
DECEMBER 2020 QUARTERLY REPORT

HIGHLIGHTS

The Board of TV2U International Limited (TV2U or Company) is pleased to provide the following update for the quarter ended 31st December 2020:

- NextGen Sports 360 - eSports demonstrated as functioning module
- TV2Africa reviewing costs for content migration
- JEE Group working on new business and marketing strategy.
- TV2U recognizes revenue for channel and transcoding service
- TV2U technology being used in trial for the Nigerian Professional Football League

Key Agreements and Business Opportunities

AEMG

During the December quarter AEMG transitioned from their Akamai CDN to the newly integrated service from Orange.

TV2U continued to support AEMG during this transition and completed everything that was required from a technical perspective. However, since the Orange CDN is a new service and installation, all of the content that was created and uploaded to the previous CDN will need to be migrated so that it works with the new Orange URL structure.

TV2U has provided AEMG with a cost for this additional work which will take 5 days to complete, it will cover the TV2U team obtaining the raw media files from archive, re-transcoding them and making them available using the Orange CDN. The costs are currently being reviewed by the AEMG team, if they are approved TV2U will schedule the work appropriately

Discussions are still progressing in relation to the deployment of the STB application across AEMG's chosen STB units.

JEE GROUP

JEE Group have been reviewing their overall business strategy over the past 6 months, this has been required due to the impact of the COVID-19 pandemic.

The TV2U team have been liaising with the JEE team so that they understand what is required to move the platform forward. JEE are preparing a business and marketing document that will detail how they will market the platform internationally, obtain fresh content on a regular basis and ensure that costs are covered for the management of the platform.

The TV2U team eagerly await delivery of their planned approach for delivering the PersistTV platform to the millions of Farsi speakers around the globe.

ESPORTS

During the quarter the TV2U team has made substantial headway in the development of the NextGen Sports 360 eSports module.

The service is now being demonstrated as a functioning module to potential clients, which allows them to see the full extent of the fan engagement potential. TV2U are now in discussions to deploy the eSports module for a newly formed tournament, due to commence in April of this year.

TV2U will update the market appropriately as the discussions progress

PGASCOM

TV2U continues to support PGASCOM by searching for operators and content partners that would suit their service offering. However, extended limitations due to COVID-19 continue to remain in place which is disrupting progress. TV2U continues to remain observant of the global situation and relevant restrictions by country to ensure the most efficient possible route of approach.

TV2U are continuously updating all relevant source codes and integrations to ensure minimum possible delay upon launch.

Expenditure & Activities

A summary of expenditure & activities during the quarter:

Project	R& D Spend	AWS Hosting Cost	Activities performed
AEMG	-	\$3,200	There was no substantive activity during the quarter
JEE GROUP	-	\$3,880	There was no substantive activity during the quarter
ESPORTS and NPFL	\$99,000	\$13,271	<ul style="list-style-type: none"> - Production deployment for NPFL -API, Design improvement -Celebrities API Implementation - Created APIs for Sports Data - Created SDP as per the requirements - Updated SDP to handle rewards (vouchers & coupons) (in-progress) - Updated SDP to handle Loyalty points (in-progress) - Updated SDP to handle Merchandizing (in-progress) - Created Web app as per the design - Created Android app as per the design - Created iOS app as per the design

TV2U's IP Portfolio	\$38,000	5,649	Setup of Hybrid account for bulk encoding Web & Mobile Translation from Mockups Sports Data & Tenants Structural changes & merging Remaining screens for mobile Prototype Conversion of already existing APIs to serverless architecture for improved performance and scalability Mentoring & Coaching team as required to nurture latest tech learning culture to keep team up to date
PGASCOM	-	-	There was no substantive activity during the quarter
UNIVERSITY OF VICTORIA	-	-	There was no substantive activity during the quarter
INDOSAT	-	-	There was no substantive activity during the quarter
SOLETELECOM	-	-	There was no substantive activity during the quarter
	\$137,000	\$26,000	

CONTENT DISTRIBUTION - NIGERIA

During this quarter TV2U has been aggregating content to supply to service providers in Nigeria, we have been given approval to on-sell over 20 live channels and 1000 hours of video on demand (VoD) content.

These assets exist as raw media files for VoD, and access to live channel feeds, which can be placed on to any OTT platform with live channel capabilities, details of the channels, content and providers are below:

VoD Libraries

- **Row 9 Digital (Manjaro)** – This allows us to on-sell the content to service providers in Nigeria at a cost to us of \$0.03 per active subscriber, TV2U will charge a minimum of \$0.05 per active subscriber.
- **Echelon Studios Inc.** – This allows us to on-sell the content to service providers in Nigeria at a cost to us of \$0.03 per active subscriber, TV2U will charge a minimum of \$0.05 per active subscriber.

Live Channels

Channel Owner	Channel Name
Mega Max Media	Duck TV
TV IQ	TV IQ
Gands Entertainment	Sports TV Plus Fight TV Plus Celebrity Scene TV Camera Smile TV Travel & Food TV Race Central TV My Jam Music Network
Euro News	EuroNews Africa News
30A TV	Investment Pitch Answers That Count Channel

	Style City Music Channel Sidewalks Celebrity News 30A.TV Fishing Channel Georgia Hollywood Review Channel Nothing Scripted Beach Real Estate Show Lionel Nation LOOMERED TV
R2TV	R2TV

We have also utilized cloud transcoding service ‘Benchmark Broadcast Systems PTE Ltd.’ which allows us to not only provide live channels as content, but to also effectively deliver the streams for our clients, which increases the potential profitability of the service.

Currently we have one client that is using the live channel and transcoding service (NextTV Africa) and we are delighted to announce that this has generated \$29,025 in revenue this quarter and will continue to do so in the coming months.

An announcement on this agreement has been delayed while we finalize commercial terms on the OTT platform, a full announcement will be released to the market upon signing.

NIGERIAN PROFESSIONAL FOOTBALL LEAGUE (NPFL)

During the quarter TALICO have been discussing commercial terms with the associated partners of the Media Rights holders to the Nigerian Professional Football League. These discussions have been to explore the possibility of utilizing TV2U’s OTT and fan engagement technology to stream all future seasons of the NPFL. This would include the 2020/21 season that kicked off on Sunday the 27th of December, after the previous season was abandoned back in March 2020 due to the outbreak of the COVID-19 pandemic.

TV2U are excited to also be able to announce that as part of these commercial discussions we have been given the opportunity to showcase our technology on a trial that will allow fans of the game to watch the live streams on their devices anywhere in the world for FREE until the 31st of March 2021.

The platform and applications contain information on the 20 clubs competing in the season along with news articles, match reports, match catchup, upcoming fixture dates and the all-important results and table positions.

The trial has already seen several live games streamed successfully over the platform and applications to audiences in 104 countries including Nigeria, United Kingdom, Canada, Germany, Italy, Poland, USA and many more, highlighting the global appeal of the Nigerian Professional Football League.

These live games were streamed over NPFL.TV, whilst simultaneously being shown via DStv (Digital Satellite Television) and NTA (Nigerian Television Authority) Nigeria’s main free to air broadcaster.

NTA and DStv are broadcasting these matches without license fee to promote the Nigerian Professional Football League. Estimated broadcast viewing figures for the games shown so far are 15m. After the 20th January 2021 the NPFL matches will only be available live and on demand via the NPFL.TV OTT service.

Users can explore the platform by visiting www.npfl.tv or by downloading the Android app from the Google Play store.

This has not previously been officially announced as commercial terms have not yet been agreed. TV2U included information in the September quarterly activity report when we were discussing the opportunity with Redstrike Media Nigeria. This has now progressed so that we are able to showcase the platform during the trial, once this trial is over and the commercial terms have been agreed with the media rights holders TV2U will make a full official announcement to the market.

TV2U's IP Portfolio

This quarter TV2U's R&D team have developed several new features, integrations and modules on the IVAN-X, IVAN-MV and NextGen Sports 360 platforms, a brief overview is listed below:

NextGen Sports 360 Football Module

The football module within the platform houses everything required to deliver all content and engagement around a league and/or season, TV2U continued to evolve many of its components:

- WOWZA setup for Live event & recording
- Separate Akamai account setup and configuration
- Livestream listing improvements on Match Schedule module.
- Bulk Encoding Setup and Transcoding of recorded media
- Platform Performance Audit and Improvements Implementation in API, Web, Mobile Apps & Monitoring, QA
- Platform and storages security improvements
- Gallery Module major overhaul for thumbnail resize & crop
- Gallery Module updates and actual pics
- Updates in Club module and input of clubs and teams
- Club Profile improvements actual data
- Image Collections with actual data
- VOD Recording & Catchup with actual matches now available in system.
- Sports News Module Implementation
- News Categories Module Implementation
- Points Table auto update implementation
- Match Report Integration on SDP, Web & Mobile Apps
- Free Livestream implementation
- Single Match Purchase and subscription purchase
- Videos/Catch-up item purchase mechanism & package purchase.
- Archived items section to get catchup Matches, Games or items that have been in catchup.
- Trial Package activation allowed from any network and location worldwide
- Flutter Wave Payment Gateway Integration
- PayPal Gateway Integration (In-Progress)
- Notification Broadcast workflow changes & improvements for Live Match stats
- Casting App Improvements
- Multi Season Handling
- Multi Season Schedule
- Multi Season Points Table
- Multi Season Supports Video

Re-Structuring

- Knowledge Transfer
- R&D on serverless and microservices architecture & databases to improve scalability and efficiency of IVAN-X / MV
- Conversion of already existing APIs to serverless architecture for improved performance and scalability

CORPORATE

Cash & Finances

At the end of the quarter TV2U's cash position was \$192,000.

The Company has incurred the following expenditures in relation to its activities for the December quarter.

- research and development - \$137,000 which was for improvements to current platform functionality through updates to Web, iOS and Android applications and preparing prototypes for the projects under negotiations.
- product manufacturing and operating costs - \$26,000 relating to cloud services.

Payments totaling approximately \$118,000 were made to related parties of the Company, as shown in the Appendix 4C. These payments related to director and consulting fees payable to non-executive directors.

These fees were paid to the following directors:

	Descriptions	Amount
Hannah Ward	Consulting and Director Fees	\$29,374
Nick Fitzgerald	Consulting Fees	\$82,500
Arshad Muhammad	Director Fees	\$6,000
		\$117,874

Annual General Meeting

The 2020 AGM was held on 29 January 2021 and all resolutions were passed by the requisite majority

This quarterly report has been authorised by the Board of TV2U International Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TV2U INTERNATIONAL LIMITED

ABN

73 110 184 355

Quarter ended ("current quarter")

31 December 2020

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	24	24
1.2 Payments for		
(a) research and development	(137)	(272)
(b) product manufacturing and operating costs	(26)	(50)
(c) advertising and marketing	-	-
(d) staff costs	(248)	(505)
(e) administration and corporate costs	(145)	(323)
(f) legal cost	(16)	(2,294)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(548)	(3,420)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings (Unsecured, interest free loan provided by director B Silvey.)	-	-
3.6	Repayment of borrowings (To Bret Silvey for Unsecured, interest free loan)	-	-
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	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	740	3,612
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(548)	(3,420)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	192	192

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	192	740
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)	192	740

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
118
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties and their associates:

All transactions involving related parties and associates were on normal commercial terms.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Share Purchase agreement)	7,200	1,595
7.4 Total financing facilities	7,200	1,595

7.5 **Unused financing facilities available at quarter end** **5,605**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Share Purchase Agreement is with Lind Asset Management XIII, LLC, whereby Lind may make, each month a pre-payment for shares in the Company of between A\$100,000 and A\$300,000. At the end of each month the amount pre-paid will be re-paid by issuing shares at a price equal to, and at the election of Lind, either 90% of the average of three daily VWAP's per Share, selected by Lind in its sole discretion during the twenty trading days prior to the share issue date or 130% of the average of the daily VWAP's per Company Share, during the twenty trading days prior to the execution date of the agreement. (Refer ASX Announcement 23 January 2019).

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(548)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	192
8.3 Unused finance facilities available at quarter end (Item 7.5)	5,605
8.4 Total available funding (Item 8.2 + Item 8.3)	5,797
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)*	10.6
* Includes one off legal settlement so 8.5 is calculated as (Item 8.4 divided by \$250k being average quarterly operating cash outflow)	

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 12 February 2021

Authorised by: The Board of TV2U Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.