

Tomizone Limited
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ASX RELEASE

DATE: 19 February 2018

Tomizone Completes Oversubscribed Capital Raising of A\$500,000 and Announces Shareholder Purchase Plan

Highlights

- **Completion of Placement to raise AUD\$0.5 million by issue of 33,333,334 shares at AUD\$0.015 per share**
- **1:2 attaching options with 2.5 cent strike price and 12 month term**
- **The Placement was heavily oversubscribed with strong support from existing and new investors**
- **Announcement of Shareholder Purchase Plan (SPP) to raise a maximum of AUD\$1.0 million on same terms as placement**
- **The funds will be used to accelerate organic growth and to pursue new opportunities**

SYDNEY, 19 February 2018 - 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 AUD\$0.015 per share to raise AUD\$500,000. Placement shares will be entitled to a 1 for 2 option with an exercise price of AUD\$0.025, with a 1 year expiry ("**Placement**"). Funds raised provide the Company with working capital to accelerate organic growth, provide capital to pursue new opportunities and continue the significant investment in core infrastructure and product capability.

The Company is also pleased to advise a shareholder purchase plan ("**SPP**") to allow all loyal shareholders to participate under the same terms as the Placement. The Company limited the amount raised under the Placement to allow all existing shareholders the opportunity to participate in the strong growth of the Company. The funds raised under the SPP will be limited to A\$1.0 million and applications will be accepted on a time basis and the offer will be closed when applications for A\$1.0 million has been received if prior to the stated close date in the SPP timetable. The options will be issued under a separate prospectus to be lodged subject to shareholder approval to be sought at an upcoming shareholders' meeting which will be convened following the close of the SPP. Full details of the SPP and options will be contained in the SPP documents which will be lodged with the ASX and distributed to shareholders in coming days.

The Record Date for the SPP is 16 February, 2018.

The Company has entered 2018 with a solid foundation. Revenues in the December 2017 Quarter were up over 200% compared to the prior quarter. Importantly the majority of these revenues are on a contracted, recurrent basis. In addition in excess of \$2,000,000 of costs have been removed from the Company on an annualised basis. Further cost savings of circa \$500,000 have been identified and will be actioned in the March 2018 quarter.

The Company is transitioning into profitability. The Company has a strong outlook, with revenues budgeted to be \$8M for this calendar year.

The Company's managed services business is growing at a strong rate with the strategy of expanding the number of managed services offered to Tomizone customers underpinning the continued growth in recurrent revenue. Our newest service - the high margin VoiP product, TomiTalk has been well received by Tomizone clients following its launch earlier this month.

Chairman Ian Bailey stated: "The funds raised will be used for working capital to allow the Company to take advantage of the rapid growth in the Company's client base and service offerings as well as a number of acquisitions that we are targeting to increase the size of the business and ensure increased shareholder value. "

The Placement was managed by Viriathus Australia. The Company reserves the right to place any shortfall under the SPP which will also be managed by Viriathus.

The Company 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. The successful integration of the Bluesky and Ironman businesses into the Tomizone group is an endorsement of the Company's ability to successfully execute its strategy and continue to leverage of our rapidly growing client base and service offering.

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About Tomizone

Tomizone offers an extensive suite of managed services, encompassing WiFi & Analytics, Business Cloud Applications, VoIP, Data Redundancy, Business Security and Point of Sale. A monthly subscription model for all services gives SME through to multi-site enterprise clients a predictable, consolidated fee for all hardware, software, email, backup, telephony and security requirements, along with best-in-class priority support. As a managed services provider, the Company's strategy is simple: increase a client's bottom line, reduce their ICT burden, and harness their competitive edge by facilitating a stronger connection with their customers.

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