

TOMIZONE LIMITED

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ASX: TOM

Tomizone to acquire Bluesky Online Services and appoints CIO

- **Bluesky is a complementary business in the telecommunications and Managed Services market**
 - **Currently operates over 3 data centre locations providing a diverse range of servers to meet market needs; inter-alia this includes e-mail, hosted desktop, line of business applications, infrastructure, Office 365, VOIP, managed WAN services with enhanced security and wireless access**
 - **Provides access point for Tomizone WiFi services**
 - **Cashflow positive and profitable with over 350 enterprise, corporate, business and medical customers**
 - **Will enable Tomizone to:**
 - **Rehouse and better manage its own infrastructure and data centre;**
 - **Increase the product offering to its existing customers;**
 - **Increase Tomizone's reach into Bluesky customers;**
 - **Provide operational cost savings; and**
 - **Add additional revenue, cashflows and bottom line profits to Tomizone**
 - **Favourable acquisition terms with a cash component of \$142,500 and the issue of 6.67M Tomizone shares**
 - **Makes a positive revenue contribution to Tomizone with an ongoing reliable and recurring revenue stream and a positive EBITDA of circa \$400,000, after post acquisition synergies**
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The Directors of Tomizone Limited (**ASX: TOM**) ('**Tomizone**', '**the Company**') are pleased to announce the first step in the implementation of their planned strategy to grow the Tomizone business via acquisitions as advised in the Entitlement Offer issue documents and recent releases.

The Company has signed an agreement to acquire all the business and assets of New Zealand-based Managed Services company Bluesky Online Services Limited (**Bluesky**) for a combination of cash and shares, made up of \$142,500 in cash and 6.67M Tomizone shares.

Bluesky is a well-established, profitable business that delivers its business customers a range of Managed Services, including telecommunications and IT related products, with a focus on Voice over Internet Protocol (VOIP), wireless network services (including WiFi), data security, cloud-based technology solutions and data centre operations. Bluesky has focused on the medical and corporate sector and now has a significant base where Tomizone WiFi services can be expanded and installed.

The acquisition will drive customer base growth by giving the Tomizone WiFi business access to Bluesky's loyal customer base, including businesses operating in "high-wait" locations such as medical centres and dental clinics. This builds on Tomizone's existing network of over 2,000 data access points across Australia and New Zealand.

Additionally, the deal will allow Tomizone to strengthen its revenue base by offering a range of additional managed services such as VOIP, IT management and wireless access management, which will enhance Tomizone's existing connectivity, analytics and location-based technology products.

The Bluesky acquisition is the first step in Tomizone's evolution into a one-stop-shop provider for the support of its customers and progresses towards ensuring that the Company has both vertical and horizontal integration of its business.

Bluesky is a catalyst for the Company to continue to grow its recurring revenue base by allowing the Tomizone sales teams to bundle new products and services, in addition to the Tomizone WiFi managed services, to suit customers across a range of industries and thereby increase the average monthly billing.

The transaction is in line with Tomizone's recently announced growth strategy, which includes undertaking complementary acquisitions that drive growth in distribution, customer base, strengthen revenue streams, and are aligned to current market segments.

Management Commentary

Tomizone Chairman Ian Bailey commented: "Bluesky is a highly-complementary business that clearly fulfils our strategic criteria for acquisitions that deliver aligned products and services, new distribution channels, an increase in our customer base, and stable recurring revenue streams.

This acquisition is the first step in our goal to position Tomizone so that we control all aspects of our business and can offer more products and services to our existing customer base, whilst allowing the Tomizone product set to be utilized and expanded into new business opportunities.

Bluesky represents a first and important step for Tomizone. We are currently evaluating other additional acquisitions to further strengthen and advance our strategy, and look forward to providing further details on how such transactions will deliver further value for our shareholders."

Management Team

As part of the transaction, the Company will appoint BlueSky Managing Director Gary Myburgh as Tomizone's Chief Information Officer (CIO), with responsibility for all technical aspects of the business. Gary is a telecommunications professional with over 25 years of experience within the industry with his own businesses. He's pioneered a number of initiatives (from conception through to implementation) including iVASP, VMS and Bluesky Medical. He has previously been the National Sales Manager (Corporate) for GDC, National Strategy Manager (Next-Gen Technologies) for OneSource/Cogent and CEO of Bluesky Online Services.

Gary brings a strong senior management profile to the group with considerable experience in the managed services market place.

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About Tomizone

Tomizone is a managed services provider of WiFi based connectivity, analytics and location based services and software to enterprises, retailers, brands and public venues. Its product suites include SaaS and Internet of Things connectivity and related management services. The Company's strategy is to provide its customers with a wide range of products and services that add value to Tomizone's customer.

For further information, please visit www.tomizone.com