Hodson is appointed as Head of Partnerships and Business Development signalling the business strategy to build a strong content pipeline through partnerships, producer relationships and program investment. Simona Argenti heads up the sales team adding to the business strategy of programme financing through her experience of co-financing deals.

In addition, the business has expanded the Contracts and Rights operations into a specialist team headed up by Claire Lowe as well as adding Charlotte Johnson as Finance Director to the management team taking over the financial operations of the distribution business.

Beyond Rights recently launched over 300 new hours of non-scripted and children's programming onto the international market via the virtual MIPCOM television market held during October 2020.

Key new titles announced include Pooch Perfect, Edges Unknown, Curse of Akakor and On The Road. Existing franchises such as Mythbusters and Deadly Women, produced by Beyond, Love It Or List It and Highway Thru Hell continue to be popular with clients.

The pandemic has had a significant impact on the market. Initially broadcasters were negatively impacted by the forced hiatus in production and sporting events however the rapid growth of streaming and the gradual return to production has meant the market has stabilised. Whilst broadcasters are more conservative in the

current Covid environment, preferring to invest in returning series or proven genres, there is a very significant shift in terms of content priorities for SVOD platforms. The streaming platforms are experimenting with new genres and linear channels are using their SVOD platforms to attract a new audience. There is also an anticipation that the slowdown in production this year will impact programming schedules later in 2021 resulting in demand for completed programs.

We are focusing on the opportunity this provides for library sales as well as developing new content for a rapidly evolving market.

It is expected that the Beyond Rights segment will deliver a strong result for the 2021 financial year compared to the 2020 financial year.

Home Entertainment

In the 2020 financial year the Company made the decision to wind down the physical media business (BHE), with a number of write-downs relating to the home entertainment business adversely impacting the financial results for the 2020 financial year.

Existing licences for key brands including A & E, Pokemon, AFL and NRL have been novated or assigned to Regency Media. In addition, Regency will continue to sell our inventory through retailers such as JB HiFi, Sanity and Big W.

It is expected that the home entertainment segment will make a marginal contribution to the overall Group result for FY 2021.

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As a consequence of Covid-19 the business declined in the first 5 months of FY20/21 . The NZ client base is heavily skewed towards tourism (Auckland Airport, Wilderness Motorhomes, House of Travel) and with the continued closure of New Zealand borders, client spend has been significantly curtailed . In Australia many of the clients were in “maintenance mode” and significantly reduced their annual spend.

There is a general misconception that given online purchasing boomed during the Covid period therefore online marketing should have followed. This is not the case because in times where people shift all their activities online, they search for their favourite brands websites and buy direct. The online marketing space that agencies

focus on is generally the non-branded space, helping clients capture category or general product searches. When users know the brand, they are looking for there is little for a search agency to do.

The Outlook for the business therefore depends on user behaviour returning to its pre Covid methodologies.

This slowdown in the Australian and New Zealand markets will likely see the division underperform against the corresponding six- month period last year.

Group personnel

With the corporate acquisitions across production and distribution, Group personnel numbers have grown during the past few months. We have been impressed with the creativity and resilience of our management and staff, most of whom have been working from home in one of our Sydney, Brisbane, Auckland, London, Los Angeles and Dublin office locations.

The Beyond teams have created efficient and effective new systems and processes and innovative ways of keeping in touch with each other and their respective clients. The Company has also launched an internal newsletter to share news and bring the business divisions even closer together. The Group's continued success during this pandemic period is of credit to the talented and entrepreneurial people that it employs across the world.

Conclusion

Covid-19 will continue to pose risks to the full year result, particularly with the surge in reported cases in Europe and the US and decisions by Governments to impose lockdowns. It is therefore not possible to give further guidance at this time on the results for the full 2021 financial year.

The Company will work to build on the solid foundation for the production and rights licensing businesses that have been laid during the first six months of the 2021 financial year with the goal of returning to profitability for the full financial year.

Thank You.

This announcement has been authorised for release to ASX by the Board of Beyond International Limited.

This announcement is made pursuant to Listing Rule 3.1.

All enquiries should be directed to:

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