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## TV2U –BRAZIL OTT UPDATE

TV2U International Limited (TV2U) (ASX:TV2) provides the following update on its OTT business.

### HIGHLIGHTS:

- **LOI WITH SLIM PACK**
- **CCSTV PREMIUM CONTENT CEASES**
- **SUCCESSFUL OTT SEMINAR IN BRAZIL**
- **MOU WITH WIRELINK**

### LOI WITH SLIM PACK

The TV2U Group is pleased to announce it has signed a Letter of Intent with a view to acquire the Brazilian content acquisition company 'SLIM PACK ENTRETENIMENTO DIGITAL LTDA' (SLIM PACK). The acquisition is subject to formal contracts being signed and normal due diligence. It is expected that the Due Diligence will include confirmation of access to premium content in Brazil and should be completed within 3 months.

*Chairman & CEO of TV2U Nick Fitzgerald stated, "I'm excited to share with our shareholders and followers that TV2U has, through its Brazilian subsidiary commenced negotiations to acquire SLIM PACK."*



**SIGNING OF LETTER OF INTENT**

*This arrangement brings together a world leading technology in TV2U's OTT cloud platform and newly formed SLIM PACK a content acquisition company with both OTT content and broadcast license rights for Brazil, who is currently finalising negotiations to acquire further Premium Content.*

*This acquisition will strengthen our position in Brazil as the first independent OTT broadcaster and also gives TV2U a massive opportunity to extend premium content license rights not only in LATAM but also globally without the need to rely on expensive third-party content acquisition partners."*

SLIM PACK founder Mr. Newton Suzuki is a director at Grupo Bandeirantes de Comunicação's 'Band TV' Brazil's fourth largest Broadcaster. Mr. Suzuki is an industry veteran and will take a position as a Director of TV2U's Brazilian entity.

SLIM PACK is an asset that will reduce operational costs, expand, TV2U's opportunities in the LATAM region, the total addressable market and it is an asset that aligns with TV2U's core business and overall sense of purpose. Both companies are in pursuit of a common mission centered on empowering consumers to watch personalized affordable content at a time and place they want to watch it. This combination will make it

possible to acquire, organize and deliver content to a global audience, in turn, new opportunities will be created for monetization through individual subscriptions and targeted advertising. TV2U has, as part of the agreement, negotiated for SLIM PACK to provide immediate access to its content for OTT streaming in Brazil (including the Premium Content which the studios have granted immediate access to) for trial purposes while the content licence rights are concluded, which is expected to occur by the end of February 2018.

### **CCSTV CEASES TO SUPPLY PREMIUM CONTENT**

This acquisition coincides with change of the agreement with CCSTV who will still be on-selling TV2U's OTT services, but will no longer be our content supplier. This in part is due to regulations that do not allow for Cable Operators to automatically extend content license rights to OTT services in Brazil. Hence with immediate effect TV2U has ceased to stream content from CCSTV and temporarily suspended the application on Android devices in Brazil. Switching over our head-end to receive the new content will cause some disruption to our service. This switchover is expected to take no more than 10 days. TV2U will continue to stream the 80 Free to Air Television Channels plus 45 Radio Channels to all IOS devices with the Premium Content and added when the switchover is complete.

As a result of, the terms of the agreement with SLIM PACK and in accordance with the legal requirements of the content owners all future content and applications will be geo-blocked outside of Brazil which includes the Play Store and Apple Store.

These arrangements with Slim Pack do not affect the current arrangement with SOL Telecom and Linkfort as previously announced. A full marketing campaign of service, is scheduled to start mid-March and will be a combination of Digital, Television, Radio and Print promotions and advertising. This campaign will also be supported by our content partners through a number of promotional offers – the market will be kept up to date on the promotional activities.

*Mr. Suzuki commented, "This coming together of both our companies combines the best technology with 30 years of broadcast content acquisition knowledge. Our know-how stems from a deep understanding of what our customer wants and a solid relationship with content owners with a proven track record in generating revenue within a competitive broadcast market. With TV2U's technology and business model delivering a personalized affordable viewing experience we are about to disrupt the industry in Brazil, LATAM, if not globally. This was made more apparent to me from the audience's participation at TV2U's recent seminar in which I was a keynote speaker".*

### **OTT SEMINAR IN SAO PAULO, BRAZIL**

TV2U conducted a seminar in Sao Paulo on 26 January 2018, attended by representatives of all its current partners as well as approximately 20 Brazilian ISP's, to update the market on TV2U's technology and content offering as well as the future technology roadmap.

*"The Seminar was extremely successful, exceeding all expectations. All attendees (ISPs) expressed interest to enter agreements with TV2U for the provision of OTT managed services and we are now in the process of negotiating further commercial agreements"* commented Daniel Oda TV2U's Head of Operations, Brazil.

### **MEMORANDUM OF UNDERSTANDING (MOU) WIRELINK**

After the completion of the above seminar TV2U signed a MOU with Fortel Fortaleza Telecomunicacoes Ltda – (WIRELINK) as a master distributor of TV2U's OTT services for the region of North & North East Brazil.

This strategic alliance will provide TV2U with a footprint covering most of the Northern region of Brazil via some 1,000 internet service providers connected via Wirelink's backbone with over 17,000km of fiber network. A summary of the Terms of the MOU is included in Schedule 1. The Parties anticipated that definitive documents will be completed within 90 days.

Wirelink has been working for more than 15 years in the construction of telecommunication networks for large Brazilian operators investing in technology, backbone, fiber optics and network management systems. This investment ensures their customers always have the best communication experience from Telephony, Internet, Private Link, Data Center or Special Projects. This strategic alliance with TV2U enables Wirelink to add OTT video to its existing services that Wirelink will be able to distribute via its 1,000 ISP customer base to the consumer in the home.

*Nick Fitzgerald stated “Wirelink are a key partner in targeting what we believe is an addressable market of some 20m households that have broadband but do not have access to cable television or cannot afford the prohibitive cost of cable television. Working with Wirelink and their distribution network of more than 1,000 ISPs and 300,000 consumers our aim is to bring affordable personalized high-quality content to the home”.*

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## ABOUT TV2U

TV2U is a global complete entertainment platform that enables businesses, such as telecommunications companies, to quickly and easily offer streaming content to their customers. The service includes access to movies, television programs, karaoke content and games through an encrypted channel for enhanced copyright protection. TV2U also offers unique real-time viewership analytics to enable businesses to send highly targeted advertising to end users to maximise their revenue streams. TV2U is changing the face of online entertainment and advertising.

TV2U provides a complete “White Labelled” TV and Entertainment Managed Service from the Cloud, lowering the barriers of market entry and operator risk by reducing the need for high upfront capital investment or big-ticket operational overheads. Our modular SaaS (Software as a Solution) integrates seamlessly into an existing operator’s platform and workflow bringing management, security, control and delivery efficiency over any network to any device.

TV2U provides a personalized customer viewing experience whilst maximizing operator revenue through real-time intelligence. TV2U delivers a personalized individual viewing experience, by delivering content to a consumer based on their viewing. TV2U maximizes revenue by delivering personalized targeted advertising based on a geography, demographic or an individual.

Advertising can be dynamically stitched into a live stream or for on-demand inserted pre and post content. TV2U’s analytical platform is immediate, individual, interactive, intelligent and influential.

TV2U providing a cloud managed service that attracts, wins and retains customers, through the use of disruptive personalized managed campaigns. The TV2U platform provides a set of software tools that empower its clients to proactively drive revenue generation while reducing churn rates by maintaining existing customer retention.

TV2U’s cutting-edge real-time analytical tool provides mission critical behavioral consumer data essential for the growth and profitability of digital content providers. Real-time analytics for live and on-demand video provide data required to understand how, when, & where your content is seen and shared by viewers.

TV2U’s analytics help operators understand the behaviour of their customers and provides answers such as:

- What keeps viewers engaged and watching content?
- Are viewers losing interest in content and when? and
- What content are users sharing?

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## INVESTOR ENQUIRIES:

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## SCHEDULE 1

### TERMS OF MEMORANDUM OF UNDERSTANDING WITH WIRELINK

- WIRELINK agrees to grant TV2U the contractual right to provide the technology platform for the delivery of the OTT (live and on-demand) content to consumers as per terms to be agreed in the Definitive Agreements;
- TV2U will provide a license of the technology to deliver OTT Services to consumers on terms to be agreed in the Definitive Agreements;
- TV2U will negotiate International and Hollywood content rights (if required) on behalf of WIRELINK for the region of North Coast on terms to be agreed in the Definitive Agreements;
- WIRELINK targeted minimum monthly paying subscriber numbers will be 60,000 (sixty thousand) in the first year of operations as agreed in the Definitive Agreements;
- WIRELINK and TV2U will use their best efforts and provide the necessary resources to work on the Term Sheet agreement for completion by the February 14<sup>th</sup>, 2018;
- TV2U's appointment under this MOU and in respect of the OTT interactive premium national and international television managed service and alternative entertainment content offerings is exclusive for the region of North Coast and WIRELINK shall not, during the period of this MOU, appoint or agree to appoint any other party to provide the same or similar services in the Brazilian market.
- The status of the Parties shall be as independent contractors, and nothing herein contained shall be construed as creating an employment relationship or a partnership.
- The Parties understand and agree that neither Party shall create any obligation, either express or implied, on behalf of the other, except as expressly authorized by this MOU without the prior written consent of the other Party.
- The Parties understand and agree that neither party shall be responsible for the acts or omissions of the other party or of the other party's employees or agents or representatives.
- The "Parties" agree to work exclusively together on this project and that they will not make any contact with, deal, or otherwise be involved in any transaction with any corporations, companies, or individuals, in respect to this project without the specific written instruction or permission of the other Party.