

## Syntonic's carrier deployment progress and performance

### Highlights:

- Syntonic has reached the final integration stage with acceptance testing of the Syntonic Connected Services Platform underway with mobile operators in Vietnam, Ghana, and Kenya, including local telco carriers of MTN and Vodafone Groups
- The Company is actively engaged with regional partners to support Freeway<sup>®</sup> deployments on leading operator networks in Turkey, Mexico, South Africa and China
- The Company has significantly exceeded Performance Milestone 2 requirement with its globally deployed Freeway service, attaining a validated addressable audience of over 200 million users capable of accessing the Freeway service

**Seattle, United States – Syntonic Limited (“Syntonic” or “Company”) (SYT.ASX)**, a mobile platform and services provider, is pleased to provide an update on the Company's business activities and product deployment progress.

Gary Greenbaum, CEO and Managing Director of Syntonic, commented:

*“Syntonic's progress with carriers is gaining momentum, directly expanding market opportunities to grow our sales pipeline. The Company's Systems business that licenses Syntonic's platform technologies to mobile carriers is amplifying the addressable footprint of Syntonic technologies and fueling material interest with existing and potential licensees.”*

### Carrier Deployments

During Q2 FY2018, Syntonic announced partnership agreements with regional value-add services providers in Turkey, Mexico, Vietnam, Sub-Saharan Africa, and China. The Company prioritised targeting these geographies based on the large smartphone addressable market (38.3m in Turkey, 64.6m in Mexico, 48.8 in Vietnam, 71.2m in Sub-Saharan Africa, and 625m in China<sup>1</sup>) and the high cost of mobile data plans and surcharges, which make Freeway services highly appealing.

Nearly all mobile operators lock down their networks, preventing any network changes, from mid-December to early January. Syntonic has now resumed carrier integrations in the new calendar year. With support from the Company's regional partners, the Syntonic Connected Services Platform is in the final states of acceptance testing in the following operator networks:

<sup>1</sup> eMarketer May 2017 (Vietnam); March 2017 (Mexico, Africa), October 2017 (China, Turkey)

Vodafone Ghana, MTN Ghana, Safaricom in Kenya, and Viettel in Vietnam. Pilot deployments are scheduled to commence in March.

In addition to these upcoming carrier deployments, the Company has established a significant operator sales pipeline, including with leading carriers in Turkey, Mexico, South Africa and China. Syntonic will keep the market informed of all commercial launches and updates to the carrier pipeline.

These deployments will contribute to Syntonic's Systems business with revenue streams generated from revenue sharing or royalties associated with the licensing of white-labelled Freeway platform technologies.

### **Performance Milestone Progress**

Performance Milestone 1 and 2 are based on the Freeway service respectively achieving an addressable audience of 100 million and 150 million smartphone users capable of accessing the Freeway service.

Addressable audience refers to smartphones (Android or iOS) for which the Freeway service is available on the smartphone's mobile network<sup>2</sup>. Addressable audience was selected as the appropriate metric for measuring Syntonic's performance because it maps directly to revenue potential for the Company. Every smartphone user comprising the addressable audience is a potential monetisable opportunity through a device royalty or revenue share, subject to the representative mobile carrier's timeline to market and activate the Freeway service to its subscriber base.

After achieving Performance Milestone 1 in January 2017, five months ahead of the Milestone closing date, the Syntonic Executive team announced<sup>3</sup> their intention to increase Performance Milestone 2's addressable audience target by 33% to 200 million smartphone users capable of accessing the Freeway service.

Syntonic is pleased to announce that it has exceeded its Performance Milestone 2 objective of reaching an addressable audience of 200 million for the Freeway® service. FTI Consulting, a worldwide pre-eminent consulting company, confirmed availability and functionality of the Freeway application on iOS and Android smartphones across numerous geographies and verified that the Company has satisfied the Performance Milestone 2 addressable audience requirement.

CEO Gary Greenbaum commented:

*"We are extremely pleased to have achieved this milestone. The pace of our deployments is exceeding our expectations, and the demand for our services from mobile operators has been*

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<sup>2</sup> Syntonic Limited Prospectus May 2016, page 122

<sup>3</sup> Syntonic 5 January 2017 ASX announcement "Freeway App Now Available for the iPhone"



*very encouraging. We have focused on commercialising our technology, and this milestone achievement is a tangible demonstration of our uncompromising progress."*

Having achieved Performance Milestone 2, one-third of the 500 million Performance Shares currently on issue, being 166,666,667 million shares, shall convert to ordinary shares and remain subject to ASX escrow until 20 July 2018.

### **About FTI Consulting**

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. Individually, each practice is a leader in its specific field, staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle – from proactive risk management to the ability to respond rapidly to unexpected events and dynamic environments.

### **About Syntonic**

Syntonic (SYT.ASX) is a Seattle based software company which has developed two mobile technology services: Freeway by Syntonic<sup>®</sup>, which allows consumers unlimited mobile access to content and applications, supported by subscription and sponsorship; and Syntonic DataFlex<sup>®</sup>, which enables businesses to manage split billing expenses for employees when they use their personal mobile phones for work. Founded in 2013, Syntonic has developed worldwide strategic partnerships with leaders in the mobile ecosystem.

To learn more about Syntonic, visit [www.syntonic.com](http://www.syntonic.com).

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