

# Investor Presentation

**Gary Greenbaum**  
CEO and co-founder

October 2018

**SYNTONIC**

Unlocking the value of mobile data

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

Syntonic Limited (SYT.ASX)

ABN 68 123 867 765



# Syntonic Ltd (ASX: SYT) Corporate Snapshot

## Corporate Details

ASX Stock Code	<b>SYT</b>
Issued Ordinary Shares	<b>2,776,210,212</b>
Market capitalisation (07 October 2018, undiluted)	<b>A\$36.1 MILLION</b>

## Mission Statement

Syntonic unlocks the value of mobile data with innovative platform services that grow mobile operator ARPU with new 'app-economy' revenue streams generated from content monetisation and enterprise mobility:

- I. Freeway<sup>®</sup>, Syntonic's Content Monetisation Service, provides content providers a cost-efficient solution for acquiring, engaging, and monetising consumers using sponsored data, data rewards, and paid content access.
- II. DataFlex<sup>®</sup>, Syntonic's Enterprise Mobility Service, enables enterprises to reduce the cost of deploying, managing, and company's smartphone program.

## Major Shareholders (07 Oct 2018)

Gary Greenbaum	<b>17.98%</b>
Rahul Agarwal	<b>17.98%</b>
Mr Gavin J. Dunhill	<b>2.45%</b>
Citicorp Noms	<b>2.36%</b>
BNP Paribas Noms	<b>1.88%</b>
Arredo Pty Ltd	<b>1.53%</b>
Mr Peng Zhang	<b>1.15%</b>
<b>Total Top 25:</b>	<b>57.05%</b>



# Syntonic Executive Team; Board of Directors; Advisory Board



## **Gary Greenbaum**

Managing Director

**Co-Founder  
and 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**

Executive Director

**Co-Founder,  
President and 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



## **Steve Elfman**

Non-Executive Chairman

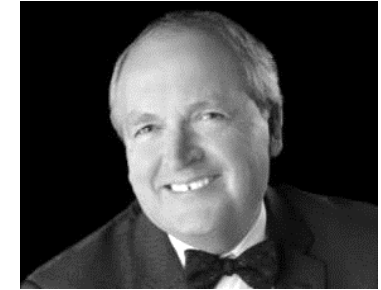
Former President of Sprint and Executive Managing Partner at Tap Growth Group



## **Chris Gabriel**

Non-Executive Director

Former CEO of Zain Africa and Top-100 Global Telco Influencer



## **Nigel Hennessy**

Non-Executive Director

Recognised leader in technology commercialisation with executive and director roles

## Advisory

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### **Kevin Packingham**

Former Chief Product Officer at Samsung Telecommunications America

### **John Landau**

Former SVP at Tata Communications

### **Rudy Gadre**

Former VP & General Counsel at Facebook

### **Bill Richter**

Former President at EMC/Isilon Storage Division

# Syntonic Ltd (ASX: SYT) — Investment Highlights



## First Mover Advantage

First and only cross-carrier Content Monetisation Platform

Created a defensible technical and business barrier of entry for sustainable marketplace leadership



## Vast Market Opportunity

FY2019 pipeline addressable audience of +950m



## Credible Partnerships with Global Reach

Capturing business opportunity with market leaders such as

Verizon Wireless, Smart Communications, Tata Communications, Vodacom and other tier-1 carrier customers

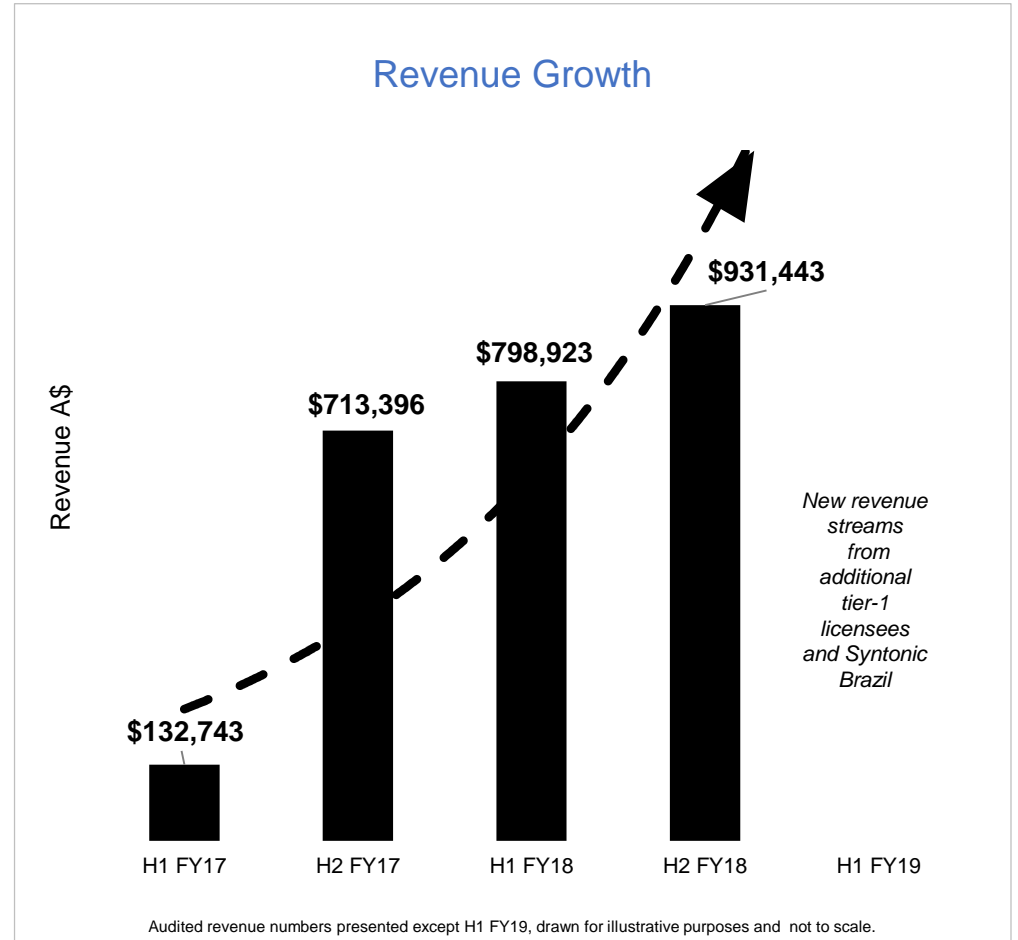
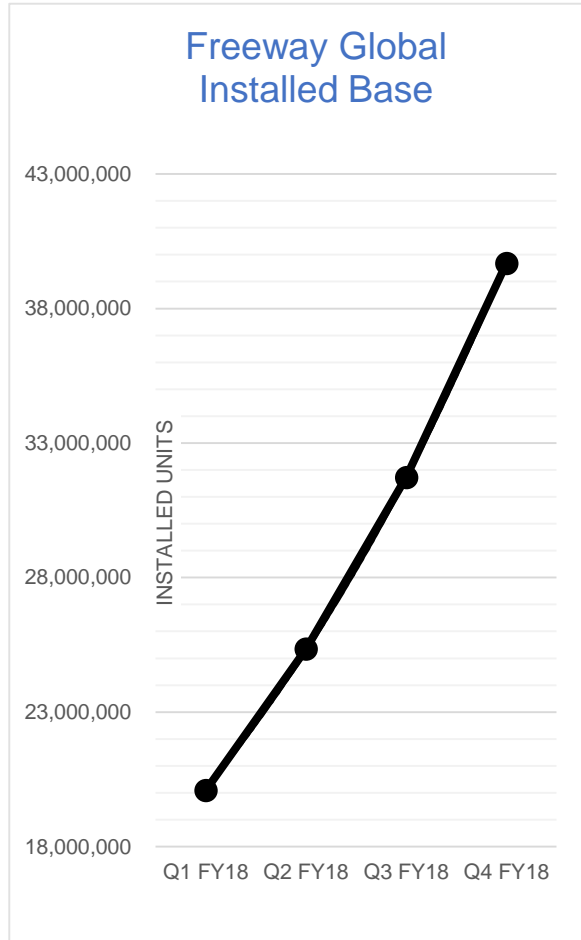


## Revenue Generating & Available Today

Broad distribution throughout the world:

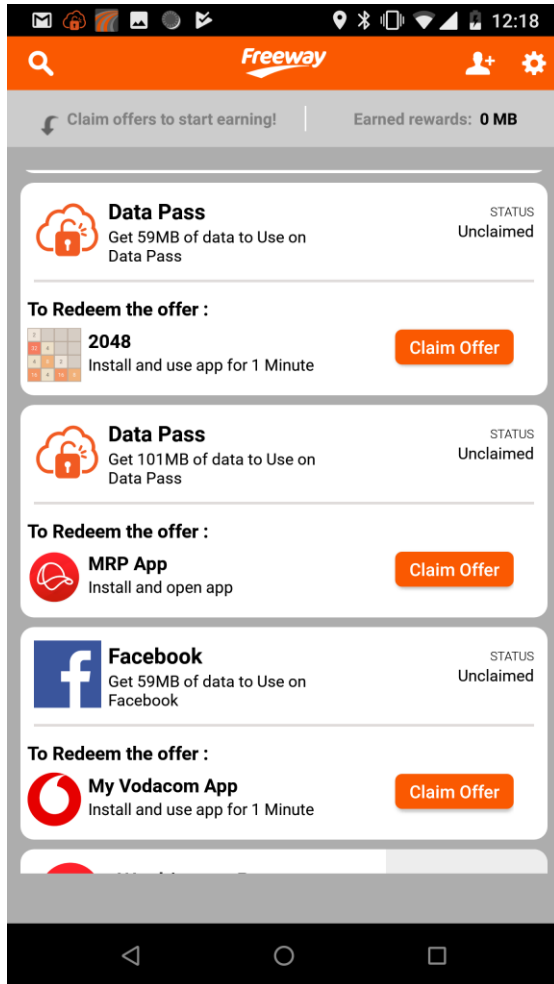
- U.S.
- Southeast Asia
- India
- Latin America
- Sub-Sahara Africa

# Delivering strong and scalable growth



Starting Q1 FY19, Syntonic will report its Quarterly Active Users (QAU). QAU is closely aligned with revenue across the full business

# Material Accomplishments in Q1 FY2019: Vodacom



Vodacom Group Limited (JSE: VOD), one of the world's largest communications companies, licensed the Syntonic platform to expand its mobile advertising business. Vodacom will use the Freeway branded solution to provide brands and content providers sponsored data and data rewards for acquisition and engagement.

Initial services agreement for deployment in South Africa with expansion plans to all of Vodacom's Pan-African network spanning over 103 million customers.





# Material Accomplishments in Q1 FY2019

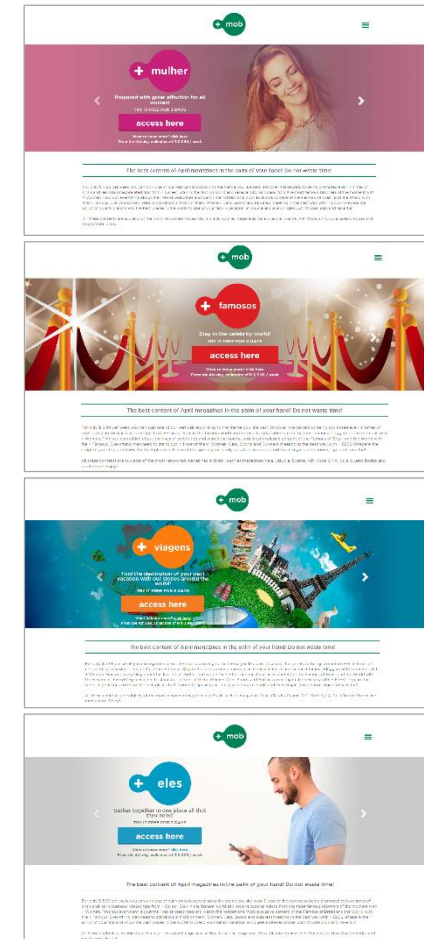
Syntonic acquired the mobile commerce business assets of Zenvia Mobile Servicos Digitais S.A, a leading Brazilian Application-to-Person service provider

## Terms:

Cash consideration of USD 700,000 (~A\$940,000) and a vendor earn-out of 20% of the first USD 21.5 million of contribution margin resulting from the acquired asset operations over 3.5 years

## Acquired Assets:

1. Mobile Commerce Platform is the only direct-carrier-billing service integrated with the four leading carriers in Brazil: Claro, TIM, Oi, and Vivo
2. Assignment of all active mobile carrier and content provider agreements, including many of the largest regional brands and content publishers
3. Transfer of 11 key employees

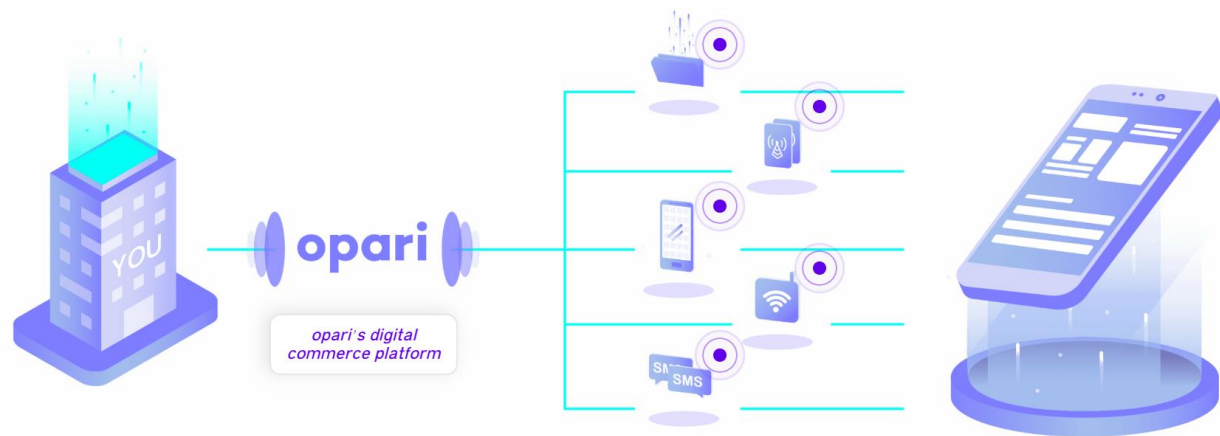


## Material Accomplishments in Q2 FY19



Tata Communications commercially deployed its digital commerce platform, *opari*<sup>™</sup>, powered by the Syntonic Connected Services Platform<sup>™</sup>

- *opari* connects content providers, app publishers and brands to a world-wide network of carriers to acquire, engage, and monetise mobile consumers using sponsored data and data rewards
- *opari*'s initially launched with Safaricom, the leading mobile operator in Kenya with 70% market share and 28 million mobile customers
- Syntonic shares revenue with Tata for all revenues generated by the *opari* platform





# Better together: Acquisition, Engagement & Monetisation

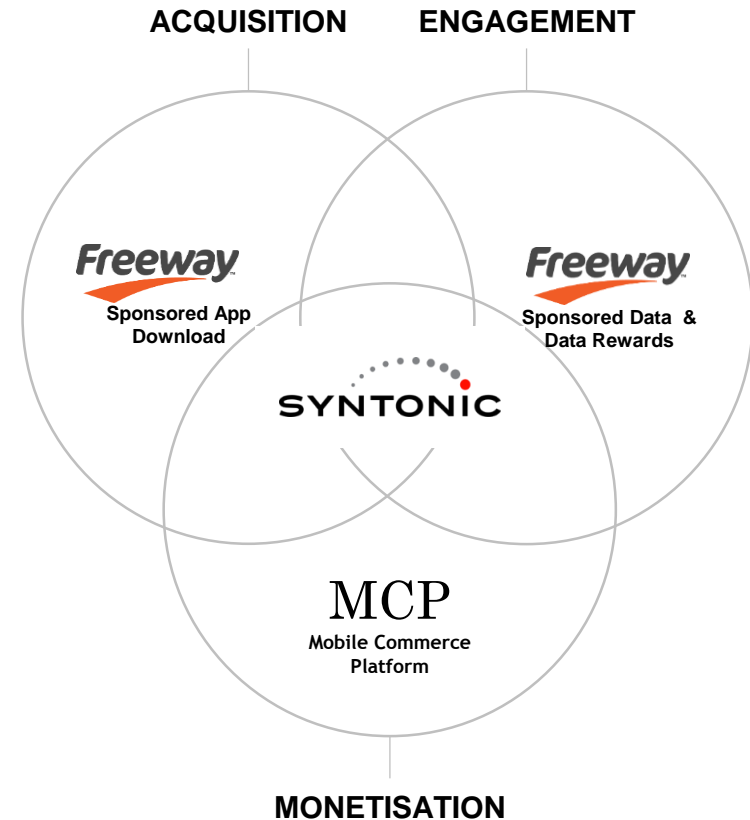
## Freeway

provides carriers mobile advertising revenue from brands and app publishers that pay for customer *acquisition and engagement* using sponsored data and data rewards.



## Mobile Commerce Platform

provides carriers revenue streams from mobile commerce with direct-carrier-billing services.



Freeway provides carriers a complete content monetisation platform for customer acquisition, engagement, and monetisation - a growing US\$183 billion world-wide market

# World-Wide mobile operator engagements (FY2019)

FY2019 announced deployments represent

- >600 million addressable subscribers
- Syntonic technologies to be available across 17 time-zones in 5 continents
- More tier-1 carriers in sales pipeline



# Unlocking the value of mobile data



**Freeway**

## **Content Monetisation Platform**

A cost-efficient solution for brands to acquire, engage, and monetise mobile consumers



**SYNTONIC  
DataFlex**

## **Enterprise Mobility Platform**

enabling businesses to reduce their mobile costs and enhance workforce productivity

**SYNTONIC**

# One platform, two solutions

# Content Monetisation Platform

## Mobile Operator Branded Experience (powered by Freeway)

Freeway offers mobile carriers a solution for capturing new revenue streams from advertisers, value-add service providers, and consumers.

### Services:

Ad Supported Access

Data-free Promotions

Subscriptions ('content plans')

Data Gifting

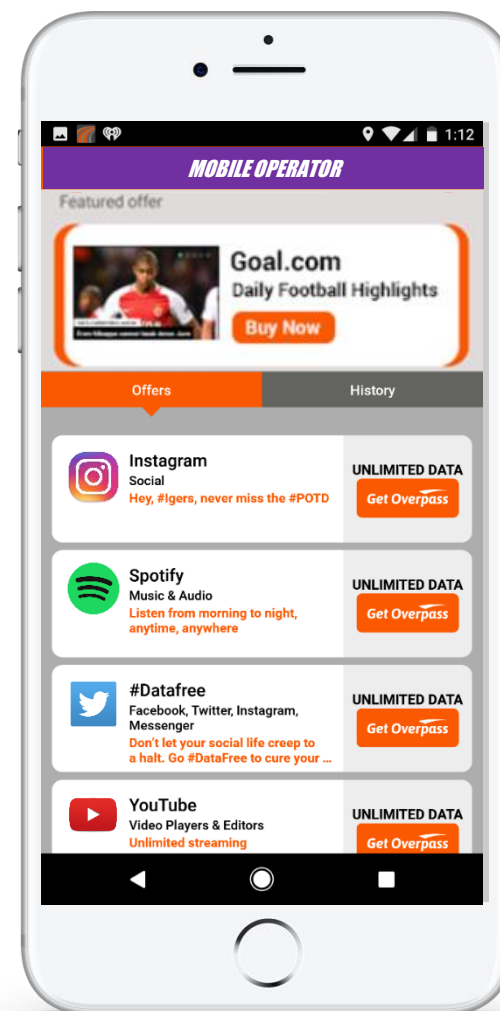
Zero-rated downloads

Action based Data-Rewards

Wallet for storing, retrieving, transacting with earned credits

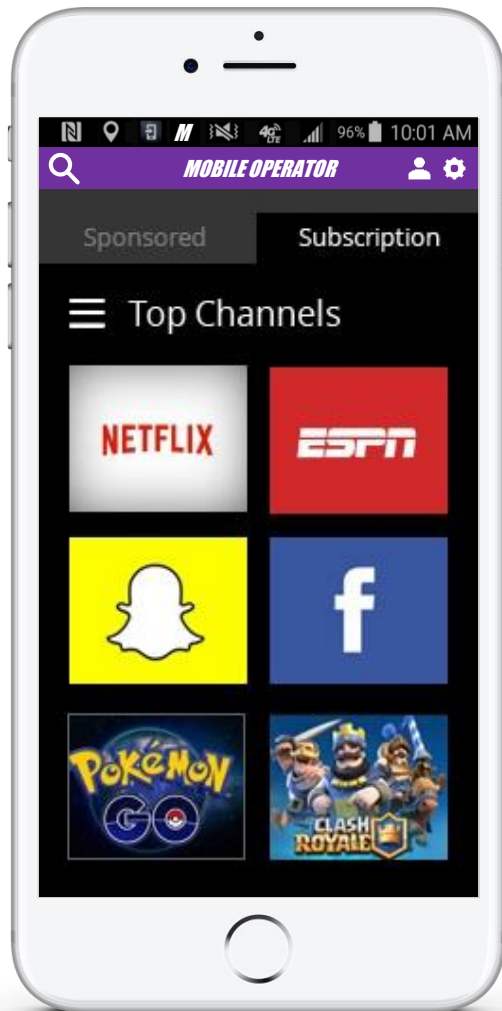
Direct-Carrier-Billing

Sponsored International Roaming Services



# Revenue model

## Mobile Operator Experience (powered by Freeway)



Freeway

## Recurring Fees

### Device Royalties

Volume pricing based on active units/month

### Revenue Sharing

Gross revenue generated by service split between operator & Syntonic

### Maintenance Support

Fixed percentage of monthly invoiced fees

### Hosting Fees

Optional hosting across Syntonic's global network of data centers

## Market Opportunity

### Large Operators (>50M subs)

Potential revenue opportunity >US\$250K/month/operator\*

Represents ~30 operators

### Midsized Operators (10m – 50m subs)

Potential revenue opportunity US\$50K-US\$250K/month\*

Represents ~65 operators

### Small Operators (<10m subscribers)

Potential revenue opportunity US\$50K/month\*

Represents ~1000 potential operators and ~1000 MVNOs

\*Revenue numbers assume full deployment and will vary by geography

# Freeway Customer Journey

## 1. Customer Acquisition

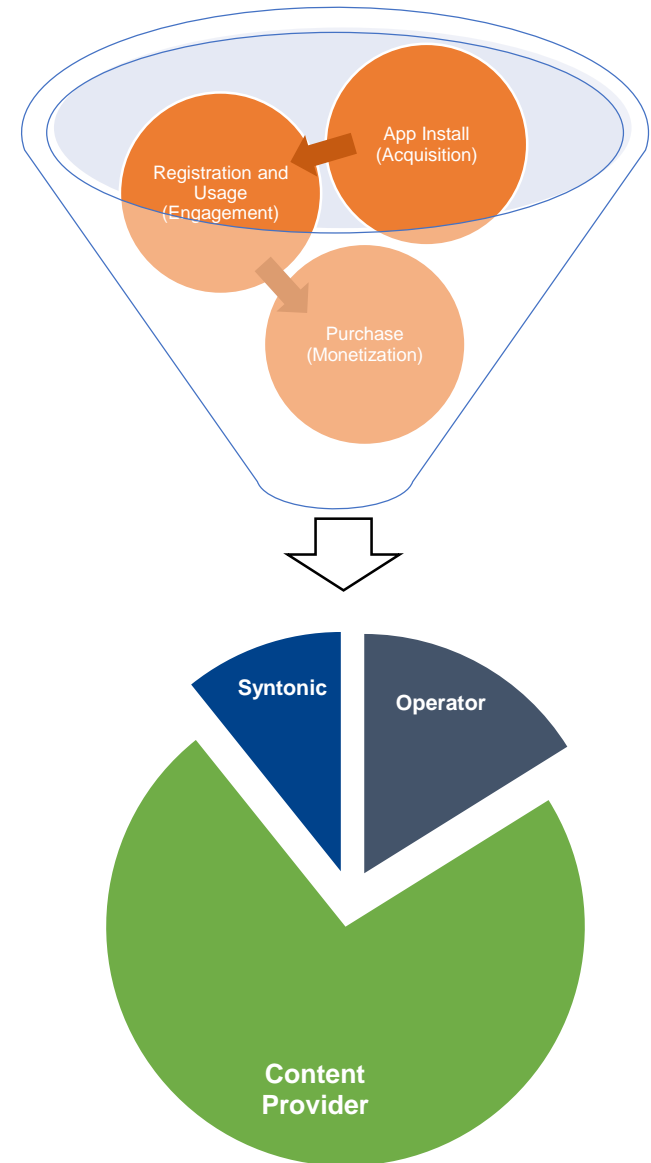
- Sponsored Data download of application
- Syntonic receives a \$/download fee

## 2. Customer Engagement

- Data Reward and sponsored access for incentivising service use
- Syntonic receives a % of the data margin from carrier

## 3. Customer Monetisation

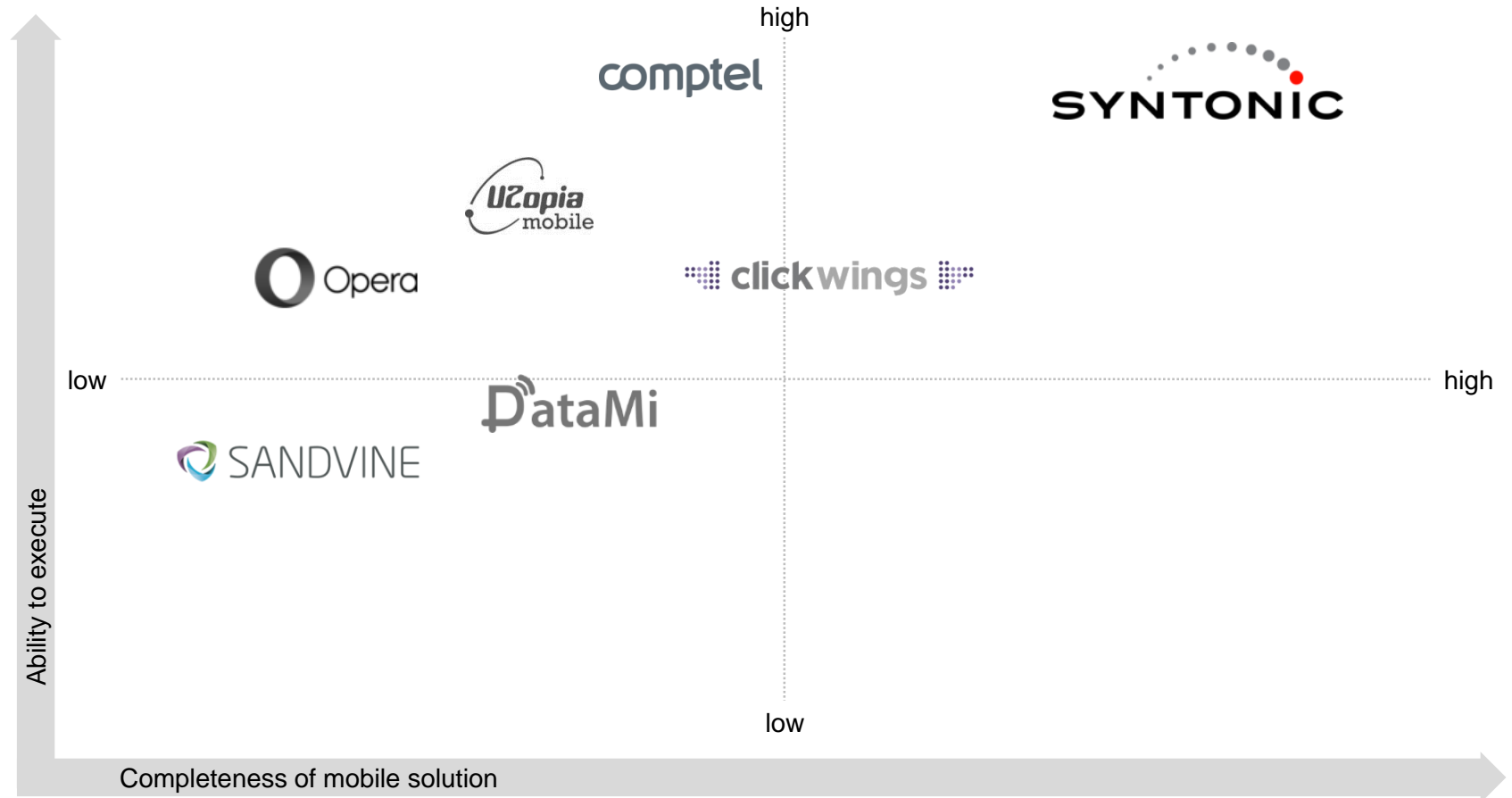
- Direct Carrier Billing to capture the consumer purchase
- Syntonic receives a % of the transaction



Example revenue share among Syntonic, mobile operator, and content provider.



# Competitive Landscape



Source: Syntonic internal market research



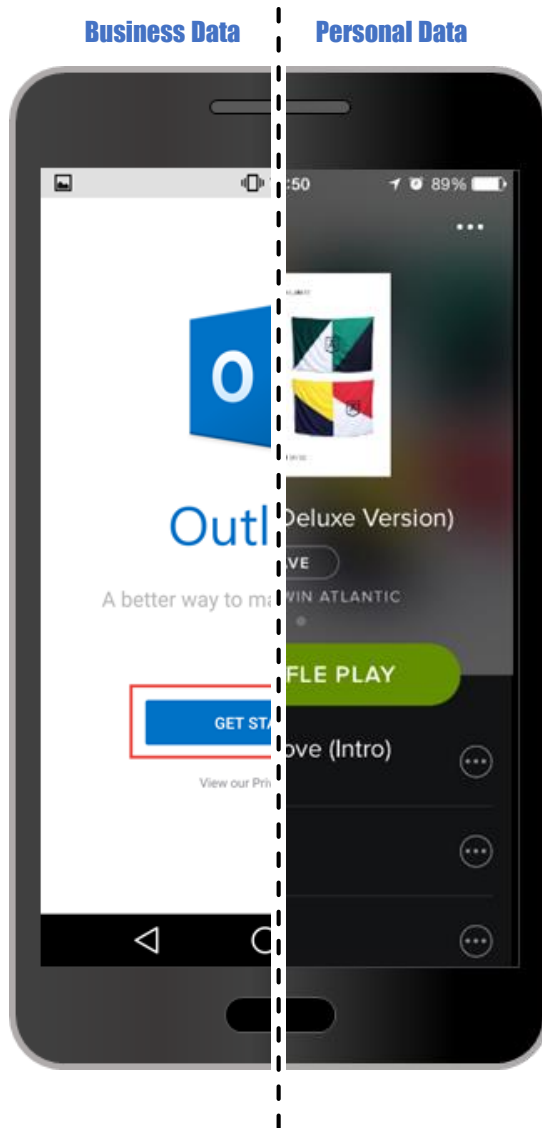
# SYNTONIC DataFlex

Enabling enterprises to reduce the cost of deploying, managing, and operating their workforce mobile connectivity program



## Enterprise Solution

# Split Billing and Application Data Analytics



**Separates personal and business use**

**50% or more reduction**  
of corporate mobile costs

**10% or more enhancement**  
of workforce productivity

**Enhanced corporate security**  
with employee usage analytics

Addressable market for Syntonic DataFlex

**100,000+ companies with over  
75M employees in the U.S. alone**

Sources: Intel, *Improving Security and Mobility for Personally Owned Devices*, 2012; Cisco, *The Financial Impact of BYOD*, 2013; Case Study Forbes, *With BYOD, Employee Productivity Surges*, 2013; and ISG, 2016

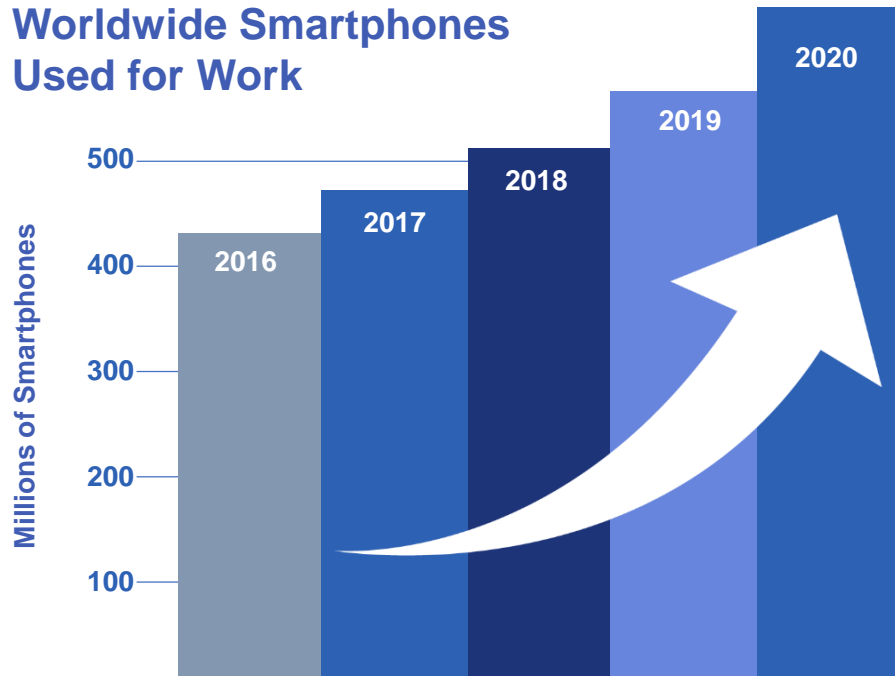
## Revenue Model

SEATS PER YEAR	<b>500 Employees</b>	<b>5,000 Employees</b>
ANNUAL LICENSE (SEAT-BASED)	<b>US\$30,000</b> (Standard Edition)	<b>US\$480,000</b> (Premium Edition)
MAINTENANCE & SUPPORT	<b>US\$6,000</b>	<b>US\$96,000</b>
PROFESSIONAL SERVICES	<b>Variable</b>	<b>Variable</b>
SYNTONIC ANNUAL REVENUE	<b>US\$36,000</b>	<b>US\$576,000</b>
ANNUAL COMPANY SAVINGS	<b>US\$210,000</b>	<b>US\$1,800,000</b>

# Market Opportunity

## Addressable Market

### Worldwide Smartphones Used for Work



Source: IDC, 2013

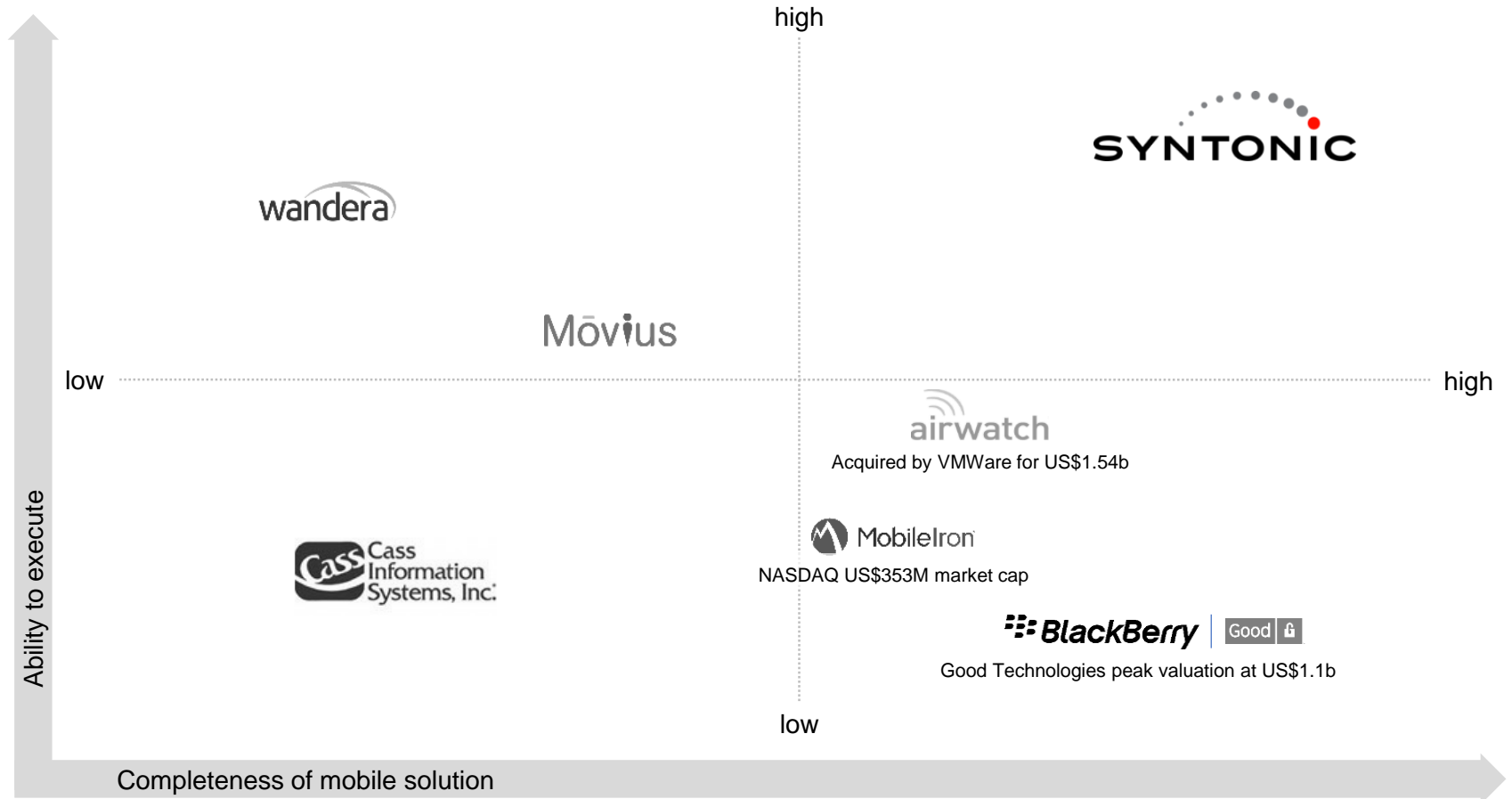
81% of US companies support BYOD now or plan to in the next 12 months.

Source: ISG Survey, 2016

**Each 1% of addressable market share represents**

**US\$300m annual revenue**

# Competitive Landscape



Source: Syntonic internal market research

SYNTONIC  
DataFlex



# FY2019 Outlook



Major growth in Freeway licensing to carriers in Africa, Asia, Latin America, and Central Europe

Broadening deployment of the Freeway International Traveler app in popular tourist destination markets



Advancing commercial deployments and re-seller relationships

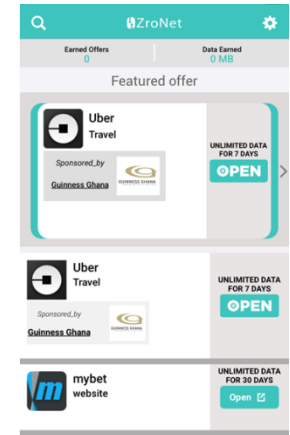


Full ownership transition resulting in significant revenue contribution to the Freeway service

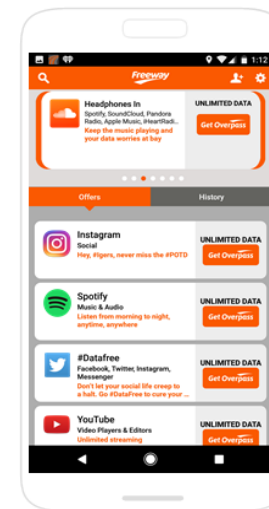
## Freeway's International Expansion



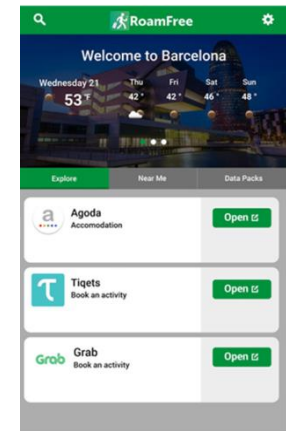
Cross-carrier, Vietnam



Cross-carrier, Ghana



Vodacom, South Africa



Smart, Philippines

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Although Syntonic believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

## For Further Information



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