

JUNE 2020 QUARTERLY REPORT

HIGHLIGHTS

The Board of TV2U International Limited (TV2U or Company) is pleased to provide the following update for the quarter ended 30 June 2020:

- Substantial advancement of Jayplus fan engagement
- JayPlus AG meet contractual obligations on licensing agreement
- TV2Africa integrates with new CDN provider
- JEE Group working on new business and marketing strategy
- TALICO continues to pursue commercial discussions regarding *Smart Technology* projects
- Cash on hand at 30 June 2020 of \$3.6 million

Key Agreements and Business Opportunities

JAYPLUS

Following the full execution of Jayplus' contractual obligations as marked by the full payment of associated funds (Refer ASX announcement 12 June 2020), substantial advancements have been made regarding TALICO's development of joint intellectual property surrounding interactive, multilevel second screen fan engagement. TV2U will continue to bring updates to the market as the development progresses.

AEMG

During the last quarter AEMG have been reviewing their third-party technical partnerships with a view to enact strategic changes. In continued support of AEMG, TV2U have completed the platform integration for a new CDN provider with global reach allowing for seamless simultaneous streaming for vast numbers of viewers.

Discussions are still progressing in relation to the deployment of the STB application across AEMG's chosen STB units.

JEE GROUP

JEE group have successfully supplied TV2U with access to music files necessary to populate the new PersistTV music module and are now working hard on a business and marketing strategy to ensure that the platform is accessible by Farsi speakers around the globe. TV2U will continue to bring updates to the market.

ESPORTS

Remaining in on-going discourse with potential clients surrounding the provision of E-Sports content, TV2U continues to simultaneously perform requirement gathering activities to enable the development of the *NextGen Sports 360* platforms "E-Sports" module with initial designs for the layout of this module and it's attached fantasy league component currently in production.

PGASCOM

TV2U continues to search for further content partnerships and operators on behalf of PGASCOM. However, limitations due to COVID-19 remain in place impeding progress with no certainty as to when this situation may change for the better. The company will be remaining vigilant over changes in the global situation and relevant restrictions by country to ensure the most efficient possible route of approach.

TV2U are continuously updating all relevant source codes and integrations to ensure minimum possible delay upon launch.

INDOSAT

TV2U show continued support for INDOOSAT by offering its platform as a white label brand-to-brand solution, acting as an enabler for clients and customers by providing a prepared, fast launch service without loss of quality or experience.

SOL TELECOM

During this quarter SOL TELECOM have been honing their new business strategy based on previous feedback from TV2U. Further information has been requested and TV2U are excited to review their new strategy upon completion.

UNIVERSITY OF VICTORIA (PREVIOUSLY REFERED TO AS BRITISH COLUMBIA UNIVERSITY)

Having previously drafted a commercial contract and making available to the University of Victoria, the Company still awaits feedback. TV2U will bring an update to the market regarding any opportunities or insights gained at the soonest possibility upon response.

TALICO SMART TECHNOLOGY – CONSULTATION SERVICES

Continuing to pursue new avenues in the world of "Smart Technologies", TALICO remains in active pursuit of a multitude of projects for which they may provide a consultancy service at various stages of progress. Commercial discussions currently center around TALICO's ability to harmoniously bring together a competitive range of technology companies, products, and infrastructures for the creation of residential and commercial sustainability solutions.

TV2U will update the market as these discussions progress.

TV2U's IP Portfolio

During the June quarter TV2U's R&D team have made several improvements to current platform functionality, a brief overview is listed below:

Web, iOS & Android Application Updates

- UI/ UX Improvements
- Package Auto-Renew On/ Off Implementation
- Multi Season Sports Data Handling (Fixtures, Results, Tables, Clubs, Players & Live Matches)
- In-app Purchase Implementation (iOS)

NextGen Sports 360°

- Preparation of NextGen Sports Platform Product IP Document
- Preparation of NextGen Sports Prototype
- NextGen Sports UI/ UX for Web & Mobile Apps
- R&D on new technology stack for NextGen platform
- Database Design & Optimisation to make futureproof
- Admin panel for NextGen core
- Basic authentication and authorisation API's
- Tenant onboarding
- Packages and subscription handling
- Media gallery
- Basic API structure definition

Sports Module (In-Progress)

- Module Planning & Requirements Gathering
- UI/UX design
- Admin panel work started
- APIs Implementation started
- Web Application work started

UI/ UX Improvements

- Multi Season Data Handling Improvements

SDP Updates

- Bulk Import Module
 - Movies
 - Series
 - Music
- Sports Module
 - Multi Season Handling
 - Multi Season Schedule
 - Multi Season Points Table
 - Multi Season Supports Video
- SSL Certificate Installation & Implementation

COVID-19 Re-Structuring

- Arrangements to ensure team Productivity during COVID Pandemic

CORPORATE

Board Changes

Hannah Field was appointed the Non-Executive Chair on 17 July 2020. Ms Field has been an integral part of the executive team of TV2U since its inception, and has been its Commercial Director since May 2018.

Arshad Muhammad was appointed as a non-executive director of the Company on 26 May 2020. Arshad is the Manager - Business Services & Advisory at DFK PA Group which specialises in the provision of value-added services including business planning and restructuring.

Graeme Smith was appointed as Company Secretary in May 2020 and then as a director on 1 July 2020 following the resignation of Bret Silvey.

Graeme Smith is the Principal of Wembley Corporate Services which provides Corporate Governance, Company Secretarial and CFO services to public and private companies.

Legal Proceedings

In June 2020, TV2U received notice that legal proceedings have been commenced in respect to the Company's recent receipt of €3,000,000 (~A\$5,000,000) from JayPlus AG (being the subject of the Company's ASX announcement on 12 June 2020).

The Company is currently considering its legal position in relation to the claim.

The Company also understands that in light of these legal proceedings, trading in its securities on ASX will remain suspended until the legal proceedings are satisfactorily resolved and the ASX is otherwise satisfied that the Company's ongoing operations are adequate, and the Company's financial condition is sufficient, to warrant the trading suspension being lifted.

Cash & Finances

At the end of the quarter TV2U's cash position was \$3.6 million.

The Company has incurred the following expenditures in relation to its activities for the June quarter.

- research and development - \$165,000 which was for improvements to current platform functionality through updates to Web, iOS and Android applications
- product manufacturing and operating costs - \$93,000 relating to content for projects in Africa (\$74,000) and cloud services (19,000)

Payments totaling approximately \$287,000 were made to related parties of the Company, as shown in the Appendix 4C. These payments related to director and consulting fees payable to non-executive directors.

This quarterly report has been authorised by the Board of TV2U International Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TV2U INTERNATIONAL LIMITED

ABN

73 110 184 355

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,989	5,167
1.2 Payments for		
(a) research and development	(165)	(522)
(b) product manufacturing and operating costs	(93)	(148)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(398)	(1,124)
(f) administration and corporate costs	(396)	(728)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	3,937	2,645
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(21)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(21)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	700
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings (Unsecured, interest free loan provided by director B Silvey.)	150	500
3.6	Repayment of borrowings (To Bret Silvey for Unsecured, interest free loan)	(500)	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(350)	700

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25	290
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,937	2,643

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(350)	700
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,612	3,612

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,612	25
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,612	25

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

287

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties and their associates:

All transactions involving related parties and associates were on normal commercial terms.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (Share Purchase agreement)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
7,200	1,595
7,200	1,595

7.5 **Unused financing facilities available at quarter end**

5,605

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Share Purchase Agreement is with Lind Asset Management XIII, LLC, whereby Lind may make, each month a pre-payment for shares in the Company of between A\$100,000 and A\$300,000. At the end of each month the amount pre-paid will be re-paid by issuing shares at a price equal to, and at the election of Lind, either 90% of the average of three daily VWAP's per Share, selected by Lind in its sole discretion during the twenty trading days prior to the share issue date or 130% of the average of the daily VWAP's per Company Share, during the twenty trading days prior to the execution date of the agreement. (Refer ASX Announcement 23 January 2019).

During the quarter, ex-director B Silvey (resigned on 30th June 2020) provided an additional loan of \$150,000 which was interest free and unsecured. Loans totalling \$500,000 from Mr Silvey were re-paid during the quarter .

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	3,937
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,612
8.3 Unused finance facilities available at quarter end (Item 7.5)	5,605
8.4 Total available funding (Item 8.2 + Item 8.3)	9,217
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A as cash from operating activities in item 8.1 is positive

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2020

Authorised by: The Board of TV2U International Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.