

7 October 2020

**DIFFERENCES BETWEEN APP 4E & ANNUAL REPORT**

TV2U International Ltd (ASX: TV2) (**TV2U** or **the Company**) notes there is a significant difference between revenue quoted in the Preliminary Final Report (App 4E) and the 2020 Annual Report.

TV2U considers this information price sensitive and has released this announcement concurrently with the Annual Report.

This difference has affected the profit after tax attributable to members and the earnings per share, as noted in the table below.

	<b>Annual Report Audited</b>	<b>Preliminary Report Un- Audited</b>
	<b>30-Jun-20</b>	<b>30-Jun-20</b>
	<b>\$</b>	<b>\$</b>
Revenue and other Income	1,143,967	2,885,698
Profit / (Loss) after tax attributable to members	(634,143)	392,317
	<b>Cents</b>	<b>Cents</b>
Profit / (Loss) per share attributable to the ordinary equity holders of the Company:		
Basic profit / (loss) per share - cents per share	(0.03)	0.02
Diluted profit / (loss) per share - cents per share	(0.03)	0.02

Two factors have caused the difference in revenue and other income:

1. An increase in other income of approximately \$550,000 due to the movement in the net fair value of a financial liability arising from a convertible note, determined between the lodgements of the Appendix 4E and the Annual Report.

TV2U was aware of this change on 30 September, however, did not consider the quantum of the change to be information that a reasonable person would consider may have an effect on the share price, because this was a notional accounting entry affecting the financial liability component of the convertible note as a result of the convertible note valuation.

2. A change in the treatment under AASB 15 of ~A\$5,000,000 received by the group, as explained below:

TV2U received approximately ~\$5,000,000 for two projects: providing an exclusive license for the streaming of sports content via the NextGen Sports 360 Platform, and developing joint intellectual property surrounding interactive, multilevel Second Screen Fan Engagement. Upon receipt of the funds, TV2U recognised the remittance as revenue received in advance.

Up to 30 June 2020 TV2U recognised revenue of \$2,333,665 for the two projects. This revenue was disclosed in the Preliminary Final Report. The recognition was based on AASB 15 Revenue from Contracts with Customers ("AASB 15"). Management recognised the revenue based on its assessment of the allocation of the transaction price and determination of the performance obligations satisfied, including the customer's control over the platforms.

TV2U's auditors reviewed management's assessment and were not satisfied that the performance obligations, particularly customer control over the platform achieved as at 30 June 2020 met the tests required by AASB 15 to recognise the income. The auditors signed the 2020 Annual Report on 5 October 2020.

Consequently, the auditors recommended that TV2U defer recognition of the revenue until the performance obligation met the tests required by AAS15.

TV2U was aware of this difference in opinion on 30 September 2020. Although TV2U believe that reasonable person would consider this information something that may have an effect on the share price, it was a matter that was being discussed with the auditors up until the signing of the accounts on 5 October 2020. Additionally, TV2U is currently suspended and therefore there has been no effect on the Company's share price.

TV2U has taken to steps to advise the market of these differences through this announcement.

TV2U believes it is in compliance with the Listing Rules, in particular LR 3.1.

This announcement has been authorised by the Board of TV2U International Ltd.

**For further information, please contact:**

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**About TV2U:**

TV2U International Ltd (ASX: TV2) provides a complete white labelled TV and entertainment managed service for streaming from the cloud. TV2U aids market entry and mitigates operator risk by reducing clients' needs for large upfront capital investment and operational overheads. The Company provides software as a service (SaaS) which empowers its clients to proactively drive revenue generation while reducing churn rates by encouraging customer retention.

TV2U generates revenue by delivering personalised targeted advertising based on a geography, demographic or an individual. TV2U's analytical platform is 'Immediate, Individual, Interactive, Intelligent and Influential', allowing for unique advertising to be dynamically stitched into a live stream or inserted on-demand pre and post content. TV2U's modular solution integrates the Company's SaaS seamlessly into an existing operator's platform and workflow, bringing management, security, control and delivery efficiency over any network to any device.