



# Investor Presentation

November 2016

Syntonic Limited (SYT.ASX)

ABN 68 123 876 765



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# The Syntonic Executive Team



**Gary S. Greenbaum, Ph.D.**  
Co-Founder, CEO

15 years of mobile leadership at Microsoft, Hutchison Whampoa, and RealNetworks

Developed RealVideo, the first global streaming video codec

8 granted patents

Doctorate in High Energy Particle Physics from University of California



**Rahul Agarwal**  
Co-Founder, CTO

A recognized expert in architecting and developing large-scale mobile client-server solutions

Founder of Adroit Business Solutions, media solution enabler to the Fortune 100

Master of Computer Science graduate with multiple granted and pending patents



**Ben Rotholtz**  
Chief Marketing Officer

Marketing team leader with more than 20 years of experience in consumer and enterprise software

Launched and sustained over 100 commercial products and services

Former VP Marketing, PopCap

Leadership roles at Electronic Arts, Rhapsody, Adobe and RealNetworks

# Board of Directors



**Gary Greenbaum**  
**Managing Director**  
Co-Founder and CEO



**Rahul Agarwal**  
**Executive Director**  
Co-Founder, President and CTO



**Chris Gabriel**  
**Non-Executive Director**  
Former Chief Executive Officer of Zain Africa and Top-100 Global Telco Influencer



**Steve Elfman**  
**Non-Executive Director**  
Former President of Sprint and Executive Managing Partner at Argyle Griffin Group

**Ian Middlemas**  
**Non-Executive Chairman**  
Highly respected ASX company executive with extensive capital markets experience

## Advisory Board

**Kevin Packingham**  
Former Chief Product Officer at Samsung Telecommunications America

**Rudy Gadre**  
Former VP & General Counsel at Facebook

**John Landau**  
Former SVP at Tata Communications

**Bill Richter**  
Former President at EMC/Isilon Storage Division

# Corporate Overview



## **Global Reach**

Syntonic solutions have been deployed in the United States, India, Indonesia, Malaysia and are soon expanding into other Southeast Asian and Latin American countries. Company offices in Seattle, London, and Perth.

## **Big Ideas**

Our vision is to enable sponsored data to transform how people at work and play access content across the mobile Internet.

## **Experienced Team**

Our leadership team has over 40 years experience developing consumer and enterprise mobile software and services.

## **Flexible Platform**

Our 4th generation, mobile-specific platform provides targeted solutions for content publishers, advertisers, mobile operators, and enterprises

## **Proven Results**

We've successfully launched our services with partners like AT&T, Verizon, Tata Communications, Reliance, and others.

## Corporate Details (at 24-Nov-16)

ASX Code	SYT
Issued Ordinary Shares	2,188,976,880
Market Capitalisation (undiluted)	A\$81.0 million

## Major Shareholders

Gary Greenbaum	17.6%
Rahul Agarwal	17.6%

# Corporate Snapshot



# 2016 Major Achievements



- ✓ Completed reverse-acquisition and re-listing as Syntonic Limited on the Australian Securities Exchange (**SYT.ASX**)
- ✓ Long-term extension of distribution and license agreement completed with global telecom, **Tata Communications**
- ✓ **Expansion into Southeast Asia** – launched in Indonesia and Malaysia. Top 50 Lifestyle app in regional markets.
- ✓ Released **Pokémon GO** as a sponsored data promotion on AT&T
- ✓ Agreement to deploy Freeway by Syntonic on **Verizon's FreeBee** platform. Combined with AT&T, Syntonic will **have access to nearly 75% of U.S. smartphone subscribers**
- ✓ Globally recognized **telecommunications leadership added** to Syntonic Corporate and Advisory Board
- ✓ Launched Freeway in **India with access to over 200m smartphone subscribers** across all leading carriers with prominent game publishers such as **Reliance Entertainment, Nazara, and Zapak Digital**
- ✓ **Publication of original BYOD Employee and Employer Research** validating the Syntonic DataFlex market opportunity in the US
- ✓ **Completed oversubscribed capital raising of 160m shares** to sophisticated investors raising proceeds of A\$5.44 million

# Why Syntonic is a great investment

## First Mover Advantage

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Commercially deployed and generating revenue

## Fully Funded

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Funded to capitalise on opportunities ahead

## Market Size

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6.1B smartphone users by 2020  
(Ericsson Mobility Report)

## Credible Partnerships with Global Reach

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Tata Communications, AT&T, Verizon, Reliance and others to capture market opportunity

## Available Today in the US, Southeast Asia and India

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Coming soon to Latin America and Europe



# One platform, two solutions

For Consumers



**Freeway**

The new way to provide consumers with access to mobile applications and content

For Businesses



**SYNTONIC  
DataFlex**

Mobile split billing to help companies reduce the cost of their BYOD program

Transforming how consumers and businesses access applications and content across the mobile Internet



# Freeway by Syntonic®

A new path to acquire, engage, and monetize consumers

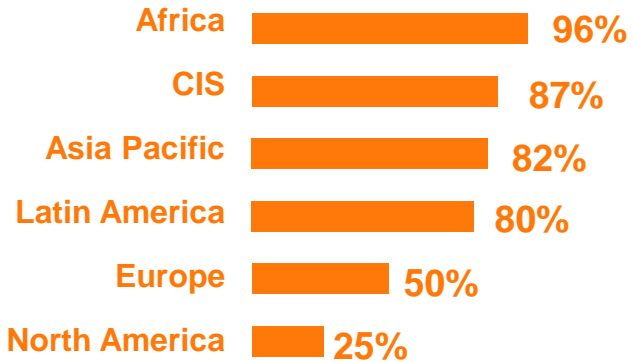


# The Problem

The mobile industry's data pricing model fails to fully monetize consumers worldwide

## fact #1

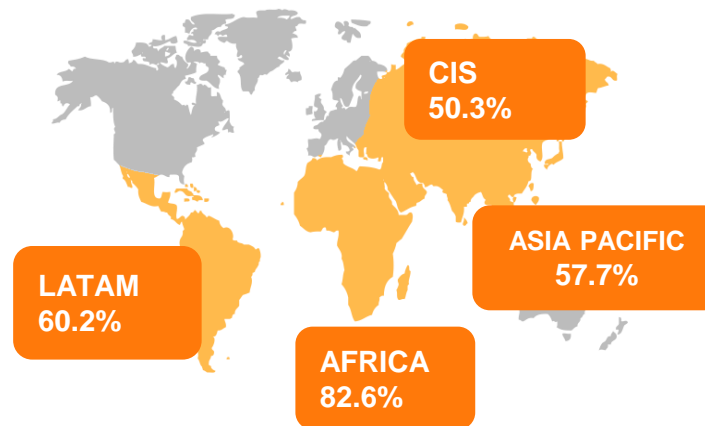
2.0 billion people ration their data use



Source: GSMA, *The Mobile Economy*, 2013

## fact #2

3.7 billion people can't afford to connect

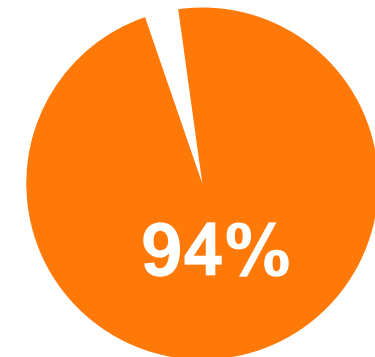


Source: ITU, *The World in 2015*

Source: ITU, GSMA Intelligence, "Unique Mobile Internet Subscribers...", 2016

## fact #3

94% of U.S. Millennials were likely to try a new app if it didn't count against their monthly data usage



Source: Americans Love #FreeData Harris Poll Results 7 April '16

**Freeway by Syntonic** enables application developers, content providers, mobile operators, and advertisers to pay for a subscriber's mobile data usage.

## Why do brands pay?

Increase  
Consumer  
Reach and  
Awareness

Acquire  
New Users

Deepen  
Engagement  
and Loyalty

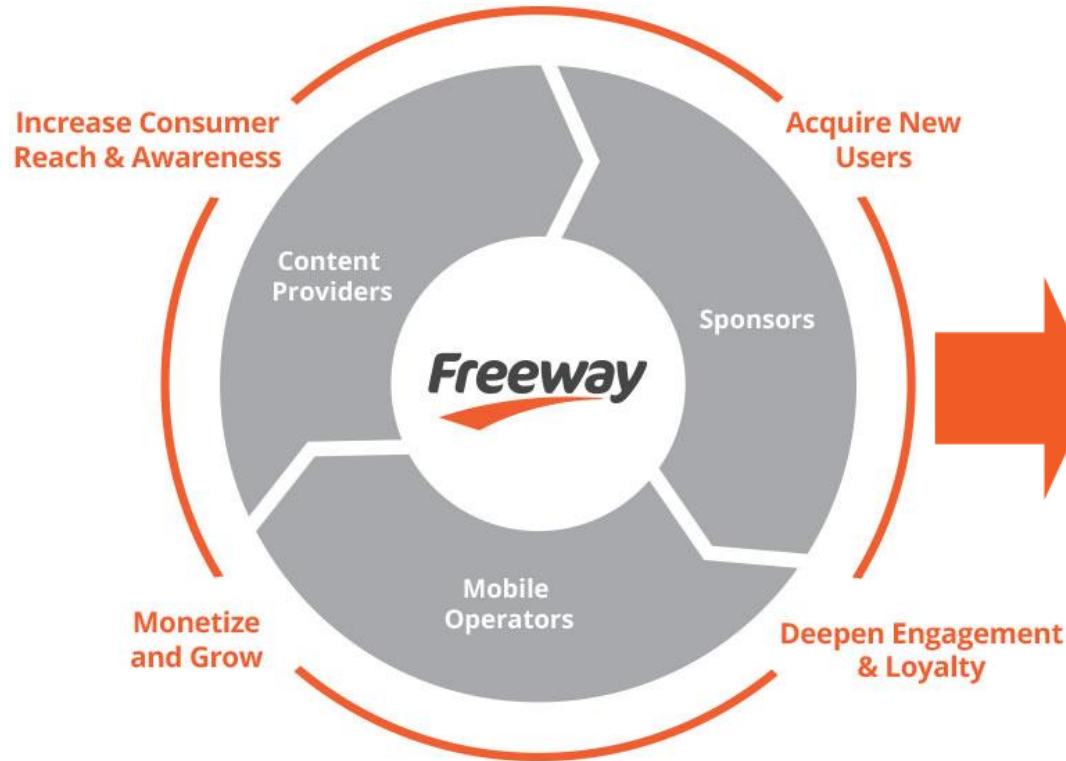
Monetize,  
Retain  
and Grow

Sponsored mobile content is a **US\$23b** world-wide market opportunity

Source: Syniverse, 2015



## Allows brands to pay for consumer access to the mobile Internet



### Freeway Revenue Models

CPI (cost per install)

CPA (cost per action)

CPMB (cost per megabyte)

OTT Content Services (ad supported and subscription)

# Examples of Sponsored Content Offers

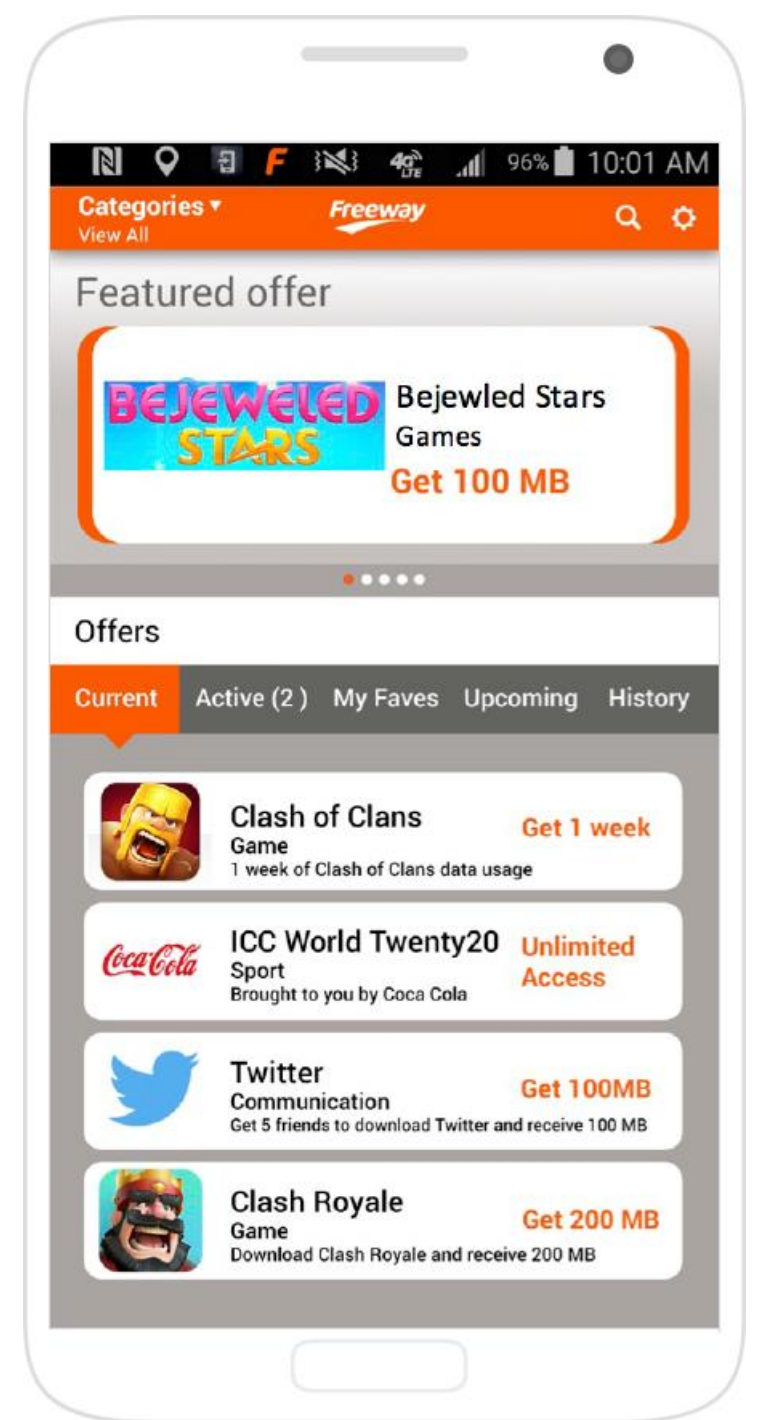
**Attract new users** with a Bejeweled Stars promotional offer

**Deepen consumer engagement** with Clash of Clans by incentivizing them to play longer

**Increase brand awareness** of Coca Cola by sponsoring ICC World Twenty20 content

**Spur Twitter usage and increase virality** through a social sharing campaign

**Increase monetization opportunities** by incentivizing consumers to download and play Clash Royale

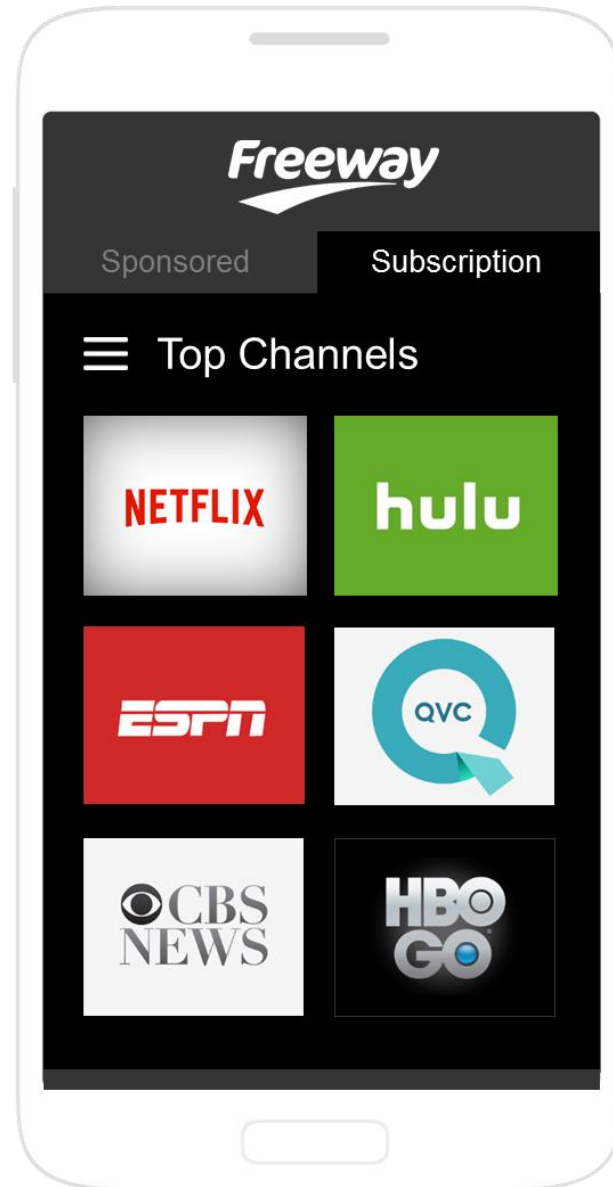


U.S mobile ad spend for video services is **US\$17b** by 2020

eMarketer, 2016



Syntonic Confidential



Prototype representation of future OTT services offering

## “Over-the-Top” Content Services:

- ✓ **Ad supported and subscription based** revenue models
- ✓ **White-labelled service** for mobile carriers, content aggregators, MSOs, and others
- ✓ **Syntonic branded cross-carrier** media service in the U.S. planned for 2017

# Multi-sided Revenue Model



## Operator Platform Service

Business Terms	
Annual subscription platform license	Based on number of eligible subscribers
Maintenance & Support Agreement	10-20% of annual subscription license
Revenue Share	15-40% of net revenue generated from Syntonic platform
Hosting Services (optional)	Cost + 20%
Customized UX (optional)	Cost + 20%

## Sponsored Data Content Offers

Business Terms	
CPI: cost per install	~US\$.40 – US\$4.00/download
CPA: cost per action	~US\$1- US\$8 / action
CPMB: cost per megabyte	Wholesale data ~ 50% mark-up
OTT Media Services	Ad supported (RPM) and subscription fees
Customized UX (optional)	Cost + 20%





# Freeway's Market Opportunities With Existing Deployments

## India

### Target

**185M mobile gamers  
downloading an average of  
4.4 games/month**

Source: Reliance Game Report, 2016 (Infographic)  
Sources: SuperData Research, Oct 2015

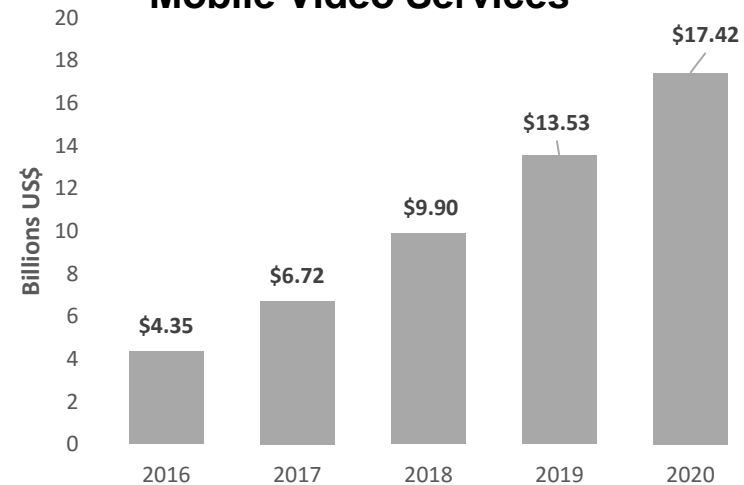
**Syntonic Opportunity  
\$3.9b per year**

**As example, 5% market share  
could generate:**

- ✓ US\$195m/year
- ✓ 50% gross margins

## The United States

### U.S. Ad Market for Mobile Video Services



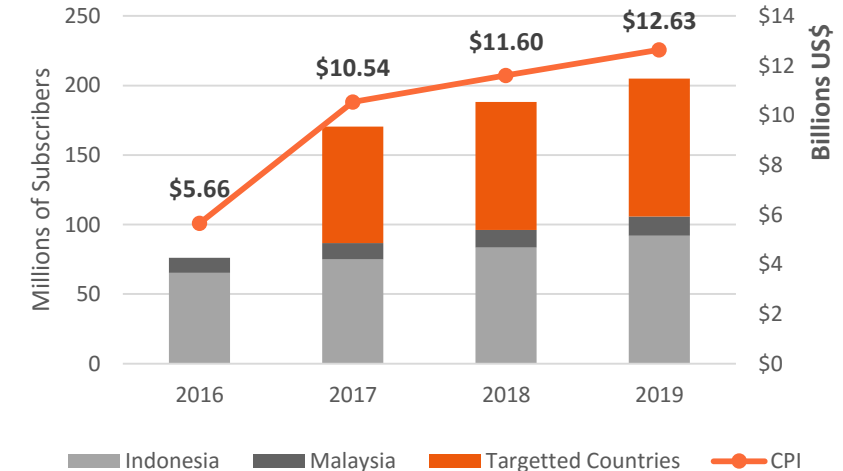
Source: eMarketer, US Digital Ad Spending, Jan, 2016

**As example, 5% market share  
could generate :**

- ✓ US\$336m (2017)
- ✓ 47% CAGR

## Southeast Asia

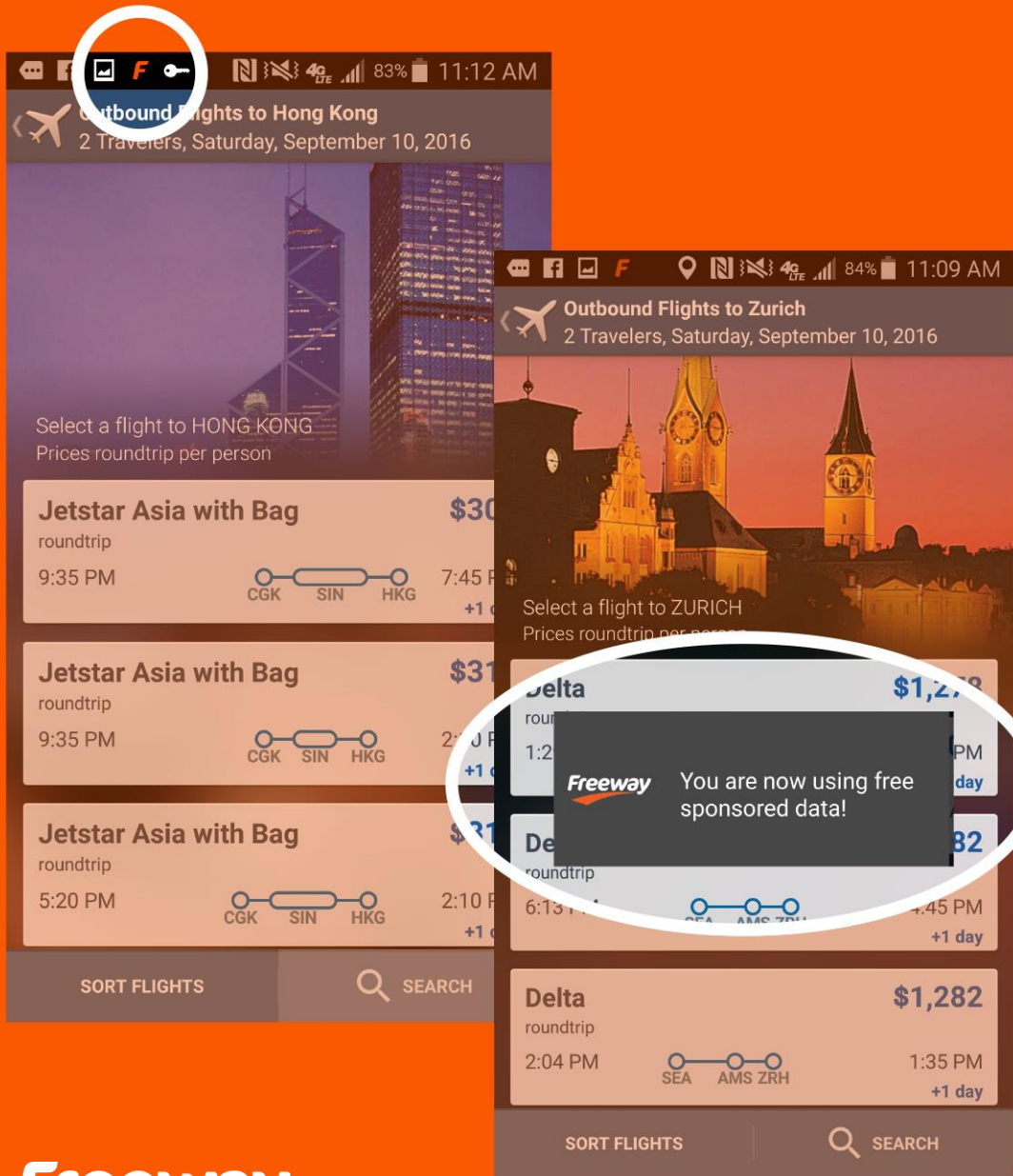
### Southeast Asia Mobile App CPI Market



Source: eMarketer, Smartphone Users in Asia-Pacific, 2015

**As example, 5% market share  
could generate:**

- ✓ US\$527m (2017)
- ✓ Accelerating due to additional supported geographies



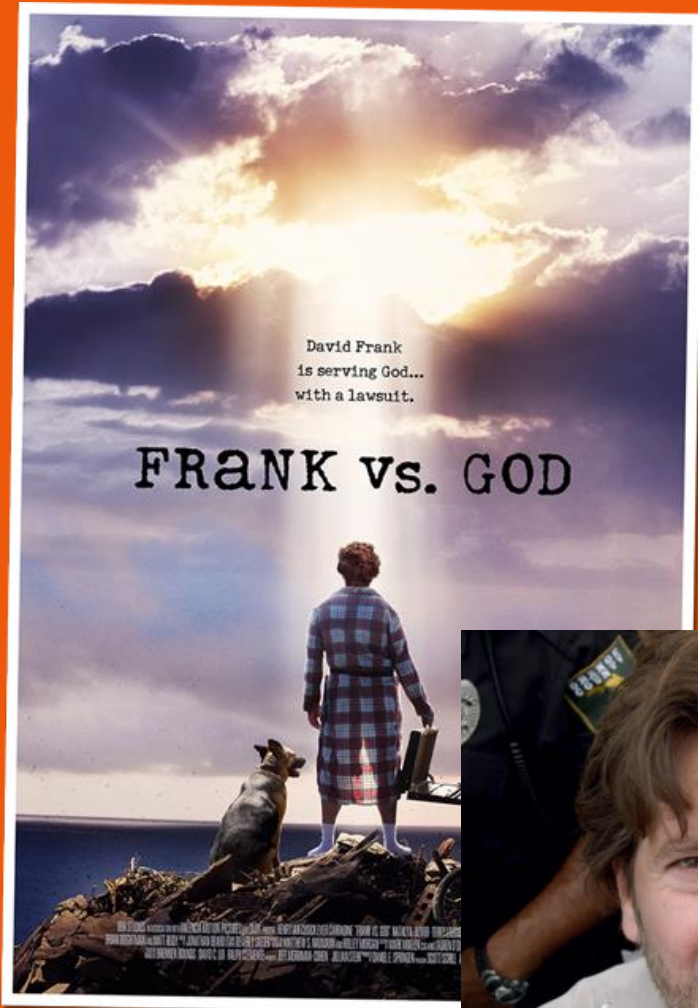
# Case Study



**It's easier to acquire, engage, and monetize a connected consumer**

Freeway by Syntonic enabled Expedia to provide their consumers with frictionless access to travel services from anywhere in the world.

*“David Doctorow, Expedia’s senior vice president of global marketing, said paying for data helps the site connect with its users, particularly when they are traveling and more likely to be sensitive about data usage.” — Wall Street Journal*



## Case Study



### Sponsored Movie Trailer to Drive Market Awareness

BBA Studios released a new movie, Frank vs. God, with a limited marketing budget. **Freeway by Syntonic allowed BBA to cost effectively expand their audience reach with their promotional trailer.**

Frank vs. God received national awareness across the U.S. which helped sell out every screening of the film since they launched sponsored access.

# Telecommunications Partners



A market reach of nearly 100M Verizon subscribers



Globally launching a white label version of the Syntonic Connected Services Platform



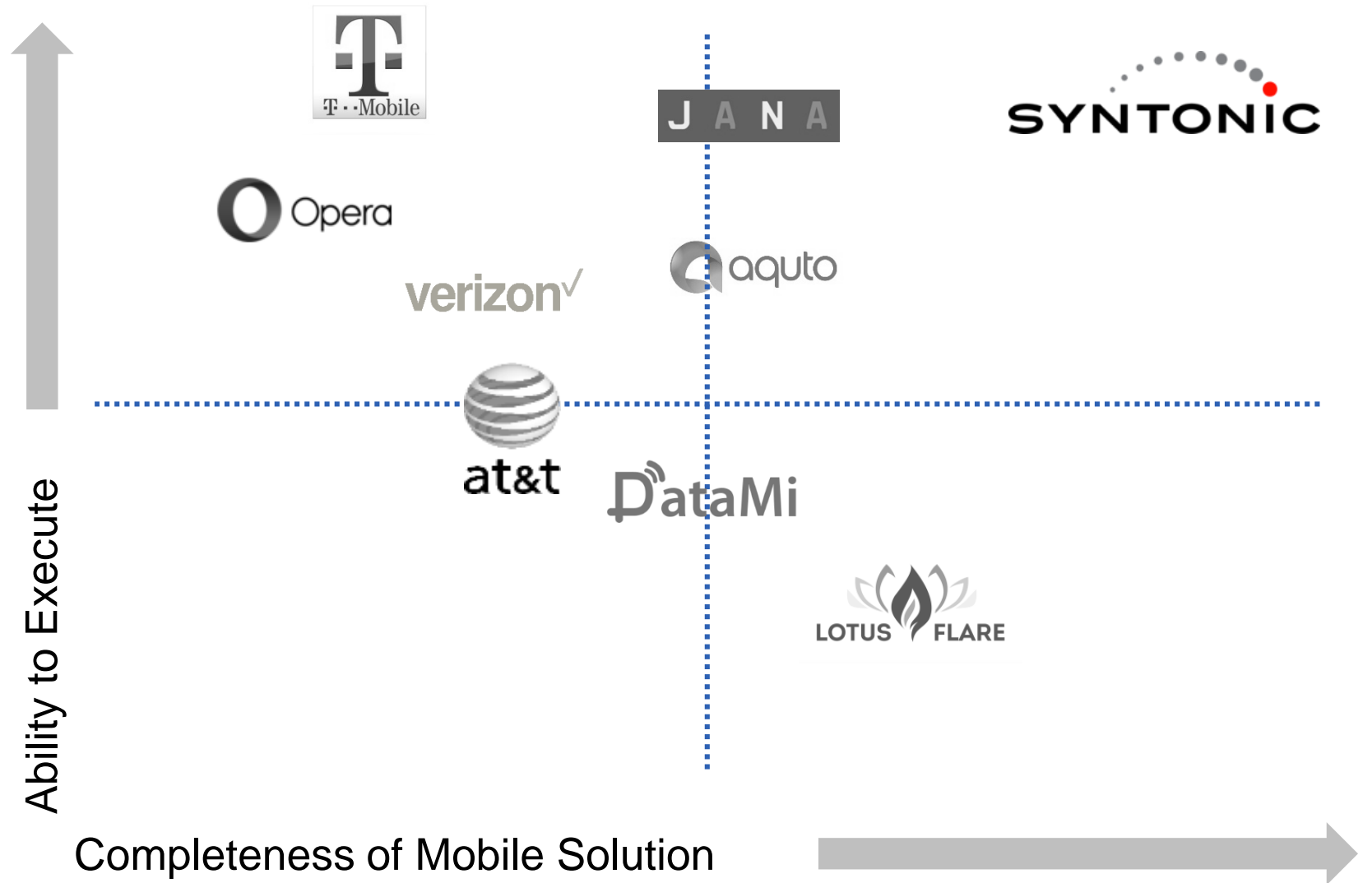
Providing access to more than 60M US mobile subscribers

*Data Rewards integrated with leading mobile carriers in India, Malaysia, and Indonesia*

# Some Recently Featured Content Providers



# Competitive Landscape





# Syntonic DataFlex

Cost savings & increased productivity  
with mobile split billing

SYNTONIC  
**DataFlex**

# The Problem

Smartphones on average **raise employee productivity by 6.7 hours per week** but the benefits are being compromised by a more than **US\$2.6 billion annual overspend** on reimbursement

## fact #1

Businesses that provide smartphones are spending **more than US\$1,700** annually per employee

## fact #2

Every year, businesses are **overpaying** reimbursements for employee's personal mobile phone usage by **over US\$500**

## fact #3

Businesses that do not reimburse are exposed to future **employee litigation** for reimbursement and attorney's fees

Sources: Intel, Improving Security and Mobility for Personally Owned Devices, 2012 and Cisco, The Financial Impact of BYOD, 2013  
Source: Case Study Forbes, *With BYOD, Employee Productivity Surges*, 2013  
Source: ISG, 2016  
Source: Forbes, *BYOD Legislation: What California's Case Could Mean for Businesses Everywhere*, 2015

# Split Billing and Application Data Analytics

Reduces corporate mobile costs by **more than 50%**

Enhances workforce productivity by **up to 10%**

SYNTONIC  
**DataFlex**

Separates personal and business use



In the U.S. alone the addressable market for Syntonic DataFlex represents **more than 100,000 companies with over 75 million employees**



# Split Billing

Syntonic DataFlex generates a monthly invoice for mobile business data usage across all operators



Mobile business data **remains separate** from employee's personal use



Businesses can **reimburse employees directly** for business usage on their mobile devices



Or companies can simply **clear business data charges** from the employee's data bill and pay the operator



Employee's personal data remains **separate and private**

# Syntonic DataFlex

**SYNTONIC DataFlex** SMB Applications Employees Analytics Billing Customization Hi, admin@xyz.com

## Manage Provisioning

Manage the provisioning of apps to departments or certain employees here. You can review the current provisioning status and make revisions.

Provision by App | Provision by Department/Employee

1. Choose Dept/ Employees to Provision | 2. Check or Uncheck Selection | 3. Review Your Actions

Department | **Employee**

Search: \_\_\_\_\_

- All
- analyti
- Customer Support
- Engineering
- Finance
- Growth
- HR

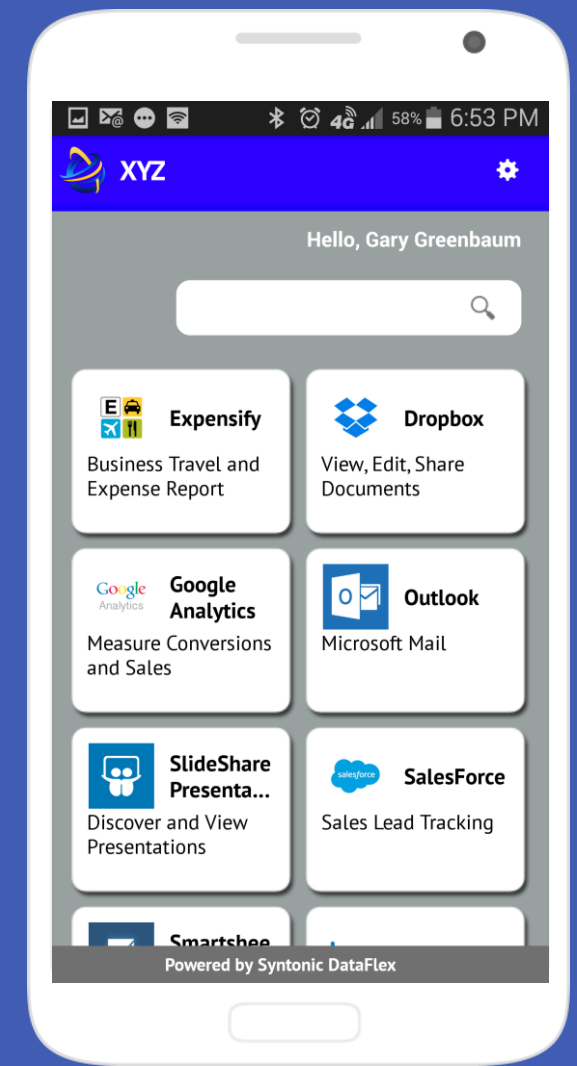
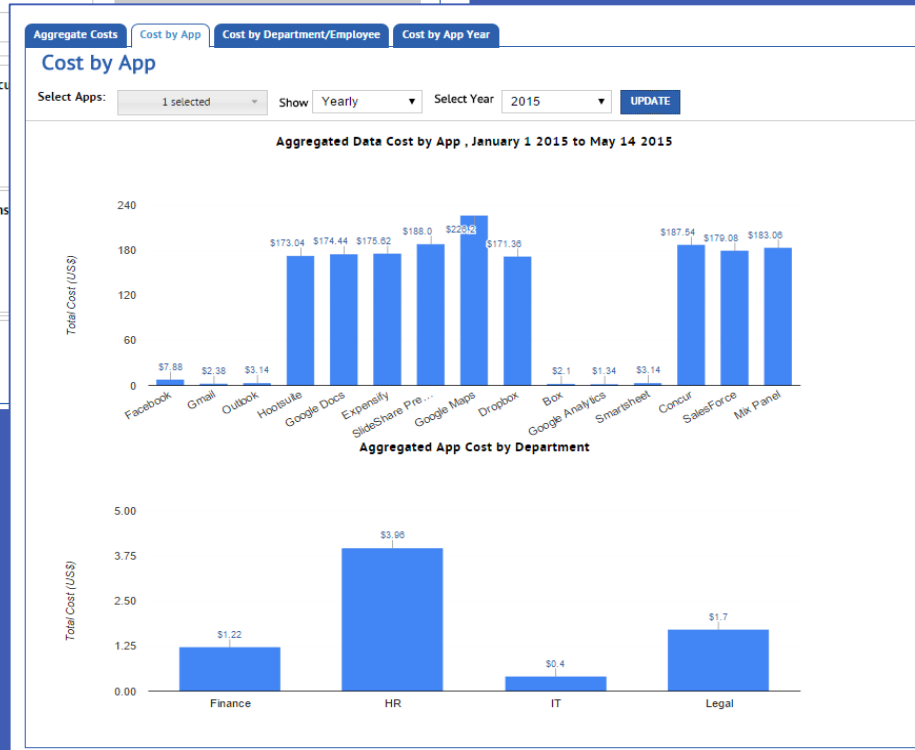
Clear All

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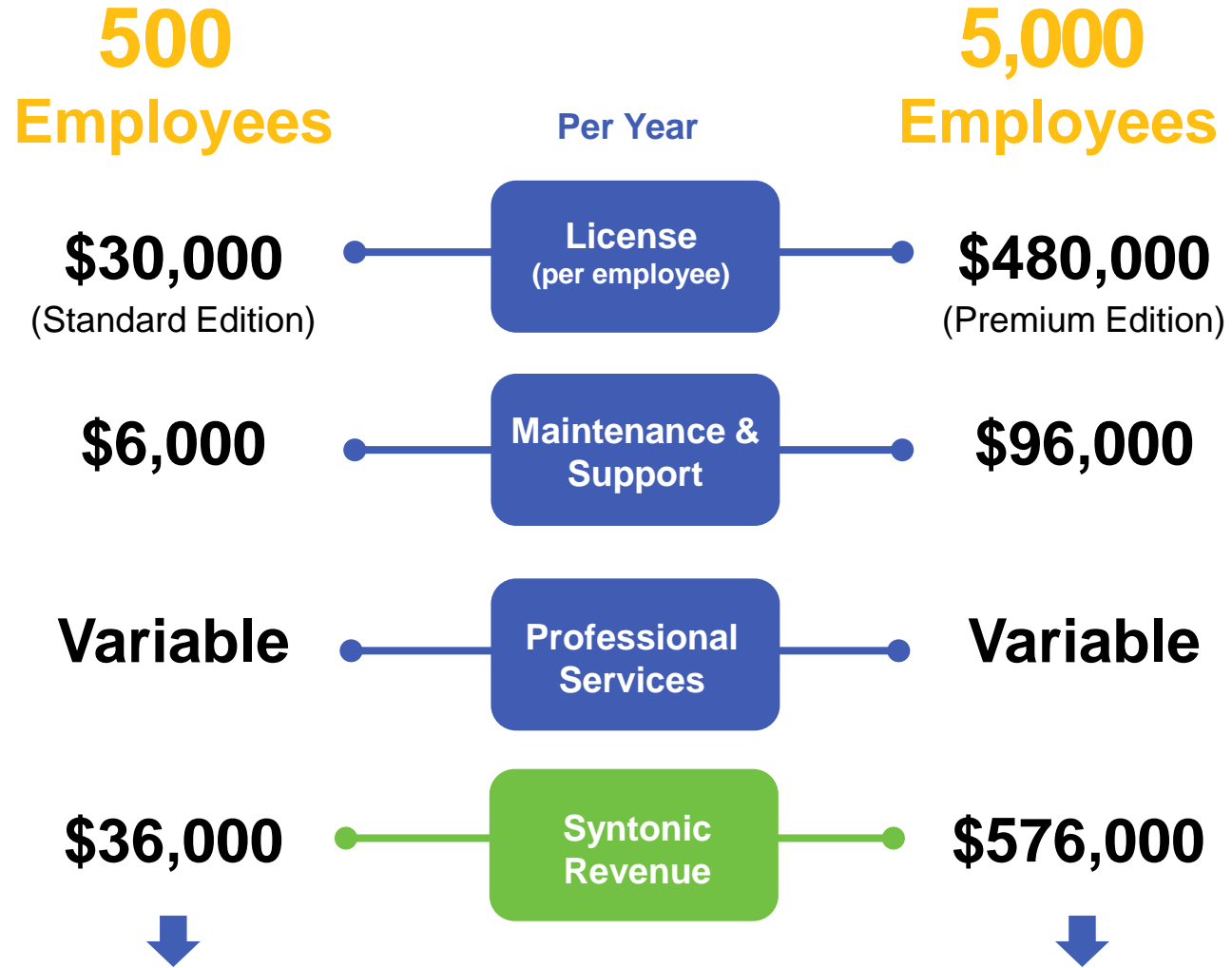
+ Request an App

Admin Management  
Dashboards



Mobile Device  
Experience

# Revenue Model



SYNTONIC  
DataFlex

**US \$210,000**  
Annual company savings

**US \$1,800,000**  
Annual company savings

# Market Opportunity

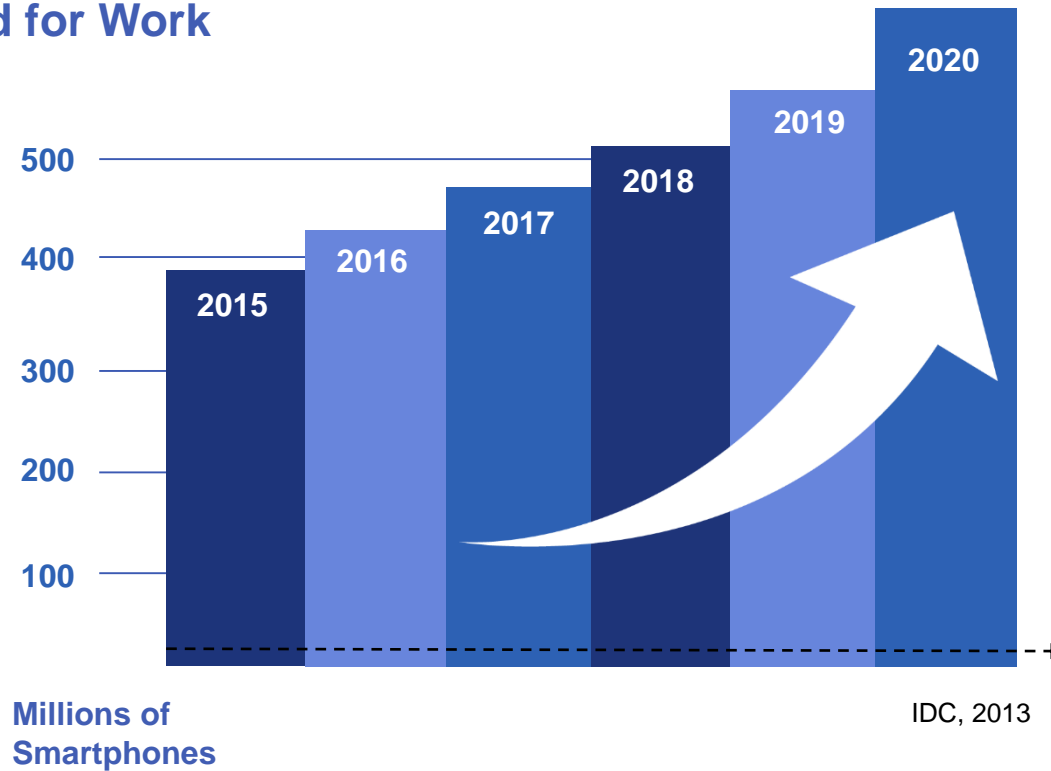
81% of US companies support BYOD now or plan to in the next 12 months

Source: ISG Survey, 2016

**SYNTO NIC**  
**DataFlex**

## Syntonic DataFlex Addressable Market

### Worldwide Smartphones Used for Work



As an example, a 1% market share could generate

**US\$300m**  
**annual revenue**



## LabConnect LLC.

Syntonic DataFlex allows LabConnect to move away from company supplied phones and lets employees use their own personal smartphones for business, **saving Lab Connect over 80% of their current spend** and allowing them to expand their mobile phone program to the entire company.



## The City of Chula Vista, California

The city government wants to increase the effectiveness of their 185 member police force by letting officers use their personal smartphones for accessing criminal information.

**Syntonic DataFlex provides the most cost effective means for enabling the Chula Vista police force to use their personal devices for work.**



## Cochran v. Schwan

The California Court of Appeals required companies to reimburse employees for work-related mobile phone usage. Companies are now scrambling to identify technology to comply with the law and avoid class action lawsuits.

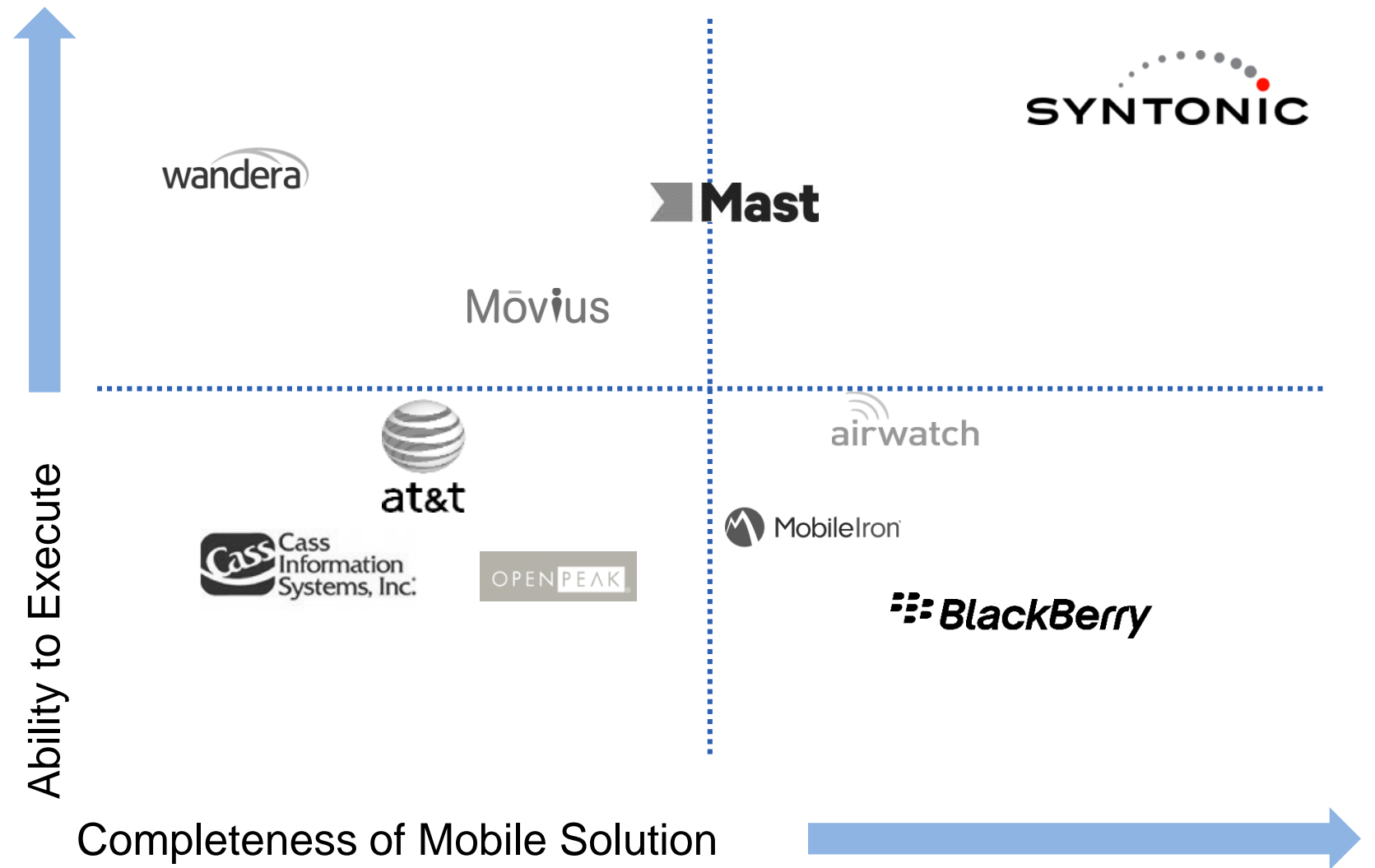
**Syntonic DataFlex allows companies to meet their legal obligations to compensate employees for work related mobile phone use.**

# Competitive Landscape

## Comparable Valuations

- AirWatch acquired by VMWare for **US\$1.54b**
- Good Technologies peak valuation at **US\$1.1b** prior to acquisition by BlackBerry
- MobileIron NASDAQ **US\$405.7m** market cap

**SYNTONIC**  
**DataFlex**





## 2017 Outlook

### Freeway by Syntonic

- ✓ Broadening deployment in North America and Southeast Asia
- ✓ Expanding into Latin America and Europe
- ✓ Roll-out of first cross-carrier OTT, sponsored and paid subscription, mobile video service
- ✓ Achieving performance milestone I & II, i.e. 100M and 150M addressable audience for Freeway by Syntonic

### Syntonic DataFlex

- ✓ Broad commercial deployment in North America
- ✓ Entrance into European market

### Content Distribution

- ✓ Adoption of Freeway by Syntonic by tier-1 mobile application publishers, focusing on premium audio-video content providers, game publishers, and social/messaging applications

### Mobile Operator Engagement:

- ✓ Licensing of Syntonic Connected Services Platform to mobile carriers in North America, South America, and Southeast Asia

### Financials

- ✓ Signed contracts and making early stage revenue targets



# For More Information

Please contact:

[ir@syntonic.com](mailto:ir@syntonic.com)

## **Syntonic (USA)**

119 First Ave, Suite 100  
Seattle, WA 98104

## **Syntonic Limited (Australia)**

Level 9, BGC Centre  
28 The Esplanade  
Perth, WA 6000



[www.syntonic.com](http://www.syntonic.com)