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## **TOMIZONE SIGNS HEADS OF AGREEMENT TO ACQUIRE DIGITAL SIGNAGE AND CONTENT MEDIA COMPANY**

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- **Tomizone to acquire Digital Signage, Media and Advertising business**
- **Business has existing screen network, loyal advertisers and capable management**
- **Provides opportunity to immediately enter the Australian market**
- **Consideration made up of initial upfront payment (share based) based on current assets and earn-out provisions (also share based)**

**SYDNEY, 16 April 2018** - Tomizone Limited (ASX: TOM) has today announced the company has entered into a Heads of Agreement (HOA) to acquire a New Zealand based Digital signage and content media/marketing company.

The target company provides a complete marketing package including digital signage and advertising content to a number of niche markets. The media company, currently based in New Zealand, has the ability to expand its full suite of products into the Australian market. In line with Tomizone's strategy of integrating products and services to a growing client base, Tomizone will be actively looking to introduce the product offering to existing and new clients in Australia in the short term via its digital signage sales division.

This acquisition company has projected revenues of less than \$1M for the 2019 financial year and will have a small positive impact on EBITDA and cashflows. However, additional substantial value will occur for Tomizone by offering this service to Tomizone's current base of customers and to consolidate this business into the current Tomizone digital signage business unit.

The business includes an existing base of installed digital signs, and an existing customer base of loyal advertisers. It is planned to rapidly expand the business as the business model is scalable and an increase in the installed screen base will lead to large additional revenue streams for Tomizone.

Payment for the transaction will be share based and is expected to be an initial payment at the time of settlement based only on the value of the assets of the existing business, and there will be no goodwill paid. There will also be a 2 year earn-out structure, also share based, to incentivise the growth of the business. The return on the initial investment is expected to be within 12 - 24 months.

Commenting on the acquisition Matt Adams, Managing Director, Tomizone Limited, "This business is small and has little significant impact on the groups total assets or business, however it does provide a fantastic opportunity to add their services to our existing base of customers as well as expand into new markets and particularly the Australian market. Whilst there will be an initial investment period whilst we grow the screen population, it is anticipated that the business will generate significant cashflow as new advertisers come on board and we expand the installed screen base".

The Vendor and Principal of the business will also join Tomizone in a senior management role and will be responsible for the growth in both the New Zealand and Australian markets. The transaction is subject to due diligence and any required shareholder or regulatory approvals. It is anticipated that the transaction will settle within the current quarter as there are immediate opportunities that would add value to Tomizone in the short term.

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The company will update the market as the transaction proceeds. Tomizone continues to add products and services to the company's offering to deploy to existing clients and attract new clients through acquisition. Following a successful capital raising and restructure Tomizone continues to increase shareholders value through targeted value add acquisitions.

### More Information

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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.