

Tomizone Limited
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Business and Acquisition Update

SYDNEY, 3 June 2019 –The Board of Tomizone Limited (ASX: TOM) is pleased to provide the following update in regard to the several business acquisitions it is presently pursuing and provide an update in regard to the overall restructuring transaction that was announced in Tomizone’s ASX announcement of 11 April 2019.

Highlights

- Several small cap funds and family offices (both Australian and International) have expressed interest in the hybrid equity raising (set out in Tomizone’s ASX announcement of 11 April 2019) and Tomizone is working with its advisors to progress this interest to the formal offer stage
- Tomizone and the vendors of the EWL Rent Book Transaction continue towards completion and progress is being made to completing the transaction’s various conditions precedent
- Tomizone and the vendors of Lighthouse Digital continue to work towards concluding the acquisition of the Lighthouse Digital assets. Lighthouse Digital is growing both in terms of screen footprint and advertising revenue. Completion is anticipated to follow the completion of the EWL Rent Book Acquisition
- Tomizone will not complete the purchase of the Sweep Internet acquisition as one of the two vendors has decided they no longer wish to proceed. However, much of the value behind the strategy in acquiring Sweep (as set out in prior announcements) has been achieved by Tomizone in the last year leading to a more value accretive result for Tomizone. See below for more detail

Hybrid Equity Raising Update

Since the announcements of 11 and 18 April 2019 Tomizone has been working with its capital finance advisors to progress the hybrid equity raise of approximately \$6.5m.

There are several interested parties (both in Australia and internationally) and Tomizone is in due diligence discussions with these parties. Tomizone expects these discussions to continue and term sheets to be negotiated over the next two to three weeks.

Tomizone is happy with the level of interest shown to date and will keep the market informed once a binding offer is made.

EWL Rent Book Acquisition

There are several conditions precedent to the EWL Rent Book Acquisition. Since announcing the transaction several of these conditions precedent have been satisfied. Tomizone and the vendors continue to work towards completion of the remaining conditions precedent.

Importantly the ASX has advised the transaction does not attract the application of Listing Rule 11.1.2 or 11.1.3 thus fulfilling one of the key conditions precedent.

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Lighthouse Digital Acquisition

Late last year the vendors of Lighthouse Digital and Tomizone agreed to postpone completion of the acquisition to allow Lighthouse Digital to grow, move closer to profitability and develop its technical "back-end" platforms prior to being acquired by Tomizone. Over the past six months Lighthouse Digital has made significant progress in this regard with the release of its Marina TV, Garden TV and Trade TV product sets. Its screen footprint and advertising revenue has also significantly grown.

Tomizone and Lighthouse Digital are working towards completing the acquisition and anticipate this occurring post completion of the EWL Rent Book Acquisition. Whilst the Lighthouse Digital acquisition has previously received shareholder approval that approval has now lapsed. Therefore, at completion, the consideration shares will either be issued from Tomizone's existing Rule 7.1 capacity or alternatively shareholders will be asked to re-approve the issue of the consideration shares at the next meeting of shareholders.

Sweep Internet Acquisition

The acquisition of the Sweep Internet acquisition will not complete. This is primarily due to one of the Sweep vendors deciding they do not wish to proceed.

Tomizone and Sweep have been working collaboratively for the past year and Tomizone has already gained many of the benefits anticipated from the acquisition. These benefits include the employment of Sweep's key vendor, Andrew Woods, as Tomizone's CTO – a position Andrew continues in, a contractual partnership with Avaya to sell and support Avaya's approximate 17,000 communications systems in New Zealand, Tomizone enlarging its product set in its ICT division and the overall increase in size of Tomizone's ICT division.

In conclusion Tomizone advises it continues to progress with both its corporate and business initiatives including the pursuit of several capital management actions. Tomizone will continue to update the market in this regard.

ENDS

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.