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ASX: TOM

Shareholder Update

The Board of Tomizone Limited (ASX: TOM) (**Tomizone**, the **Company**) is pleased to advise that it has today completed a placement of 33,333,334 shares at \$0.015 (1.5 cents) per share to raise \$500,000. The new shares will be placed to high net worth individuals and sophisticated investors. Funds raised provide the Company with working capital to progress its current growth objectives.

The placement has been completed under the Company's 15% capacity under Listing Rule 7.1 and the further 10% capacity provided under Listing Rule 7.1A, as approved at the 2016 AGM.

The Company is also pleased to advise that after a review of the October accounts, group revenue increased to \$400,000 for the month, with most revenue being recurring, subscription-based or predictable revenue streams. As advised in the 8 November business update, the sales teams generated additional new sales of circa \$370,000, which will be progressively booked over time as the contracted products are installed.

Importantly, the Company now has recurring revenues that will represent circa 65%-70% of the Company's projected revenues. This is expected to increase to over 77% within 12 months as Tomizone secures more subscription-based sales.

Chairman Ian Bailey stated: "Having stable and predictable revenue streams flowing from the recently-acquired BlueSky and Ironman businesses means we start each month with a steady cash flow that is progressively building. Importantly, these contracted cash flows and revenues are based on an order book of circa \$4M, being the future cashflows we can expect to bring to account over the next few years. As we build the business it is expected that those contracted cashflows will increase."

Importantly, with enhanced sales volumes and growing recurring subscription revenues, adjusted to take account for one-off restructuring costs (see ASX release of 8 November 2017), the Company would have been break even or slightly EBITDA positive for the month of October.

Ian Bailey added: "This transition to an EBITDA-positive operating environment is exactly as we anticipated and is in line with the forecast given in July when the new Board set the direction for Tomizone. At the time, we advised we had a solid strategy in place to increase revenue and earnings through organic and acquisitive growth, and we have already delivered on that promise. Whilst there is still work to do, the Board believes that the direction we have taken will result in a profitable and cashflow positive business within the next 12 months."

The Company also continues to look for further value accretive acquisitions, particularly in the Australian market, that will add further shareholder value and strengthen the revenue and earnings base. Tomizone will continue to update shareholders its progress in this regard, and other organic growth initiatives.

For further information, please contact:

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About Tomizone

Tomizone is a managed services provider of products and services, including Wi-fi based connectivity, analytics and location based services and software, IT technology, telephony, WiFi enabled CCTV, and security systems to enterprises, retailers, brands and public venues. The company's strategy is to provide its customers with an increasing range of products and services that add value to Tomizone's customer and enable them to enhance their customers experience, with those services provided on a monthly recurring revenue

For further information, please visit www.tomizone.com