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GENERAL UPDATE FROM TV2U

The Board of Directors of TV2U International Limited (ASX TV2: "TV2U") provide the following market update.

CEO Andy Brown reports:

"The past two months have been a busy time preparing for launches in Brazil and Indonesia. The implementations are quite different and I outline below the key points and activities for each:

Brazil

The OTT Association (Announced on 29 June 2017) is being operated as a not-for-profit industry body and as such, we have taken the decision to go to market as a separate entity (but with the full support of the Association). This decision was taken to allow the ISPs to operate the Association as a completely independent entity for the overall benefit of the IPS industry in Brazil, while allowing TV2U and SOL Telecom to commercially exploit the market for the OTT services. As a consequence, we have subsequently established our own companies in Brazil and these are now fully formalized. We do not consider that the change will make any difference to the size of the opportunity and all parties remain fully and very actively involved.

*We continue to add more TV and radio channels weekly to our OTT offering as they become available to us. We currently have in excess of 130 fully active channels, with an overall target of in excess of 250. These channels are being delivered via our partnership with **TCM TV CABO MOSSORÓ** in Brazil, together with the technical infrastructure that is in place for the encoding and distribution.*

We expect to have final agreements in place with VisionTec (Announced 2 August 2017) very shortly, which will complete the needs for the operational management (such as call centre, customer services, sales support, etc).

Our overall planned target is to hard launch to SOL's consumers by end of September. Although the timeline is tight, it remains our active goal.

Indonesia

The implementation has been set back by some weeks, due to further internal work being necessary at PGASCOM. The additional work relates to sign-off procedures for them to fully comply with Indonesian anti-corruption requirements. For that reason, we have not yet received the much-contemplated payment from them, and that is a disappointment but it could not be anticipated. We are fully engaged with PGASCOM and are confident that they will make payment

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of the full amounts outstanding amount shortly. In addition to the amount invoiced in June of approximately \$630,000, TV2U invoiced a further amount for installation of services in July, of approximately \$170,000.

Of course, that doesn't mean that activity has stopped altogether. We have been working very hard to agree the content line ups and all Content Owners are fully engaged in the negotiation processes. In parallel we have been preparing services for launch with SmartFren, who will be the first Operator to launch services to their consumers. Subject to confirmation from them that they will be moving forward with a proposed product bundling offering to their smartphone subscribers, we anticipate soft launching services in September.

To complement both services, we have worked hard on the manufacturing of the first set top box units, which have been tested by a friendly Operator, and passed all User Acceptance Tests. Our manufacturer in China is currently in the process of setting up the tooling and production lines and we can then move in to full production against orders that we anticipate being placed. These are incredibly versatile units which bring us opportunities to approach Operators for OTT services but also as a replacement to the more traditional routers that are generally supplied within residential premises. We are engaged in several opportunities that could mature in this direction, which would ultimately add significant additional revenues. The unit's capabilities for Smart Home management have been receiving some serious attention.

We are continuing discussions with Talico in regard to the opportunity to license additional IP from them. We have issued instructions for an independent valuation, to assess the agreement and the IP, and expect a report from them by end of September.

Other sales opportunities are maturing and shareholders should expect us to make new announcements in the coming months.

Capital Raising

Regarding the capital raise with Magna of \$3m, by way of convertible note. TV2U needs to expand its operations. We are, frankly, majorly under-resourced and this has to be addressed if we are to continue to seek out and close new sales opportunities, plus have a team that manages the implementations and ongoing engagements. In addition, we have considered the business model for the supply of the set top box, including the initial set up of tooling and production. I see this capital raise as vital for our success, although I have to say that I believe it will be the last time we need to consider raising money in this fashion. I fully expect us to begin earning monthly revenues from our operations in Brazil and Indonesia shortly and have every expectation that the monies earned in monthly billing will quickly grow in the early months to cover our overall operational costs."

Chairman Nick Fitzgerald says:

"As Andy highlights, we have been hard at work on the implementations in Brazil and Indonesia. The hard launches are close and we are very excited at the prospect of seeing the subscribers begin to flood in for the services in both regions.

I have previously reported that we believe the future to be about bringing together the OTT services with Internet of Things applications, and the opportunities for us to expand services into new areas is something that I have personally been focused on. We have a solid potential pipeline of sales that once translated into contracts will add significant revenues and profits, as well as put TV2U on the map as a provider of choice for technologies in multiple markets. This will rely on TV2U securing the additional intellectual property, our work on this has advanced well internally. We strongly believe that the new overall direction for the business will add massive additional shareholder value to what we already have.

Finally, the technical team have significantly advanced our web-based version of our ivan-X middleware and we will be ready to deploy that in line with the hard launch of our services in Brazil. This is significant because it will greatly assist with the sign up of customers for the OTT services, as well as giving another route to market for content owners everywhere, with niche as well as mainstream content."

INVESTOR ENQUIRIES:

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ABOUT TV2U

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

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