tv2u

International Limited

TV2U INTERNATIONAL LIMITED

ABN 73 110 184 355

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

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FOR THE YEAR ENDED 30 JUNE 2019

Board of Directors

Nick Fitzgerald	Executive Director Chief Executive Officer
Alan Boyd	Non-Executive Director
Bret Silvey	Non-Executive Director
Hannah Ward	Non-Executive Director

Secretary

Sophie Raven	Company Secretary

Registered Office
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Website: www.TV2U.com

Securities Exchange
Australian Securities Exchange Limited
(ASX) Home Exchange – Perth
ASX codes – TV2 (ordinary shares)

Australian Company Number
ACN 110 184 355

Australian Business Number
ABN 73 110 184 355

Bankers
National Australia Bank
Level 14, 100 St Georges Terrace
Perth WA 6000
Website: www.nab.com.au

Auditors
Greenwich & Co
Level 2, 267 St
Georges Terrace
Perth WA 6000

Share Registry
Automic Registry Services
Level 2/267 St Georges
Terrace
Perth WA 6000

Solicitors
Steinepreis Paganin
16 Milligan Street
Perth WA 6000

Domicile and Country of Incorporation
Australia

The Directors submit their report on TV2U International Limited ("the Company" or "TV2U") and its controlled entities (together the "Group") for the financial year ended 30 June 2019.

1. INFORMATION ON DIRECTORS

The names and details of the Company's Directors in office at the completion of the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Mr Nick Fitzgerald
Executive Director, Chief Executive Officer

Mr Fitzgerald has an exceptional pedigree averaging over 24 years each in Media and Entertainment with deep domain expertise and project experience with content owners, digital service providers, broadcasters and telecommunications companies. Mr Fitzgerald's experience expands over 25 years in the Broadcast and New Media Industries. A successful business leader and visionary entrepreneur, Mr Fitzgerald is responsible for setting the strategic goals and objectives of TV2U. Prior to TV2U, Mr Fitzgerald served in numerous executive level positions while involved in several successful start-up companies, including Digital Rapids, a pioneer in encoding/transcoding technology.

Mr Bret Silvey
Non-Executive Director
(Appointed on 9 April 2019)

Mr Silvey holds a Bachelor of Economics and has previously performed advisory roles in the private financial sector, concentrating on operations management and internal portfolio construction. Mr Silvey is also a director and shareholder of the Company's largest shareholder, Cancun Trading Pty Ltd.

Ms Hannah Ward
Non-Executive Director
(Appointed on 9 April 2019)

Ms Ward has been an integral part of the executive team of TV2U since its inception, and has been its Commercial Director since May 2018. Ms Ward holds a Bachelor of Arts from the University of Exeter, and is an experienced professional in the broadcast media industry, with specific experience in sales, customer service and marketing.

Mr Phil McKeiver
Chairman
(Resigned on 16 April 2019)

Mr McKeiver is a former partner (now senior consultant) in the Perth office of Gilbert + Tobin, Australia's leading technology and telecommunications law firm. Mr McKeiver has served on numerous Company boards and executive committees, including in the technology and telecommunications sectors. He is an experienced chairman and Company director and is a graduate of the Australian Institute of Company Directors. Mr McKeiver has extensive experience advising listed and unlisted companies and government sector clients on corporate, commercial matters and major project development. In addition to his work in other sectors, Mr McKeiver has advised telco and technology companies for nearly 20 years, including spending over a decade working in-house with Telstra Corporation (Australia's largest telecommunications and media Company) and with Telewest Communications (Britain's first quadruple-play telco and media Company, which was rebranded as Virgin Media in 2006).

Mr David Adams
Executive Director, Chief Financial Officer
(Resigned on 16 October 2018)

Mr Adams specialises in corporate and financial management and is a qualified accountant and chartered secretary with over 23 years' and 18 years' commercial experience respectively. Past roles including 14 years as a Company accountant have provided experience in strategic management, corporate planning, governance implementation and change management at CEO and board level.

1. INFORMATION ON DIRECTORS (CONT)

Mr Adams has in the past also taken up board positions on a number of non-listed public and private companies including the current director of TV2U Worldwide Pty Ltd, wholly owned subsidiary of TV2U International Limited. Current affiliations include member and graduate of the Governance Institute of Australia (ACIS & AGIA), BCom(Curtin), CPA Australia and the Australian Institute of Company Directors.

Ms Sophie Raven
Non-Executive Director
(Appointed on 16 October 2018 and resigned on 9 April 2019)

Ms Raven was appointed as an interim non-executive director of the Company on 16 October 2018 and resigned on 9 April 2019. Ms Raven is also the Company Secretary of the Company.

Ms Raven is a corporate lawyer and company secretary, with extensive experience both in Australia with various ASX-listed companies and internationally. Ms Raven has extensive experience in Latin America, having practised as a foreign lawyer in Chile advising telco start-ups and technology companies. Ms Raven is a member of the Australian Institute of Company Directors and is a board member of Parkerville Children and Youth Care (Inc), a not-for-profit organization, The Keeping Place, a charitable foundation, and Shekel Brainweigh Limited (ASX:SMW).INFORMATION ON DIRECTORS (CONT)

Mr Alan Boyd
Non-Executive Director

Mr Boyd is an experienced technology, media and intellectual property investment and development specialists with a long record of success in Europe, America and Asia. Mr Boyd is seen as a pioneer of the US personal computer industry. In the 1970s, he wrote some of the earliest personal computer programs for MUSE, one of the first independent software companies. Mr Boyd served as the first Product Development Manager at Microsoft, which he joined in 1980. He was responsible for the development of many ubiquitous software products, including Microsoft Word, Excel, MS-DOS and Windows that have become household names and sold billions of copies. He was also responsible for the formulation and implementation of Microsoft's successful acquisitions strategy. On leaving Microsoft, he introduced the first hypertext browser and established hypertext as a key technology for the Internet. Mr Boyd was a Co-founder of St Banks International Group, a Shanghai-based boutique investor. In 2011, he co-founded Smart City Software to acquire technologies needed for China's massive smart city development program. He was also an Advisor with Callahan Advisory of Denver, CO. and was appointed Senior IP Consultant with Longan Law, one of China's leading IP law firms. Mr Boyd has advised the Chinese Government on technology and IP development. His knowledge and business network in China will be of importance in presenting TV2U technology to commercial opportunities within China. Using his technical capabilities and his near 40 years of commercial experience, the Company is excited that he will be assisting to drive and focus on our OTT content service distribution and platform-as-a service sales programs globally.

2. INFORMATION ON COMPANY SECRETARY

Ms Sophie Raven
Company Secretary

Ms Raven is a corporate lawyer and Company secretary, with extensive experience both in Australia with various ASX-listed companies and internationally. Ms Raven has extensive experience in Latin America, having practised as a foreign lawyer in Chile advising telco start-ups and technology companies. Ms Raven is a member of the Australian Institute of Company Directors and is a board member of Parkerville Children and Youth Care (Inc), a not-for-profit organisation, The Keeping Place, a charitable foundation, and Shekel Brainweigh Limited (ASX:SMW).

3. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interests in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

Director	Fully Paid Ordinary	Listed Options	Unlisted Options	Performance rights
Nick Fitzgerald[1]	287,571,428	-	-	-
Bret Silvey[2]	412,198,914	-	-	-
Hannah Ward	-	-	-	-
David Adams[3]	1,350,000	337,500	-	-
Alan Boyd	-	-	-	-
Phil McKeiver[4]	-	-	2,750,000	1,192,423
Sophie Raven[5]	300		2,750,000	
	701,120,642	**337,500**	**5,500,000**	**1,192,423**

[1] Held by Talico Technologies Pte Ltd.
[2] Held by Cancun Trading Pty Ltd.
[3] Resigned on 16 October 2019. Held by Corsham Investments Pty Ltd <Giglia-Adams Superfund A/C>.
[4] Resigned on 16 April 2019. Held by Mostly Mexican Pty Ltd <McKeiver Family A/C>.
[5] Resigned on 9 April 2019. Held by Margarita Investments Pty Ltd <Sophie Raven Family A/C>.

4. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

5. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director's held office are:

Director	Number Eligible to Attend	Number Attended
Nick Fitzgerald	4	4
Bret Silvey (Appointed 09/04/19)	-	-
Hannah Ward (Appointed 09/04/19)	-	-
David Adams (Resigned 16/10/18)	1	1
Alan Boyd	4	2
Phil McKeiver (Resigned 16/04/19)	4	4
Sophie Raven (Resigned 09/04/19)	3	3

6. PRINCIPAL ACTIVITIES

TV2U International Limited (TV2U) is a global complete entertainment platform that enables businesses, such as telecommunications companies, to quickly and easily offer streaming video and audio content to their customers ("OTT" service). The service includes movies, television programs, other 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.

7. OPERATING AND FINANCIAL REVIEW

A. Operations Strategy and Developments

During the 2019 Financial YearTV2U started the 2018 financial year by formulating plans to substantially reduce its operational running costs, these plans were successfully implemented and TV2U continues to embrace new ways to efficiently deliver cost effective projects for its clients without compromising service or technical best practice.

We are continuing to expand our opportunities in current and new OTT markets, setting up new partnerships wherever viable to generate revenue which will be the foundation on which we grow the business into the upcoming financial year

JEE Group

During the periodTV2U's IVAN-X platform was chosen to deliver PERSIS TV, a new global direct-to-consumer Persian culture and entertainment service that launched in May 2019.
Commercial terms with the JEE Group from Iran, in association with its affiliated partner Fafnir GmbH from Germany, will primarily target the estimated five million Iranian nationals currently living overseas. The service will feature local movies and TV shows as a result of JEE TV's content deals with national broadcasters and rights holders in the region. Under the agreement, TV2U will become the exclusive technology provider delivering JEE Group's Persian content to consumers outside the country via OTT.
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.

TALICO

During the period TV2U signed a definitive agreement to acquire the intellectual property portfolio of Talico Technologies Pte Limited.
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. This is set to have a positive material impact on TV2U's business model. Talico's commercial projects have advanced ahead of projected timelines and will require ongoing technical support, which TV2U will provide. 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.

TV2 Africa

During the period the commercial launch of TV2Africa took place.
An initial content library has been secured and is already streaming to AEMG's subscribers. Broader content deals have also been negotiated and AEMG has developed its local promotions and marketing plan to drive new active users to the platform. TV2U's IVAN-X has now fully superseded the incumbent technology provider's solution, and the rebranded TV2Africa service is widely available to consumers in South Africa, Namibia, Botswana, and Mozambique. TV2Africa hosts a range of local African content and will add international assets to the platform.
Subscribers can access TV2Africa on any web browser, with a dedicated app on Android and iOS app stores. Payment gateways have been integrated and are live,giving consumers a range of options over the payment methods they want to use. TV2U and AEMG have also introducing an integrated advertising solutions from Akamai.

7. OPERATING AND FINANCIAL REVIEW (cont)

PGAS

TV2U's strategic partnership with the government-owned PGASCOM continues to progress. PGASCOM is currently in the advanced stages of negotiation to secure contracts with several content owners. This content will then be available in the white label service offered to its ISP customers and partners.

PGASCOM are targeting ISPs, telcos, and content owners following completion of the head-end installation earlier this year, all other set-up requirements have also been completed since then and ready to be deployed on to the soon to TV2U IVAN-X delivery platform service
As part of this process, PGASCOM has advised that it is currently onboarding its ISP and operator customers onto the platform. Local Indonesian content has also been purchased ahead of launch, which will be expanded with international media via TV2U's worldwide content aggregation agreements at a later date.

SOL Telecom

During the period there was the full commercial launch of SOL GO, the direct-to-consumer OTT streaming service delivered in partnership with Brazilian telecoms provider SOL Telecom.

SOL Telecom's SOL GO service commercially launched on 20th February 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 is now actively being promoted as an end-to-end multiscreen OTT platform for ISP and cable operator customers, and as a direct-to-consumer offering. TV2U is advised that SOL Telecom is targeting up to 225,000 total subscribers within the first year of operation.

Indosat

Indosat Ooredoo's iStream powered by TV2U's IVAN-X content delivery platform service continued during the period launching new services with Zee Bioskop a 24-hour India-based satellite television channel owned by Zee Entertainment Enterprises, which broadcasts Hindi, Telugu, Tamil, Malayalam, Punjabi movies in Hindi with Indonesian subtitles. This channel contains movies which are officially licensed from Zee Cinema and is one of the most famous channels in Asia.
Also launched was the BALIWOOD channel content offering consisting of two on-demand channels and eight linear near on-demand channels. BALIWOOD user will be able to subscriber to weekly and monthly VoD and Linear packages.
TV2U continues to work closely with Indosat to support any needs required from the iStream service. The multi-tenanted model we've adopted with Indosat is taking shape. The B2B division has secured content rights, and now the B2C arm will actively promote iStream to the mass market. Starting with direct carrier billing, where consumers can add the cost of the subscription service onto their monthly plan, we expect to add additional payment methods in the coming months to cater for all budgets

LEMMON ID

During the period TV2U entered into commercial agreement with LEMMON.ID. TV2U's IVAN-X content delivery platform will power Lemmon's global direct-to-consumer streaming service called Bisma.

Corporate

During the financial year, the Company announced the following corporate developments:

7. OPERATING AND FINANCIAL REVIEW (cont)

1st Quarter

Convertible security funding agreement

During the first quarter of the financial year, the Company announced that it had entered into a convertible security funding agreement with Lind Asset Management XIII, LLC to secure additional operating capital. Up to A$2,700,000 has been made available to the company in convertible notes.

The issue of the convertible securities was divided into four tranches. The first made A$1,500,000 (less payment of a commitment fee of $45,000) available to the Company immediately to support ongoing deployments as TV2U continues to expand its international footprint. The first convertible security has face value of A$1,800,000 that will be repayable over 18 months, with an initial payment holiday of 90 days. Subject to the terms of the convertible security funding agreement, the Company can request up to an additional A$1,200,000 in three further tranches of A$400,000 each.
As part of the agreed terms of the convertible security funding agreement, 30,000,000 ordinary shares and 62,500,000 unlisted options exercisable at A$0.011 each and expiring on 18 September 2021 were issued during the quarter by the Company to Lind Asset Management XIII, LLC.

Issue of ordinary shares

The Company agreed to issue 3,518,909 ordinary shares to a former director of the Company in lieu of accrued consultancy fees. In addition, the Company issued 26,134,249 ordinary shares to MEF I L.P. on the conversion of 153,650 convertible notes.

Change of registered office, principal place of business and accounting function

The Company changed its registered office and principal place of business to 91 High Street, Fremantle WA 6160, which is the office of the Company's new accounting firm, Beyond Integers Pty Ltd, which was engaged in July 2018 to streamline the Company's and its subsidiary's accounting functions.

2nd Quarter

Resignation and Appointment of Directors

David Adams resigned as a director of the Company, and Sophie Raven was appointed on an interim basis as director.

Annual General Meeting

The Company's annual general meeting was held on 29 November 2018, with all resolutions passed with the requisite majority other than Resolution 1, Adoption of Remuneration Report. While this non-binding resolution was passed by a greater than 50% majority, as more than 25% of the votes cast were cast against the Company's Remuneration Report, this constituted a 'first strike' for the purposes of the Corporations Act.

Issue of Securities

Following approval at the Company's annual general meeting, 55,000,000 fully paid ordinary shares and 5,500,000 unlisted options exercisable at $0.02 each on or before 27 December 2021 were issued during the quarter in accordance with the terms of the Notice of Annual General Meeting lodged on 31 October 2018.

3rd Quarter

New Funding Agreement

The Company entered into a new funding agreement with Lind Asset Management XIII, LLC (**Lind**) to provide:

(a) a secured A$500,000 convertible note (**Convertible Note**); and
(b) up to A$7,200,000 by placement of ordinary shares (**Share Purchase Agreement**)
(together, **New Funding Agreement**).

The funds made available to the Company under the New Funding Agreement will be used to support the ongoing roll-out of the Company's platform and to meet working capital commitments. The key terms of the New Funding Agreement are summarised in the announcement dated 23 January 2019 (**Lind Announcement**).

As a fee for entering into the New Funding Agreement, the Company issued 40,000,000 fully paid ordinary shares and 60,000,000 unlisted options exercisable at $0.007 each on or before 23 January 2022 to Lind.

Under the Convertible Note the Company has received A$500,000, while the Convertible Note having a face value of A$600,000 (**Face Value**). The Convertible Note is secured by a general security over all of the Company's assets granted to Lind. The Convertible Note is only convertible into Shares upon the receipt of

7. OPERATING AND FINANCIAL REVIEW (cont)

the approval of the Company's shareholders, which was passed at a General Meeting held on 22 March 2019. Further details of the terms of the Convertible Note are set out in the Lind Announcement.

Pursuant to the terms of the Share Purchase Agreement, each month Lind agreed to make a pre-payment for shares in the Company of between A$100,000 and A$300,000 (as agreed between the parties). Monthly pre-payments have been drawndown by the Company since the date of the Share Purchase Agreement. At the end of each month, the amount pre-paid will be re-paid by issuing Shares in the Company on the basis of the repayment formula summarised in the Lind Announcement.

The Convertible Security Funding Agreement entered into by the Company with Lind in September 2018 (as announced to ASX on 17 September 2018) (the **Existing Funding Agreement**), under which the Company has drawn down A$1,500,000 in funds to date, remains in place. The terms of the Existing Funding Agreement still provide the Company with the ability to request up to an additional A$1,200,000 (in three tranches of A$400,000 each) during the term of the Existing Funding Agreement through the issue of a second, third and fourth convertible security, subject to certain conditions having been met. Under the new arrangement, the original collateral shares issued under the Existing Funding Agreement have been reduced to zero, while the Company has been granted an extension of the repayment holiday under that Existing Funding Agreement to 30 April 2019.

Conditional agreement to acquire Talico IP

The Company entered into a formal agreement with Talico Technologies Pte Limited (**Talico**) to acquire all of Talico's intellectual property portfolio.

The arrangements (which will be subject to shareholder approval, if required) will strengthen TV2U's existing IP portfolio and provide a catalyst for growth across a range of new sectors beyond our short-term focus on commercialising our iVAN-X OTT/IPTV technologies.

TV2U's acquisition of all of Talico's leading-edge digital analytics, video and Internet of Things (**IoT**) intellectual property will enable TV2U not only to maximise opportunities and grow revenues from TV2U's existing and future OTT / IPTV deployments, it will also create the opportunity for TV2U to become a technology enabler of choice for IoT players, through TV2U's ability to quickly, cost-effectively and seamlessly add "new spokes to TV2U's existing wheel", without the need to "reinvent the wheel". This adds to our longer-term strength and revenue generating capabilities, without us having to incur significant additional R&D costs, resources or overheads.

Importantly, Talico will only receive consideration from the deal, as and when real value emerges for TV2U from the commercialisation of the IP. Our CEO, Nick Fitzgerald, is very confident of the value and timeframe during which TV2U will be able to generate income from the newly acquired IP. Similarly, TV2U's Board sees strategic and commercial value in securing full ownership of the IP for all potential markets. However, pricing the ultimate value to TV2U of these rights is challenging at this point. The Company and its investors are also understandably focused on TV2U conserving and growing its cash, as the Company scales its revenues. Consequently, the Board has agreed there will be no upfront consideration and no cash consideration. Rather, Talico will have the potential to receive performance shares over time but will not do so unless and until TV2U successfully generates net profit.

Completion of the deal is also subject to TV2U to raising not less than $2.5 million in additional funds to ramp up the Company's sales and marketing initiatives during 2019, in order to pull-through revenue from its existing customers and new customers. The Company intends undertake further capital raising activities, in order to expand its business development team and support customer implementations, in the first half of 2019.

Further details of the conditional acquisition of the Talico IP can be found in the announcement dated 29 January 2019.

General Meeting

The Company's general meeting was held on 22 March 2019, with all resolutions passed with the requisite majority by way of a poll.

Expiry of Listed Options and issue of new listed options.

351,413,781 listed options exercisable at $0.04 each (ASX:TVO) expired on 30 March 2019.

Listed Options Placement

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. Post quarter-end, a prospectus was issued by the Company in respect of the new listed options.

The primary purpose of the new listed options placement is to enable the holders of the TV2O options to continue to participate in the ongoing development of the Company.

4th Quarter

Appointment and Resignation of Non-Executive Directors

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.

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

A. Financial Performance and Financial Position

The financial results of the Group for the year ended 30 June 2019 are:

	30 June 2019	30 June 2018	% Change
Cash and cash equivalents ($)	293,029	446,331	-34%
Net assets ($)	(1,752,000)	(215,758)	-742%
Revenue ($)	478,856	640,247	220%
Net loss after tax ($)	(4,326,276)	(4,529,310)	109%
Loss per share (cents)	(0.20)	(0.25)	-65%

Financial Performance

The financial result for the year ended 30 June 2019 is a net loss after tax of $ 4,326,276 as per the table above.

B. Business Strategies and Prospects for future financial years

During the financial period the Group continued with its' strategy into the OTT sector as a leading digital content enabler and technology provider to the media, entertainment and telecommunications industries.

There are specific risks associated with these activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company and the market price of the Company's shares.

(a) Intellectual Property

TV2U has licensed or acquired the rights to certain patent applications relating to its core business. None of the patent applications are held in the name of the relevant subsidiary and, at the date of this Annual Report, none of the patent applications have been granted. The patent applications are held in the name of TARA IP Limited, an entity controlled by Mr Nick Fitzgerald, the Chairman of the Company. TV2U Singapore has acquired all of the rights, title and interest in and to the patent applications by assignment and has licensed such rights to TV2U Worldwide.

Even if granted, the granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Although the Company is not aware of any third party interests in relation to the intellectual property rights, and TV2U has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

(b) Technology Risk

The Company is reliant upon certain technologies and upon the successful commercialisation of the technologies as currently held by TV2U. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company, this would adversely affect the profitability of the Company and likely the value of the Shares.

(c) New Market Entrants and Technology Risk

The emergence of new competitors in the market, or any technological developments providing an alternative to TV2U's product offerings could impact the market share that the Company is able to acquire and cause downward price pressure on consumer software and services platforms, thus reducing the Company's margins and revenue. Further, existing providers of similar consumer services may also respond aggressively to TV2U's market growth to retain or regain market share, which could also impact the Company's margins and revenue.

(d) Failure to Deal with Growth

The TV2U business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth and properly and fully implement the roll out of the technology under various joint venture or other arrangements, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the business.

(e) Availability of IT Staff in the Market

TV2U is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of the TV2U products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

(f) Dependence on Products

TV2U's products require the use of hardware devices and as such the business model of TV2U will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which TV2U's technology will not function as intended which could impact on the profitability of the Company.

(g) Security Breaches and Hacker Attacks

A malicious attack on TV2U's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues. TV2U follows best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk.

(h) Customer Service Risk

TV2U's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of TV2U products or services. If any of these occur, it may adversely impact the Company's revenues.

(i) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

i. Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

ii. Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group.

9. EVENTS AFTER THE REPORTING DATE

JAYPLUS AG

On 31st July 2019 TV2U entered into a Heads of Agreement contract with Swiss registered company JAY PLUS AG, a company created by the directors of Ecotonian for the acquirement of sports content rights.
The binding 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 contract has been structured as an overarching master contract that will cover future commercial agreements and projects under the same terms and conditions.
TV2U's multi-tenanted platform provides access to live and on-demand content of any sports, plus direct interaction for viewers with their preferred teams through a single application – creating a deeper fan experience. iVAN-X's real-time agnostic software functions with any vendor's database management system (DBMS). When combined with TV2U's protocol-agnostic software, its vendor- agnostic middleware can mediate between software from multiple vendors rather than between two specific applications, allowing iVAN-X to integrate with an array of best of breed technology partners.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

10. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

We will continue to explore opportunities and develop key partnerships with companies and individuals who share the vision of creating a global OTT platform with the ability to bolt onto existing technologies with the aim of increasing revenues for our shareholders.

11. ENVIRONMENTAL ISSUES

The Company is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Company.

12. OPTIONS AND PERFORMANCE SHARES

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Expiry Date	Exercise Price	Number of Listed Options	Number of Unlisted Options
30 March 2021	$0.02	351,413,781	-
18 September 2021	$0.011	-	62,500,000
27 December 2021	$0.02	-	5,500,000
23 January 2022	$0.007	-	60,000,000
22 February 2022	$0.0065	-	9,900,000
29 March 2022	$0.0065	-	13,200,000
1 May 2022	$0.0052	-	10,312,500
29 May 2022	$0.0039	-	16,500,000
9 July 2022	$0.0104	-	6,187,500
12 August 2022	$0.0078	-	5,500,000
17 September 2022	$0.0104	-	6,187,500

12. OPTIONS AND PERFORMANCE SHARES (CONT)

Option holders do not have any rights to participate in any issue of shares or other interests of the Company or any other entity.

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

At the date of this report, performance shares on issue are as follows:

Date Granted	Issue price of rights	Expiry Date	Number
2 July 2019	Nil	As per Performance Rights Plan	1,192,423

13. PROCEEDINGS ON BEHALF OF THE COMPANY AND GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group and its controlled entities, or to intervene in any proceedings to which the Group and its controlled entities are parties, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

14. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current Executive Officers against a liability incurred as such a director or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

15. NON-AUDIT SERVICES

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the nature of services provided does not compromise the general principles relating to auditor independence in accordance with APES 110, Code of Ethics for Professional Accountant.

	30-Jun-2019 $
Amounts received or due and receivable	
Taxation and other services	-
	-

16. REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*. There were no Company executives and other key management personnel who were not also Directors of the Company for the financial year.

The remuneration arrangements detailed in this report are for the Executive Directors and Non-Executives who held office during the financial year and are as follows:

Director	Position	Duration of Appointment
Nick Fitzgerald	CEO and Executive Director	Appointed 5 February 2016
Phil McKeiver	Non-Executive Chairman	Appointed 3 April 2018 (Resigned 16 April 2019)
David Adams	Executive Director	Appointed 19 January 2017 (Resigned 16 October 2018)
Alan Boyd	Non-Executive Director	Appointed 19 January 2017
Sophie Raven	Non-Executive Director, Company Secretary	Appointed 16 October 2018 (Resigned 98 April 2019)
Bret Silvey	Non-Executive Director	Appointed 9 April 2019
Hannah Field	Non-Executive Director	Appointed 9 April 2019

The Remuneration Report is set out under the following main headings:

A. Remuneration Philosophy
B. Remuneration Structure and Approvals
C. Remuneration and Performance
D. Details of Remuneration
E. Contractual Arrangements
F. Equity Instruments Issued on Exercise of Remuneration Options
G. Adoption of Remuneration Report by Shareholders
H. Equity Instruments Held by Key Management Personnel
I. Loans to Key Management Personnel
J. Other Transactions with Key Management Personnel

A. Remuneration Philosophy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel of TV2U comprise the Board of Directors only.

The performance of the Company depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

16. REMUNERATION REPORT (AUDITED) (cont)

B. Remuneration Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development nor has the Board engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors. It is considered that the size of the Board, along with the level of activity of the Company, renders this impractical and the full Board considers in detail all of the matters for which the Directors are responsible.

➢ **Executive Remuneration Structure**

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board;
- All executives may receive a base salary, (which reflects the person's duties, responsibilities, experience and length of service), superannuation, fringe benefits, options, shares and performance incentives; and
- The Board reviews the executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

B. Remuneration Structure and Approvals

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of shareholders' value. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, options and shares. The policy is designed to attract the highest calibre executives and reward them for performance that results in long-term growth in shareholder wealth. All directors and executives are also entitled to participate in the Company's share-based incentive plan, the performance rights plan. All directors and executives employed directly by the Company receive a superannuation guarantee contribution required by the government unless otherwise stated in their employment contracts and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and is expensed. Options and performance rights given to directors and executives as part of their remuneration are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options and performance rights are valued using an option pricing model.

➢ **Non-Executive Remuneration Structure**

The Board's intention is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board of Directors determines the payments to the non-executive directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required.

The remuneration of non-executive directors consists of Directors' fees, payable in arrears. The total aggregate fee pool to be paid to Directors (excluding executive directors) is set at $250,000 per year (in accordance with the Company's Constitution) and as approved by the shareholders of the Company. Non-executive directors do not receive retirement benefits but are able to participate in share-based incentive plan and encouraged to hold shares in order to align director's interests with shareholder interests.

16. REMUNERATION REPORT (AUDITED) (cont)

Non-executive directors may enter into separate consultancy mandates with the Company for the provision of professional and technical services that fall outside the scope of their directorship role. Under this mandate directors receive a consultancy fee in connection with time spent on Company business, including reasonable expenses incurred by them in carrying out this consultancy role.

Further details relating to remuneration of Non-Executive Directors are contained in the Remuneration Table disclosed as Section D of this Report; and within the Notes to the Financial Statements: Note 21 Key Management Personnel Disclosures.

C. Remuneration and Performance

During the reporting period, Director Remuneration was not linked to either long term or short term performance conditions. The Board feels that the terms and conditions of options and shares held by Directors were a sufficient, long term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth.

During the previous reporting period, shareholders approved the adoption of a performance rights plan (PRP) to provide ongoing incentives to directors, executives and employees of the Company. The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued under the PRP are aligned with the successful growth of the Company's business activities. This long term incentive has been tailored to increase goal congruence between shareholders and directors and executives.

The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019	2018	2017	2016	2015
Sales Revenue ($)	478,856	640,247	10,244	33,098	-
EBITDA ($)	(3,445,542)	(4,439,678)	(9,736,175)	(13,312,934)	(287,808)
EBIT ($)	(4,325,404)	(4,526,256)	(9,741,534)	(13,380,475)	(329,478)
Loss after income tax ($)	(4,326,276)	(4,529,310)	(9,811,066)	(14,160,151)	(335,281)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2019	2018	2017	2016	2015
Share price at financial year end ($)	0.011	0.010	0.017	0.03	-
Total dividends declared (cents per share)		-	-	-	-
Basic earnings (loss) (cents per share)	(0.20)	(0.25)	(0.72)	(1.37)	(0.09)

D. Remuneration and Performance

The key management personnel of the Company are the Board of Directors.

During the financial years ended 30 June 2019 and 30 June 2018, the Directors received no long-term benefits. The only remuneration received by the Directors within these periods were short-term employee benefits, post-employment benefits and termination benefits apart from performance rights as disclosed below.

Details of the remuneration of the Directors of the Company for the year ended 30 June 2019 are as follows:

	Short-term employee benefits			Post-employment benefits		Equity-based payments		Total
30-Jun-19	**Salary & fees**	**Cash Bonus**	**Non Monetary**	**Super-annuation**	**Termination benefits**	**Performance rights**	**Fees paid in shares**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Chairman								
Mr P McKeiver (i)	55,500	-	-	5,969	-	-	13,116	74,585
Executive Directors								
Mr N Fitzgerald (ii)	350,000	-	-	-	-	-	-	350,000
Mr D Adams (ii)	104,000	-	-	5,843	-	-	-	109,843
Mr P Cunningham (iv)	105,167	-	-	-	-	-	-	105,167
Ms Sophie Raven (v)	148,069	-	-	1,648	-	-	25,926	175,643
Ms Hannah Field (vi)	32,485	-	-	-	-	-	-	32,485
Mr Bret Silvey (vii)	-	-	-	-	-	-	-	-
Non-Executive Directors								
Mr Alan Boyd (viii)	36,000	-	-	-	-	-	-	36,000
Total	**831,221**	**-**	**-**	**13,460**	**-**	**-**	**39,042**	**883,723**

i. Appointed Chairman 3 April 2018 (resigned 17 April 2019)
ii. Appointed Director 6 February 2016 as CEO
iii. Appointed Director 19 January 2017 previously Group CFO. (resigned 19 September 2018)
iv. Appointed Director 21 October 2016 (resigned 10 November 2017)
v. Appointed Director 16 October 2018 (resigned 8 April 2019)
vi. Appointed Director 11 April 2019
vii. Appointed Director 11 April 2019
viii. Appointed Director 19 January 2017

16. REMUNERATION REPORT (AUDITED) (cont)

	Short-term employee benefits			Post-employment benefits		Equity-based payment		Total
30-Jun-18	**Salary & fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Termination benefits $**	**Performance rights $**	**Fees paid in shares $**	**$**
Chairman								
Mr P McKeiver (i)	15,000	-	-	-	-	-	-	15,000
Executive Directors								
Mr Andrew Brown (ii)	22,500							22,500
Mr N Fitzgerald (iii)	350,000	-	-	-	-	-	-	350,000
Mr John Lewis (iv)	98,600	-	-	-	-	-	-	98,600
Mr David Adams (v)	120,000	-	-	-	-	-	-	120,000
Mr Peter Cunningham (vi)	72,968	-	-	-	-	-	-	72,968
Non-Executive Directors								
Mr Alan Boyd (vii)	36,000	-	-	-	-	-	-	36,000
Total	**715,068**	**-**	**-**	**-**	**-**	**-**	**-**	**715,068**

E. Contractual Arrangements

- **Mr Phil McKeiver**- Non-Executive Chairman (Appointed 3 April 2018)

  - Contract commencement date 3 April 2018.
  - Director fee is set at $5,000 per month ($60,000 pa) excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr McKeiver will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr McKeiver's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
  - Termination: The engagement may be terminated by the Company or Mr McKeiver giving the other party the requisite 4 week's notice.

- **Mr Nick Fitzgerald** – Executive Chairman

  - Contract commencement date: 5 February 2016
  - Terms: 3 year term commencing 5 February 2016
  - Remuneration: Consulting fee was set at $350,000 per annum (excluding superannuation).
  - Other Fees: Mr Fitzgerald is entitled to a performance bonus of $150,000 for each deal signed by TV2U Singapore during the term of engagement where the forecast revenue in the 12 months after commercial launch of the deal is not less than $5,000,000.
  - Restraint of Trade: Mr Fitzgerald will be subject to a restraint of trade period of up to one year from termination of the engagement.

16. REMUNERATION REPORT (AUDITED) (CONT)

- Termination: The engagement may be terminated by the Company or Mr Fitzgerald giving the other party the requisite notice.

➢ **Mr Andrew Brown** – Executive Director, CEO Resigned 10 November 2017

- Contract commencement date: 20 February 2017
- Remuneration: Consulting fee was set at $165,000.
- Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
- Remuneration: Reviewed annually by the Board.
- Terms: Mr Brown will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
- Notice period: Mr Brown's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
- Termination: The engagement may be terminated by the Company or Mr Brown giving the other party the requisite 4 weeks notice.

➢ **Mr John Lewis** – Executive Director / Company Secretary resigned 9 April 2018

- Contract commencement date: 15 March 2017
- Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
- Terms: Mr Lewis will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
- Notice period: Mr Lewis's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
- Termination: The engagement may be terminated by the Company or Mr Lewis giving the other party the requisite 4 weeks notice.

➢ **Mr David Adams** – Executive Director / Chief Financial Officer

- Contract commencement date: 19 January 2017
- Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
- Remuneration: Consulting fee was set at $120,000 per annum.
- Remuneration: Reviewed annually by the Board.
- Terms: Mr Adams will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
- Notice period: Mr Adams's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
- Termination: The engagement may be terminated by the Company or Mr Adams giving the other party the requisite 4 weeks notice.

➢ **Mr Peter Cunningham** – Executive Director / Chief Operating Officer Resigned 10 November 2017

- Contract commencement date 21 October 2016
- Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
- Remuneration: Reviewed annually by the Board.
- Terms: Mr Cunningham will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.

16. REMUNERATION REPORT (AUDITED) (CONT)

- Notice period: Mr Cunningham's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
- Termination: The engagement may be terminated by the Company or Mr Brown giving the other party the requisite 4 weeks notice.

➢ **Mr Alan Boyd** – Non-Executive Director

- Contract commencement date 19 January 2017
- Director fee is set at $3,000 per month ($36,000 per annum) excluding superannuation and GST.
- Remuneration: Reviewed annually by the Board.
- Terms: Mr Boyd will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
- Notice period: Mr Boyd's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualified or prohibited by law from being or acting as a Director or from being involved in the management of a Company.
- Termination: The engagement may be terminated by the Company or Mr Brown giving the other party the requisite 4 weeks notice.

➢ **Mr Bret Silvey** – Non-Executive Director
- Contract commencement date 9 April 2019.
- No Director fees are being drawn by Mr Silvey from the Company.

➢ **Ms Hannah Ward** – Non-Executive Director

- Contract commencement date 9 April 2019.
- No Director fees are being drawn by Ms Ward from the Company.

Securities Received that are Not Performance-related

No members of Key Management Personnel (KMP) are entitled to receive securities that are not performance-based as part of their remuneration package.

F. Adoption of Remuneration Report by Shareholders

Adoption of Remuneration Report for the financial year ended 30 June 2018 was put to the shareholders of the Company at the Annual General Meeting held on 29 November 2019. While the non-binding resolution was passed by a greater than 50% majority, as more than 25% of the votes cast were cast against the Company's Remuneration Report, this constituted a 'first strike' for the purposes of the Corporations Act.

G. Equity Instruments Held by Key Management Personnel

Shareholdings of Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2019 are set out below:

	Balance at beginning of year or on appointment	Granted as remuneration	Issued on exercise of options	Other Changes	Balance at end of year or on resignation (i)
Directors					
Mr N Fitzgerald	303,571,428	-	-	(16,000,000)	287,571,428
Mr D Adams (iii)	1,975,000	-	-	-	1,975,000
Mr A Boyd	-	-	-	-	-
Mr P Cunningham	-	-	-	-	-
Mr J Lewis	-	-	-	3,518,909	3,518,909
Mr P McKeiver (ii) (iii)	-	-	-	-	-
Mr B Silvey (ii)	183,064,851	-	-	120,606,052	303,670,903
Ms H Ward (ii)	-	-	-	-	-
Ms S Raven (ii) (iii)	-	-	-	-	-
Total	**488,611,279**	**-**	**-**	**108,124,961**	**596,736,240**

(i) These closing balances reflect KMP shareholdings as at 30 June 2019. KMP shareholdings at the date of this report can be found in the Directors Report.
(ii) Appointed during the year.
(iii) Resigned during the year.

16. REMUNERATION REPORT (AUDITED) (CONT)

H. Equity Instruments Held by Key Management Personnel (cont)

Option Holdings of Key Management Personnel

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2019 are set out below:

	Balance at beginning of year or on appointment	Grant Details			Exercised		Lapsed	Balance at end of year or on resignation (i)
		Issue Date	No.	Value $	No.	Value $	No.	
Directors								
Mr N Fitzgerald	-	-	-	-	-	-	-	-
Mr D Adams (iii)	493,750	30/03/2019	25,000	500		-	(493,750)	25,000
Mr A Boyd	-	-	-	-	-	-	-	-
Mr P Cunningham	-	-	-	-	-	-	-	-
Mr J Lewis	-	-	-	-	-	-	-	-
Mr P McKeiver (ii)	-	28/12/2019	2,750,000	NIL	-	-	-	2,750,000
Mr S Raven(ii) (iii)	-	28/12/2019	2,750,000	NIL	-	-	-	2,750,000
Ms H Ward (ii)	-	-	-	-	-	-	-	-
Mr B Silvey (ii) (iii)	-	-	-	-	-	-	-	-
Total	**493,750**	**-**	**5,525,000**	**500**	**-**	**-**	**(493,750)**	**5,525,000**

(i) These closing balances reflect KMP option holdings as at 30 June 2019. KMP option holdings at the date of this report can be found in the Directors Report.
(ii) Appointed during the year.
(iii) Resigned during the year.

16. REMUNERATION REPORT (AUDITED) (CONT)

		Vested			Unvested
	Balance at end of year or on resignation	Exercisable No.	Unexercisable No.	Total at end of the year No.	Total at End of Year No.
Directors					
Mr N Fitzgerald	-	-	-	-	-
Mr A Brown	-	-	-	-	-
Mr D Adams	493,750	-	-	(493,750)	-
Mr A Boyd	-	-	-	-	-
Mr P McKeiver	-	-	-	-	-
Mr P Cunningham	-	-	-	-	-
Mr J Lewis	-	-	-	-	-
Mr S Raven	-	-	-	-	-
Ms H Ward	-	-	-	-	-
Mr B Silvey	-	-	-	-	-
Total	**493,750**	**-**	**-**	**(493,750)**	**-**

H. Equity Instruments Held by Key Management Personnel (cont)

Performance Rights Holdings of Key Management Personnel

Details of performance rights held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2019 are set out below:

30-Jun-19	Balance at beginning of year or on appointment	Received as Remuneration	Lapsed	Net change - other	Balance at end of year or on resignation
Directors					
Mr N Fitzgerald	364,285,714	-	(91,071,429)	-	273,214,285
Mr A Brown (ii)	-	-	-	-	-
Mr D Adams (ii)	-	-	-	-	-
Mr A Boyd	-	-	-	-	-
Mr P McKeiver (ii)	-	-	-	-	-
Mr P Cunningham (ii)	-	-	-	-	-
Mr J Lewis (ii)	-	-	-	-	-
Total	**364,285,714**	-	**(91,071,429)**		**273,214,285**

(i) Appointed during the year.
(ii) Resigned during the year.

I. Loans to Key Management Personnel

There were no loans outstanding to or from Directors or any other Key Management Personnel at the financial year ended 30 June 2019.

J. Other Transactions with Key Management Personnel

There were no other transactions with key management personnel during the financial year ended 30 June 2019

[End of Remuneration Report]

17. CORPORATE GOVERNANCE

The Company's corporate governance statement can be found in the investor section of the Company's website

Corporate governance disclosures not included in the Company's corporate governance statement or elsewhere in this report are as follows:

18. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2019 has been received and can be found on the following page 24 of this Annual Report.

19. AUDITOR

Greenwich & Co Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

nick fitzgerald

Nick Fitzgerald
Director and CEO

Perth, Western Australia
30 September 2019

Greenwich & Co

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Auditor's Independence Declaration

To those charged with governance of Tv2u International Limited

As auditor for the audit of Tv2u International Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

30 September 2019
Perth

TV2U INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	30-Jun-19	30-Jun-18
		$	$
Revenue from continuing operations			
Revenue and other Income	5	478,856	640,247
Cost of goods sold		(64,726)	(224,086)
Employee benefits expense	6	(118,515)	(114,962)
Administrative expenses	6	(3,565,421)	(4,263,524)
Finance costs	6	(871)	(3,054)
Depreciation and amortisation	6	(879,862)	(86,578)
Share-based payment expense		(140,281)	(428,571)
Foreign exchange loss		(35,456)	(48,782)
Loss from continuing operations before income tax		(4,326,276)	(4,529,310)
Income tax expense	7	-	
Loss from continuing operations after income tax		(4,326,276)	(4,529,310)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference on translation		1,556	(66,479)
Other comprehensive income for the year, net of tax		1,556	(66,479)
Total comprehensive loss for the year		(4,224,720)	(4,595,789)

		Cents	Cents
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share - cents per share	19	(0.20)	(0.25)
Diluted loss per share - cents per share	19	(0.20)	(0.25)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in Conjunction with the accompanying notes to the consolidated financial statements

TV2U INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	30-Jun-19	30-Jun-18
Current Assets			
Cash and cash equivalents	7	293,029	446,331
Trade and other receivables	8	206,090	890,348
Other assets	9	8,224	-
Total Current Assets		507,343	1,336,679
Non-Current Assets			
Plant and equipment	10	48,393	66,753
Intangible assets	11	-	56,248
Total Non-Current Assets		48,393	123,001
TOTAL ASSETS		555,736	1,459,680
Current Liabilities			
Trade and other payables	12	800,846	635,852
Convertible note liability	13	1,463,013	204,467
Other liabilities	14	43,877	835,119
Total Current Liabilities		2,307,736	1,675,438
TOTAL LIABILITIES		2,307,736	1,675,438
NET ASSETS		(1,752,000)	(215,758)
Equity			
Contributed equity	15	28,929,870	26,558,087
Reserves	16	1,892,807	1,475,323
Accumulated losses	18	(32,575,444)	(28,249,168)
Translation Reserve (FCTR)		767	-
TOTAL EQUITY		(1,752,000)	(215,758)

The Consolidated Statement of Financial Position is to be read in Conjunction with the accompanying notes to the consolidated financial statements.

TV2U INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed Equity	Share-based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2017	**21,698,203**	**1,169,893**	**67,509**	**(23,844,029)**	**(908,424)**
Comprehensive loss:					
Loss for the year	-	-	-	(4,529,310)	(4,529,310)
Other comprehensive income	-	806	(66,479)	-	(66,479)
Total comprehensive income/(loss) for the year Transactions with owners in their capacity as owners:	-	806	(66,479)	(4,529,310)	(4,595,789)
Share-based payments	-	428,571		-	428,571
Capital raising	1,501,500	-	-	-	1,501,500
Expiry of options	-	(124,171)	-	124,171	-
Share issue costs	(354,785)	-	-	-	(354,785)
Shares issued for convertible notes	3,713,169	-	-	-	3,713,169
Total transactions with owners	4,859,884	304,400	-	124,171	5,288,455
At 30 June 2018	26,558,087	1,475,099	1,030	(28,249,168)	(215,758)
Balance at 1 July 2018	**26,558,087**	**1,475,099**	**224**	**(28,249,168)**	**(215,758)**
Comprehensive loss:					
Loss for the year	-	-	-	(4,326,276)	(4,326,276)
Other comprehensive income	-	1,014	543	-	1,557
Total comprehensive income/(loss) for the year Transactions with owners in their capacity as owners:	-	1,014	543	(4,326,276)	(4,324,719)
Share-based payments	-	65,280	-	-	65,280
Shares issued for convertible notes	1,308,152	-	-	-	1,308,152
Expiry of options	-	-	-	-	-
Share issue costs	(128,743)	-	-	-	(128,743)
Issued for non - cash	447,374	-	-	-	447,374
Share Purchase- Lind	745,000	-	-	-	745,000
Listed Options	-	351,414	-	-	351,414
Total transactions with owners	2,371,783	416,695	-	-	2,838,477
At 30 June 2019	**28,929,870**	**1,892,807**	**767**	**(32,575,444)**	**(1,752,000)**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the consolidated financial statements.

	30-Jun-19	30-Jun-18
	$	$
Cash flows used in operating activities		
Payments to suppliers and employees	(3,071,260)	(5,163,289)
Interest paid	(871)	(3,054)
Receipts from customers	9,946	640,247
Net cash flows used in operating activities	(3,062,185)	(4,526,096)
Cash flows used in investing activities		
Payment for plant and equipment	(16,382)	(66,506)
Net cash flows used in investing activities	(16,382)	(66,506)
Cash flows from financing activities		
Proceeds from issue of share capital	895,000	1,501,500
Share issue costs	-	(354,784)
Proceeds/(repayment) of related party loan	-	(30,000)
Proceeds from issue of options	351,414	-
Proceeds from issue of Convertible Notes	1,678,851	3,917,636
Net cash flows provided by financing activities	2,925,265	5,034,352
Net increase in cash and cash equivalents	(153,302)	441,749
Cash and cash equivalents at beginning of year	446,331	4,582
Cash and cash equivalents at end of year	**293,029**	**446,331**

The Consolidated Statement of Cash Flows is to be read in Conjunction with the accompanying notes to the consolidated financial statements.

1. REPORTING ENTITY

TV2U International Limited ("the Company" or "Parent Entity") and its controlled entities (together the "Group") is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited ("ASX"). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory of the annual report.

The separate financial statements of the Parent Entity have not been presented within this financial report as permitted by the *Corporations Act 2001*.Hoever,summary of financial is presented in note 25

The nature of the operations and principal activities of the Company are described in the Directors' Report.

The financial report was authorised for issue on 30th September 2019.

2. BASIS OF PREPARATION

(a) Going Concern

During the year, the Group incurred a net loss after income tax for the year ended 30 June 2019 of $4,326,276 (2018: $4,529,310), incurred net cash outflows in operating activities of $3,062,185 (2018: outflow of $4,526,096), and had a net current liabilities of -$1,752,000 at 30 June 2019 (2018: net current liabilities of -$215,758).

The ability of the Group to continue as a going concern is dependent on the following:

- Securing additional funding through capital raising to continue to meet its working capital requirements in the next 12 months.
- Successful conversion of convertible notes to equity as described in more details in Note 13 and;
- If necessary, reducing its operating cost structure in order to minimise its working capital

In summary, subsequent to the close of the 2019 financial year, the Company has achieved the following

JAYPLUS AG

On 31st July 2019 TV2U entered into a Heads of Agreement contract with Swiss registered company JAY PLUS AG, a company created by the directors of Ecotonian for the acquirement of sports content rights.
The binding 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 contract has been structured as an overarching master contract that will cover future commercial agreements and projects under the same terms and conditions.
TV2U's multi-tenanted platform provides access to live and on-demand content of any sports, plus direct interaction for viewers with their preferred teams through a single application – creating a deeper fan experience. iVAN-X's real-time agnostic software functions with any vendor's database management system (DBMS). When combined with TV2U's protocol-agnostic software, its vendor- agnostic middleware can mediate between software from multiple vendors rather than between two specific applications, allowing iVAN-X to integrate with an array of best of breed technology partners.

2. BASIS OF PREPARATION (CONT)

(a) Going Concern (cont)

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group may not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at the amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board. The Group is a for-profit entity for the purpose of preparing the financial statements.

(c) Reverse Acquisition accounting

On 9th February 2016, TV2U (formerly known as Galicia Energy Corporation Limited), the legal parent and legal acquirer, completed the acquisition of TV2U Worldwide Pty Ltd ("TV2U Subsidiaries"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a Group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that TV2U Subsidiaries have effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if TV2U Subsidiaries have acquired TV2U, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by TV2U Subsidiaries to have exactly the same percentage holding in the new structure at the date of the transaction.

(d) Basis of measurement

Except for cash flow information, the financial report has been prepared on accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

(e) Functional and presentation currency

The presentation currency of the Group is Australian dollars (AUD).

(f) New, revised or amended standards and interpretations adopted by the Group

The Group has adopted AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers which became effective for financial reporting periods commencing on or after 1 January 2018

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018 because the new accounting standard provides more relevant information to users of the financial report, in that it introduces new requirements for the classification and measurement of financial assets and financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets and liabilities as compared to the requirements of AASB 139. The new standard is effective for annual reporting periods beginning on or after 1 January 2018.

The adoption of AASB 9 now requires the Group to account for impairment losses on financial assets through a forward-looking expected credit loss (ECL) approach. For trade and other receivables, the Group has applied the standard's simplified approach for calculating ECLs based on lifetime expected credit losses. This did not result in the recognition of a material impairment loss on the Group's receivable. There were no changes to the Group's other financial liabilities.

Due to the nature of the Group's financial assets and liabilities, the adoption of AASB 9 did not result in a significant impact to any transactions or balances recognised in the financial statements at 30 June 2019.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time;
- provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

Based on the Group's current assessment, the standard has not had a material impact on the transactions and balances recognised in the financial statements.

(g) New standards and interpretations not yet mandatory or early adopted

There are a number of new Accounting standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early. These standards are not expected to have a material impact on the Group in the current or future reporting periods

g. New standards and interpretations not yet mandatory or early adopted (cont)

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. The Company has not elected to early adopt any new Standards or Interpretations. The adoption of the Standards or Interpretations are not expected to have material impact on the financial statements of the Group.

Reference	Title	Summary	Application date of Standard*	Application date for Group*
AASB 16	Leases	AASB 16 replaces AASB 117 *Leases* and related interpretations. The key features of AASB 16 are as follows: **Lessee accounting** • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. **Lessor accounting** • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.	1 January 2019	1 July 2019

AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations.* Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investor's interests in the associate or joint venture. AASB 2015-10 deferred the mandatory effective date (application date) of AASB 2014-10 so that the amendments were required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. AASB 2017-5 further defers the effective date of the amendments made in AASB 2014-10 to periods beginning on or after 1 January 2022.	1 January 2022	1 July 2022

The accounting policies set out below have been applied consistently in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of TV2U International Limited and its subsidiaries ("the Group") as at 30th June each year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses from intra-Group transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

Business combinations have been accounted for using the acquisition method of accounting.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is revalued to its fair value with the change in carrying amount recognised in the statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statement of comprehensive income.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(c) Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 *Income Taxes* applies. No goodwill will arise on the acquisition.

(d) Foreign currency translation

(i) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars. The functional currencies of the subsidiaries are Singapore Dollars (SGD).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income on a net basis within other income or other expenses.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date,
- Revenue and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from Services

Revenue from rendering services is recognised when persuasive evidence exists that the services rendered and the economic benefits expected to flow to the Group and revenue can be reliably measured.

Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(f) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

- The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities shall be offset only if:

(a) there is a legally enforceable right to set-off current tax assets against current tax liabilities; and

(b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or
(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of cash flows.

(i) Trade and Other Receivables

Trade and other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

(j) Plant and equipment owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

Subsequent costs

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the consolidated statement of comprehensive income using a straight-line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current financial year are as follows:

- Computer equipment – 3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(j) Plant and equipment (cont) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

(k) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

These intangible assets have finite lives and are subject to amortisation on a straight-line basis. The useful lives for these assets are as follows:

- Software 4 years

(l) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132*Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.
All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Comparative information

The Group has applied AASB 9 *Financial Instruments* retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2019, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

(m) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Leave Benefits

Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Earnings Per Share

Basic earnings per share
Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in

(o) Earnings Per Share (cont.)

ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(p) Share-Based Payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share- based payments, whereby employees render services in exchange for shares or rights over shares (equity- settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a calculation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(q) Comparative Figures

When required by Accounting Standards, comparative information has been reclassified to be consistent with the presentation in the current year.

(r) Significant Accounting Estimates and Judgments

Significant accounting judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the

financial statements.

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of derivative component is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.
The liability component of a convertible note is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is recognized initially at fair value and the liability component is calculated as the difference between the financial instrument as a whole and the value of the derivative at inception. Any directly attributable transaction costs are allocated to the convertible note liability and convertible note derivative in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the convertible note is measured at amortised cost using the effective interest method.

Convertible note derviative
Derivative financial instruments are stated at fair value. The fair value of the derivative has been valued using a valuation technique including level 3 inputs which is updated each period. Gains and losses arising out of changes in fair value of these instruments together with settlements in the period are accounted for through the Income Statement through net finance costs.

The convertible note liability and derivative are removed from the Statement of Financial Position when the obligations specified in the contract are discharged, this can occur upon the option holder exercising their option or the option period lapses requiring the company to discharge the obligation. Both convertible note

liability and derivative are classified as current liabilities as investor has a sole discretion at any time to convert any amount outstanding on the convertible security into shares of the Company.

4. SEGMENT INFORMATION

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

During the period the Group operated as one business segment, being wholesale television provider to B2B clients. Through its established in-country relationships and management expertise, the Company intends to expand its asset portfolio throughout Australia, Singapore, Brazil (LATAM), Hong Kong, Malaysia, Indonesia and South Africa.

5. REVENUE & OTHER INCOME

	30-Jun-19	30-Jun-18
	$	$
Revenue and other income from continuing operations		
Revenue and other income	136,052	638,566
Net gain arising on financial liabilities	30,271	
Fair value movement in Derivative	312,533	
Other income	-	1,681
Total Revenue and other income	478,856	640,247

6. EXPENSES

	30-Jun-19	30-Jun-18
Employee benefits expense		
Directors fees & other benefits	118,515	114,962
Total employee benefits expense	118,515	114,962

Administrative expenses		
Consulting & corporate expenses	2,298,479	2,561,760
Compliance & regulatory expenses	177,198	166,416
Commission expenses		300,237
Other Administrative expenses	1,089,744	1,235,111
Total administrative expense	3,565,421	4,263,524
Depreciation & amortisation		
Depreciation and amortisation of computer equipment and intangible assets	94,046	86,578
Amortization of Convertible note Liability	785,816	-
Total depreciation & amortisation	879,862	86,578
Finance Costs		
Interest expense	871	3,054
Total finance costs	**871**	3,054

6. EXPENSES (CONTD)

INCOME TAX EXPENSE

	30-Jun-19	30-Jun-18
Numerical reconciliation of income tax expense to prima facie tax payable:		
Accounting loss before income tax	(4,326,276)	(4,529,310)
Prima facie tax payable on loss at 27.5% (2018: 27.5%)	(1,189,726)	(1,245,560)
Adjustments in respect of:		
Effect of Foreign Losses Foregone	694,029	(292,972)
Permanent differences	267,674	129,600
Net timing differences	(112,550)	192,386
Deferred tax assets on losses not recognised	340,573	1,216,546
Total income tax on operating loss	-	-
Unrecognised deferred tax assets and liabilities:		
Deferred tax assets not brought to account:		
Timing differences	(222,509)	(1,134,605)
Tax losses	2,817,163	2,351,151
	2,594,654	1,216,546

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits from.

The potential deferred tax assets will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;
(ii) The Company continues to comply with the conditions for deductibility imposed by the law; and
(iii) No changes in tax legislation adversely affect the Company in realising the benefits.

Tax Losses

The Group has estimated tax losses for which no deferred tax asset is recognised in the statement of financial position of $2,594,654 (2018: $1,216,546) which are available indefinitely for offset against future taxable income subject to meeting the relevant statutory tests.

7. CASH & CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30-Jun-19	30-Jun-18
	$	$
Cash at bank and in hand	293,029	446,331
	293,029	**446,331**

(b) Reconciliation of net loss after income tax to net cash flows used in operating activities

	30-Jun-19	30-Jun-18
	$	$
Net loss after income tax	(4,326,276)	(4,529,310)
Adjustments for:		
Depreciation & amortisation	879,862	86,578
Share-based payments & consideration for services	140,281	428,571
Foreign exchange adjustment	(786,032)	(70,325)
Finance Cost	45,024	-
Change in assets and liabilities		
Trade & other receivables	687,152	(49,084)
Trade & other payables	1,100,162	(481,882)
Other assets	(11,118)	18,433
Other liabilities	(791,240)	70,923
Net cash provided by (used in) operating activities	**(3,062,185)**	**(4,526,096)**

8. TRADE AND OTHER RECEIVABLES

	30-Jun-19	30-Jun-18
	$	$
Trade receivables	128,223	795,084
Advances to Consultants[2]	-	27,647
Other receivables[1]	77,867	67,617
	206,090	**890,348**

[1] Other receivables includes $43,636 expenses paid on behalf of Talico Technologies Pte Ltd.
[2] Advance to consultant of $27,647 was written off during the year.

(a) Trade receivables past due but not impaired

There were no trade receivables past due but not impaired.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to be approximately their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 20 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

9. OTHER ASSETS

	30-Jun-19	30-Jun-18
	$	$
Prepayments	8,224	-
	8,224	**-**

10. PLANT & EQUIPMENT

	30-Jun-19	30-Jun-18
	$	$
At cost	127,663	109,996
Accumulated depreciation	(79,270)	(43,243)
Total Computer Equipment	**48,393**	**66,753**

	Computer Equipment	Total
	$	$
Carrying amount at 30 June 2017	26,332	26,332
Movement during the year		
Additions	66,506	66,506
Depreciation expense	(26,085)	(26,085)
Carrying amount at 30 June 2018	66,753	66,753
Additions	17,667	66,506
Depreciation expense	(36,027)	(26,085)
Carrying amount at 30 June 2019	**48,393**	**66,753**

11. INTANGIBLE ASSETS

	30-Jun-19	30-Jun-18
	$	$
Software and development – at cost	265,311	249,884
Less: Accumulated amortisation	(265,311)	(193,636)
	-	56,248
Movement:		
Balance at the beginning of the year	56,248	112,894
Additions	-	-
Amortisation expense	(58,019)	(63,449)
Translation difference	1,771	6,803
Balance at the end of the year	-	56,248

12. TRADE AND OTHER PAYABLES

	30-Jun-19	30-Jun-18
	$	$
Trade payables	249,188	102,662
Other payables	551,658	533,190
	800,846	**635,852**

All trade and other payables are non-interest bearing and are normally settled on 30-day terms. Due to the short term nature of trade and other payable, their carrying value is assumed to approximate their fair value.

13. CONVERTIBLE NOTE LIABILITY

	30-Jun-19	30-Jun-18
	$	$
Convertible note Host Liability	1,094,263	204,467
Embedded derivative	368,750	-
	1,463,013	**204,467**

Movement reconciliation	
Convertible note Liability	62,934
Financial Liability Conversion	1,437,066
Draw down during the year	1,500,000
Less:	
Amortisation	785,816
Fair Value movement in derivatives	(312,533)
Net Loss on Financial Liabilities	(30,270)
Repayments -Conversion to Shares	(480,000)
	(36,987)
Closing Liability	**1,463,013**

Convertible Notes

The Convertible Security Funding Agreement entered into by the Company with Lind in September 2018 (as announced to ASX on 17 September 2018) (the Existing Funding Agreement), under which the Company has drawn down A$1,500,000 in funds to date, remains in place. The terms of the Existing Funding Agreement still provide the Company with the ability to request up to an additional A$1,200,000 (in three tranches of A$400,000 each) during the term of the Existing Funding Agreement through the issue of a second, third and fourth convertible security, subject to certain conditions having been met. Under the new arrangement, the original collateral shares issued under the Existing Funding Agreement have been reduced to zero, while the Company has been granted an extension of the repayment holiday under that Existing Funding Agreement to 30 April 2019.First convertible security had a face value of $1,800,000 that will be repayable over 18 months. Tv2u will make 15 monthly repayments of $120,000 in either shares or cash. The monthly repayment amount in shares will be determined using 90% of the average of three daily VWAPs per share. Tv2u paid Lind a commitment fee of $45,000 and an execution of the Agreement Tv2u issued 30,000,000 fully paid ordinary share and 62,500,000 unlisted options to purchase ordinary shares in Tv2u with an exercise price equal to 130% of the average daily VWAP during the 20 trading days prior to execution of the Agreement, with an expiry date of 36 months after the date of issue.

An independent expert valuation of the convertible notes was completed and key features of the valuation level are listed below under Valuation approach.

Valuation Approach

Expert valuer used valuation approach as follows:

- Valuation was carried out only the First Convertible Security (as defined in the Convertible Security Agreement) of $1.5m (also referred to as 'Convertible Security' in this report) as the other three tranches of $400k each have not been issued;
- Valuation of the Convertible Security on the date of the financial year ended 30 June 2019;
- There is a total of 15 repayments to be made on the Convertible Security. The first repayment of $120,000 occurred on or around 19 December 2018 but the holiday period for repayment was extended to 30 April 2019. Therefore, the second monthly repayment was made in May 2019. Under the scheduled repayment, three repayments should be repaid by 30 June 2019 but the repayment in July 2019 was brought forward and consequently four repayments had been made by 30 June 2019. Therefore, the next monthly repayment would be made in August 2019;
- The maturity date of the convertible security was extended to June 2020;
- The holiday period, in order to obtain the average three daily VWAPs from the last 20 trading days immediately prior to the notice dates;
- As it is in the investor's sole discretion to select the average three daily VWAPs, we have selected the

lowest three VWAPs in the relevant 20 trading days;

- In view of the monthly repayments in 11 remaining instalments, we have broken up our valuation into the 11 sub-tranches, each with a conversion feature;
- Whilst cash repayment is an option, we understand it is unlikely to happen and we have only considered the conversion option for the purpose of valuing the financial instrument;
- We have assumed that the conversion option of the investor is optimised if converted at the end of the maturity date, hence we have not taken into account early exercise; and
- The options have been valued with a 3-year term from 15 September 2018, an exercise price of $0.011 and an expiry date of 18 September 2018, as set out in Appendix 3B dated 19 September 2018.

14. OTHER LIABILITIES

	30-Jun-19	30-Jun-18
	$	$
Income invoiced in advance	43,877	835,033
	43,877	835,033

15. CONTRIBUTED EQUITY

Issued and fully paid	**30-Jun-19**		**30-Jun-18**	
	No. of shares	$	No. of shares	$
Ordinary shares	2,546,274,779	28,929,870	1,973,704,954	26,558,088
Movements in ordinary share capital	**30-Jun-19**		**30-Jun-18**	
	No. of shares	$	No. of shares	$
(a) Ordinary Shares At the beginning of	1,973,704,954	26,558,087	1,522,871,578	21,698,203
Less:				
Elimination of Existing TV2U Subsidiary Shares				
Add:				
Existing TV2U Shareson accquisition	-	-		
Shares issued during the period				
- Issue of share to settle debts			-	-
- Capital raising			105,000,000	1,501,500
- Issue of TV2U shares on acquisition of TV2U Subsidiary				
- Share placement			-	-
Transaction costs relating to share issues		(128,743)	-	(354,785)
Share issued for convertible notes	320,300,916	1,308,152	345,833,376	3,713,169
Share purchase - Lind	191,250,000	745,000		
Issued for non -Cash	61,018,909	447,374		
At the end of the reporting period	**2,546,274,779**	**28,929,870**	**1,973,704,954**	**26,558,087**

The ordinary shares rank equally in all respects with all ordinary shares in the Company. The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

15. CONTRIBUTED EQUITY (CONT)

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules. Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote for any share held by the Shareholder.

Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

Management effectively manages capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses may include the issue of new shares, return of capital to shareholders, the entering into of joint ventures and or the sale of assets.

The Company does not have a defined share buy-back plan. Management reviews management accounts on a monthly basis and regularly reviews actual expenditures against budget. The Group is not subject to externally imposed capital requirements.

Options on issue as at 30 June 2019

Expiry Date	Exercise Price	Number of Listed Options	Number of Unlisted Options
30 March 2021	$0.02	351,413,781	-
18 September 2021	$0.011	-	62,500,000
27 December 2021	$0.02	-	5,500,000
23 January 2022	$0.007	-	60,000,000
22 February 2022	$0.0065	-	9,900,000
29 March 2022	$0.0065	-	13,200,000
1 May 2022	$0.0052	-	10,312,500
29 May 2022	$0.0039	-	16,500,000

16. RESERVES

	30-Jun-19	30-Jun-18
	$	$
Share Based Payment Reserve	1,892,807	1,475,099
Foreign Currency Translation Reserve	767	224
	1,893,574	1,475,323
Movement reconciliation		
Share Based Payment Reserve		
Balance at the beginning of the year	1,475,099	1,169,893
Consideration options (i)		
Performance rights (ii)	65,280	428,571
Options issued for Convertible notes	-	-
Expiry of options	-	(124,171)
Listed Options	351,414	-
Other reserves		806
Exchange difference on translation	1,014	
Transfer to retained earnings	-	-
Balance at end of the year	1,892,807	1,475,099

Foreign Currency Translation Reserve		
Balance at the beginning of the year	224	67,509
Exchange difference on translation	543	(67,285)
Balance at end of the year	**767**	224

17A. SHARE BASED PAYMENTS

1) Options

All options granted are for ordinary shares in TV2U which confer a right of one ordinary share for every option held.

As at June 30

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised/ Expired during the period	Balance at end of the period	Vested & exercisable at end of the period
Listed Options							
7-May-19	30-Mar-21	$.0.001		351,413,289			351,413,289
Unlisted options							-
18-Sep-18	18-Sep-21	$ 0.0110		62,500,000			62,500,000
28-Dec-18	27-Dec-21	$ 0.0200		5,500,000			5,500,000
23-Jan-19	22-Feb-22	$ 0.0065		9,900,000			9,900,000
23-Jan-19	23-Jan-22	$ 0.0070		60,000,000			60,000,000
5-Mar-19	29-Mar-22	$ 0.0065		13,200,000			13,200,000
5-Apr-19	1-May-22	$ 0.0052		10,312,500			10,312,500
10-May-19	29-May-22	$ 0.0039		16,500,000			16,500,000
			-	**529,325,789**	**-**		**529,325,789**

2) Performance Rights

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
09-Feb-16**	09-Feb-19	Nil	107,142,857	-	-	107,142,857		-
09-Feb-16***	09-Feb-20	Nil	142,857,143	-	-	-	142,857,143	-
09-Feb-16****	09-Feb-20	Nil	178,571,428	-	-	-	178,571,428	-
			428,571,428	-	-	107,142,857	321,428,571	-

**Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement.

***Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement.

****Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement.

17A. SHARE BASED PAYMENTS (CONT)

Due to these vesting conditions being dependent on certain production milestones being achieved, the Company has estimated the probability of the milestones being met.

Type	Shares/rights (No.)	Underlying share price	Probability	Value ($)
Class C	142,857,143	0.02	20%	571,429
Class D	178,571,428	0.02	20%	714,286
	321,428,571			1,285,715

*The probability estimated by the management is over the expiry date of the performance shares.

18. ACCUMULATED LOSSES

Movement in accumulated losses were as follows:

	30-Jun-19	30-Jun-18
	$	**$**
Balance at 1 July	(28,249,168)	(23,844,029)
Net loss for the financial period	(4,326,276)	(4,529,310)
Expiry of options	-	124,171
Transfer from reserve	-	-
Balance at 30 June	(32,575,444)	(28,249,168)

19. EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2019 was based on the loss attributable to ordinary shareholders of $4,020,005 (2018: $4,529,310) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 2,028,096.670 (2018: 1,744,831,526) calculated as follows:

	30-Jun-19	30-Jun-18
Net loss attributable to ordinary equity holders of the Company ($)	(4,326,276)	(4,529,310)
Weighted average number of ordinary shares for basis per share (No.)	2,169,450,115	1,744,831,526
Continuing operations		
- Basic loss per share (cents)	**(0.20)**	**(0.25)**

Potential ordinary shares that are not dilutive and not used in the calculation of diluted EPS:	**2019 No.**	**2018 No.**
Share Options (No.)	529,325,789	383,101,371
Performance shares (No.)	321,428,571	428,571,428

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

At the reporting date, the Group had the following mix of financial assets and liabilities.

	30-Jun-19	30-Jun-18
	$	$
Financial Assets		
Cash & cash equivalents	293,029	446,331
Trade & other receivables	214,314	890,348
Total Financial Assets	507,343	1,336,679
Financial Liabilities		
Trade & other payables	(800,846)	(635,852)
Convertible Note Liability	(1,463,013)	(204,467)
Other liabilities	(43,879)	(835,033)
Total Financial Liabilities	(2,307,738)	(1,675,352)
Net exposure	(1,800,395)	(338,673)

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash
The carrying amount is fair value due to the liquid nature of these assets.

Receivables/Payables/Borrowings
Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value measurements of financial assets
The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.
Fair value hierarchy
The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

	Level	**Carrying amount**		**Fair Value**	
		30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Financial assets and liabilities measured at fair value					
Convertible note derivative	Level 2	1,094,263	-	1,094,263	-
Listed equity securities	Level 1	-	-	-	-
		1,094,263		1,094,263	
Financial assets and liabilities not measured at fair value					
Convertible note liability	Level 2	368,750	-	368,750	-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of

exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses
Interest Rate Risk

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Group has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

20. FINANCIAL RISK MANAGEMENT (CONT)

At reporting date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Effective Average Interest Rate	30-Jun-19	Effective Average Interest Rate	30-Jun-18
	%	$	%	$
Cash & cash equivalents	3.30%	293,029	3.30%	446,331

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity relating to financial assets of the Group would have been affected as follows:

Judgements of reasonably possible movements: Post tax loss – higher / (lower)	30-Jun-19	30-Jun-18
	$	$
+ 0.5%	14,651	22,317
- 0.5%	(14,651)	(22,317)
Equity – higher / (lower)		
+ 0.5%	14,651	22,317
- 0.5%	(14,651)	(22,317)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Group's maximum exposure to credit risk. All receivables are due within 30 days and none are past due.

Cash

The Group's primary banker is National Australia Bank. The Board considers the use of this financial institution, which has a short term rating of A- from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

Trade & other receivables

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

20. FINANCIAL RISK MANAGEMENT (CONT)

Cash at bank and short-term bank deposits:

	30-Jun-19	30-Jun-18
Standards & Poors rating A	**$**	$
	293,029	446,331

There are no significant concentrations of credit risk within the Group.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place other than the Convertible Notes to be authorised by shareholders at the EGM on 28 September 2017.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. Trade payables were non-interest bearing and were due within the normal 30-60 day terms of creditor payments.

The table below reflects the respective undiscounted cash flows for financial liabilities. The risk implied from the values shown in the table below reflects outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in the Company's on-going operations.

Contractual maturities of financial liabilities	<6 Months	6 - 12 Months	>12 months	Total Contractual Cash Flow	Carrying Amount
	$	$	$	$	$
30-Jun-19					
Trade & other payables	800,846	-	-	-	800,846
Convertible note liability	600,000	840,000	23,013	-	1,463,013
	1,400,846	**840,000**	**23,013**	**-**	**2,263,859**
30-Jun-18					
Trade & other payables	635,852	-	-	-	635,852
Convertible note liability	204,467	-	-	-	204,467
	840,319	**-**	**-**	**-**	**840,319**

21. RELATED PARTY DISCLOSURE

a) Equity interests

		Equity Interest	
		30-Jun-19	**30-Jun-18**
		%	%
Name	**Country of Incorporation**		
Cossack Investments Pty Ltd	Australia	100	100
TV2U Worldwide Pty Ltd	Australia	100	100
TV2U Singapore Pte Ltd	Singapore	100	100
Tara China Hong Kong Ltd	Hong Kong	100	100
Tara Singapore Pte Ltd	Singapore	100	100
Karaoke2u Pte Ltd	Singapore	100	100
Innovation2u Pte Ltd	Singapore	100	100

a) Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

A Director, Nick Fitzgerald, is a Director in the firm Talico Technologies Pte Ltd. Talico Technologies Pte Ltd has provided consulting services to the Company during the current and previous financial year on normal commercial terms and conditions as follows:

	30-Jun-19	30-Jun-18
Talico Technologies Pte Ltd:	**$**	$
A firm which Director Nick Fitzgerald is a Director – Consulting services	350,000	350,000

b) Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2018 and 30 June 2017.

Compensation by category

	30-Jun-19	30-Jun-18
	$	$
Short-term employee benefits	883,723	715,068
Post-employment benefits	883,723	715,068

22. COMMITMENTS AND CONTINGENCIES

There are currently no contingent liabilities or contingent assets outstanding at the end of the current reporting year.

23. AUDITOR'S REMUNERATION

	30-Jun-19	30-Jun-18
	$	$
(i) Audit of the financial report of the entity	27,500	27,500
(ii) Review of the financial report of the entity	20,000	20,000
	47,500	47,500

24. DIVIDENDS

No dividend was paid or declared by the Group in the period since the end of the financial year up to the date of this report. The Directors do not recommend that any amount to be paid by way of dividend for the financial year ended 30 June 2019.

25. PARENT ENTITY INFORMATION

a) Summary financial information

Financial Position

	Parent	
	30-Jun-19	**30-Jun-18**
	$	**$**
Current assets	7,174,859	4,593,625
Non-current assets	61,663	80,022
Total assets	**7,236,521**	**4,673,647**
Liabilities		
Current liabilities	14,411,237	11,785,974
Total liabilities	**14,411,237**	**11,785,974**
Equity		
Issued capital	1,609	1,609
Reserves	-	-
Accumulated losses	(7,176,324)	(7,113,936)
Total equity	**(7,174,715)**	**(7,112)**

Financial Performance

Parent

Loss for the year	(62,388)	(1,603,892)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the year	**(62,388)**	**(1,603,892)**

b) Guarantees

The Company has not entered into any guarantees in relation to the debts of its subsidiaries.

c) Other Commitments and Contingencies

Other than disclosed in Note 22 above, the Company has no commitments to acquire property, plant and equipment, and has no contingent liabilities.

26. SUBSEQUENT EVENTS

JAYPLUS AG

On 31st July 2019 TV2U entered into a Heads of Agreement contract with Swiss registered company JAY PLUS AG, a company created by the directors of Ecotonian for the acquirement of sports content rights. The binding 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 contract has been structured as an overarching master contract that will cover future commercial agreements and projects under the same terms and conditions.

TV2U's multi-tenanted platform provides access to live and on-demand content of any sports, plus direct interaction for viewers with their preferred teams through a single application – creating a deeper fan experience. iVAN-X's real-time agnostic software functions with any vendor's database management system (DBMS). When combined with TV2U's protocol-agnostic software, its vendor- agnostic middleware can mediate between software from multiple vendors rather than between two specific applications, allowing iVAN-X to integrate with an array of best of breed technology partners.

DIRECTORS' DECLARATION

The Directors of TV2U International Limited declare that, in their opinion:

(a) The financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:

   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and its performance for the year ended on that date.

(b) The financial statements and accompanying notes comply with International Financial Reporting Standards as disclosed in Note 2(b).

(c) As disclosed in 2(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

nick fitzgerald

Nick Fitzgerald
Director and CEO
Perth, Western Australia
30 September 2019

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Independent Audit Report to the members of TV2U International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TV2U Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which outlines that the ability of the Group to continue as a going concern is dependent on the Group securing additional funding through either the issue of further shares and/or options.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report

Accounting for Convertible Notes

Refer to Note 13 ($1.463 Million) and accounting policy Notes 3(l) and 3(r)

Key Audit Matter	How our audit addressed the matter
Refer to Note 13 of the financial report. Accounting for convertible notes was considered a key audit matter due to: The complexity involved in assessing whether to account for the notes as equity, a liability or combination of both; Measurement at initial recognition of the individual components of the liability based on the terms and conditions of the agreement and the significant judgement in determining the fair value of the separate components of the liability; and Measurement subsequent to initial recognition including the fair value measurement at balance date.	We have evaluated the accounting for the convertible notes in accordance with the AASB 9 Financial Instruments. Our procedures included but were not limited to the following: • Obtaining an understanding of and assessing the terms and conditions of the convertible note agreement to determine if the convertible notes are to be accounted for as equity, a liability or a combination of both. • Reviewing the independent professional valuation reports to establish the initial recognition and subsequent measurement of host and derivative component • Considering the appropriateness of valuation methodology against the requirements of the relevant Australian Accounting Standards. • Assessing the adequacy of disclosures in accordance with the applicable accounting standards.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 23 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of TV2U International Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Greenwich & Co Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

30 September 2019
Perth

a) Number of holders of each class of equity securities and the voting rights attached:

As at 30 September 2019 the equity securities are as follows:

Security Name	Total Holders	Total Holdings
UNL OPT EXP 18/09/2021 @ $0.011	1	62,500,000
UNL OPT EXP 27/12/2021 @ $0.02	2	5,500,000
UNL OPT EXP 23/01/2022 @ $0.007	1	60,000,000
UNL OPT EXP 22/02/2022 @ $0.0065	1	9,900,000
UNL OPT EXP 29/03/2022 @ $0.0065	1	13,200,000
UNL OPT EXP 01/05/2022 @ $0.0052	1	10,312,500
UNL OPT EXP 29/05/2022 @ $0.0039	1	16,500,000
LISTED OPTIONS EXP 30 MARCH 2021 @ $0.02	175	351,413,781
TOTAL	**183**	**529,326,281**

All ordinary shares carry one vote per share without restriction.

b) Distribution schedule of the number of holders in each listed class of equity security as at 30 September 2019:

	ORD Issued Capital	
Percent of Issued Capital (%)	**No. of Shareholders**	**Percent of Issued Capital (%)**
1 – 1,000	303	0.00
1,001 – 5,000	92	0.01
5,001 – 10,000	43	0.02
10,001 – 100,000	921	2.37
100,001 and over	1,311	97.6
Total	**2670**	**100**

c) Holders of non-marketable parcels:

Number of shareholders with less than a marketable parcel is 276.

	Listed Options ($0.02 , 07 May 2019)	
Range of Holding	**No. of Shareholder s**	**Percent of Issued Capital (%)**
1 – 1,000	3	0.00
1,001 – 5,000	12	0.01
5,001 – 10,000	12	0.03
10,001 – 100,000	53	0.63
100,001 and over	95	99.33
Total	**175**	**100**

d) Twenty Largest Holders of Ordinary Shares:

Position	Holder Name	Holding	% IC
1	BLUSKY INVESTMENTS PTY LTD	365,389,924	14.31%
2	CANCUN TRADING PTY LTD	303,670,903	11.90%
3	TALICO TECHNOLOGIES PTE LTD	287,571,428	11.27%
4	LIND ASSET MANAGEMENT XIII LLC	230,166,667	9.02%
5	MR NATHAN WAYNE MANNING	71,044,694	2.78%
6	MR TROY HARRIS	40,500,000	1.59%
7	MR PASQUALE NERO & MRS KATHLEEN MARY NERO	33,000,000	1.29%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,847,655	1.09%
9	MRS DIVYA JINDAL	25,678,701	1.01%
10	PASNER PTY LTD <THE NERO SUPER FUND A/C>	21,600,000	0.85%
11	MRS JOANNA MILLIGAN & MR JOHN EDWIN MILLIGAN <TEAM ELITE SUPER FUND A/C>	21,433,697	0.84%
12	MR ZHIHAO LIANG	20,500,000	0.80%
13	CMC MARKETS STOCKBROKING NOMINEES PTY LIMITED <ACCUM A/C>	15,250,110	0.60%
14	MR RICHARD JOSEPH TEAGUE	15,200,000	0.60%
15	TIFFANY AVE INVESTMENTS PTY LTD <CASPER SUPERFUND A/C>	15,003,997	0.59%
16	MCCONVILLE HOLDINGS PTY LTD <THE MCCONVILLE A/C>	15,000,000	0.59%
16	MRS KELLIE-ANNE EILEEN SANAJKO & MR BENJAMIN CROSBIE O'CONNOR <B AND K O'CONNOR FAMILY A/C>	15,000,000	0.59%
17	DYNAMIK CAPITAL PTY LTD <DU FAMILY A/C>	14,640,000	0.57%
18	MR JAMES ANTHONY O'BRIEN	14,534,506	0.57%
19	CITICORP NOMINEES PTY LIMITED	13,293,519	0.52%
20	MR PENGTAO SHI	13,000,000	0.51%
	Total	**1,579,325,801**	**61.87%**

e) Substantial shareholders of ordinary fully paid shares:

Name Shares	**No. of**	**Percent of Issued Capital (%)**
Blusky Investments Pty Ltd	365,389,924	14.31
Cancun Trading Pty Ltd	303,670,903	11.90

f) Twenty Largest Holders of Listed Options:

No	Holding Name	Holding	% IC
1	JOLLY DAYS PTY LTD	41,468,762	11.80%
2	H E 2 HOLDINGS PTY LTD	35,000,000	9.96%
3	HNR INVESTMENTS PTY LTD	31,250,300	8.89%
4	MR DANNY ZHONG DAI CHEN	31,000,000	8.82%
5	MR ZHIHAO LIANG	26,000,000	7.40%
6	MR KEVIN JOHN DAY	13,876,714	3.95%
7	MR HAYDEN ROBERT STEWART	13,025,610	3.71%
8	MR PETER BUCHANAN STEVENSON	12,029,207	3.42%
9	MR GEORGE KOULOURIS	10,334,293	2.94%
10	STEWART C&H SUPER PTY LTD	10,000,000	2.85%
11	MRS HELEN MARGARET STEWART	10,000,000	2.85%
12	MR PETER DAWSON &	9,000,000	2.56%
13	CHARLEY SUPER PTY LTD	6,000,001	1.71%
14	HNR INVESTMENTS PTY LTD	5,743,750	1.63%
15	MISS WENJUN CHEN	5,000,000	1.42%
16	TIFFANY AVE INVESTMENTS PTY	5,000,000	1.42%
17	MR PETER JOHN SYMONS	4,000,000	1.14%
18	MR RICHARD JOSEPH TEAGUE	4,000,000	1.14%
19	BLUSKY INVESTMENTS PTY LTD	3,990,024	1.14%
20	COMSEC NOMINEES PTY LIMITED	3,803,655	1.08%
	Total	**280,522,316**	**79.83%**

g) Unquoted equity securities

The unlisted securities of the Company as at 30 September 2019 are as follows. The options do not carry a right to vote at a general meeting of shareholders.

Unlisted Options

Issue Date	Expiry Date	Exercise Price	No. of Options	No. of Holder
18-Sep-18	18-Sep-21	$ 0.0110	62,500,000	1
28-Dec-18	27-Dec-21	$ 0.0200	5,500,000	2
23-Jan-19	22-Feb-22	$ 0.0065	9,900,000	1
23-Jan-19	23-Jan-22	$ 0.0070	60,000,000	1
5-Mar-19	29-Mar-22	$ 0.0065	13,200,000	1
5-Apr-19	1-May-22	$ 0.0052	10,312,500	1
10-May-19	29-May-22	$ 0.0039	16,500,000	1

Performance Shares

At the date of this report, performance shares on issue are as follows:

Class	Date Granted	Issue price of shares	Expiry Date	Number
C	9 February 2016	Nil	9 February 2020	142,857,143
D	9 February 2016	Nil	9 February 2020	178,571,428

Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement

Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement

h) On Market Buy-Back

There is currently no on market buy-back.

i) Restricted securities subject to escrow

Not applicable.

j) Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission and for the period ended 30 June 2019 in a way that is consistent with its business objective and strategy.