



International Limited ACN 110 184 355

91 High Street

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ASX ANNOUNCEMENT

31 July 2019

QUARTERLY REPORT

Period Ended 30 June 2019

HIGHLIGHTS

The Board of TV2U International Limited (**TV2U** or the **Company**) is pleased to provide the following update for the quarter ended 30 June 2019:

- Commercial launch of PERSIS TV by JEE Group
- Completion of acquisition of Talico's IP portfolio
- Successful placement of new listed options, raising \$350,000

Nick Fitzgerald, CEO of TV2U, advised: "The Board and management have continued to work hard during Q2 2019 to support existing projects, as well as continuing to build new relationships such as the binding heads of agreement just announced with JAY PLUS AG. We are very excited about this new project, under which TV2U will be JAY PLUS's exclusive technology partner in its plan to move sports content rights into the OTT delivery and fan experience market."

Key agreements and business opportunities

During the quarter, the Company made announcements in relation to the following key agreements and business opportunities:

PERSIS TV

In May, the Company announced that Phase One of the full commercial launch of PERSIS TV was deployed. PERSIS TV is a new global direct-to-consumer OTT streaming service that is being delivered with the JEE Group, in association with JEE's affiliated partner Fafnir GmbH. A JEE Group-backed marketing plan to promote Persis TV was scheduled to begin during Phase One of the commercial launch.

PERSIS TV features local language movies and TV shows primarily targeted at the five million Iranian nationals currently living overseas, but will also target the estimated addressable market of twelve million Farsi speaking people across the globe. The JEE Group will monetize PERSIS TV through a combination of TVOD, AVOD and SVOD, taking advantage of TV2U's advanced data analytics and targeted advertising capabilities.

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Customers will pay a monthly subscription fee to access all content on the platform. The basic subscription package available in Phase One will cost €10 per month, with an initial discount of 40% bringing the cost down to €6. The JEE Group is targeting 350,000 total subscribers within the first year of operation, supported by its international media and advertising efforts raising awareness for the new service. Revenue from AVOD and other targeted advertising will be in addition to base subscription fees. This will be distributed between JEE and TV2U on a 50/50 split from all revenue access points.

ACQUISITION OF TALICO'S INTELLECTUAL PROPERTY PORTFOLIO

In June, the Company announced that it had signed a definitive agreement to acquire the intellectual property portfolio of Talico Technologies Pte Limited (**Talico**).

The transaction is structured as TV2U acquiring Talico's IoT and OTT intellectual property, as well as all IoT-focused commercial projects currently undertaken by Talico. As a result, TV2U's business model will become split between IoT consultancy and IoT/OTT platform delivery as well as resell opportunities for the full technology stack now under its control. The Company is also in a position to become a technology enabler for IoT players, including its existing customer base. This acquisition will bolster TV2U's incremental revenue generating capabilities without incurring additional R&D costs or overhead outlays.

The Company further announced that, as this material change is anticipated to bring new short-term revenues to the Company, the \$2.5 million capital raise outlined in the previous announcement pertaining to this acquisition (see 29 January 2019 update for more information) is no longer required. Notwithstanding, certain articles of the definitive agreement may be subject to future shareholder approval.

SPORTS CONTENT

Post quarter-end, the Company announced earlier today that it had entered into a binding Heads of Agreement with Swiss registered company JAY PLUS AG, a company created by the directors of Ecotonian for the acquisition of sports content rights.

Ecotonian is an established multi-national sports promotion and management company. It is intended that JAY PLUS will become the vehicle for Ecotonian and a consortium of its partners to move sports content rights into the OTT delivery and fan experience market.

The Heads of Agreement engages TV2U as the exclusive technology partner of JAY PLUS, providing TV2U's over-the-top delivery technology, products, solutions, and services, and utilizing a new sport-focused iVAN-X solution. Under the agreement, all future JAY PLUS and/or affiliated entity clients will be streaming via TV2U's technology platforms and services. This Heads of Agreement has been

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structured as an overarching master contract that will cover future commercial agreements and projects under the same terms and conditions.

In addition, the Company updated the market during the quarter in respect of the following projects:

INDOSAT OOREDOO

Indosat's B2B division has commenced its sales campaign, attracting new clients to the platform. Indosat and TV2U are now setting out the commercial terms for onboarding new customers. At the same time, both companies are continuing to work to progress the retail marketing campaign.

PGASCOM

As part of PGASCOM's soft launch, user acceptance testing for the service was signed-off and completed. However, the commercial roll out was delayed by PGASCOM in part due to the Indonesian government elections. PGASCOM recognises OTT as a strategic channel for its future growth, and therefore wants to ensure it has a robust content library and marketing plan in place ahead of the launch.

As part of this process, PGASCOM advised that it was onboarding its ISP and operator customers onto the platform. Local Indonesian content has also been purchased, which will be expanded with international media via TV2U's worldwide content aggregation agreements at a later date.

BISMA

Bisma has been undertaking discussions with related parties to expand the opportunities between the two parties.

SOL TELECOM

SOL Telecom's SOL GO service commercially launched on 20 February 2019 to become the first licensed independent OTT platform for ISPs and cable operators in the region. SOL Telecom's ongoing promotional and marketing efforts have since split into two focus areas to better accommodate SOL GO's B2B2C business model. SOL GO has been actively being promoted as an end-to-end multiscreen OTT platform for ISP and cable operator customers, and as a direct-to-consumer offering.

The next phase of SOL GO's product evolution will include ingesting existing cable TV operator's local and international content for distribution over the network, which will help to expand the content library. The SOL GO application will also be embedded onto the Android TV set-top boxes of operators that take up SOL GO as a white-label service for their consumers.

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TV2AFRICA (AEMG)

TV2Africa continues to successfully deliver content to subscribers and secured rights to stream the ICC cricket World Cup Qualifiers that took place from 20-27 April 2019.

However, AEMG encountered unexpected operational issues with the third-party advertising solution after it was implemented in February. Problems were found with the insertion of ad markers and embedding of advertising into the video stream to reject ad blockers. These issues are being addressed but have delayed the use of this functionality to secure additional revenues.

TV2U has been working with AEMG to run several test streams designed to ensure correct ad insertion into the stream for frame accuracy. Once this has taken place, the content library can then be transcoded with ad markers to bring the targeted advertising solution to bear.

Corporate developments

Appointment and Resignation of Non-Executive Directors

During the quarter, Phil McKeiver (non-executive chairman) and Sophie Raven (interim, non-executive director) resigned from the Board of Directors (**Board**) of the Company, with Ms Raven continuing in her role as company secretary and legal counsel, and Bret Silvey and Hannah Ward were appointed as non-executive directors of the Company.

Successful Listed Options Placement

As announced on 29 March 2019, at the General Meeting held on 22 March 2019, shareholders approved a placement of 351,413,781 new listed options exercisable at \$0.02 each on or before 30 March 2021 on the basis of one (1) new listed option for every one (1) TV2O held on the record date of 30 March 2019.

During the quarter, a prospectus was issued by the Company in respect of the new listed options, with the placement successfully closing on a fully subscribed basis.

INVESTOR ENQUIRIES

Sophie Raven, Company Secretary

Email: sraven@rnpartners.com.au

ABOUT TV2U

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)

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that 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, using disruptive personalized managed campaigns. Providing a set of software tools that empower its clients to proactively drive revenue generation while reducing churn rates by maintaining existing customer retention.

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