



ASX ANNOUNCEMENT

January 29, 2016

**QUARTERLY ACTIVITIES REPORT**  
**For the period ending**  
**31 December 2015**

**Highlights**

- 1. Major Healthcare clients announced and will be generating revenue in Q3**
- 2. First Healthcare accounts are in the top major healthcare companies in the U.S.**
- 3. Over 50 new opportunities identified within the first two accounts**
- 4. The company will be sending out a presentation to investor on the expansion in Healthcare within the coming weeks**
- 5. Retail momentum continues through a major trial with one of the largest retailers in the U.S.**

xTV Networks Ltd (“xTV” the “Company”) (ASX:XTV) completed the second quarter with significant momentum in Healthcare and with highly respected brands in the U.S. as previously announced.

Financial - Cash collections for the quarter totaled US\$68,000 with receivables of US\$100,000 from Healthcare sales that is due to be collected prior to the next quarterly announcement.

**Healthcare Market**

Healthcare – all outbound sales efforts are now focused on Healthcare clients. The opportunities within our Healthcare clients include:

- Multiple .TV Networks by specialty (Diabetes, Heart, etc. and typically 20+ specialties in larger clients)
- Conferences with sponsor advertising paying for the .TV network including mobile-first interactive screens
- Mobile app integration with Doctors, Nurses and Patients receiving videos via push notifications with the ability to push content into the network using existing mobile apps
- Premium content channels, supported by partners with large amounts of Healthcare video content

Customer owned content in combination with xTV premium content allows for the deployment of new Healthcare TV networks in 24 hours. The speed of deployment accelerates the adoption of the full suite of offerings.



## Healthcare content partnerships

Partnerships have been formed to accelerate Healthcare TV adoption with the following companies:

- Reuters
- Blausen Media
- Visual Health Solutions

The company is working on more publishers in the industry to continue to expand the premium content offering.

## Update on Hendrik Asset Transaction

The Company has assumed the major customer contract, Nicklaus Children's Hospital and key employee, Mark Sangster. Revenue from Nicklaus Children's and Pumps & Pipes is being generated and will be reflected in the next quarterly update.

Additionally, the Houston Methodist hospital contract is currently being assigned and if material, the Company will update the market when that is complete.

The transaction was structured as a license agreement between the Company and Hendrik where Hendrik granted to the Company the exclusive right to its content and delivery solutions, and Hendrik would work with the Company to assign existing and future contracts to the Company. The Company must pay non-refundable license fees per client contract (\$20,000 per client contract up to total payments of \$500,000 within 2 years and \$10,000 per client contract thereafter up to \$1,000,000 within 4 years). If those aggregate fees/payments are not made within those periods the license agreement terminates.

After the payment by the Company to Hendrik of a total amount of \$1,000,000 in fees/payments, the ownership in the whole technology platform must be transferred to the Company by Hendrik and Hendrik shall no longer have any rights to the platform.



### **Retail Market**

Our trial with one of the largest retailers in the U.S. has resulted in 11 networks being tested where xTV Networks US, Inc. has now been on-boarded as a vendor.

### **Hospitality Market**

Hotel Technology Next Generation (HTNG.ORG & HTNG.TV) continues to support their Cloud TV initiative and the company is working with them to expand their next major conference in Florida, March 1-3 2016.

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### **About xTV**

xTV - the Next Generation Media Network Company allowing businesses to set up dedicated multi-channel online networks that integrate branded video and user-generated content with other real-time feeds



Rule 4.7B

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

xTV Networks Ltd

ABN

16 124 251 396

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$USD'000	Year to date (6 months) \$USD'000
1.1	Receipts from customers	68	223
1.2	Payments for		
	(a) staff costs	(712)	(1,355)
	(b) consultants	(95)	(521)
	(c) professional services	(206)	(395)
	(d) sales & marketing	(73)	(151)
	(e) other working capital	(412)	(665)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (new business evaluation)	-	-
	<b>Net operating cash flows</b>	<b>(1,428)</b>	<b>(2,860)</b>



	Current quarter \$USD'000	Year to date (6 months) \$USD'000
1.8 Net operating cash flows (carried forward)	<b>(1,428)</b>	<b>(2,860)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(20)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	(20)
<b>1.14 Total operating and investing cash flows</b>	<b>(1,428)</b>	<b>(2,880)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	292
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other	-	-
1.21 Capital raising costs (current quarter includes adjustment of (473) relating to previous quarter)	(4)	(24)
<b>Net financing cash flows</b>	<b>(4)</b>	<b>268</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,432)</b>	<b>(2,612)</b>
1.21 Cash at beginning of quarter/year to date	3,098	4,462
1.22 Exchange rate adjustments	12	(171)
1.23 <b>Cash at end of quarter</b>	<b>1,678</b>	<b>1,678</b>



## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter \$USD'000
1.24	Aggregate amount of payments to the parties included in item 1.2	139
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

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## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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## Financing facilities available

*Add notes as necessary for an understanding of the position.*

		Amount available \$USD'000	Amount used \$USD'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-



## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$USD'000	Previous quarter \$USD'000
4.1	Cash on hand and at bank	1,678	3,094
4.2	Deposits at call	4	4
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)		<b>1,674</b>	<b>3,098</b>

## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-



#### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

A handwritten signature in cursive script that reads "Anna MacKintosh".

Date: 29 January 2016  
(Company secretary)

Print name: A. MacKintosh

#### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.