



11 February 2016

## UPDATE ON QUICKFLIX RESTRUCTURE AND CAPITAL RAISING

Quickflix Limited (ASX: QFX) (“the Company”) has previously advised the market that it has successfully restructured obligations of in excess of \$7.5 million with content providers, reduced costs and that it is seeking to reposition the Company and expand its base through transactions with complementary businesses including those in the content, digital consumer, ecommerce and technology sectors. The Company is also looking to reposition its existing offerings including focusing its SVOD service on niche content that will complement SVOD services offered by competitors. The Company requires new capital to fund its existing business and new opportunities.

In order to progress a capital raising and pursue corporate transactions the Company's board is seeking to restructure the existing redeemable preference shares (“RPS”) held by Stan Entertainment Pty Ltd (“Stan”) a company that operates its own SVOD business, owned by Nine Entertainment Co. (ASX: NEC) and Fairfax Media Ltd (ASX: FXJ). The RPS ranks ahead of ordinary shareholders with respect to dividends and capital returns and whilst from a legal perspective it constitutes equity, accounting standards require it to be recorded as debt in the Company's accounts. The face value of RPS is presently \$11,653,329. Whilst Stan can only ask for redemption of RPS in limited circumstances, the Company is not in a position to fund redemption and any new equity raised by the Company will rank behind the RPS. The existence of this right is a significant disincentive for incoming investors. The board and its advisors therefore believe that securing necessary investor support for an equity capital raising, including an offer to existing shareholders, is likely to be conditional on Stan agreeing to restructure the RPS.

The redeemable preference shares were issued to HBO in March 2011 at a time when Quickflix had entered a commercial relationship with HBO. In July 2014 Nine Entertainment acquired the preference share from HBO for an undisclosed amount and subsequently transferred the shares to Stan.

In order to progress its restructure and raise new capital Quickflix is therefore seeking to reach agreement with Stan for the immediate restructuring of the RPS. The Company expects to provide further updates on its restructure.





**-END-**

**For any enquiries, please contact:**

Stephen Langsford

Founder & CEO

Quickflix Limited

+61 8 9347 4944

[stephen@quickflix.com.au](mailto:stephen@quickflix.com.au)

**About Quickflix**

Quickflix (ASX: QFX) is a TV and movie streaming company operating in Australia and New Zealand. It offers subscription and transactional streaming to a wide range of devices including Smart TVs from Samsung, Sony, Panasonic and LG, game consoles such as PlayStation and Xbox, TiVo, desk tops, laptops, tablets and a range of mobiles and other devices like Google Chromecast. In Australia, Quickflix is also the leading subscription online DVD rental service.

