

**Grafenia plc**

## **Grant of Extended Master Licence Agreement**

RNS Number : 3742M

Grafenia plc

27 April 2018

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**("Grafenia", the "Group" or "Company")**

### **GRANT OF EXTENDED MASTER LICENCE AGREEMENT**

We are pleased to announce that we have granted a significant extension to the Master Licence Agreement with our partners in New Zealand.

Redshift Ltd ("Redshift") has been our Master Licence partner in New Zealand since 2006. They've successfully operated the printing.com brand partner network for over 12 years. In 2016 we were delighted to extend their licence agreement to include our Nettl brand and systems. Today Redshift operate or support 29 printing.com outlets and 4 Nettl branded studios in New Zealand.

We've now extended our agreement with Redshift for an additional 18 years. Under the terms of the Master Licence Agreement, Redshift pay a minimum monthly royalty to Grafenia. The total contract lifetime value equates to a minimum royalty of NZD 9.07m (GBP 4.6m at today's exchange rate), assuming the contract runs until the first break date in May 2036.

We've also significantly extended the territory to now include Australia. This is also for an initial term of 18 years. Last week, Redshift began marketing of the Nettl proposition at a trade show in Brisbane, to Australian graphics businesses.

Nettl is a software toolkit, training and systems which help designers and printers to profitably sell sophisticated website and ecommerce projects to their customers. Today there are over 180 Nettl locations in the UK, The Netherlands, Ireland, France, New Zealand and Belgium.

Grafenia's obligations under the agreement are to provide access to the Nettl system, brands and deliver strategic and high-level IT support. The Master Licencee's obligation is to acquire new local brand partners, pay fees (as explained below) and provide both business and "geek" technical support locally.

We share all initial and recurring licence fee income generated in New Zealand. This will now include Australia. We also receive a royalty on printing and products sold through our systems. Over at least the next two years, while Nettl scales in Australia, we don't expect a

material increase in monthly licence fees received.

Lawrence Evans, CEO of Redshift said "Our New Zealand customers love the Nettl solution so much, we knew we had to bring it to Australia. There is nothing like Nettl in the market today. It underpins a profitable business model and delivers for our customers every time."

Peter Gunning, CEO of Grafenia said "We're absolutely stoked to partner with Lawrence and the team to start Nettl in Australia. We're looking forward to helping graphic professionals across the country provide innovative websites and clever online systems to their clients. Redshift have demonstrated an enormous vote of confidence in our future partnership, with their decision to contract for 18 more years. We're excited by their ambitious plans."

Graphic businesses in Australia should visit [www.nettl.com/au](http://www.nettl.com/au) to explore the Nettl opportunity. Grafenia are looking for further Master Licence partners who'd like to bring Nettl to their country. Entrepreneurs should email [letmein@grafenia.com](mailto:letmein@grafenia.com) to begin a conversation.

**For further information:**

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