



## ASX/MEDIA RELEASE

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### **BONE MEDICAL TO ACQUIRE LOCATION BASED GEOSPATIAL TECHNOLOGY COMPANY WITH GLOBAL REACH**

#### HIGHLIGHTS

- Bone Medical Limited ('BNE') has entered into a Binding Term Sheet agreement to acquire 100% of the shares of Takor Group Pty Ltd ('Takor'), a leading geospatial and disruptive location based technology company headquartered in Australia
- Takor operates in a significant high growth industry worth over \$100 billion per annum in global revenue and projected to grow by 10-15% per annum<sup>1</sup>
- Takor's proprietary geospatial technology provides business and consumer intelligence to its users via capturing, utilising and analysing all types of geographical data available in the market
- Two flagship products have already been developed and commercialised:
  - Mappt® – a mobile mapping app that changes the way field data is collected
  - Kojai™ - a location based social sharing app
- Mappt has a solid user base across 83 countries, with plans to expand and accelerate growth into new vertical markets within the next six months
- Kojai's user base is growing rapidly in the US and Europe, with plans for an on-ground presence in Silicon Valley within next 12 months
- Key partnerships provides strong validation from leading multi-national organisations
- Expert management team to execute strategy and deliver growth
- Acquisition strategically redirects BNE's operations into the significant and fast growing geospatial and location based technology industry
- Accelerating corporate activity boosts confidence in the commercial potential of the geospatial industry, including recent \$1.3bn acquisition of Waze by Google
- GMP Securities Australia Pty Ltd (GMP) to be appointed Lead Manager of Capital Raising

Bone Medical Limited (ASX:BNE) ("BNE" or "the Company") is pleased to announce that it has signed a Binding Term Sheet to acquire Takor Group Pty Ltd (**Takor**), a leading geospatial and disruptive location based technology company based in Perth, Australia.

The transaction will be subject to shareholder approval and re-compliance with chapters 1 & 2 of the ASX Listing Rules.

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## About Takor Group

Formed in 2009 as Scantherma Pty Ltd, **Takor** initially started by providing access to satellite imaging technologies to various sectors including mining, environmental and government.

In late 2011, **Takor** started research and development in the field of mobile mapping technologies, particularly offline systems for broad scale use in industries such as defense, environmental and conservation, disaster management, transport and mining.

In March 2014, **Takor** was commissioned to assist in the search for the missing flight MH370. **Takor's** ability to efficiently use its proprietary image analysis technology to comb through hundreds of satellite images, assessing locations of potential wreckage was featured by the Wall Street Journal and The West Australian.

**Takor's** proprietary geospatial technology provides businesses and consumers with intelligence via capturing, utilising and analysing all types of spatial or geographical data available in the market. The business operates in a rapidly growing geospatial sector, worth over US\$100 billion per annum in revenues worldwide and forecast to grow by 10-15% per annum.<sup>1</sup>

**Takor** has the clear vision of democratising the geospatial and location based technology industry globally and filling the gap between existing legacy systems.

## Takor's Product Overview

### **Mappt®**

**Takor's** most advanced geospatial technology platform is Mappt®, an Android based mobile mapping and data collection solution for businesses, government and academia. Since launching in 2013, Mappt® has provided superior mapping to companies all over the world, from governments and environmental organisations to wildlife societies and universities.

Mappt® has over 2,000 users in 83 different countries. Its user base is represented by major global organisations across telecommunications, exploration & mining, military, academia, research organisations, and various local governments and NGOs across the world.

Mappt®'s easy to use interface and feature rich performance allows users to manage location based information quickly and simply in the office or in the field.

Key benefits of Mappt® include:

- Low entry cost
- Is standalone - no expensive and often complex requirements for desktop companion software
- Can work completely offline without the need for WiFi or 3/4G connections making it perfect for remote areas and disaster relief etc
- Open to 3<sup>rd</sup> party apps such as Google Drive, Dropbox and even regular email

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<sup>1</sup>2013, December, Industry Recap, *Geospatial World Magazine, Volume 4 Issue 5*

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The app is now ready for rapid scale and commercialisation across organisations and applications worldwide. The key use of funds to be raised is to execute marketing and sales initiatives to achieve growth targets set for the business. Moving forward, the Company plans to develop a software development kit (SDK) for Mappt® to allow end users, and/or industrial customers to easily customise the product to meet their specific requirements.

In addition, the platform is planning the release of a new satellite intelligence product to financial and retail markets – **Takor** will begin commercialisation of this offering in the 2016 financial year.

Mappt® is available for trial download, and by subscription from the Google Play store.

### ***Kojai™***

**Takor's** second core application is Kojai™, a location based social media app for Apple's iOS.

Kojai™ allows users to geo-tag photos and posts for Facebook and Twitter to share moments and places with friends. The images posted on social media are accompanied by a unique mini map, pin pointing where the photo was taken. Traditionally, social media has been based on a timeline, for example, newest information and posts appear first. Kojai™ is different by adding a new dimension to the user experience based on location. This provides a unique sharing experience, and has earned it an App Store rating of 4.5 stars. Kojai™ has proved popular in both the US and Europe. **Takor** will be committing development expenditure focusing on resourcing the further expansion of this product into these key user markets.

### **Accelerating Corporate Activity in the Geospatial Industry**

Within this sector, two major recent transactions have included the acquisitions of Waze, a mapping service app, and micro satellite imaging company SkyBox, both by Google for US\$1.3 billion and US\$500 million, respectively.

### **Takor Management Team**

#### **Amir Farhand** (*Founder & Managing Director*)

Mr Farhand is the founder of **Takor** and has over 15 years of experience in location based technologies and its applications in various industries and markets. In the last 10 years he has combined these disciplines with information technology in the fields of source coding, application design, system management and in-stream business operations. Mr Farhand has also written and co-authored several technical papers in the field of satellite imaging and geospatial technology. Amir has extensive knowledge of global imaging satellites, geospatial software, processing techniques and implementation strategies for use in a variety of arenas. This has resulted in the innovation of several popular mapping products; including Kojai™ which was born from the Company's first product – Mappt®, which is a leading mobile mapping application for Android.

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**Ivan Gustavino** (*Chairman & Non-Executive Director Elect*)

Mr Gustavino is a co-founder of Atrico and has over 25 years of experience in technology company growth and transactions. Mr Gustavino has been particularly active advising industrial and spatial technology companies such as Surpac (Dassault Systèmes), Maptek, Encom (Pitney Bose Inc), Intierra (SNL), MIS (Trimble Inc), Aranz Geo (Leapfrog), SolveIT (Schneider Electric), Minemax, UTS Airborne Geophysics and DSPComm. His career started in software product development and later transitioned into corporate and executive roles. He has extensive experience in running and growing technology businesses, including helping build a leading international spatial software company Surpac. Until March 2015, Mr Gustavino was the Chairman of Optimatics LLC, a world leader in water infrastructure planning software and has previously held various board positions with several ASX-listed technology companies.

**Guy Perkins** (*Non-Executive Director Elect*)

Mr Perkins has over 25 years' experience in the global geospatial industry including in several key management positions. He has worked with companies such as ESRI, MapInfo, ER Mapper, Hexagon, NearMap, 1Spatial and currently sits on the board of Spookfish Ltd (ASX:SFI). Mr Perkins is a civil engineer (UWA) with extensive business know-how and geospatial industry knowledge. Mr Perkins is an active participant in the geospatial industry community and was a founding director of the Australian Spatial Information Business Association (SIBA). He was a member of the Research Investment Review Board of the Cooperative Research Centre – Spatial Information (CRC-SI) and other industry advisory bodies. He was recently appointed Chairman of the Advisory Board to Curtin University, School of Spatial Sciences.

## **Transaction Overview**

### **Acquisition Terms**

BNE has executed a binding terms sheet to acquire 100% of the issued capital of Takor Group Pty Ltd (**Takor**), subject to the satisfaction of a number of conditions precedent outlined below. The term sheet has been agreed to by the management and shareholders of **Takor**.

The key terms of the agreement are as follows:-

- The Company to loan funds of \$300,000 to **Takor**, after completion of the mutual 4 week due diligence period (concluding early June 2015);
- Consideration of 387m ordinary fully paid shares in Bone (on a pre-consolidation basis);
- Repayment of loans incurred by Takor totalling \$266,000, of which \$100,000 will be paid with 7 days of completion of due diligence;
- 20m share options in Bone, (on a pre-consolidation basis) to be issued to employees and executives under the company's ESOP; and
- 350m performance shares to be issued to the founder and major shareholder Mr Amir Farhand (on a pre-consolidated basis) which will convert to fully paid ordinary shares upon the achievement of the following Milestones, which are subject to approval by the ASX:

<b>Milestone</b>	<b>Number of Shares to be Issued</b>
<b>Milestone 1:</b> upon the achievement of \$1.5m in revenue in any 12 month period	175 million
<b>Milestone 2:</b> Upon the achievement of \$5m in revenue in any 12 month consecutive period	175 million

### ***Conditions Precedent***

The Transaction is subject to a number of conditions being satisfied, including:

- i) Mutual due diligence (to be completed by 8 June 2015);
- ii) All Takor shareholders sign agreements to transfer 100% of their shareholdings, which will include simple warranties as to title of shares and no encumbrances;
- iii) The major shareholder of Takor will be required to sign a management share sale agreement which will include additional warranties by management, typical to this type of transaction;
- iv) BNE raising a minimum of \$3 million in conjunction with re-complying with Chapters 1 & 2 of the ASX Listing Rules. If required the Company will seek shareholder approval for a share consolidation so that the minimum capital raising price is 2.0 cents per share or greater following the consolidation. GMP Securities Australia Pty Ltd (GMP) to be appointed as Lead Manager to the capital raising;
- v) BNE shareholder approval; and
- vi) ASX approval.

Following completion, the Company may seek shareholder approval for an Employee Share Option Plan (ESOP) to make available a commercial incentive program for board and executives.

### ***Name Change***

As part of the acquisition, the Company will seek the approval of shareholders to change its name to Takor Group Limited.

### ***Board Changes***

At completion of the transaction, two existing directors of BNE, Mr Robert Towner and Mr Phillip Wingate shall resign and Takor shall nominate three new directors to the board, being Mr Amir Farhand, Takor's founder and major shareholder, as Managing Director, Mr Ivan Gustavino and Mr Guy Perkins as non-executive Directors. In addition, Philip Wingate will remain as Company Secretary of Takor.

***Recompliance with Chapters 1 & 2 of the ASX Listing Rules***

The acquisition of **Takor** will result in a change in the Company's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will despatch a notice of meeting to shareholders seeking the relevant approvals to undertake this process, with such notice to contain detailed information relating to the acquisition of **Takor**.

***Indicative Capital Structure***

The indicative effect of the Capital Raising and Transaction on the capital structure of the Company will be as follows:

<b>Description</b>	<b>Ordinary Shares</b>	<b>Options</b>	<b>Performance Shares</b>
Current Issued Capital	257,796,569	32,059,017	-
Securities to be issued pursuant to the Transaction (pre-consolidation basis)	387,000,000	20,000,000	350,000,000
Issue of shares to parties who have assisted in the negotiation of the Transaction	60,085,797	-	-
Estimate of securities to be issued pursuant to the Capital Raising of \$3 million (pre-consolidation basis)	300,000,000	-	-
<b>Capital Structure on completion of the Capital Raising and Transaction (pre-consolidation basis)<sup>(3)</sup></b>	<b>1,004,882,366</b>	<b>52,059,017</b>	<b>350,000,000</b>

**Indicative Timetable**

An indicative timetable for the Transaction is set out below. The Company notes that the timetable may be subject to change.

<b>Event</b>	<b>Date</b>
Announcement of Acquisition	12 May 2015
Due Diligence Completed By	8 June 2015
Despatch Notice of Meeting	6 July 2015
Lodgement of Prospectus and Offer Open	15 July 2015
Shareholder Meeting to Approve Acquisition	6 Aug 2015
Suspension from Trading	6 Aug 2015
Offer Close	6 Aug 2015
Re-admission to the Official List	27 August 2015

The Chairman of Bone, Mr Rob Towner, encourages shareholders and their advisors to review this acquisition with interest. Mr Towner commented: *“The geospatial market is a rapidly growing market due to the rising importance of location data and advancements in various sectors. **Takor** has sound management with an established business and a clear vision of democratising the geospatial and location based technology industries globally.”*

**-ENDS-**

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