

## TOMIZONE LIMITED

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ASX: TOM

## Tomizone restructuring

- **Ironman and Bluesky acquisitions completed and integration progressing**
- **Growth strategy in place with recurring revenues being generated**
- **Change to Key Management Personnel (KMP)**

The Board of Tomizone Limited (ASX: TOM) (**Tomizone, Company, Group**) wishes to inform the market that as a consequence of the BlueSky and Ironman acquisitions, there have been a restructure of the senior management team and identification of significant synergy cost savings, which will become evident during the first half 2018, of circa \$600,000 per annum.

### Synergy cost savings and revenue growth

As part of the consolidation of the BlueSky and Ironman businesses into Tomizone, the Company has identified synergy savings of up to \$600,000 in infrastructure, staff and operational savings.

Tomizone Chairman, Ian Bailey says "As expected there will be some costs to be incurred due to the restructure and it is expected these will all be taken up in late 2017 and the first quarter 2018. Whilst these costs will impact both the Appendix 4C due for release in December and the half year result, the end result will be a business that is moving towards an EBITDA positive position in the short term.

Additionally, the senior management team are focused on closely managing the cost structures of the business, and expect that synergy savings from the recent acquisitions, plus the additional new products, will start flowing through to produce a positive EBITDA in the first half 2018. To conserve cash, the senior management team have agreed to be employed on the basis of a lower cash component than they could obtain in the market and it is anticipated that the Company will look to obtain shareholder approval at the upcoming AGM to put in place shares and options as incentives that align and reward key staff and directors for increasing shareholder value."

### Growth strategy and revenue growth

With the consolidation of the recent acquisitions, the Company has increased its revenue base and will also be announcing a number of new initiatives in the near future which will include additional revenue streams available from users of the Tomizone WiFi networks combined with recurring revenues from the acquisitions undertaken recently and the release of new Tomizone products, including VOIP and IT Managed services.

The acquisitions undertaken include contracted recurring revenues and other reliable income streams that, on an annualised basis, are easily projected. It is intended to provide the market with an update in this regard in the near future.

### Senior management appointment and KMP changes

Ironman CEO, Dean Cates, has been appointed Tomizone New Zealand Group CEO, which will include the Tomizone New Zealand, BlueSky and Ironman entities and businesses. Mr Cates has extensive experience in general

management with a background in rental companies, banking and growth IT and security businesses. Mr Cates will also look for value accretive acquisitions in the NZ market that have synergies with the current business and direction.

As a consequence of the restructure, the role of Chief Commercial Officer will not be required and Mr Phillip Joe has agreed to accept redundancy with effect from 13<sup>th</sup> December 2017 and also intends to step down from the Board before that date. Mr Joe will remain available to the Group for specific projects if required. The Board acknowledges and thanks Mr Joe for his long-standing contribution to Tomizone as a Co-founder and Executive Director. The Company will appoint a new independent director in the near future.

Additionally, the Company has received the resignation from Melbourne based Mr Saurabh Madan, Head of Sales APAC, with effect from the 13<sup>th</sup> October 2017.

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**About Tomizone**

For further information, please visit [www.tomizone.com](http://www.tomizone.com)

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