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ASX / Media Release

For immediate release – February 5, 2016

Digimatic to initiate investment in AP Media

HIGHLIGHTS:

- Digimatic to invest approximately SGD\$1,000,000 in AP Media Pte Ltd subject to satisfactory due diligence.
- AP Media operates a profitable video production business in SE Asia
- Recently expanded into Virtual Reality video production
- Video is becoming dominant delivery technology for online marketing and social advertising

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 entered into a binding term sheet to acquire 51% of AP Media Pte Ltd (“AP Media”) for approximately SGD\$1,000,000 subject to completion of satisfactory due diligence. Digimatic also has an option to acquire the remaining 49% of AP Media within two years.

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 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. Should the transaction proceed, the



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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.

Digimatic Executive Director Hui Jie Lim commented *"We will be extremely pleased to add AP Media to the Digimatic family of companies in the near future. We expect our customers will be delighted with the combined offerings of the group and look forward to providing cutting edge video and integrated virtual reality video to our clients, in addition to our current digital marketing and e-commerce solutions."*

Key Terms of the Acquisition

The acquisition is subject to completion of satisfactory due diligence by Digimatic, expected to be completed in February 2016.

Subject to satisfactory due diligence, Digimatic has agreed to pay SGD\$800,000 at completion with the balance and final price to be determined when audited accounts for the period ending March 31 are received. The final price is linked to a multiple of EBITDA and in total is estimated to be SGD\$1,000,000. Should the final price as determined be below SGD\$800,000, AP Media is required to refund the difference between the purchase price and SGD\$800,000.

Digimatic has an option to acquire the remaining 49% of AP Media within two years, upon AP Media achieving greater than SGD\$2,000,000 EBITDA.

ENDS

Further Information:

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