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ASX ANNOUNCEMENT

06 February 2020

BEYOND INTERNATIONAL LIMITED (ASX: BYI)

TRADING UPDATE

Beyond International Limited provides the following update to its projected financial result for the six months ending 31 December 2019.

Management is expecting to report a decline in both operational EBITDA and EBIT before impairments for the six months ending 31 December 2019 compared to that reported for the prior corresponding period. The EBITDA is expected to be in the range of \$0.7m to \$0.9m compared with \$3.1m reported in the prior year, and EBIT is expected to be negative in the range of \$1.2m to \$1.5m compared with a profit of \$0.3m reported in the prior corresponding period. After impairment charges of \$1.9m relating to goodwill associated with the Home Entertainment division, EBIT will be negative in the range of \$3.1m to \$3.3m.

The Home Entertainment market continues its decline and Beyond's Home Entertainment division is expected to report a loss of around \$0.5m compared to a loss of \$0.2m for the six months to 31 December 2018. It is expected that the market will continue to decline across 2020. As a result of this, the decision has been made to impair the carrying value of goodwill of \$1.9m associated with the business.

The digital marketing division saw its voice activated search activity impacted by a slowing of spend from its retail clients in the last quarter of 2019. It is expected that the division will report a loss of \$0.2m against a profit of \$0.4m for the corresponding period to 31 December 2018.

The Distribution division is expected to report a negative contribution of \$0.4m compared to the slight profit of \$21k reported in the six months to 31 December 2018. The division suffered from delays in the production of new series of key franchise programming including Highway Thru Hell and Heavy Rescue. Sales of these titles will now occur in the second half of the 2020 financial year.

The Production division is expected to report a profit of \$2.4m against a profit of \$2.5m reported in the prior corresponding period. The result for Production was also impacted by delays in production of the eleventh series of My Lottery Dream Home for 7Beyond.

It is expected that the Production and Distribution divisions will improve on their current trading positions across the second half of the 2020 financial year. In addition, Management have instituted a program to reduce the fixed overheads of the Group to accelerate the return to profitability.

It is not currently possible to give guidance on net profit after tax due to the complex and multi-jurisdictional nature of the Group's businesses in determining income tax expense for the year.

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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