

TV2U INTERNATIONAL LIMITED

ABN 73 110 184 355

PROSPECTUS

Offer of unsecured US\$ denominated convertible notes each having an issue price of US\$1.00 (and a face value of US\$1.10 each).

Only MEF I, L.P. may apply for convertible notes under this Prospectus.

This document is important and should be read in its entirety (including the key risks in Section 4). This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act (as modified). If, after reading this Prospectus, you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, lawyer, accountant or other professional adviser.

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IMPORTANT NOTICE

About this Prospectus

The Offer contained in this Prospectus is an invitation to the Investor to acquire the Tranche C and Tranche D Convertible Notes in the Company, each having an issue price of the US\$1.00 and a face value of US\$1.10, for an aggregate total subscription price of the US\$ equivalent of A\$1,600,000.

The purpose of this Prospectus is to facilitate the trading of the Conversion Shares issued to the Investor on conversion of the Tranche C and Tranche D Convertible Notes.

Section 707(3) of the Corporations Act restricts securities from being traded within 12 months of their issue in circumstances where they were issued without disclosure under Part 6D.2 of the Corporations Act. The Tranche C and Tranche D Convertible Notes issued under this Prospectus did not require disclosure under Part 6D.2 of the Corporations Act.

Lodgement

This Prospectus is dated 15 August 2017 and a copy of this Prospectus was lodged with ASIC on that date and has been provided to ASX in connection with the proposed issue of the Tranche C and Tranche D Convertible Notes.

ASIC and ASX

Neither ASIC nor ASX nor any of their respective officers or employees takes any responsibility for the content of this Prospectus. The fact that ASX has admitted the Company to the official list of ASX and may grant official quotation in respect of any Conversion Shares, is not to be taken in any way as an indication of the merits of the Company, the Offer or the Tranche C and Tranche D Convertible Notes.

Expiry Date

The expiry date of this Prospectus is 15 September 2018. No securities (other than the Conversion Shares) will be issued on the basis of this Prospectus later than the expiry date.

The information given in this Prospectus does not constitute investment advice or financial product advice. This Prospectus is of a general nature and has been prepared without taking into account your individual investment objectives, financial situation, tax position or particular investment needs. You should seek your own investment and/or financial advice.

You should read the entire Prospectus. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business or the financial affairs of the Company or the Tranche C and Tranche D Convertible Notes offered under this Prospectus. The Offer does not take into account the investment objectives, financial situation and particular needs of any investor. You should carefully consider the risks that impact on the Company in the context of your personal requirements (including your financial and taxation position) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding whether to invest in the Company. Some of the risks that you should consider are set out in Section 4 of this Prospectus.

Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of securities convertible into continuously quoted securities (as defined in the Corporations Act). The Prospectus has been prepared in accordance with section 713 of the Corporations Act and ASIC Corporations (Offers of Convertibles) Instrument 2016/83. It does not contain the same level of disclosure as an initial public offering prospectus and may not contain, by itself, all information relevant to a decision to invest in the Company.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers with whom potential investors may consult.

Applications for the Tranche C and Tranche D Convertible Notes under this Prospectus may only be made during the offer period on a printed copy of the relevant Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing any Application Form on to another person unless it is attached to a hard copy of the Prospectus.

Exposure Period

As a result of the Tranche C and Tranche D Convertible Notes not being continuously quoted securities, the Corporations Act prohibits the issue of the Tranche C and Tranche D Convertible Notes in the seven calendar day period after the date of this Prospectus. The Exposure Period may be extended by ASIC by up to a further seven days. The Company will not accept an application for or issue any Tranche C and Tranche D Convertible Notes on the basis of this Prospectus during the Exposure Period. Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on applications received in the exposure period. The purpose of the exposure period is to enable the Prospectus to be examined by market participants before the raising of funds. The examination of the Prospectus may result in the identification of deficiencies in the Prospectus and, in these circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

No representations other than as set out in this Prospectus

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company, its directors or any other person in connection with the Offer. Except as required by law and then only to the extent so required, neither the Company, its directors nor any of its associates warrants or guarantees the future performance of the Shares or the Company or any return on any investment made pursuant to this Prospectus.

Finance information and amounts

The pro-forma financial information in this Prospectus is presented in Australian dollars.

Forward looking statements

To the extent that this Prospectus contains forward looking statements which may (but need not) be identified by words such as 'may', 'could', 'believe', 'estimate', 'expects', 'intends', 'anticipates', 'project', 'foresee', 'likely', 'should', 'target', 'plan', 'consider', 'aim', 'will' and other similar words that import risks and uncertainties, these forward looking statements are not guarantees of future performance and are subject to various known and unknown assumptions, uncertainties and risk factors that are beyond the control of the Company and could cause the Company's actual results to differ materially from those expressed, implied or anticipated in those statements. These and other risk factors are set out in Section 4. The Company cannot and does not give any assurance that results, performance or achievements expressed or implied by forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward looking statements. Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

In addition, the information in this Prospectus on the past performance of the Company should not be relied upon as an indication of the likely future performance of the Company.

None of the Company, its directors, officers and advisers, or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Prospectus will occur. Investors are cautioned about relying on forward-looking statements included in this Prospectus.

The forward-looking statements in this Prospectus reflect views held as at the date of this Prospectus, unless otherwise specified. Subject to the Corporations Act, the ASX Listing Rules and any other applicable laws or regulations, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports filed from time to time with the ASX after the date of this Prospectus.

Disclaimers

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers with whom potential investors may consult.

Except as required by law, neither the Company nor any other person warrants the future performance of the Company nor any return on any investment made under this Prospectus. Any investment in the securities offered by this Prospectus should be considered speculative.

Company's website

Any references to documents included on the Company's website are provided for convenience only and none of the documents or other information on the website is incorporated by reference as content of this Prospectus.

Offering restrictions

This Prospectus has been prepared to comply with the requirements of Australian law. No action has been taken to register the Tranche C and Tranche D Convertible Notes or otherwise permit a public offering of Tranche C and Tranche D Convertible Notes in any jurisdiction outside of Australia.

The distribution of this Prospectus (including an electronic copy) in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, the Tranche C and Tranche D Convertible Notes have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or re-sold in the United States or to or for the account or benefit of any persons in the United States except in transactions exempt from the registration requirements of the US Securities Act.

How to obtain a copy of this Prospectus

This Prospectus is only available in a paper version and in electronic form. An electronic version of this Prospectus is available on the ASX. A hardcopy of this Prospectus can be obtained by contacting the Company Secretary on the details set out in the Company Directory.

Defined words and expressions

Some capitalised words and expressions used in this Prospectus are defined in Section 6.

The definitions specific to the Tranche C and Tranche D Convertible Notes are in the Convertible Note Terms in section 1.11. If there is any inconsistency in definitions between the Prospectus and the Convertible Note Terms, the definitions in the Convertible Note Terms prevail.

A reference to time in this Prospectus is to Australian Western Time unless otherwise stated. A reference to \$, A\$, dollars and cents is to Australian currency unless otherwise stated. A reference to US\$ is a reference to the currency of the United States. Some numbers in this Prospectus have been rounded.

Privacy Disclosure

Refer to the information in the privacy statement in section 5.8.

Where can I obtain further information about the Company and the Tranche C and Tranche D Convertible Notes?

The Company is a disclosing entity for the purposes of the Corporations Act and as a result is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. In addition and subject to certain limited exceptions, the Company must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about it that a reasonable person would expect to have a material effect on the price or value of its securities (i.e. its Shares and, if the Offer is successfully concluded, the Tranche C and Tranche D Convertible Notes).

Copies of documents lodged with ASIC and ASX can be obtained from, or inspected at, an ASIC office and can also be obtained from www.asx.com.au.

In addition, the following information can be obtained from <http://tv2u.com/>:

- the Company's half-yearly and annual financial reports;
- all continuous disclosure notices lodged by the Company with ASX; and
- all other general information provided by the Company to its Shareholders and investors.

Investments in the Tranche C and Tranche D Convertible Notes is an investment in the Company and may be affected by the ongoing performance, financial position and solvency of the Company. The Tranche C and Tranche D Convertible Notes are an unsecured investment and rank for repayment behind any secured debt and those unsecured obligations mandatorily preferred by law.

KEY DATES

Lodgement of Prospectus with ASIC and ASX (Offer announced)	15 August 2017
Opening Date for the Offer	22 August 2017
Issue of Tranche C Convertible Notes	25 August 2017
Certificates despatched in relation to the Tranche C Convertible Notes	25 August 2017
Extraordinary general meeting to approve, amongst other things, the issue of the Tranche D Convertible Notes	9 October 2017
Closing Date	10 October 2017
Issue of Tranche D Convertible Notes (assuming Shareholder Approval is received)	13 October 2017
Certificates despatched in relation to the Tranche D Convertible Notes (assuming Shareholder Approval is received)	13 October 2017

The above dates are indicative only and are subject to change without notice. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus. The Investor is encouraged to submit its Application as soon as practicable after the Offer opens.

SECTION 1. Details of the Offer

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the remainder of this Prospectus and other materials lodged by the Company with the ASX.

1.1 What is the Offer?

The Offer in this Prospectus is being made in connection with the Convertible Note Agreement between the Company and the Investor. The Convertible Note Agreement contemplates the issue of three separate tranches of convertible notes, being Tranche C Convertible Notes, Tranche D Convertible Notes and Tranche E Convertible Notes.

However, the Offer comprises an offer of the Tranche C Convertible Notes and Tranche D Convertible Notes only for an aggregate subscription amount equal to the US\$ equivalent of A\$1.6 million (**Aggregate Subscription Amount**). The Offer will be conducted in those two tranches as follows:

Tranche C Offer

462,000 Tranche C Convertible Notes each having an issue price of US\$1.00 and a face value of US\$1.10 to raise the US\$ equivalent of A\$600,000. For the purpose of the Offer of Tranche C Convertible Notes, the applicable A\$/US\$ exchange rate is fixed at 0.77.

Tranche D Offer

Subject to Shareholder Approval, that number of Tranche D Convertible Notes each having an issue price of US\$1.00 and a face value of US\$1.10, representing the US\$ equivalent to A\$1,000,000. As the A\$/US\$ exchange rate applicable to the Offer of Tranche D Convertible Notes may fluctuate, the number of Tranche D Convertible Notes cannot be known at this time.

For the avoidance of doubt, the Offer in this Prospectus does not relate to the Tranche E Convertible Notes that may be issued pursuant to the Convertible Note Agreement.

1.2 Who can participate in the Offer?

MEF I, L.P. is the only investor eligible to participate in the Offer.

1.3 Use of proceeds

The proceeds of the Offer are to be used for the Company's working capital and general corporate purposes.

1.4 Shareholder Approval regarding Tranche C Convertible Notes

The terms of issue of the Tranche C Convertible Notes provide that, in the absence of Shareholder Approval, a fixed A\$/US\$ exchange rate of 0.770 and a fixed minimum conversion price of \$A0.005 would apply in relation to the issue of Tranche C Convertible Notes and the conversion of Tranche C Convertible Notes into Conversion Shares.

The Company will issue the Tranche C Convertible Notes under the Company's 15% placement capacity under ASX Listing Rule 7.1.

Under the Convertible Note Agreement, the Company is required, after the issue of the Tranche C Convertible Notes, to seek the approval of the Company's Shareholders in relation to the terms of issue of the Tranche C Convertible Notes. If the Company's Shareholders approve the issue of the Tranche C Convertible Notes in accordance with their terms of issue, the fixed A\$/US\$ exchange rate and the fixed minimum conversion price will cease to apply.

If Shareholder Approval is not obtained for the issue of the Tranche C Convertible Notes in accordance with their terms of issue, the Maturity Date of the Tranche C Convertible Notes will

be reduced from 12 months to 6 months after the date of issue of the Tranche C Convertible Notes. Further, the Investor will not be required to subscribe for the Tranche D Convertible Notes and Tranche E Convertible Notes (assuming all other Conditions Precedent under the Convertible Note Agreement are satisfied or waived).

Shareholder Approval in relation to the Tranche C Convertible Notes will be sought at an extraordinary general meeting of the Company currently expected to be held around 9 October 2017.

1.5 Shareholder Approval regarding Tranche D Convertible Notes

The issue of the Tranche D Convertible Notes under the Offer is conditional on, among other things, approval by Shareholders.

ASX Listing Rule 7.1 prohibits, subject to certain exceptions, a company from issuing or agreeing to issue equity securities that would represent more than 15% of the company's ordinary securities on issue 12 months prior to the date of issue (or agreement to issue) of such securities, without prior approval of the company's shareholders.

Based on the terms of the Tranche D Convertible Notes, it is not possible to determine the maximum number of Conversion Shares that will be issued on conversion of the Tranche D Convertible Notes. As such, Shareholder Approval is required to be obtained prior to the issue of the Tranche D Convertible Notes to the Investor.

By approving the issue of the Tranche D Convertible Notes, the Company will be permitted to issue the Tranche D Convertible Notes and the issue of such securities will be excluded from the calculation of the number of securities that can be issued by the Company in the 12 month period following the date of issue of the Tranche D Convertible Notes under ASX Listing Rule 7.1. This will provide the Company with flexibility to issue further securities in the next 12 months, if the Board considers it is in the interests of the Company and its Shareholders to do so.

Shareholder Approval in relation to the issue of the Tranche D Convertible Notes is being sought at an extraordinary general meeting of the Company currently expected to be held around 9 October 2017. If Shareholder Approval for the issue of the Tranche D Convertible Notes is received and all of the other Conditions Precedent under the Convertible Note Agreement are satisfied, the Tranche D Convertible Notes are expected to be issued no later than 13 October 2017.

1.6 Conditions Precedent for the issue of the Tranche C Convertible Notes

The issue of the Tranche D Convertible Notes under the Offer is subject to certain Conditions Precedent as set out in the Convertible Note Agreement. A brief description of the key Conditions Precedent are set out below, however, the list below is not an exhaustive list of the Conditions Precedent which are set out in section 2.1 of the Convertible Note Agreement.

- (a) The Investor receiving, in a form and substance satisfactory to the Investor, an original counterpart of the Convertible Note Agreement executed by the Company.
- (b) The Investor receiving, in a form and substance satisfactory to the Investor, a certified copy of an extract of resolutions of the board of directors of the Company.
 - (i) approving the terms of, and the transactions contemplated by, the Convertible Note Agreement to which it is a party and resolving that it execute the Convertible Note Agreement;
 - (ii) authorising David Adams and John Lewis to execute on its behalf the Convertible Note Agreement; and

- (iii) authorising a specified person or persons, on its behalf, to sign and/or dispatch all other documents and notices to be signed and/or dispatched by it under or in connection with the Convertible Note Agreement.
- (c) The Investor receiving, in a form and substance satisfactory to the Investor, a certificate from any director of the Company certifying to the Investor in writing that the representations and warranties made by the Company in the Convertible Note Agreement are true and correct and not misleading as at the issue date of the Tranche C Convertible Notes.
- (d) The Investor receiving, in a form and substance satisfactory to the Investor, if applicable, the original of each power of attorney under which a person signs and delivers the Convertible Note Agreement for the Company.
- (e) The Investor receiving, in a form and substance satisfactory to the Investor, a confirmation from the Company that no event of default has occurred or would result from the proposed issue of the Tranche C Convertible Notes.
- (f) The Investor receiving, in a form and substance satisfactory to the Investor, a confirmation from the Company that the Company has complied with all its legal and regulatory obligations with respect to the Convertible Note Agreement, including, without limitation:
 - (i) the Company has provided the Investor with evidence in a form and substance satisfactory to the Investor that the Company has the capacity under ASX Listing Rule 7.1, and has obtained all necessary approvals from its board of directors in respect of the issue of the Tranche C Convertible Notes (and their subsequent conversion) including, without limitation, any approvals required under ASX Listing Rule 7.1; and
 - (ii) lodgement with ASIC of this Prospectus.
- (g) The Company paying up to A\$7,500 of the Investor's legal and diligence fees in connection with the negotiation, preparation and execution of the Convertible Note Agreement for the Company and any document or agreement entered into or provided in connection with the Convertible Note Agreement.
- (h) The Investor receiving, in a form and substance satisfactory to the Investor, all other information, documents, searches or enquiries as reasonably requested by the Investor.

If the Conditions Precedent for the issue of the Tranche C Convertible Notes Shares under the Offer are satisfied or waived, the Tranche C Convertible Notes are expected to be issued to the Investor 3 trading days after the Conditions Precedent are satisfied or waived, which is expected to be around 25 August 2017.

Until the issue of the Tranche C Convertible Notes the Offer, the Application Monies for those Tranche C Convertible Notes will be held in trust in a separate account maintained for the Offer. Any interest earned on Application Monies will be for the benefit of the Company and will be retained by it irrespective of whether issue of the Tranche C Convertible Notes under the Offer takes place.

1.7 Additional Conditional Precedents for the issue of the Tranche D Convertible Notes

The issue of the Tranche D Convertible Notes under the Offer is subject to certain Conditions Precedent as set out in the Convertible Note Agreement. A brief description of the key Conditions Precedent are set out below, however, the list below is not an exhaustive list of the Conditions Precedent which are set out in section 2.2 of the Convertible Note Agreement.

- (a) The Tranche C Convertible Notes having been issued to the Investor in accordance with the Convertible Note Agreement.

- (b) The Shareholders of the Company have approved the terms and conditions of the Convertible Note Agreement, including, without limitation, the conversion price formula for the Tranche C Convertible Notes.
- (c) The Company giving to the Investor at least 5 Business Days written notice of the proposed issue date for the Tranche D Convertible Notes provided that such date is no later than 60 days after the date of issue of the Tranche C Convertible Notes.
- (d) There being no event of default which has occurred, or would result from the proposed issue of the Tranche D Convertible Notes.
- (e) The Company has provided the Investor with evidence in a form and substance satisfactory to the Investor (acting reasonably) that the Company has obtained all necessary approvals from its board of directors and all other necessary approvals from its Shareholders, in respect of the issue of the Tranche D Convertible Notes and the Tranche E Convertible Notes (and their subsequent conversion) (including, without limitation, any approvals required under Listing Rule 7.1).
- (f) The Company paying up to a further A\$7,500 of the Investor's legal and diligence fees in connection with the negotiation, preparation and execution of the Convertible Note Agreement for the Company and any document or agreement entered into or provided in connection with the Convertible Note Agreement.
- (g) The Investor receiving all other information, documents, searches or enquiries as reasonably requested by the Investor.
- (h) No Opt-out Event has occurred.

1.8 Failure to satisfy Conditions Precedent

If the Conditions Precedent are not satisfied or waived within 60 days after the date of the Convertible Note Agreement, each party may terminate the Convertible Note Agreement in respect of those Convertible Notes which are not issued at that date.

1.9 Terms of the Convertible Notes

A summary of the Convertible Note Agreement is set out in section 1.10 and a summary of the terms and conditions of the Convertible Notes is set out in section 1.11.

The Conversion Shares will rank equally with the Shares on issue as at the date of this Prospectus except as to the rights which have accrued on existing Shares which are on issue prior to the date of issue of Conversion Shares. Section 5.4 sets out further information regarding the rights and liabilities attaching to the Company's Shares.

1.10 Convertible Note Agreement

The Company announced the execution of the Convertible Note Agreement on 15 August 2017, which sets out a summary of the key terms of the Convertible Note Agreement.

The Convertible Note Agreement contemplates the Company issuing three separate tranches of convertible notes to the Investor. These are:

- (a) **Tranche C Convertible Notes** - An issue of 462,000 Tranche C Convertible Notes at an issue price of US\$1.00 per Tranche C Convertible Note, subject to satisfaction of certain Conditions Precedent described in section 2.1 of the Convertible Note Agreement, on or about 25 August 2017 to raise the US\$ equivalent of A\$600,000.
- (b) **Tranche D Convertible Notes** - An issue of a number of Tranche D Convertible Notes at an issue price of US\$1.00 per Tranche D Convertible Note to be issued subject to satisfaction of certain Conditions Precedent described in section 2.2 of the Convertible Note Agreement (including the receipt of the Shareholder Approval) to raise the

US\$ equivalent of \$1,000,000. The number of Tranche D Convertible Notes that may be issued will depend on the A\$/US\$ exchange rate at the date of issue.

- (c) **Tranche E Convertible Notes** – Subject to satisfaction of certain Conditions Precedent described in section 3.3 of the Convertible Note Agreement (including the receipt of the Shareholder Approval), the Company may give a written notice to the Investor by no later than 20 November 2017 requiring the Investor to subscribe for a number of Tranche C Convertible Notes on a specified date between 1 December 2017 and 8 December 2017 to raise the US\$ equivalent of A\$1,400,000. The number of Tranche C Convertible Notes that may be issued will depend on the A\$/US\$ exchange rate at the date of issue.

The following table sets the number of Tranche C Convertible Notes and Tranche D Convertible Notes (assuming Shareholder Approval is obtained for their issue) that will be issued assuming different A\$/US\$ exchange rates at the date of issue of the Tranche D, and assuming that there is no event of default under the Convertible Note Agreement. Considering that the Tranche E Convertible Notes are not being issued pursuant to the Offer under this Prospectus, Tranche E Convertible Notes are not included in the table below.

Number of Tranche C and Tranche D Convertible Notes issued to Investor	A\$/US\$ Exchange Rate		
	0.70	0.75	0.80
Tranche C Convertible Notes	462,000	462,000	462,000
Tranche D Convertible Notes	700,000	750,000	800,000
Total	1,162,000	1,212,000	1,262,000

1.11 Summary of terms and conditions of the Convertible Notes

A summary of the key terms and conditions of the Convertible Notes is set out in the table below. However, for the avoidance of doubt, the Offer only applies to the Tranche C Convertible Notes and Tranche D Convertible Notes.

Offer price for each Convertible Note	Each Convertible Note will be issued for the A\$ equivalent of US\$1.00, payable to the Company on the issue of the relevant Convertible Notes.
Face Value of each Convertible Note	Each Convertible Note will have a face value of US\$1.10.
Use of funds	The Company must apply the total amount subscribed for the Convertible Notes towards the Company's working capital and general corporate purposes.
Tranche C Convertible Notes and conditions to issue	The Tranche C Convertible Notes will be issued within the Company's ASX Listing Rule 7.1 placement capacity. The Conditions Precedent to the issue of the Tranche C Convertible Notes are set out in section 1.6.
Tranche D Convertible Notes	The Tranche D Convertible Notes will be issued, amongst other Conditions Precedent, following receipt of the Shareholder Approval in respect of the Tranche C Convertible Notes (see section 1.4 for further information) and the Tranche D Convertible Notes (see section 1.5 for further information). The Conditions Precedent to the issue of the Tranche D Convertible Notes are set out in section 1.7.
Tranche E Convertible Notes	Subject to obtaining Shareholder Approval, and the satisfaction of the other Conditions Precedent relating to the issue of the Tranche C and Tranche D Convertible Notes, the Company may give written notice to the Investor by no

	<p>later than 20 November 2017, requiring the Investor to subscribe for the Tranche C Convertible Notes on a specified date between 1 December 2017 and 8 December 2017.</p> <p>The Company's right to require the Investor to subscribe for the Tranche E Convertible Notes is also subject to:</p> <ul style="list-style-type: none"> the Company providing the Investor with evidence in a form and substance satisfactory to the Investor (acting reasonably) that the Company has obtained all necessary approvals from its board of directors and all other necessary approvals from its Shareholders, in respect of the issue of the Tranche E Convertible Notes (and their subsequent conversion) (including, without limitation, any approvals required under Listing Rule 7.1); and no default or Opt-Out Event occurring under the Convertible Note Agreement. <p>However, if the Company does not require the Investor to subscribe for the Tranche E Convertible Notes then, at the Investor's election, either:</p> <ul style="list-style-type: none"> the Company must pay a fee to the Investor of 3% of the Investment Amount applicable to the Tranche E Convertible Notes or issue a number of Shares to the Investor of an equivalent value based on the 5-day VWAP prior to 20 November 2017; or increase the Investor's daily trading limitation from \$15,000 to \$25,000 (see further the 'Covenants' row below). <p>The Investor shall notify the Company no later than 2 October 2017 of its election as to which of the above alternatives it chooses in the event that the Company does not subscribe for the Tranche E Convertible Notes by 20 November 2017.</p>
Maturity Date	<p>In relation to the Tranche C Convertible Notes:</p> <ul style="list-style-type: none"> if Shareholder Approval is obtained on or before the date that is 60 days after their date of issue, the date that is 12 months after the issue date; or if Shareholder Approval is not obtained on or before the date that is 60 days after their date of issue, the date that is 6 months after the issue date. <p>In relation to the Tranche D and Tranche E Convertible Notes, the date that is 12 months after their relevant issue date.</p>
Interest	<p>There is no interest payable on the Convertible Notes. However, the Convertible Notes are issued at a 10% discount to the Face Value.</p>
Conversion	<p>The Investor may elect to convert part or all of their Convertible Notes at any time after the date of issue of the relevant Convertible Note and prior to the relevant Maturity Date, provided that the total Face Value of the Convertible Notes being converted is not less than the US\$ equivalent of \$A50,000.</p>
Conversion Shares	<p>On Conversion, the Company must issue the number of Shares calculated in accordance with the following formula.</p> $A = (N \times V) / CP$ <p>Where:</p> <p>A means the number of Shares issued on Conversion;</p> <p>N means the number of Convertible Notes specified in the conversion notice;</p> <p>V means the aggregate Face Value of the Convertible Notes specified in the Conversion Notice, in A\$, applying the relevant A\$/US\$ exchange rate at the time (except that the A\$/US\$ exchange rate that will be applied in relation to the conversion of Tranche C Convertible Notes will be 0.770, unless Shareholder Approval is obtained in relation to the Tranche C Convertible Notes); and</p> <p>CP means the Conversion price being the lower of:</p>

	<ul style="list-style-type: none"> the 'Floor Price', being the lower of: <ul style="list-style-type: none"> A\$0.018, subject to being permanently increased to: <ul style="list-style-type: none"> if the VWAP of Shares is above \$A0.025 for more than 5 consecutive trading days, A\$0.025; and if the VWAP of Shares is above A\$0.03 for more than 5 consecutive trading days, A\$0.03; and if the Company has issued Shares to any other person during the term of the Convertible Notes for a price below the price specified in the bullet points above in effect at the relevant time, the lowest price at which any such Shares were issued; and a price equal to 90% of the average of the four (4) lowest daily VWAPs over the ten (10) trading day period on which trading in Shares occurred on ASX immediately prior to the relevant conversion date, <p>provided that, in relation to Tranche C Convertible Notes, unless and until Shareholder Approval has been obtained in relation to the Tranche C Convertible Notes, the Conversion price applicable to Tranche C Convertible Notes will be no less than A\$0.005.</p>
Ranking	<p>Until Conversion, the Convertible Notes will be unsecured debt obligations of the Company and rank equally with other unsecured creditors of the Company.</p> <p>The Shares to be issued pursuant to the exercise of the Convertible Notes will, on issue, rank pari passu with all other Shares of the Company.</p>
Voting	<p>The Convertible Notes do not carry any rights to vote at a general meeting of the Company.</p>
Reconstructions and reorganisations	<p>If there is a reorganisation, reconstruction, consolidation, sub-division or bonus-issue of the capital of the Company, the Convertible Notes and any Shares to be issued on Conversion will be reorganised, reconstructed, consolidated or sub-divided on the same basis so that the Investor is treated in the same manner as other the other Shareholders in the Company.</p>
Redemption	<p>On the relevant Maturity Date, the Convertible Notes will automatically convert into Shares, unless the Investor has provided at least 5 business days' notice to the Company prior to that Maturity Date that the Convertible Notes are to be redeemed, in which case the Company must redeem such Convertible Notes for the Face Value of those Convertible Notes.</p>
Early redemption of Convertible Notes by the Company	<p>The Company can elect to redeem any Convertible Notes early by providing 5 business days' notice to the Investor. The Convertible Notes must be redeemed for an amount equal to 110% of the Face Value of the Convertible Notes (payable in US\$ or A\$).</p>
Security	<p>The Convertible Notes are unsecured.</p>
Participation Rights	<p>The Convertible Notes do not carry a right to participate in any pro-rata offer by the Company. However, the Company will give the Investor notice of any such new issue at least seven Business Days before the record date for determining entitlements to the new issue.</p> <p>Further, if the Company makes a pro-rata offer of Shares, if and only to the extent that the Company has placement capacity under ASX Listing Rule 7.1 and 7.1A (as applicable) and the making of the offer would not require the approval of Shareholders or other material regulatory approvals or impose a material burden on the Company, the Company must make an offer to the Investor on terms which correspond with the offer the Investor would have received in respect of the Shares had all of the Convertible Notes held by the Investor been converted into Shares immediately prior to the Company making the pro-rata offer.</p>
Events of default	<p>The Convertible Note Agreement includes typical events of default, including the following:</p>

	<ul style="list-style-type: none"> the Company materially breaching the terms of the Convertible Note Agreement (or the convertible note agreement entered into between the Investor and the Company on or about 15 May 2017), the <i>Corporations Act 2001</i> (Cth) or the ASX Listing Rules; a representation or warranty of the Company made in the Convertible Note Agreement being untrue or misleading in any material respect; the Company failing to pay any financial indebtedness when due, in excess of A\$100,000; the insolvency or winding up of the Company (voluntary or otherwise) or a receiver or controller being appointed to or taking possession of the assets of the Company; the Company being suspended from quotation on ASX for a period of more than 20 trading days; the Company repudiating the Convertible Note Agreement or the provisions of the Convertible Note Agreement being unlawful or vitiated; or a material adverse effect occurring in relation to the Company, its subsidiaries and its business taken as a whole.
Covenants	<p>The Convertible Note Agreement includes typical covenants from the Company including requiring that the Company and its subsidiaries (without the prior consent of the Investor):</p> <ul style="list-style-type: none"> do not incur financial indebtedness other than in the ordinary course of business; do not enter into any amalgamation, demerger or merger; ensure that no substantial change is made to the general nature of their business; and do not sell, lease, transfer or otherwise dispose of any asset other than in the ordinary course of business. <p>The Investor has covenanted under the Convertible Note Agreement to not engage in any short selling of Shares acquired by it in connection with the Convertible Note Agreement, and to not sell more than the greater of A\$15,000 of Shares (subject to adjustment as described in the 'Tranche E Convertible Notes' row above) or 15% of the market traded volume of Shares on the ASX on the relevant trading day. However, these covenants cease to apply if the daily VWAP of the Shares falls below A\$0.012 for any five (5) consecutive trading days on ASX.</p>
Consequences of an event of default	<p>If an event of default occurs and is still continuing on the 12th business day following the occurrence of the event of default:</p> <ul style="list-style-type: none"> the Investor may declare all outstanding moneys immediately due and payable and / or terminate its obligations under the Convertible Note Agreement; the Company indemnifies the Investor; and the face value of the issued Convertible Notes are increased by 6%, which the parties agree is a genuine pre-estimate of the loss that would be suffered by the Investor in the event that an event of default occurs.
Quotation	<p>The Convertible Notes will not be quoted on the ASX. However, the Company will apply for the new Shares issued on the conversion of the Convertible Notes to be quoted on the ASX.</p>
Transferability	<p>The Convertible Notes are not transferrable to a third party, except after an event of default has occurred.</p>
Circumstances where	<p>Notwithstanding any other provisions of the Convertible Note Agreement, if in the reasonable opinion of the Company a Convertible Note is or becomes</p>

Convertible Notes are debt instruments only	<p>incapable of being converted into a Conversion Share, or the Conversion of a Convertible Note will result in a breach of the Corporations Act, the ASX Listing Rules or any other law, the Company can refuse to convert that Convertible Note and that Convertible Note is solely a debt instrument which contains no right of conversion.</p> <p>In the event that any Convertible Notes are debt instruments as contemplated above and a conversion notice has been issued, the Company may elect to either:</p> <ul style="list-style-type: none"> • provide the Investor with a cash payment in lieu of those Shares the Company is unable to issue in US\$ equal to 110% of the Face Value of the relevant Convertible Notes, and cancel those Convertible Notes; or • convene and hold a meeting of Shareholders within 60 days of the date of receiving the relevant conversion notice to approve the issue of additional Shares as necessary to comply with the terms of the Convertible Note Agreement.
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1.12 How to apply

Subject to satisfaction of the applicable Conditions Precedent relating to the Tranche C Convertible Notes and the Tranche D Convertible Notes, the Investor must subscribe for the Tranche C Convertible Notes and Tranche D Convertible Notes under the Offer by completing and returning the Tranche C Application Form in relation to the Tranche C Convertible Notes and the Tranche D Application Form in relation to the Tranche D Convertible Notes, which are attached to or accompanying this Prospectus.

To ensure that the Conversion Shares will be free from restrictions on transfer under Australian law, the Tranche C Convertible Notes and Tranche D Convertible Notes must be applied for under this Prospectus.

1.13 Effect of the Offer on the Company

Assuming satisfaction of the Conditions Precedent outlined in sections 1.6 and 1.7 including Shareholder Approval for the Tranche C Convertible Notes and Tranche D Convertible Notes, the principal effects of the Offer on the Company are as follows:

- (a) the Company will issue the 462,000 Tranche C Convertible Notes under the Tranche C Offer, each having an issue price of US\$1.00 and a Face Value of US\$1.10, to the Investor which may be later converted by the Investor into Conversion Shares or if not converted must be redeemed as set out explained in the table at section 1.11;
- (b) the Company will issue that number of Tranche D Convertible Notes, each having an issue price of US\$1.00 and a Face Value of US\$1.10, to the Investor representing the US\$ equivalent of A\$1,000,000, which may be later converted by the Investor into Conversion Shares or if not converted must be redeemed as set out explained in the table at section 1.11; and
- (c) the cash reserves of the Company will increase by the US\$ equivalent of A\$1.6 million (before deducting the fees and expenses of the Offer) immediately after completion of the issue of the Tranche C Convertible Notes and the Tranche D Convertible Notes pursuant to this Offer.

1.14 Effect of the Offer on the Company's financial position

Set out in section 3.1 is the unaudited consolidated statement of financial position of the Company as at 31 December 2016. The pro-forma unaudited consolidated statement of financial position of the Company as at 31 December 2016 has been adjusted for the following transactions:

- (a) the issue of the Tranche C Convertible Notes and Tranche D Convertible Notes, each having an issue price of US\$1.00 and a Face Value of US\$1.10, to raise the Aggregate Subscription Amount before deducting fees and expenses; and

- (b) the estimated fees and expenses of the Offer of approximately A\$30,000.

The unaudited consolidated statement of financial position and the pro-forma unaudited consolidated statement of financial position have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared to provide the Investor with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted in section 3.2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures.

1.15 Capital structure

The effect of the Offer of Tranche C Convertible Notes and Tranche D Convertible Notes under this Prospectus on the capital structure of the Company is detailed in the tables below.

Table 1

Table 1 below sets out the number of Shares that will be issued on Conversion of the Tranche C and Tranche D Convertible Notes, assuming different A\$/US\$ exchange rates, and different Conversion prices. Table 1 also assumes that Shareholders Approval is obtained in relation to the terms of issue of the Tranche C Convertible Notes and the issue of the Tranche D Convertible Notes and that no event of default under the Convertible Note Agreement has occurred. The following table does not include the Tranche E Convertible Notes that could potentially be issued by the Company under the Convertible Note Agreement or, assuming the Tranche E Convertible Notes are issued, the Conversion Shares issued on Conversion of those notes.

A\$/US\$ Exchange Rate	Number of Tranche C and Tranche D Convertible Notes	Conversion Price (A\$)	Shares to be issued on conversion of all Tranche C and Tranche D Convertible Notes	Total Shares on issue following conversion of Tranche C and Tranche D Convertible Notes	Conversion Shares as a percentage of total issued share capital after conversion of Tranche C and Tranche D Convertible Notes
0.70	1,162,000	A\$0.005	365,200,000	1,925,799,327	18.96%
0.75	1,212,000	A\$0.015	118,506,666	1,679,105,993	7.06%
0.80	1,262,000	A\$0.030	57,841,666	1,618,440,993	3.57%

Table 2

Table 2 below sets out the number of Shares that will be issued on Conversion of the Tranche C Convertible Notes, assuming that Shareholder Approval is not obtained in relation to the terms of issue of the Tranche C Convertible Notes and the issue of the Tranche D and Tranche E Convertible Notes and that no event of default under the Convertible Note Agreement has occurred.

Fixed A\$/US\$ Exchange Rate	Number of Tranche C Convertible Notes	Conversion Price (A\$)	Shares to be issued on conversion of all Tranche C Convertible Notes	Total Shares on issue following conversion of Tranche C Convertible Notes	MEF I, L.P.'s percentage shareholding in the Company after conversion of Convertible Notes
0.770	462,000	A\$0.005	132,000,000	1,692,599,327	7.80%
		A\$0.015	44,000,000	1,604,599,327	2.74%
		A\$0.030	22,000,000	1,582,599,327	1.39%

Table 3

Table 3 below lists all of the securities in the capital of the Company and shows the changes to the capital structure of the Company assuming Shareholder Approval is obtained in relation to the Convertible Notes, a Conversion price of A\$0.005, and an A\$/US\$ exchange rate of 0.70, that there are no other changes in the number of Shares or other securities on issue as a result of the exercise of any option, or other convertible notes on issue, issue of any Shares or securities, or exercise of any performance shares, and that no event of default under the Convertible Note Agreement has occurred. The following table does not include the Tranche E Convertible Notes that could potentially be issued by the Company under the Convertible Note Agreement or, assuming the Tranche E Convertible Notes are issued, the Conversion Shares issued on Conversion of those notes.

Security	Number of the securities on issue as at the date of this Prospectus	Number of securities that will be on issue following the issue of Tranche C and Tranche D Convertible Notes under this Prospectus	Number of securities on issue if all the Tranche C and Tranche D Convertible Notes are converted into Conversion Shares
Shares	1,560,599,327	1,560,599,327	1,892,599,327
Tranche C and Tranche D Convertible Notes issued under this Prospectus	0	1,162,000	365,200,000
Existing Convertible Notes on issue	272,728	272,728	272,728
Listed Options	351,413,781	351,413,781	351,413,781
Unlisted Options	31,687,500	31,687,500	31,687,500

Class A Performance Shares	89,285,715	89,285,715	89,285,715
Class B Performance Shares	107,142,857	107,142,857	107,142,857
Class C Performance Shares	142,857,143	142,857,143	142,857,143
Class D Performance Shares	178,571,428	178,571,428	178,571,428

1.16 Market price of Shares

The highest and lowest market sale price of the Shares on the ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

- highest: \$0.021 on 24 July 2017; and
- lowest: \$0.007 on various dates including 17 and 18 May 2017.

The latest available market sale price of the Shares on the ASX prior to the date of the lodgement of this Prospectus with ASIC was \$0.016 at the close of trading on 14 August 2017.

1.17 ASX listing

The Company will not apply to ASX for Official Quotation of the Tranche C and Tranche D Convertible Notes offered under this Prospectus. However, the Company will apply to ASX for Official Quotation of any Conversion Shares within 7 days after the date of this Prospectus.

1.18 No over subscriptions

Over subscriptions will not be accepted.

1.19 No underwriting

The Offer of the Tranche C and Tranche D Convertible Notes under this Prospectus is not underwritten.

1.20 Applications outside of Australia

Offer only made where lawful to do so

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons who come into possession of this document should inform themselves about and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

United States residents

The Tranche C and Tranche D Convertible Notes being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Tranche C and Tranche D Convertible Notes in any state or other jurisdiction in which such offer, solicitation or sale

would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

Overseas ownership and resale representation

It is the Investor's responsibility to ensure compliance with all laws of any country relevant to its application for Tranche C and Tranche D Convertible Notes.

1.21 Taxation

The Investor should seek and rely on its own taxation advice regarding an investment in the Company.

1.22 Expenses of the Offer

The estimated expenses (exclusive of GST) associated with the Offer which are payable by the Company is described further in section 5.9 of this Prospectus.

1.23 Right to withdraw Offer

The Company may only withdraw the Offer in accordance with the terms of the Convertible Note Agreement.

1.24 Risk factors

The Investor should read this Prospectus in its entirety, and in particular consider the risk factors that could affect the financial performance of the Company, before deciding to make an Application. A summary of the risk factors applying to an investment in the Tranche C and Tranche D Convertible Notes is set out in section 4 of this Prospectus.

The Investor should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their stock broker, accountant or independent financial adviser.

1.25 Brokerage

No stamp duty is payable by the Investor on the acquisition of Tranche C and Tranche D Convertible Notes under the Offer.

1.26 Enquiries regarding the Offer

Enquiries regarding the Offer, this Prospectus or the Tranche C and Tranche D Convertible Notes under the Offer should be directed to Mr John Lewis, Company Secretary, on (08) 6555 9500.

SECTION 2. OVERVIEW OF THE COMPANY AND THE USE OF FUNDS

2.1 Brief overview of the Company

The Company provides 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.

For more information in relation to the Company refer to its platform on www.asx.com.au or its website at <http://tv2u.com/>.

2.2 Further information concerning the Company

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities. It is a transaction specific prospectus and, as such, it does not contain the same level of disclosure as an initial public offering prospectus.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the ASX Listing Rules which require, subject to certain exceptions, immediate disclosure to the market of any information of which the Company is aware which a reasonable person might expect to have a material impact on the price or value of the Shares.

The Company is not aware of any matters that need to be disclosed which have not been previously disclosed or which have not been set out in this Prospectus. The Company will make further announcements in respect of any such matters in accordance with its disclosure obligations as and when material developments occur.

Investors requiring further information about the Company or who may wish to view a record of the Company's announcements to ASX may do so by visiting the Company's website – <http://tv2u.com/> or www.asx.com.au. This Prospectus is intended to be read in conjunction with all information concerning the Company which has been previously publicly disclosed by the Company.

For further information on the announcements made by the Company to ASX, refer to section 5.1 of this Prospectus.

2.3 Use of funds

The Company is conducting the Offer for the primary purpose of raising funds for the purposes of its working capital requirements and general corporate purposes.

SECTION 3. FINANCIAL INFORMATION

3.1 Balance sheet

Set out following is a summary of the Company's historical consolidated balance sheet as at 31 December 2016, together with pro forma adjustments for the following transactions:

- (a) the issue of the Tranche C and Tranche D Convertible Notes, each having an issue price of US\$1.00 and a Face Value of US\$1.10, to raise the Aggregate Subscription Amount before deducting fees and expenses; and
- (b) the estimated fees and expenses of the Offer.

	AUDITED 31-Dec-16	PROFORMA – ADJUSTMENTS	UNAUDITED PROFORMA
CURRENT ASSETS			
Cash	995,348	1,570,000	2,565,348
Trade & Other Receivables	173,440	-	173,440
Other assets	42,823	-	42,823
TOTAL CURRENT ASSETS	1,211,611	1,570,000	2,718,611
NON-CURRENT ASSETS			
Intangible Assets	24,283	-	24,283
Plant & Equipment	140,647	-	140,647
TOTAL NON-CURRENT ASSETS	164,930	-	164,930
TOTAL ASSETS	1,376,541	1,570,000	2,946,541
CURRENT LIABILITIES			
Trade & Other Payables	362,700		362,700
Convertible Notes		1,760,000	1,760,000
TOTAL CURRENT LIABILITIES	362,700	1,760,000	2,122,700
TOTAL LIABILITIES	362,700	1,760,000	2,122,700
NET ASSETS	1,013,841	(190,000)	823,841
EQUITY			
Issued Capital	21,493,067	-	21,493,067
Reserves	1,269,591	-	1,269,591
Retained loss	(21,748,817)	(190,000)	(21,558,817)
TOTAL EQUITY	1,013,841	(190,000)	823,841

3.2 Assumptions

The unaudited pro-forma balance sheet as at 31 December 2016 shown above has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position as a consequence of the following transactions (actual and proposed):

- (a) The issuance of the Tranche C and Tranche D Convertible Notes under the Offer. The Offer will raise net proceeds of \$1,570,000, being the aggregate Face Value of the Tranche C and Tranche D Convertible Notes (of A\$1,760,000) less the discount applicable to the issue thereof and the total amount of expenses payable in relation to the Offer in the amount of A\$30,000, including the ASIC lodgement fees of A\$2,350.
- (b) All transactions are recorded in A\$ however in the future the Company may incur foreign exchange gains or losses as a result of the Tranche C and Tranche D Convertible Notes being denominated in US\$.
- (c) The above unaudited pro-forma balance sheet as at 31 December 2016 does not include any adjustment for the Convertible Notes and Shares issued pursuant to the Convertible Note Agreement dated 31 May 2017 between TV2U and MEF I, L.P which raised an aggregate net amount of A\$917,650.

3.3 Basis of Preparation

The financial information in this section of the Prospectus has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The financial information is presented in an abbreviated form and does not contain all of the disclosures required by Australian Accounting Standards in an annual or half yearly financial report prepared in accordance with the Corporations Act.

The historical consolidated balance sheet as at 31 December 2016 has been extracted from the Company's audit reviewed half yearly financial report for the period ended 31 December 2016. The Company's half yearly financial report for 31 December 2016 was audit reviewed by PA Audit Pty Ltd in accordance with Australian Auditing Standards on Review Engagements ASRE 214. The audit review opinion issued to the Company in relation to the financial report was qualified by the inclusion of a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. A complete version of the Company's financial report as at 31 December 2016 is available from the Company's website - tv2u.com or from the ASX website, www.asx.com.au.

The pro forma consolidated balance sheet as at the date of this Prospectus has been prepared by the Directors and assumes completion of the transactions detailed in Section 1 of this Prospectus. The accounting policies used in preparation of the pro forma consolidated balance sheets are consistent with those set out in the Company's half yearly financial report for the period ended 31 December 2016.

SECTION 4. KEY RISKS

By investing in the Offer Securities, the Investor will be advancing money to the Company and, therefore, will be exposed to a number of risks which can be broadly classified as risks associated with the Offer Securities and risks associated with the Company's business which may affect the Offer Securities.

This Section describes the potential risks associated with the Company's business and the risks associated with an investment in the Offer Securities. It does not purport to list every risk that may be associated with an investment in the Offer Securities now or in the future. Some of the risks can be mitigated by appropriate commercial action, but many of the risks (and the occurrence or consequences of those risks) described in this section of the Prospectus are partially or completely outside the control of the Company and its Directors.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the date of this Prospectus but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or the Offer Securities will be achieved.

Investors should note that past performance is frequently not a reliable indicator of future performance.

Before applying for Offer Securities, the Investor must satisfy itself that it has a sufficient understanding of the risks noted in this section and has fully considered whether the Offer Securities are a suitable investment for it, having regard to its own investment objectives, financial circumstances and taxation position. The Investor should read this Prospectus in full and, if appropriate, seek professional advice if it requires further information and advice

Risks associated with investing in Offer Securities

Inflation rate risk

An increase in the inflation rate may erode in real terms the value of the capital invested in the Offer Securities.

Foreign exchange rate risk

The subscription price for the Tranche C and Tranche D Convertible Notes is denominated in US\$, while the relevant Investment Amounts and the Conversion Price are based on A\$. As such, movements in the USD/AUD exchange rate may adversely or beneficially affect the amount of funds raised, as well as the number of Conversion Shares that will be issued on conversion of the Convertible Notes.

Financial market conditions

The Shares issued as a result of conversion of any Convertible Notes will, following conversion, rank equally with the existing Shares. Accordingly, their value after issue will depend upon the market price of the Shares (which price, compared to the Conversion Price, may rise or fall).

Ranking

A holder of Convertible Notes will rank behind secured creditors of the Company and equally with other unsecured and unsubordinated creditors of the Company (other than those mandatorily preferred at law) and ahead of Shareholders.

If there is a shortfall of funds on winding-up, there is a risk that a holder of Convertible Notes will not receive a full (or any) repayment of their money invested in the Convertible Notes.

Conversion

Any Conversion Shares will have the same rights as other existing Shares, which are different from the rights attached to the Convertible Notes.

The market price of the Shares may fluctuate over time as a result of a number of factors.

Future payment of dividends

The amount of future dividends actually paid will be determined by the Board having regard to its operating results, financial position and available franking credits. A change in dividend policy or dividend levels may impact the market value of Shares.

Dividends on Shares

Directors may only declare or determine a dividend if there are funds legally available to pay dividends. Holders of Convertible Notes will not be entitled to participate in any dividends on the Shares and a holder whose Convertible Notes are converted into Conversion Shares after the record date for a dividend will have no entitlement to that dividend.

Further issues of securities

The Company may, in certain circumstances, issue other securities that may rank equally with or behind the Convertible Notes, without the approval of the holder of Convertible Notes. However, the issue of any such securities may impact the Conversion Price under the Convertible Note Agreement.

Dilution

The Company may undertake additional offerings of securities in the future. The increase in the number of issued Shares or securities convertible into Shares and the potential for the sale of such securities may depress the price of Shares already on issue. In addition, as a result of the issue of Shares, the voting power and proportionate economic interest of the Company's existing Shareholders (and, indirectly, of holders of Convertible Notes) will be diluted. While the Convertible Note Agreement provides for an adjustment for capital reconstructions, these provisions may not adequately protect the holders of Convertible Notes in the event the Company does undertake additional offerings of securities in the future.

Change in the Australian tax system

Any future changes in Australian tax law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of the acquisition, holding and disposal of Convertible Notes.

Company specific risks

Going concern risk

The Company's half yearly financial report for the period ended 31 December 2016 includes a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. The report from the Company's auditor notes that the ability of the Company to continue as a going concern is dependent on securing additional funding through capital raising to meet its working capital requirements in the next 12 months.

Notwithstanding the 'going concern' disclosure included in the half yearly financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to

adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

In the event that the Offer is not completed successfully there is uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

Failure to sign operators

The Company's business model is fundamentally dependent on signing one or more operators to its OTT platform. The engagement of an operator is likely to provide necessary capital for the Company to operate its business for an extended term, launch new products, acquire additional rights to content and generate predictable revenue streams.

If the Company fails to sign a key operator to its platform in the near term, it is likely to have a significantly adverse effect on the financial viability of the Company.

The Company signed an agreement with SOL Telecom in Brazil in February 2017. This agreement provides for a minimum of 25 operators aggregating to not less than 125,000 subscribers using the platform with 12 months from the hard launch. The Company signed a further agreement with PT PGAS TELEKOMUNIKASI NUSANTARA ("PGAS"), in Indonesia in June 2017.

The Company is currently in discussions with a number of additional operators but there can be no guarantee that any further operators will sign on to the Company's platform.

Commercial agreements risk

Apart from the SOL telecom and PGAS agreements many of the Company's key commercial agreements are indicative only, are not binding on the parties and require a formal agreement to be negotiated and signed in order to bind the parties

There is a risk that additional formal agreements may not be agreed and signed by the Company in respect of these arrangements. If the Company is unable to sign additional binding agreements with its anticipated operators, customers or suppliers, the Company would not be able to derive any financial or other benefit from any of those relationships and the relevant commercial agreements disclosed to the market would be of no effect.

Contract and cost risk

In order for the Company to be able to achieve its objectives, it is reliant on its customers, contractors and end users complying with their contractual obligations. Should any of the counter-parties to the Company's contracts fail to comply with such agreements, it may have an adverse effect on the business and performance of the Company.

If the Company is successful in signing an operator, there is a risk of delay in payment between signing the contract and launch of the operator's product in its chosen territory which is outside the control of the Company. An extended delay in receiving payment from its material contracts may affect the Company's financial viability.

In addition, as the Company is reliant on third party components used in its technology, its business may be materially affected if there is a significant increase in the cost of licences to such components.

Customer service risk

The Company'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 the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

Limited trading history

The Company's business is a start-up with limited trading history and, at such an early stage of its development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. With the signing of the SOL Telecom and PGAS agreements, the business needs to implement and deploy its solution within these territories and this will incur further expenses.

Since its establishment on 28 May 2015, the business's activities have principally involved funding the development of its software and product testing.

As is the case with many start-ups, the business has incurred losses since its inception.

Intellectual property

Certain of the Company's subsidiaries have licensed or acquired the rights to certain patent applications relating to their core business. None of the patent applications are held in the name of the relevant subsidiary and, at the date of this Prospectus, none of the patent applications have been granted.

The patent applications to which the Company (via its subsidiaries) have acquired licence rights are held in the name of TARA IP Limited, an entity controlled by Mr Nick Fitzgerald, the CEO of the Company. TV2U Singapore Pte Ltd, a subsidiary of the Company, 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 Pty Ltd, a subsidiary of the Company. However, as TV2U Singapore Pte Ltd is not itself the applicant for the patents, it is reliant on TARA IP Limited to comply with the terms of the assignment and progress the patent applications if and to the extent required by TV2U Singapore Pte Ltd. Should TARA IP Limited fail to comply with its contractual obligations, it may have an adverse effect on the business of the Company.

In respect of the patent applications, 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 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.

The Company's prospects also depend on its ability to develop and patent technology that meets changing market needs and addresses the technological advances and competitiveness of other companies operating in the markets targeted by it.

Technology risk

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

There is also a risk that the technology used by the Company, which it intends to make available (by licence) to operators and/or customers subject to agreeing binding service and supply agreements, may not meet its specifications or may not be fit for the purpose desired by the operators and/or customers.

The Company's existing hardware and software can only support a limited number of channels (up to 20 channels). In order to expand the number of channels that can be offered, the Company will need to upgrade its hardware (the content hub in Kuala Lumpur and the hardware deployed at a data centre within the customers region) and further develop its software (both its own software and that of third parties). Upgrades of this type can run into risks of integration and scalability.

In addition, the Company's business is reliant on the technology accessible by end users. If end users do not have capacity to receive or properly utilise the Company's services (for example, their networks are of insufficient speed to provide internet video), the Company's business may be adversely affected in those regions.

Failure to deal with growth

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to adequately meet customer or operator demand could adversely affect the business.

Industry specific risks

Competition

Competitors in the market, or any technological developments providing an alternative to the Company'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 its margins and revenue.

Further, existing providers of similar consumer services may also respond aggressively to the Company's product offerings to retain or regain market share, which could also impact its margins and revenue.

There is also a risk that competitors and operators may block the Company's products and services in their networks to favour their own products and television solutions.

Change in government policy and legislation

The Company operates in a number of jurisdictions. Any material adverse changes in relevant government policies or legislation may affect the viability and profitability of the Company, and consequent returns to investors. The Company's activities are subject to various international, federal, state and local laws governing taxes, labour standards and occupational health and safety, and other matters. The Company's principal opportunity in the Republic of Indonesia is with government owned or related entities. Any changes in regulations or requirements of the governments in these jurisdictions may affect the potential agreements with these entities and the terms on which the Company provides its services.

Availability of IT staff in the market

The Company 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 Company's products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

Security breaches or hacker attacks

A malicious attack on the Company'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.

General risks

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.

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.

Foreign exchange rate risk

Revenue derived by the Company will be denominated in United States dollars and the Company's operating expenses will be incurred principally in Australian dollars. Movements in the USD/AUD exchange rate may adversely or beneficially affect the Company's results or operations and cash flows.

Additional requirements for capital

The Company does not intend to proceed with expanding the content hub in Kuala Lumpur until such time that additional finance is secured by the Company in the future.

Failure to secure the finance could have a materially adverse impact on the Company's business and revenue moving forward.

Further, additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Dilution

There is a risk that the interests of Shareholders will be diluted as a result of future capital raisings required in order to fund the development of the Company.

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Taxation

The acquisition and disposal of Convertible Notes or Conversion Shares will have tax consequences, which will differ depending on the individuals' financial affairs. You should obtain independent financial advice about the consequences of acquiring Offer Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Offer Securities under this Prospectus.

Reliance on key personnel

The Company'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 the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offer Securities offered under this Prospectus.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

SECTION 5. ADDITIONAL INFORMATION

5.1 Continuous disclosure obligations

This Prospectus is a transaction specific prospectus for an offer of securities convertible into continuously quoted securities (as defined in the Corporations Act) to be issued as consideration for the Investor applying for the Tranche C and Tranche D Convertible Notes. This Prospectus has been prepared in accordance with section 713 of the Corporations Act and ASIC Corporations (Offers of Convertibles) Instrument 2016/83.

This Prospectus does not contain the same level of disclosure as an initial public offering prospectus or a prospectus prepared in accordance with section 710 of the Corporations Act.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the ASX Listing Rules which require, subject to certain exceptions, immediate disclosure to the market of any information of which the Company is aware which a reasonable person might expect to have a material impact on the price or value of the Shares.

Section 713 of the Corporations Act (as modified by ASIC Corporations (Offers of Convertibles) Instrument 16/83) enables a company to issue a transaction specific prospectus where the securities offered are continuously quoted securities (within the meaning of that term in the Corporations Act) or are convertible notes convertible into continuously quoted securities. This generally means that the relevant securities into which the convertible notes may be converted are in a class of securities that were quoted enhanced disclosure securities at all times during the 3 months before the date of the prospectus and that, during the 12 months before the date of the prospectus, the issuing company was not exempted from the continuous disclosure regime and disclosing entity requirements provided for under the Corporations Act and the ASX Listing Rules.

In summary, the content rules for any such prospectuses require them to contain information only in relation to the effect of the relevant offer on the company, and details of the rights and liabilities attaching to the continuously quoted securities and, if convertible securities are offered, the rights and liabilities attaching to those securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus or a prospectus prepared in accordance with section 710 of the Corporations Act.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied fully with, and has not been exempted from, the general and specific requirements of ASX (as applicable from time to time throughout the 12 months before the date of this Prospectus) which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX. For the purposes of satisfying section 713(5) of the Corporations Act, a prospectus must also incorporate such information if such information:

- has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus.

The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed by the Company or which have not been set out in this Prospectus. The Company will make further announcements in respect of any such matters in accordance with its disclosure obligations as and when material developments occur.

Information available to the Investor

Investors may view a record of the Company's ASX announcements at the Company's website – www.tv2u.com or at www.asx.com.au. ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at the office of ASIC. This Prospectus is intended to be read in conjunction with all information previously publicly disclosed by the Company.

The Company will provide a copy of each of the following documents, free of charge, to the Investor during the application period under this Prospectus:

- the annual financial report for the Company for the year ending 30 June 2016;
- the annual half yearly financial report for the Company for the period ended 31 December 2016; and
- the following documents used to notify ASX of information relating to the Company during the period after lodgment of the annual financial report of the Company for the period ending 30 June 2016 and before the issue of this Prospectus:

Date	Headline
3 October 2016	Appendix 4G
3 October 2016	Completion of Phase 2 Delivery of Karaoke2U & Company Update
6 October 2016	Investor Presentation
21 October 2016	Board Changes
24 October 2016	Trading Halt
25 October 2016	Final Director's Interest Notice x 2
26 October 2016	TV2 Signs Agreement with Leading Indonesian Telco Provider
26 October 2016	Appendix 3B and Cleansing Notice
27 October 2016	Heads of Agreement with Body Works International
27 October 2016	Initial Director's Interest Notice x 2
28 October 2016	Notice of Annual General Meeting
31 October 2016	Trading Halt
1 November 2016	Quarterly Activities Report & Appendix 4C
1 November 2016	Response to ASX Aware Letter
1 November 2016	Suspension from Official Quotation
3 November 2016	TV2U Suspension Update
3 November 2016	PGASCOM Update
3 November 2016	TV2U Expands Service Offering into Latin America
4 November 2016	Divan TV Alliance Agreement
4 November 2016	Cleansing Prospectus
10 November 2016	Notice under s708A(9)(c)
21 November 2016	Suspension Update
29 November 2016	Results of Meeting
2 December 2016	Suspension Update
8 December 2016	Update on Suspension
9 December 2016	Change of Share Registry Address
12 December 2016	Response to ASX Aware Query

Date	Headline
14 December 2016	Suspension Update & Reinstatement to Trading
14 December 2016	Reinstatement to Official Quotation
19 December 2016	Trading Halt
21 December 2016	Placement and Rights Issue
21 December 2016	Company Update
22 December 2016	Prospectus - Rights Issue
22 December 2016	Appendix 3B - Rights Issue
28 December 2016	Replacement Prospectus - Rights Issue
28 December 2016	Appendix 3B - Rights Issue
28 December 2016	Appendix 3B - Placement
28 December 2016	LR 3.10.5A Disclosure - Placement
28 December 2016	Letter to Shareholders - Rights Issue
28 December 2016	Letter to Option holders - Rights Issue
29 December 2016	Change of Director's Interest Notice
12 January 2017	Becoming a substantial holder
19 January 2017	Board Appointments
19 January 2017	Supplementary Prospectus - Rights Issue
19 January 2017	Shortfall Notice - Rights Issue
20 January 2017	Appendix 3B - Rights Issue Allotment
20 January 2017	Release of Escrowed Securities
24 January 2017	Initial Director's Interest Notice x 2
1 February 2017	Quarterly Activities Report & Appendix 4C
7 February 2017	Appendix 3B
20 February 2017	Appointment of CEO
20 February 2017	CEO Appointment Terms
28 February 2017	SOL Telecom Contract - Brazil
1 March 2017	Half Yearly Report and Accounts
1 March 2017	Board Appointments and Change of Registered Office
1 March 2017	Final Director's Interest Notice
1 March 2017	Initial Director's Interest Notice
8 March 2017	2nd Supplementary Prospectus
9 March 2017	Company Update
16 March 2017	Director Appointment
16 March 2017	Initial Director's Interest Notice x 2
16 March 2017	Final Director's Interest Notice
17 March 2017	Further Details Of Contract With Sol Telecom
20 March 2017	Tv2u Extends Product Range With Divan Tv
7 April 2017	General Update

Date	Headline
28 April 2017	Appendix 4C - quarterly
28 April 2017	Quarterly Activities Report
4 May 2017	Response to ASX Appendix 4C Query
9 May 2017	Amended March 4C
16 May 2017	Convertible Note Issue for \$1.0 million
1 June 2017	Amendment to Convertible Note
2 June 2017	Contract amendment with SOL Telecom and promotional launch
6 June 2017	Notice of General Meeting/Proxy Form
7 June 2017	Prospectus – Convertible Notes
8 June 2017	Corporate Governance Statement
14 June 2017	First Revenues from Sol Telecom in Brazil
16 June 2017	Issue of Convertible Notes
16 June 2017	Appendix 3B – Convertible Note and Commitment Shares
22 June 2017	Appendix 3B Convertible Note Conversion
23 June 2017	Major Contract Signed with PGASCOM in Indonesia
26 June 2017	TV2U Signs letter of Intent for new product lines
26 June 2017	TV2U Placement Capacity
26 June 2017	Supplementary Prospectus
27 June 2017	Company Update
28 June 2017	TV2U Smart Home Expansion
28 June 2017	Development of Set Top Box
29 June 2017	Appendix 3B Conversion of Con. Notes
29 June 2017	Details of OTT Association in Brazil
6 July 2017	Results of Meeting
13 July 2017	Appendix 3B - Convertible Notes
14 July 2017	Appendix 3B - Conversion of 75,000 Convertible Notes
24 July 2017	Compliance Prospectus
25 July 2017	Appendix 3B Conversion of Con Note and Options
26 July 2017	TV2U announces iVAN-X
27 July 2017	TV2U enters LOI to supply Latin American content overseas
31 July 2017	Appendix 4C - quarterly
31 July 2017	Quarterly Activities Report
1 August 2017	Appendix 3B - Conversion of 137,861 Notes
2 August 2017	TV2u enters LOI with Visiontec in Brazil
15 August 2017	Convertible Note Agreement

5.2 Corporate governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and

procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

A summary of the Company's corporate governance policies and procedures is available in the Investors section of the Company's website at http://tv2u.com/wp/wp-content/uploads/corporate_governance.pdf.

5.3 Rights attaching to Tranche C and Tranche D Convertible Notes

A summary of the rights attaching to the Tranche C and Tranche D Convertible Notes is set out in section 1.11 of this Prospectus.

5.4 Rights attaching to the Conversion Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued upon conversion of Convertible Notes. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to the Conversion Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

Dividends rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

Future increases of capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.5 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director or proposed director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, in any property acquired or proposed to be acquired by the Company relating to the formation or promotion of the Company or the Offer, or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer

Existing security interests

As at the date of this Prospectus, the Directors' direct and indirect interests in Shares, options and performance shares of the Company are as set out in the table below. These interests will not change as a result of the issue of the Offer Securities.

Director	Shares	Options	Performance Shares
Mr Nicholas Fitzgerald	303,571,428	Nil	440,178,572 ¹
Mr Alan Boyd	Nil	Nil	Nil
Mr David Adams	1,975,000	493,750 ²	Nil
Mr John Lewis	Nil	Nil	Nil
Mr Peter Cunningham	Nil	Nil	Nil
Mr Andrew Brown	Nil	Nil	Nil

Directors fees and remuneration

The following table sets out the total amounts paid or payable (excluding GST) to current Directors as fees and executive service remuneration in the two year period prior to the lodgement of this Prospectus:

Director	Current fee / remuneration
Mr Nicholas Fitzgerald	675,006
Mr Alan Boyd	21,000
Mr David Adams	201,000
Mr John Lewis	113,500
Mr Peter Cunningham	109,160
Mr Andrew Brown	90,875

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

¹ Performance shares subject to achievement of performance milestones and subject to 24 months escrow from the date of quotation.

² Exercisable at \$0.04 on or before 30 March 2019.

5.6 Interests of advisers

Other than as set out below or elsewhere in this Prospectus:

- no person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus or as a promoter of the Company has, or during the last 2 years prior to the date of the Prospectus has had, an interest in:
 - (a) the formation or promotion of the Company;
 - (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer under this Prospectus; or
 - (c) the Offer under this Prospectus; and
- no amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid and no value or benefit has been given or agreed to be given to any person named in the Prospectus as performing a function in a professional advisory or other capacity for services rendered in connection with the formation or promotion of the Company or the Offer under this Prospectus.

Automic Registry Services has been engaged by the Company to maintain its Share register. The Company will pay the Share Registry fees in accordance with Automic Registry Services' standard commercial terms. Automic Registry Services' has had no involvement in the preparation of any part of the Prospectus other than being named as the Company's Share registry and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

5.7 Consents to be named and to the inclusion of information

Each of the parties who are named below (other than as specified in this section):

- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- has not authorised or caused the issue of any part of this Prospectus;
- makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of information contained in this Prospectus; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements made in, or omissions from, this Prospectus, other than as specified in this section, and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by any investor as a result of this Prospectus being inaccurate or incomplete in any way or for any reason.

Auditor

PA Audit Pty Ltd has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the auditor to the Company in the form and context in which it is named and to the inclusion of extracts from the audited statement of financial position of the Company for the year ended 30 June 2016 in the form and context in which it appears in section 3. SECTION 3.

Share Registry

Automic Registry Services has given, and as at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Share registry of the Company, in the form and context in which it is named.

5.8 Privacy Disclosure Statement

The Company holds certain personal information regarding investors that has been provided to the Company (directly or via the Share registry) in connection with their investment in the Company. The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The personal information that the Company holds is used to provide services and appropriate administration including communications with members. If the Company is obliged to do so by law, investors' personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for its records, the Company will destroy or de-identify it.

The Corporations Act requires that the Company include information about security holders (including name, address and details of the securities held) in its public register. The information contained in the Company's public register must remain there for 7 years after that person ceases to be a security holder. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual report and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

An investor has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

5.9 Expenses of the Offer

The total estimated expenses of the Offer payable by the Company (including accounting and tax fees, legal fees, lodgement fees, ASX quotation fees, fees for other advisers and other miscellaneous expenses (including taxes and other government charges) will be approximately A\$30,000. These costs are payable by the Company.

5.10 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved.

5.11 Investor considerations

Before deciding to participate in this Offer, you should consider whether the Offer Securities to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of the Offer Securities may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary depending on your circumstances. The Investor is urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

5.12 Directors' statement

The Directors' report that, in their opinion, after having made relevant inquiries:

- except as disclosed in this Prospectus, they are not aware of any circumstances that have materially affected or will materially affect the assets and liabilities, the financial position, the profits and losses, or the prospects of the Company on completion of the Offer; and
- they have reasonable grounds to, and do, believe that this Prospectus contains no statements that are false or misleading and that there are no material omissions from this Prospectus.

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.

5.13 Governing law

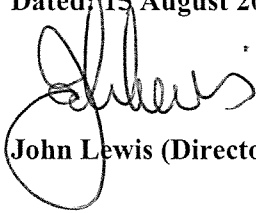
This Prospectus is governed by the law of Western Australia.

5.14 Approval

This Prospectus has been approved by unanimous resolution of the Directors of the Company.

Each Director of the Company has given and has not, before the lodgement of this Prospectus, withdrawn his consent to the lodgement of this Prospectus with ASIC.

Dated: 15 August 2017

A handwritten signature in black ink, appearing to read 'John Lewis', written over the printed name.

John Lewis (Director and Company Secretary)

SECTION 6. GLOSSARY

The following definitions apply throughout this Prospectus unless the context requires otherwise.

Aggregate Subscription Amount	has the meaning given in section 1.1.
Application Forms	the Tranche C Application Form and / or the Tranche D Application Form (as relevant), in the form attached to this Prospectus.
Application Monies	the amounts to be paid by the Investor pursuant to an Application.
Applications	applications for Tranche C and / or Tranche D Convertible Notes pursuant to this Prospectus.
ASIC	the Australia Securities and Investment Commission.
ASX	ASX Limited, or the financial market that it operates, as the context requires.
ASX Listing Rules	the listing rules of the ASX.
Closing Date	the date that the Offer is closed.
Company	TV2U International Limited (ACN 110 184 355).
Conditions Precedent	the conditions precedent to the issue of the Tranche C Convertible Notes, the Tranche D Convertible Notes and Tranche E Convertible Notes (as relevant).
Constitution	the constitution of the Company.
Conversion Price	means the price at which Convertible Notes are converted into Conversion Shares as described in the table in section 1.11.
Conversion Shares	Shares issued on conversion of the Convertible Notes.
Convertible Note Agreement	the 'Convertible Note Agreement' between the Company and the Investor dated 15 August 2017.
Convertible Note Terms	the summary of the terms and conditions of the Convertible Notes set out in section 1.11.
Convertible Notes	the Tranche C Convertible Notes, Tranche D Convertible Notes and Tranche E Convertible Notes to be issued pursuant to the Convertible Note Agreement.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Directors	the directors of the Company.
Exposure Period	the seven day period after the date of this Prospectus, unless extended by ASIC.
Face Value	means the face value of a Convertible Note, being US\$1.10 (subject to any adjustment under the Convertible Note Agreement).
Holder	a holder of a Convertible Note.
Investment Amount	the subscription price payable to the Company by the Investor on the issue of:

	<p>(a) the Tranche C Convertible Notes, being the US\$ equivalent of A\$600,000;</p> <p>(b) the Tranche D Convertible Notes, being the US\$ equivalent of A\$1,000,000; and</p> <p>(c) the Tranche E Convertible Notes, being the US\$ equivalent of A\$1,400,000.</p>
Investor	MEF I, L.P.
Maturity Date	the maturity date of the relevant Convertible Notes as described in the Convertible Note Terms.
Offer	the offer of Tranche C and Tranche D Convertible Notes under this Prospectus.
Official Quotation	quotation on the official list of the ASX.
Offer Securities	the Tranche C Convertible Notes and Tranche D Convertible Notes offered under this Prospectus.
Opt-out Event	<p>means each of the following:</p> <p>(a) the Company is unable to issue Conversion Shares to the Investor in accordance with the terms of the Convertible Note Agreement;</p> <p>(b) the VWAP of the Shares over 3 consecutive trading days is less than A\$0.015; and</p> <p>(c) the average daily trading value for any period of 20 trading days is less than A\$75,000.</p>
Prospectus	this prospectus lodged with ASIC on 15 August 2017 together with any replacement or supplementary prospectus.
Shareholder Approval	<p>the Shareholders of the Company:</p> <p>(a) approving the terms of issue of the Tranche C Convertible Notes (as amended) in accordance with their terms;</p> <p>(b) approving the issue of the Tranche D Convertible Notes, at an extraordinary general meeting of the Company; and</p> <p>(c) approving the issue of the Tranche E Convertible Notes, at an extraordinary general meeting of the Company.</p>
Shareholders	a holder of a Share.
Shares	fully paid ordinary shares in the capital of the Company.
Tranche C Application Form	the Application Form attached to this Prospectus in relation to the Tranche C Convertible Notes, in the form attached to this Prospectus.
Tranche C Convertible Notes	the 462,000 Convertible Notes issued under this Prospectus without Shareholder Approval pursuant to the terms of the Convertible Note Agreement as described in section 1.10(a).
Tranche D Application Form	the Application Form attached to this Prospectus in relation to the Tranche D Convertible Notes, in the form attached to this Prospectus.

Tranche D Convertible Notes	those Convertible Notes to be issued under this Prospectus subject to the Company obtaining Shareholder Approval pursuant to the terms of the Convertible Note Agreement as described in section 1.10(b).
Tranche E Convertible Notes	those Convertible Notes to be issued pursuant to the terms of the Convertible Note Agreement as described in section 1.10(c).
United States	the United States of America.
US Securities Act	the Securities Act 1933 of the United States.
VWAP	has the meaning given to the term 'volume weighted average market price' in Chapter 19 of the ASX Listing Rules.

CORPORATE DIRECTORY

Directors Mr Nicholas Fitzgerald (Chairman) Mr Alan Boyd (Director) Mr David Adams (Director) Mr John Lewis (Director) Mr Peter Cunningham (Director) Mr Andrew Brown (Director and CEO) Company Secretary Mr John Lewis	Share Registry* Automatic Registry Services Level 2, 267 St Georges Terrace Perth WA 6000
Registered Office Level 2, 35 Outram St West Perth WA 6005 Telephone: (08) 6555 9500	Auditor* PA Audit Pty Ltd 91 High Street Fremantle WA 6160

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have only consented to being named in this Prospectus on the basis set out in section 5.7.

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Guide to the Tranche C Application Form

This Tranche C Application Form relates to the offer of the 462,000 Tranche C Convertible Notes in TV2U International Ltd pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Tranche C Convertible Notes of TV2U International Ltd and it is advisable to read this document before applying for those securities the subject of the Offer. A person who gives another person access to this Tranche C Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and a Tranche C Application Form on request and without charge.

Please complete all relevant sections of the Tranche C Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Tranche C Application Form. Further particulars in the correct forms of resistible titles to use on the Tranche c Application Form are contained in the table below.

- A There is no need to complete this section of the Tranche C Application Form as the number is fixed under the Prospectus.
- B There is no need to complete this section of the Tranche C Application Form as the subscription amount is fixed under the Prospectus.
- C Write the full name you wish to appear on the statement of shareholdings. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares registry will be mailed to the person(s) and address as shown.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Certificates will be issued to the Applicant in respect of the Tranche C Convertible Notes that are issued.
- H There is no need to complete this section of the Tranche C Application Form.

Lodgement of Tranche C Application Form: Return your completed Tranche C Application Form (by post or hand delivery) to:

TV2U International Ltd
Level 2
35 Outram Street
WEST PERTH WA 6005

The Tranche C Application Form must be received no later than 5.00pm (Perth time) on the date that is 3 trading days after the Conditions Precedent relating to the issue of the Tranche C Convertible Notes are satisfied or waived in accordance with the Convertible Note Agreement.

Guide to the Tranche D Application Form

This Tranche D Application Form relates to the offer of the Tranche D Convertible Notes in TV2U International Ltd pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Tranche D Convertible Notes of TV2U International Ltd and it is advisable to read this document before applying for those securities the subject of the Offer. A person who gives another person access to this Tranche D Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and a Tranche D Application Form on request and without charge.

Please complete all relevant sections of the Tranche D Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Tranche D Application Form. Further particulars in the correct forms of resistible titles to use on the Tranche D Application Form are contained in the table below.

- A Insert the number of Tranche D Convertible Notes you are required to apply for pursuant to the terms of the Convertible Note Agreement.
- B Insert the relevant Application Monies. Calculate your Application Monies in accordance with the terms of the Convertible Note Agreement.
- C Write the full name you wish to appear on the statement of security holdings. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Certificates will be issued to the Applicant in respect of the Tranche D Convertible Notes that are issued.
- H There is no need to complete this section of the Tranche D Application Form.

Lodgement of Tranche D Application Form: Return your completed Tranche D Application Form (by post or hand delivery) to:

TV2U International Ltd
Level 2
35 Outram Street
WEST PERTH WA 6005

The Tranche D Application Form must be received no later than 5.00pm (Perth time) on the date that is 3 trading days after the Conditions Precedent relating to the issue of the Tranche D Convertible Notes are satisfied or waived in accordance with the Convertible Note Agreement.