

Digimatic Group Ltd

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ASX / Media Release

For immediate release - June 10, 2016

AP Media Investment Update

HIGHLIGHTS:

- Final consideration totals SGD\$1,567,410
- Future Profit Deed entered into by AP Media vendor
- AP Media operates a profitable video production business in SE Asia

Digimatic Group Ltd (**ASX:DMC**) (the "Company" or "DMC"), via Digimatic Ventures (the merger and acquisition arm of the Company), is pleased to advise that it has received the audited financial accounts for AP Media Pte Ltd ("AP Media").

Under the terms of the Share and Purchase Agreement (SPA), the final consideration of SGD\$1,567,410 is calculated on a multiple of audited EBITDA for AP Media for the year ended March 31, 2016. The Company paid SGD\$800,000 on execution of the SPA on 25 February 2016 and per terms of the SPA the balance of \$767,410 is to be paid within 7 days of receipt of AP Media's audited accounts.

In addition, the vendor and managing director of AP Media Mr Nick Tan has entered into a future profit guarantee deed with the Company to guarantee aggregate EBITDA for AP Media of SGD\$1,228,000 for the two year period to March 31, 2018. Should the profit level not be achieved, Mr Tan warrants to repay any deficit to the Company within 14 days of receipt of audited accounts for the periods.

About AP Media

AP Media specialises in video production and has established itself as one of the leading video production companies in Singapore, with an extensive client base including Philips, Bosch, Credit Suisse, Singtel, Hyflux, plus governmental, non-profit organisations and events such as Singapore National Day Parade.

The acquisition of AP Media brings many synergies to DMC and further extends the product offerings of Digimatic Solutions to its clients. Many of Digimatic's clients are broadening their digital and social marketing to include video rich delivery mechanisms and the AP Media

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acquisition will enable Digimatic Solutions to complement its current product range with customized video advertising.

AP Media also delivers strong strategic partnerships in the South East Asia region to the Digimatic group and will provide significant cross and upsell opportunities.

Integrated Virtual Reality Video and Advertising

Recently, AP Media has added Virtual Reality (VR) video products to its solutions and is at the forefront of this rapidly growing market segment. The combined digital technological expertise of Digimatic and VR experience of AP Media will enable Digimatic to offer in the near future not only VR videos, but actionable advertising within the VR video. This unique combination will enable Digimatic to integrate the actionable results within the video that will integrate e-commerce platforms and provide the the advertiser with results such as leads, downloads or sales.

ENDS

Further Information:

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