

To COMPANY ANNOUNCEMENTS

Company ASX

Date 28 February 2020

From Paul Wylie

Subject: **APPENDIX 4D**

BY ELECTRONIC LODGEMENT

Please see attached for Beyond International Limited (ASX-BYI) for the 6 months ended 31 December 2019:

- (a) Appendix 4D – Half Yearly Report to 31 December 2019
- (b) Review of Operations
- (c) Directors Report
- (d) Financial Statements including Auditors Review Report

The functional currency is Australian dollars.

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

Rules 4.1, 4.3
Appendix 4D

Half Yearly Report

Introduced 1/1/2003.

Name of Entity	Beyond International Limited
ACN	003 174 409
Half Year Interim Financial Report	31 DECEMBER 2019
Previous Corresponding Reporting Period	31 DECEMBER 2018

Results for Announcement to the Market

	\$000's	Percentage increase /(decrease) over previous corresponding period
Revenues from ordinary activities	44,725	down 5.1%
Loss from ordinary activities after tax attributable to members	(3,454)	N/A
Net Loss for the period attributable to members	(3,454)	N/A
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	N/A
Interim Dividend	Nil	N/A
Previous corresponding period	Nil	N/A
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer attached release cover sheet		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset per security excluding right to use assets	\$0.28	\$0.37

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit from ordinary activities since the date in the current period on which control was acquired	N/A
Profit from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities

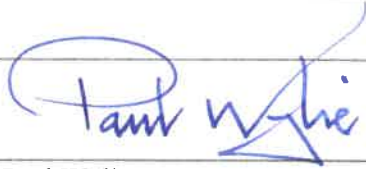
Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period
7Beyond Media Rights Ltd	49.02%	50%	\$45k	\$495k
Aggregate Share of Net Profits/(Losses)			\$45k	\$495k
Melodia Limited	33.33%	33.33%	\$-	\$-
Melodia (Australia) Pty Ltd	33.33%	33.33%	\$-	\$-
GB Media, Inc	10%	10%	\$-	\$-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	Paul Wylie
Date	28 February 2020

BEYOND INTERNATIONAL LIMITED
PROFIT AND LOSS FOR THE SIX MONTHS TO DECEMBER 31 2019

	SIX MONTHS TO DECEMBER 2019 \$,000	SIX MONTHS TO DECEMBER 2018 \$,000	Variance - Fav/(Unfav)	
			\$,000	%
Operating Revenue	44,725	47,148	(2,423)	(5.1%)
Expenses	(43,468)	(44,258)	789	1.8%
EBITDA	1,257	2,890	(1,634)	(56.5%)
Depreciation, Amortisation and Impairment	(4,147)	(2,915)	(1,232)	(42.3%)
EBIT	(2,890)	(25)	(2,865)	NMF
Net Interest Expense	(264)	(381)	117	30.7%
(Loss)/Profit Before Tax	(3,154)	(406)	(2,748)	NMF
Tax Expense	39	(45)	84	NMF
(Loss)/Profit After Tax	(3,115)	(451)	(2,664)	NMF
Minority Interests	(339)	(60)	(279)	NMF
(Loss)/Profit After Tax attributable to members	(3,455)	(512)	(2,943)	NMF
Additional Information				
EPS (cents per share)	(5.63)	(0.83)	(4.80)	NMF
Dividends per Share (cents)	-	-	-	-
NTA (cents per share) excluding right to use assets	27.7	36.70	(9.0)	(24.5%)

NMF – Not a meaningful figure

**FINANCIAL PERFORMANCE FOR THE SIX MONTHS TO 31ST DECEMBER 2019
 COMPARED TO THE PRIOR CORRESPONDING PERIOD**

- Operating Revenue for the six months decreased by 5.1% to \$44,725,000
- Operating expenses have decreased by 1.8% to \$43,468,000
- A positive EBITDA of \$1,257,000, being \$1,634,000 less than the corresponding period last year
- A negative EBIT for the period of \$2,890,000, being \$2,865,000 less than the corresponding period last year. This result included the impairment of 100% of the carrying value of goodwill in the Home Entertainment business unit of \$1,922,000. Underlying EBIT was negative \$968,000
- The Company reported a net loss of \$3,455,000 after tax and minority interests compared to a net loss of \$511,000 for the corresponding period last year
- Net cash outflows from operating activities for the six months was \$2,148,000. This compares to the prior corresponding period where cash from operations was \$2,165,000.

- After investing in new distribution advances for programming supplied by third party producers, program development costs, lease payments and the net draw down of borrowings, net cash decreased by \$2,471,000 to \$2,701,000 from 30 June 2019 to 31 December 2019; and
- As at the date of this report, the Company has a line of credit facility of \$4,000,000 with St George Bank to fund Australian Tax Production Rebates with a balance drawn of \$596,000 at 31 December 2019.

REVIEW OF OPERATIONS FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2019

Revenues decreased by \$2,423,000 or 5.1% to that reported for the prior corresponding period.

Operating Expenses excluding depreciation, amortisation and impairment, decreased by \$789,000 or 1.8% compared to the period ending 31 December 2018.

Explanation in relation to movement in revenues and expenses is included in the commentary on each operating business later in this report.

Consolidated EBITDA for the six months was \$1,257,000 compared with EBITDA of \$2,890,000 for the corresponding period ended 31 December 2018.

Consolidated EBIT reported for the six months was negative \$2,890,000 compared with negative EBIT of \$25,000 for the six months to 31 December 2018. The loss for the current six months was impacted by the impairment of \$1,922,000 of goodwill in the Home Entertainment segment. Excluding the impairment, EBIT would have been negative \$968,000.

No dividend has been proposed or paid during the period ended 31 December 2019.

During the six months, the Group's four operating segments and subsidiaries had mixed trading results. Following is an analysis of the performance of those segments and subsidiaries.

REVIEW OF OPERATIONS BY SEGMENT FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2019

	31 Dec 2019 \$,000	31 Dec 2018 \$,000	Variance \$,000	Variance %
Revenue				
Productions & Copyright	26,926	26,449	477	1.8%
Distribution	10,188	10,167	21	0.2%
Home Entertainment	3,756	5,527	(1,771)	(32.0%)
Digital Marketing	3,855	4,641	(785)	(16.9%)
Other Revenue	-	365	(365)	(100.0%)
Total Revenue	44,725	47,148	(2,423)	(5.1%)
Operating EBITDA:				
Productions & Copyright	3,312	2,609	702	26.9%
7Beyond Joint Venture	45	495	(450)	(90.9%)
Distribution	(176)	(22)	(154)	NMF
Home Entertainment	270	953	(683)	(71.6%)
Digital Marketing	(52)	546	(598)	NMF
Corporate	(2,274)	(2,062)	(212)	(10.3%)
Foreign Exchange (Loss) / Gain	131	371	(240)	(64.6%)
Operating EBITDA	1,257	2,891	(1,634)	(56.5%)
Operating EBIT (before non-operating and non recurring items):				
Productions & Copyright	2,410	1,985	425	21.4%
7Beyond Joint Venture	45	495	(450)	(90.9%)
Distribution	(276)	(158)	(118)	(74.9%)
Home Entertainment	(221)	(417)	195	46.9%
Digital Marketing	(183)	409	(592)	NMF
Corporate	(2,874)	(2,711)	(163)	(6.0%)
Foreign Exchange (Loss) / Gain	131	371	(240)	(64.6%)
Operating EBIT (before non-operating and non recurring items):	(968)	(25)	(943)	NMF
Non Operating or Non Recurring Items:				
Home Entertainment	(1,922)	-	(1,922)	-
EBIT	(2,890)	(25)	(2,865)	NMF

NMF – Not a meaningful figure

1. Television Productions and Copyright

Segment revenue increased by \$561,000 to \$27,009,000 (2.1%) compared to the prior corresponding six-month period.

Segment revenue growth was a result of higher copyright revenues in the six months to 31 December 2019 compared to the prior corresponding period.

US broadcast commissions during the period include *Deadly Women* series 14 for Investigation Discovery, *White Heat Down Under* for Discovery and *The Invisibles* for National Geographic.

Australian commissioned programmes in production during the six months include season 13 of *Selling Houses Australia*, a third series of *Love It Or List It Australia* for Foxtel, *Dumbotz* for the Nine Network, *Halifax Retribution* for the Nine Network and *Backburning*, a documentary on Midnight Oil, for the ABC.

Copyright revenues in the period included a non-refundable advance against future music publishing revenues and continuing sales of completed series of *Deadly Women* and *Mythbusters* by Beyond Distribution.

This resulted in a segment EBITDA of \$3,312,000 (2018: \$2,609,000) and EBIT of \$2,410,000 (2018: \$1,985,000) – an increase of 21.4% over the previous corresponding period.

The result for 7Beyond was a profit of \$90,000 against a corresponding prior year profit of \$990,000. The decline was due to delays in commencing new series of *My Lottery Dream Home* for HGTV and catch up post-production tax rebates for *My Lottery Dream Home* included in the results to 31 December 2018. Beyond's share of the equity accounted profits was \$45,000 for the current year and \$495,000 for the prior corresponding period.

The 7Beyond joint venture had *My Lottery Dream Home* commissioned for a further two seasons bringing the total to ten series. HGTV has also commissioned an international version of *My Lottery Dream Home*. Food Network commissioned a second season of *Holiday Gingerbread Showdown*, *Ultimate Cookie Special* and *Tiny Food Championship* during the current six month period.

2. Distribution TV

Revenue at \$10,188,000 was in line with the corresponding period last year.

The revenue contribution of product sourced from third party producers increased to 78% of total revenue compared to 75% for the corresponding period last year with sales of internally produced product reducing from 25% of total revenue to 22%.

EBITDA for the six months to 31 December 2019 was negative \$176,000, comparing unfavourably to the negative prior corresponding period of \$22,000.

Period EBIT fell to a loss of \$276,000 compared to a loss of \$158,000 in the corresponding period in 2018.

Total sales for programs produced by the Group in the current reporting period was \$1,927,000 compared to \$2,071,000 in the prior year, with *Mythbusters* and *Deadly Women* continuing to sell well.

Successful programs acquired from third parties include *Highway Thru Hell*, *Love It or List It*, *Heavy Rescue* and *Fatal Vows*.

Product focus continues to be factual series, documentaries, family and children's programs as there is a steady demand for these genres from niche broadcasters throughout the world.

3. Home Entertainment Subsidiary (BHE)

Revenue in the subsidiary declined by 32% to \$3,756,000 (2018: \$5,527,000) compared to the corresponding six-month period.

The subsidiary reported an operating loss of \$221,000 (2018: loss of \$417,000, including a prior period adjustment of \$184,000). EBITDA for the division was \$270,000 (2018: \$953,000). Total depreciation and amortisation for the six months to 31 December 2019 was \$492,000 compared to \$1,370,000 for the prior corresponding six-month period.

In the six-months ending 31 December 2019, the total physical DVD market in Australia contracted 25%. As a result of the continuing decline in the physical DVD market, the Directors took the decision to write-off goodwill in the Home Entertainment business unit of \$1,922,000.

Consumers continue to embrace video streaming services, in the period under review Disney+ launched in Australia and Netflix was integrated into the Foxtel platform.

Retail trading conditions continue to deteriorate adversely affecting the performance of BHE. Factors in the retail environment that have affected BHE include -

- Aggressive product discounting by BHE's retail customers fully funded by BHE.
- A reduction in the number of storefronts retailing physical media.

Management are focused on reducing operating costs and inventory levels in the segment.

4. Digital Marketing Subsidiary

In the six months to 31 December 2019 Beyond D revenues were \$3,855,000, 16.9% down on the previous corresponding period of \$4,641,000.

EBITDA for the six months to 31 December 2019 was negative \$52,000 compared to positive \$546,000 for the prior corresponding period. The segment profit for the 6 months declined to a loss of \$183,000 against a profit of \$409,000 for the corresponding period in 2018.

Beyond D's results saw significant impact from the slowing of the retail economy that occurred in both Australia and New Zealand. This had an impact both on traditional search marketing services where clients cut back substantially on previous spends and also client capital investment in new technologies such as voice activated search was not taken up in line with expectations. There was also a slower than expected uptake in voice search in the USA.

5. Corporate

Corporate revenues reduced by \$339,000 due to a one-off item booked in the prior corresponding period. Corporate costs reduced by 5.8% or \$176,000 against the prior reporting period.

FOREIGN EXCHANGE – IMPACT ON RESULTS

There continued to be volatility in the currency markets during the reporting period, with the Australian dollar ranging from a high of \$0.7013 to a low of \$0.672 against the US dollar. This volatility is reflected in the different business segments in the 2018 and 2019 reporting periods that have international exposure.

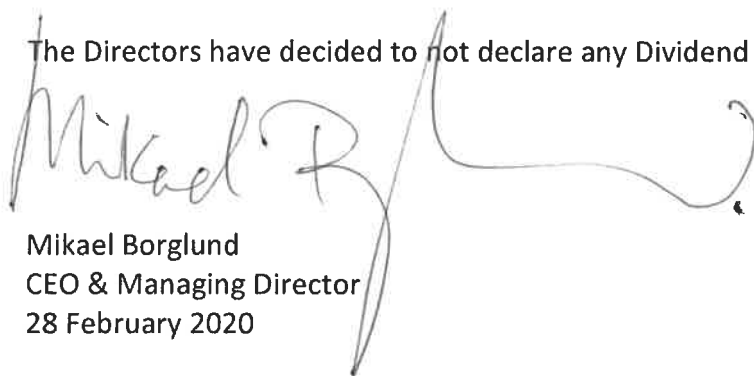
The total foreign exchange gain for the six-month period is \$131,351 (2018: gain \$371,453). This gain is allocated to the operating segments as follows:

Item	Segment	Dec-19	Dec-18	Movement	
		\$	\$	\$	%
Realised gain / (loss)	Distribution / TV	80,546	-	80,546	-
Unrealised gain / (loss)	Distribution / TV	21,463	28,594	(7,131)	25%
Realised (loss)/gain	Production	(51,695)	-	(51,695)	-
Unrealised gain / (loss)	Production	33,013	(11,948)	44,961	376%
Realised gain / (loss)	Other	20,970	7,523	13,447	(179%)
Unrealised gain / (loss)	Other	27,054	347,284	(320,230)	92%
Total FX Gain/(loss)		131,351	371,453	(240,102)	(65%)

* The Australian dollar expense component of US dollar denominated production contracts are hedged when the contracts are entered.

DIVIDEND

The Directors have decided to not declare any Dividend during the period.



Mikael Borglund
CEO & Managing Director
28 February 2020

ABOUT BEYOND

Beyond International Limited (ASX:BYI) is a leading international producer and distributor of television and digital content and is one of the largest independent distributors of home entertainment product in Australia. The Company is headquartered in Sydney and listed on the Australian Securities Exchange.

Beyond has produced over five thousand hours of television programs for broadcast internationally including Mythbusters, Taboo, Selling Houses Australia, Deadly Women and Halifax Retribution. The company has production offices in Sydney, San Francisco and Los Angeles and produces programs for Australian, US and International broadcasters.

Beyond's international distribution business markets an extensive program catalogue sourced from third party producers and internal production. This business unit is headquartered in Dublin, with sale offices in London and Sydney.

The Home Entertainment operation focuses on digital and DVD distribution and has an extensive catalogue of product, which is distributed throughout Australia and New Zealand.

The Digital Marketing business performs online search optimisation, website creation, development and performance and online media sales within Australia and New Zealand.

This announcement is made pursuant to Listing Rule 4.1 & 3.1.

All enquiries should be directed to:

Mr Mikael Borglund. Managing Director, Beyond International Limited
Telephone 02 9437 2000 or email investor_relations@beyond.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2019.

Directors

The names of directors who held office during or since the end of the half-year:

Ian Ingram – Non-Executive Chairman
Mikael Borglund – Managing Director
Ian Robertson – Non-Executive Director
Anthony Lee – Non-Executive Director

Review of Operations

Revenue for the six months decreased by 5.1% to \$44,725,000.

A negative EBIT of \$2,890,000 was delivered for the six months compared to negative EBIT of \$25,000 in the corresponding reporting period last year. After interest of \$264,000, a tax benefit in the current period of \$39,000 and minority interests of \$339,000, the net loss after tax and minority interests was \$3,455,000 compared to a net loss after tax in the corresponding period last year of \$511,000.

In the six-months ending 31 December 2019, the total physical DVD market in Australia contracted 25%. As a result of the continuing decline in the physical DVD market, the Directors took the decision to write-off goodwill in the Home Entertainment business unit of \$1,922,000.

Prior period earnings were reduced by \$184,000 to that reported previously due to an accounting error identified in the current financial year.

Earnings per share were negative at 5.63 cents compared to a negative 0.83 cents last period.

Net cash flows from operating activities declined by \$4,313,000 to negative \$2,148,000 compared to the previous corresponding period.

After investing in new 3rd party distribution advances, production development, lease payments and loan repayments and drawdowns, net cash decreased by \$2,471,000 to \$2,701,000 from 30 June 2019 to 31 December 2019.

As at the date of this report, the Company has a line of credit facility for \$4,000,000 with St. George Bank and \$596,000 of this has been utilised to fund investment in programme production that attracts the producer offset and post, digital and visual effects offset.

Television Production and Copyright

Television production and Copyright revenue increased by \$561,000 compared to the prior corresponding period. This included an increase in Copyright income of \$1,000,000 compared to the corresponding six-month period.

EBIT for the segment is \$2,410,000 compared to EBIT of \$1,985,000 in the 2018 period.

TV and Film Distribution (Beyond Distribution)

Revenue increased slightly to \$10,188,000 compared to the corresponding period to December 2018 of \$10,167,000.

The operating loss for the segment is \$276,000 compared to a loss of \$158,000 in the 2018 period.

Home Entertainment Subsidiary (BHE)

BHE operating revenue decreased by 32% to \$3,756,000 compared to the corresponding six-month period. EBITDA was \$270,000 for the six months compared to \$953,000 for the six months to 31 December 2018. Operating EBIT (excluding impairment expenses) was a loss of \$221,000 compared to a loss of \$417,000 for the corresponding period last year.

Note that the prior year result for BHE has been negatively impacted by a prior period adjustment relating to an accounting error identified in the current financial year of \$184,000.

In the six-months ending 31 December 2019, the total physical DVD market in Australia contracted 25%. As a result of the continuing decline in the physical DVD market, the Directors took the decision to write-off goodwill in the Home Entertainment business unit of \$1,922,000.

Digital Marketing Subsidiary (Beyond D)

Revenue has decreased by \$785,000, or 16.9%, to \$3,855,000 compared to \$4,641,000 in the 2018 period.

The segment reported loss of \$183,000, compared to the profit of \$409,000 reported for the corresponding period last year.

Dividends

The Directors have decided not to declare any Interim Dividend.

Rounding of Amounts

The amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in the Financial/Director's Reports) Instruments 2016/191. The Company is an entity which the Legislative Instrument applies.

Auditors

We have received a declaration from the auditor, BDO, of their independence, which is attached to this Directors' Report.

The report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Mikael Borglund', with a stylized flourish at the end.

Mikael Borglund
CEO & Managing Director

Dated: 28 February 2020

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor for the review of Beyond International Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beyond International Limited and the entities it controlled during the period.



Martin Coyle
Partner

BDO East Coast Partnership

Sydney, 28 February 2020

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Consolidated Entity	
	31 Dec 2019 \$000's	Restated * 31 Dec 2018 \$000's
Revenue from continuing operations	44,725	47,148
Other income	242	491
Share of profits of joint ventures and investments in associates accounted for using the equity method	45	495
	<hr/>	<hr/>
Royalty expense	5,533	6,736
Production costs	23,622	22,741
Home entertainment direct costs	2,537	3,487
Digital marketing direct costs	2,905	2,893
Administration costs	1,359	1,978
Employee benefits expense	7,664	7,258
Finance costs	265	396
Provisions	125	137
Depreciation, amortisation, impairment and write-down of content assets expense	4,147	2,915
Loss on disposal of property, plant and equipment	11	-
	<hr/>	<hr/>
Loss before income tax	(3,154)	(407)
Income tax benefit/(expense)	39	(45)
	<hr/>	<hr/>
Loss after income tax for the period	(3,115)	(451)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	-	6
Other comprehensive income for the period, net of tax	-	6
	<hr/>	<hr/>
Total comprehensive income for the period	(3,115)	(445)
Loss is attributable to:		
Owners of Beyond International Limited	(3,454)	(511)
Non-controlling interest	339	60
	<hr/>	<hr/>
	(3,115)	(451)
Total comprehensive income for the period is attributable to:		
Owners of Beyond International Limited	(3,454)	(505)
Non-controlling interest	339	60
	<hr/>	<hr/>
	(3,115)	(445)
Earnings per share attributable to the owners of Beyond International Limited	Cents	Cents
Basic and diluted loss per share	(5.63)	(0.83)
Dividends per share	-	-

* refer note 3 for details regarding the restatement as a result of an error.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Consolidated Entity Restated *	
		31 Dec 2019 \$000's	30 Jun 2019 \$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,701	5,172
Trade and other receivables		26,922	22,817
Current tax receivables		821	506
Inventories		3,004	2,959
Other current assets	5	12,146	11,757
TOTAL CURRENT ASSETS		45,594	43,211
NON-CURRENT ASSETS			
Trade and other receivables		837	3,338
Investments accounted for using the equity method		858	814
Property plant and equipment		1,581	1,677
Right-of-use assets		5,213	6,026
Intangible assets	6	2,678	4,600
Deferred tax assets		345	174
Other non-current assets	5	11,090	7,826
TOTAL NON-CURRENT ASSETS		22,602	24,455
TOTAL ASSETS		68,196	67,666
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		6,594	6,403
Employee benefits		3,941	3,749
Current tax liabilities		257	328
Other financial liabilities		7,266	2,058
Lease liabilities		1,440	1,571
Other current liabilities	7	16,808	18,688
Borrowings		871	67
TOTAL CURRENT LIABILITIES		37,177	32,865
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,373	1,336
Employee benefits		148	227
Lease liabilities		4,111	4,724
Other non-current liabilities	7	508	521
TOTAL NON-CURRENT LIABILITIES		6,140	6,808
TOTAL LIABILITIES		43,317	39,673
NET ASSETS		24,878	27,994
EQUITY			
Issued capital		34,018	34,018
Reserves		257	257
Accumulated losses		(9,718)	(6,316)
Non-controlling interests		322	34
TOTAL EQUITY		24,878	27,994

* refer note 3 for details regarding the restatement as a result of an error.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 01 July 2019 (Reported)	34,018	257	(6,187)	28,088	34	28,122
Correction of error, net of tax	-	-	(129)	(129)	-	(129)
Balance at 01 July 2019 (Restated)	34,018	257	(6,315)	27,959	34	27,993
Loss for the period	-	-	(3,454)	(3,454)	339	(3,115)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(3,454)	(3,454)	339	(3,115)
Transactions with owners in their capacity as owners:						
Minority interest offset losses transferred on cessation of operations	-	-	52	52	(52)	-
Balance at 31 December 2019	34,018	257	(9,717)	24,557	322	24,878
Balance at 01 July 2018 (Reported)	34,018	331	(3,095)	31,253	(334)	30,919
Adjustment on initial application of AASB 16, net of tax	-	-	(112)	(112)	-	(112)
Balance at 01 July 2018 (Restated)	34,018	331	(3,208)	31,141	(334)	30,807
Loss for the period	-	-	(511)	(511)	60	(451)
Other comprehensive income for the period, net of tax	-	6	-	6	-	6
Total comprehensive income for the period	-	6	(511)	(504)	60	(445)
Balance at 31 December 2018	34,018	337	(3,719)	30,636	(274)	30,362

* refer note 3 for details regarding the restatement as a result of an error.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Consolidated Entity	
	31 Dec 2019	31 Dec 2018
	\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	43,519	50,934
Payments to suppliers and employees (inclusive of GST)	(44,897)	(48,037)
Interest received	-	15
Finance costs paid	(265)	(396)
Income tax paid (net of refunds)	(505)	(351)
Net cash (used in)/provided by operating activities	(2,148)	2,165
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(291)	(354)
Investment in productions	(3,910)	-
Prepaid royalties	(64)	(422)
Prepaid royalties recouped	185	616
Proceeds from disposal of property, plant and equipment	4	27
Investments in development projects	(141)	(1,039)
Net cash flows provided by/(used in) investing activities	(4,217)	(1,172)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	940	557
Repayment of borrowings	(136)	(948)
Proceeds from production financing	3,910	-
Lease principal repayments	(821)	(811)
Net cash flows provided by/(used in) financing activities	3,893	(1,203)
Net decrease in cash held	(2,471)	(210)
Cash and cash equivalents at the beginning of the financial period	5,172	7,256
Cash and cash equivalents at the end of the financial period	2,701	7,047

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 1: CORPORATE INFORMATION

The financial report of Beyond International Limited and its controlled entities for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 28 February 2020.

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

NOTE 2: BASIS OF PREPARATION

The half-year financial report has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards, including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirement, as appropriate for-profit oriented entities.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, it is recommended that the half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Beyond International Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Except for the change in significant accounting policies below, the same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in the Financial/Director's Reports) Instruments 2016/191. The Company is an entity which the Legislative Instrument applies.

Changes in significant accounting policies

The Group has adopted Interpretation AASB 23 Uncertainty over income tax treatments for the first time in the current year. Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- Determine whether uncertain tax positions are assessed separately or as a group, and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

- If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

- If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Management regularly review the transactions with other Beyond related entities and engage tax specialists where required to assess the appropriate tax treatment. Whilst some judgement is required, management are not currently aware of any uncertain tax treatment that would result in a material liability at the reporting date. Additionally, the Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of interpretations of tax law and prior experience.

Significant changes in the current reporting period

The market conditions in the Home Entertainment business over the last 6 months have deteriorated considerably. As a consequence, it is managements view that the recoverability of goodwill was lower than the carrying amount and an impairment loss of \$1,922,000 was recognised in the period. Refer to note 6.

Overview of operations

For the period ended 31 December 2019, the Group recorded EBTIDA of \$1,257,000 (2018: 2,890,000), with a loss after tax for the period of \$3,115,000 (2018: 451,000). Despite the losses incurred, the Group had cash reserves of \$2,701,000 as at 31 December 2019 (2018: \$7,047,000), and as disclosed in Note 10, the Group has successfully renegotiated its borrowing facilities subsequent to the reporting date.

Reclassification of comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Distribution guarantees have been reclassified in the statement of cash flows to form part of operating activities to reflect their nature of being bought and sold in the ordinary course of business. In the prior year these were classified as investing activities.

A reclassification of the prior period production revenue and production costs figures has been processed in the current period financial statements in order to more accurately reflect the classification of revenue and costs in respect of management fees.

The reclassifications above had no impact on the reported results or the financial position of the group.

**BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 3: BASIS OF PREPARATION

Correction of error in calculating provision

During the year, Beyond Home Entertainment discovered a computational error in calculating the provision for producers share payable. The error resulted in an understatement of Beyond Home Entertainment direct costs recognised in 2019 and a corresponding understatement in the producers share payable and deferred tax liability.

The error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

	31 Dec 2018 \$000's	Movement \$000's	Restated 31 Dec 2018 \$000's
Statement of profit and loss (extract)			
Home entertainment direct costs	3,303	184	3,487
Loss before income tax	<u>(222)</u>	184	<u>(407)</u>
Income tax benefit/(expense)	(100)	(55)	(45)
Profit/(loss) after income tax for the period	<u>(322)</u>	129	<u>(451)</u>
Balance sheet (extract)			
Producer share payable	10,308	184	10,492
Other current liabilities	18,504	184	18,688
Deferred tax liabilities	1,391	(55)	1,336
Net assets	<u>27,865</u>	129	<u>27,994</u>
Accumulated losses	(6,186)	(129)	(6,316)
Total equity			

**BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 4: Dividends paid

No dividend was paid in relation to half year ended 31 December 2019 (30 June 2019: no dividend was paid).

	31 Dec 2019	Restated *
	\$000's	30 Jun 2019
		\$000's

NOTE 5: Other assets

Current

Capitalised development costs	3,712	3,324
Less: deferred revenue	(1,477)	(1,583)
	<u>2,235</u>	<u>1,741</u>
Distribution advances	8,115	7,925
Write down of distribution advances	(4,428)	(4,428)
	<u>3,687</u>	<u>3,497</u>
Prepaid royalties	2,563	2,987
Capitalised production costs	2,417	2,300
Prepayments	1,244	1,232
	<u>3,661</u>	<u>3,532</u>
	<u>12,146</u>	<u>11,757</u>

Non-current

Investments in Production and 3rd party copyright	5,213	1,299
Capitalised production costs	5,877	6,527
	<u>11,090</u>	<u>7,826</u>

During the period the Group invested \$3,910,000 into the production of Halifax Retribution which is expected to be recovered through future international sales.

NOTE 6: Intangible assets

Goodwill	5,250	5,250
Accumulated amortisation and impairment	(2,572)	(650)
	<u>2,678</u>	<u>4,600</u>

During the period, an impairment charge of \$1,922,000 (31 December 2018: \$ nil) has been applied as the carrying amount of goodwill exceeded its recoverable amount for the Beyond Home Entertainment business. As at 31 December 2019 the carrying amount of goodwill for the Beyond Home Entertainment Business is \$nil (30 June 2019: \$1,922,000).

**BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	31 Dec 2019 \$000's	Restated * 30 Jun 2019 \$000's
NOTE 7: Other liabilities		
Current (unsecured)		
Deferred revenue	4,811	8,069
GST payable	110	49
Producer share payable	11,807	10,492
Other	80	79
	16,808	18,688
Non-current (unsecured)		
Producer share payable	508	521
	508	521

* refer note 3 for details regarding the restatement as a result of an error.

NOTE 8: Financial assets and liabilities

As at 31 December 2019, the Group had no financial assets or liabilities held at fair value (30 June 2019: \$ nil). The carrying amount of current trade receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Fair values of financial instruments not measured at fair value

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values as at 31 December 2019:

	Carrying Amount \$'000	Fair Value \$'000
NON-CURRENT ASSETS		
Trade and other receivables	838	788
	838	788
NON-CURRENT LIABILITIES		
Other non-current liabilities	508	478
	508	478

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current receivables and current trade and other payables are assumed to approximate their fair value. A discount rate of 6.23% has been applied to all non-current trade and other receivables and other non-current liabilities to determine fair value.

NOTE 9: Contingent assets and liabilities

There has been no change in contingent assets and liabilities since the last annual reporting date.

**BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

NOTE 10: Subsequent Events

The Group has renegotiated its borrowing facility, with the main changes being a further increase in the overdraft facility to \$3,000,000 from \$2,001,000 and a reduction in the bill acceptance facility to \$4,000,000 from \$6,000,000.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the group's operations, the result of those operations, or the Group's state of affairs in future periods.

NOTE 11: Segment Information

Management, as the chief operating decision maker, has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following four operating divisions:

TV Production and Copyright

Production of television programming and ownership of television product copyright.

Film and Television Distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution in Australia and New Zealand of DVDs

Digital Marketing

Online search optimisation, website creation, development and performance and online media sales within Australia and New Zealand.

Unallocated Corporate Expense

Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development. None of these activities constitute a separately reportable business segment.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

NOTE 11 - Segment information (Cont'd)

	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Restated * Consolidation	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
REVENUE												
External revenues excluding fx, interest	26,926	26,449	10,188	10,167	3,756	5,527	3,855	4,641	-	365	44,725	47,148
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other segments	4,040	2,684	-	-	-	-	-	-	(4,040)	(2,684)	-	-
Total revenue	30,966	29,132	10,188	10,167	3,756	5,527	3,855	4,641	(4,040)	(2,319)	44,725	47,148
Result before fx, interest and depreciation, amortisation and write-down	3,312	2,609	(176)	(22)	270	953	(52)	546	(2,229)	(1,567)	1,125	2,519
Depreciation, amortisation and write-down of content assets	(902)	(624)	(100)	(135)	(492)	(1,370)	(131)	(137)	(600)	(649)	(2,225)	(2,915)
Impairment of assets	-	-	-	-	(1,922)	-	-	-	-	-	(1,922)	-
Result before interest & fx	2,410	1,985	(276)	(158)	(2,143)	(417)	(183)	409	(2,829)	(2,216)	(3,021)	(396)
Net interest expense	-	-	-	-	-	-	-	-	-	-	(264)	(381)
Foreign exchange gain	-	-	-	-	-	-	-	-	-	-	131	371
Loss before income tax	-	-	-	-	-	-	-	-	-	-	(3,154)	(407)
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-	39	(45)
Loss after income tax	-	-	-	-	-	-	-	-	-	-	(3,115)	(451)
Non-controlling interest portion of the loss	-	-	-	-	-	-	-	-	-	-	(339)	(60)
Loss for the year	-	-	-	-	-	-	-	-	-	-	(3,455)	(511)

* refer note 3 for details regarding the restatement as a result of an error.

	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	31 Dec 2019	31-Dec-18	31 Dec 2019	31-Dec-18	31 Dec 2019	31-Dec-18	31 Dec 2019	31-Dec-18	31 Dec 2019	31-Dec-18	31 Dec 2019	31-Dec-18
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Geographical Regions												
Australia	19,475	11,579	1,552	1,784	3,767	5,502	2,126	2,662	(3,107)	(2,319)	23,812	19,208
North America	10,483	16,441	2,556	3,069	-	-	-	-	(850)	-	12,189	19,511
Europe	1,008	1,112	5,533	4,269	-	-	-	-	(83)	-	6,459	5,381
Rest of World	-	-	547	1,044	(11)	25	1,729	1,979	-	-	2,265	3,048
Total	30,966	29,132	10,188	10,167	3,756	5,527	3,855	4,641	(4,040)	(2,319)	44,725	47,148
Timing of Revenue Recognition												
Goods transferred at a point in time	-	-	10,188	10,167	3,756	5,527	-	-	-	-	13,944	15,694
Services transferred over time	30,966	29,132	-	-	-	-	3,855	4,641	(4,040)	(2,319)	30,781	31,454
Total	30,966	29,132	10,188	10,167	3,756	5,527	3,855	4,641	(4,040)	(2,319)	44,725	47,148

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Beyond International Limited, we state that:

In the opinion of the directors:

- (a) the accompanying financial statements and notes of the consolidated entity as set out on pages 16 to 26 are in accordance with the Corporations Act 2001 and;
 - (i) give a true and fair view of the financial position at 31 December 2019 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Mikael Borglund', with a stylized flourish at the end.

Mikael Borglund
Managing Director

28 February 2020
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Beyond International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Beyond International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards



and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Martin Coyle', written over a faint, larger 'BDO' logo.

Martin Coyle
Partner

Sydney, 28 February 2020