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Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

INVESTMENT FROM US INSTITUTIONAL INVESTOR

Highlights

- Unsecured interest-free convertible investment of up to US\$10,000,000 will support large order sizes underpinning future growth of the company in the US
- Terms suitable to the dynamics of the company

The Board of xTV Networks Limited (ASX:XTV) ("**xTV**" or the "**Company**") is pleased to announce support from US Institutional investor, Bergen Global Opportunity Fund, LP ("**Bergen**"), managed by Bergen Asset Management, LLC.

Under the investment agreement entered into with Bergen (the "**Agreement**"):

- US\$2,000,000 invested on execution of the Agreement,
- US\$200,000 and up to US\$2,000,000 in additional tranches not exceeding US\$10,000,000 in the aggregate, depending on the needs of the Company.

xTV's Chief Executive Officer Said "Bergen are a highly supportive and strong investor for ASX-listed companies operating in the USA. As our Healthcare revenue pipeline is growing strongly and the new 3DCloudTV product is doing the same, this financing allows the company to accommodate large scale orders without the need for additional financing or an order intermediary."

The company has listed the key terms of the Agreement in the Appendix of the announcement.

Mr. Eugene Tablis, Bergen Asset Management's Chief Investment Officer commented: "We look forward to working with xTV as it executes on its CloudTV Networks business. Our best investments have been made in companies in transition. We are excited to be able to provide the company with funding that assists it with scaling with the market demand for the product."



The Appendix - Key Aspects of the Agreement

1. Certainty of access to funding. The Agreement provides the Company with certainty of access to funding in a tight capital markets environment over the next 12 months. The investment will be made as follows:

- A. US\$2,000,000 on execution of the Agreement (which has occurred) by way of a 24-month interest-free unsecured convertible security with a face value of US\$2,180,000 (the “**First Investment**”); and
- B. By mutual consent, US\$200,000 to US\$2,000,000 in 24-month interest-free unsecured convertible security investments with face values equal to 109% of their purchase price (US\$200,000 investment per tranche, which can be increased to up to US\$2,000,000),

for a total of up to US\$10,000,000 (the “Total”).

The funding will enable xTV’s management to focus on its business and corporate development rather than fund-raising.

2. Minimizing dilution. The convertible securities are convertible by Bergen, at its election, at a conversion price equal to 90% of the average of five daily volume-weighted average prices (“**VWAPs**”) of the Company’s shares during a specified period immediately prior to the date of the conversion (the “Conversion Price”). Additionally, Bergen may convert the First Investment at the lesser of the Conversion Price and a conversion price of A0.013.

This allows the Company to potentially issue new shares at prices that are linked to the prices prevailing at the time and minimise the dilution for its shareholders.

3. Additional safeguards for the Company. The Company has a number of additional safeguards against dilution. These include the following:

- A. The Company may elect not to draw additional funding down under the Agreement thus avoiding the need for further tranches all together, if its developments would result in a better funding option available elsewhere or if funding was no longer required all together.
- B. Bergen is a passive financial investor with no board participation rights.
- C. Currently, the Company may not issue (including through any conversion of the First Investment) more than 164,265,536 ordinary shares, being the maximum number of equity securities issuable under the existing placement capacity of the Company as at the date of the Agreement without first obtaining shareholder approval.

4. Interest-free investment and focus on capital appreciation. Bergen’s return on investment depends on the Company’s share price appreciation and, consequently, the convertibles accrue no interest.



5. Options priced at a premium. The Investor will be granted 28,000,000 three-year options to acquire ordinary shares in the Company at an exercise price of \$A0.013, being approximately 130% of the average of the VWAPs of the Company's shares for the 20 trading days immediately prior to the date of the agreement, which maximises Bergen's interests in the Company's share price appreciation.

6. Other. The investment is unsecured other than the Company securing it against 28,800,000 ordinary shares, and does not prevent the Company from raising additional funding. Bergen will receive a commencement fee of approximately 1.25% of the total in connection with its investment in the Company, to be satisfied by way of issuance of 38,150,000 ordinary shares in the Company.

**About xTV – Cloud TV Networks**

Operating in the US and Australia, the company operates Cloud TV Networks for the enterprises allowing them to create dedicated multi-channel online networks that integrate branded video and user-generated content with other real-time feeds.

The company's products are purchased as a subscription based on the consumption and end points connected to the network.

The head office is in Redwood Shores, California, USA. xTV has a nation-wide presence in the USA and an office in Perth, Australia.

Web: www.xtv.net

Twitter: [@livextv](https://twitter.com/livextv)

Cloud TV xtvnetworks.tv

About Bergen Asset Management

Bergen Asset Management, LLC ("Bergen") is a New York-based global asset management firm focusing on equity investments in high growth publicly-traded and private companies, primarily outside of the United States. Bergen is sector-agnostic but has a particular preference for investments in industries that have the potential for above-market medium term appreciation.

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