

Completion of Entitlement Offer Shortfall Placement

Seattle, Washington – Syntonic Limited (“Syntonic” or “Company”) (ASX: SYT), a mobile content services provider, is pleased to announce that the shortfall in respect of the fully underwritten, pro-rata non-renounceable entitlement offer (“Entitlement Offer”) previously disclosed to the ASX on 9 December 2019, has been allotted. The Entitlement Offer provided eligible shareholders, with an address in Australia and New Zealand on 25 November 2019 (Record Date), to be able to subscribe for one (1) New Share for every one (1) existing fully paid ordinary share (Share) held at an issue price of \$0.001 per Share, together with one free attaching option (each at an exercise price of \$0.002 and an expiry date of 31 December 2022) for every 2 New Shares subscribed for under the Entitlement Offer.

The Entitlement Offer was fully underwritten by CPS Capital Group Pty Ltd (“CPS”) for the total amount of \$3,472,032.56. The shortfall placement was for a total of \$2,284,328.24¹. The Company confirms total funds of \$3,472,032.56 in respect of the Entitlement Offer have been received.

As set out in the Entitlement Offer Replacement Prospectus, the main purpose for the Entitlement Offer was to raise funds for:

- (a) Obsidian Payment: repayment of US\$750,000 to Obsidian Global Partners LLC (Obsidian) in respect to its convertible notes. The Company and Obsidian have entered into an agreement pursuant to which the Company will cancel the existing convertible notes issued to Obsidian (Obsidian Agreement) in full and final settlement of the Company's outstanding debt to Obsidian (refer to ASX announcement of 3 April 2019 for further details regarding the convertible notes);
- (b) Loan Facility: repayment of \$750,000 to Pentin Pty Ltd in respect to the short-term loan facility with Pentin Pty Ltd, an unrelated third party, provided in immediate working capital to the Company;
- (c) Sales and Marketing: sales and marketing activities associated with the Syntonic Revenue Generation Platform™, particularly in markets where the Company has an established presence, such as Brazil, Mexico, Vietnam, the Philippines and South Africa;
- (d) Product Development including proprietary technologies in respect of the Syntonic Revenue Generation Platform™ that have been built and are continually innovated by Syntonic, giving it an offering that provides the complete customer journey connecting premium content to mobile subscribers; and
- (e) ongoing working capital requirements.

¹ Following the Company's shortfall notification announcement on 9 December 2019, certain application monies were not received by the Company. Accordingly, the balance of the shortfall securities to be issued is; 2,284,328,236 New Shares and 1,142,164,118 New Options for total funds of \$2,284,328.24.



The Board thanks shareholders for their continued support.

Please refer enclosed Appendix 3B for further detail.

This announcement has been authorized for release by Gary Greenbaum, Managing Director of the Company.

About Syntonic

Syntonic Ltd (SYT.ASX) is a Seattle-based mobile content services provider which provides the complete customer journey connecting premium content to mobile subscribers. Syntonic has created the world's leading unified mobile revenue platform spanning mobile advertising, content services and mobile commerce. Syntonic's carrier-grade service has been designed with high availability, scalability and 100% revenue assurance in mind. The Syntonic platform has been deployed and validated by some of the world's largest content providers.

To learn more about Syntonic, visit www.syntonic.com.

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Syntonic Limited

ABN

68 123 867 765

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares)
Listed Options (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,284,328,236 Shares
1,142,164,118 Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The Shares are the same class and will rank as all existing Shares on issue

The quoted options are exercisable at \$0.002 each, any time before 31 December 2022. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares - Yes</p> <p>Options – Yes (SYTOA). Shares issued on exercise of options will rank equally with existing Shares. There is no participation for the Options in any dividend.</p>
<p>5 Issue price or consideration</p>	<p>\$0.001 per Share</p> <p>Options are free attaching and issued for nil consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Securities issued in respect of the shortfall, pursuant with the recent non-renounceable pro-rata entitlement offer (Entitlement Offer)</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>18 November 2019</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	3,426,492,354
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure A
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	20 December 2019

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	6,944,065,512	Shares
	1,736,016,378	Listed options (each convertible into one Share for \$0.002 on or before 31 December 2022).
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	15,000,000	Unlisted incentive stock options (each convertible into one Share for \$0.03 on or before 28 February 2027)
	133,333,333	Unlisted broker options (each convertible into one Share for \$0.03 on or before 31 December 2020)
	17,286,763	Unlisted incentive stock options (each convertible into one Share for \$0.014 on or before 6 July 2028)
	43,638,984	Unlisted options (each convertible into one Share for \$0.012 on or before 16 October 2023)
	97,167,357	Unlisted incentive stock options (each convertible into one Share for \$0.009 on or before 14 November 2028)

+ See chapter 19 for defined terms.

Number	+Class
5,000,000	Unlisted incentive stock options (each convertible into one Share for \$0.02 on or before 1 January 2024)
10,000,000	Unlisted incentive stock options (each convertible into one Share for \$0.04 on or before 1 January 2024)
199,300,830	Class A Performance Rights
199,300,830	Class B Performance Rights

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

- | | | |
|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

+ See chapter 19 for defined terms.

- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
- 25 If the issue is contingent on security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?

+ See chapter 19 for defined terms.

31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?

32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Issue date

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 20 December 2019
(Director/Company secretary) Date:

Print name: Steven Wood
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,780,110,212
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	201,999,998 - 24 December 2018 3,737,500 - 9 April 2019 233,336,450 - 9 April 2019 12,706,367 - 24 April 2019 26,756,157 - 10 May 2019 29,640,904 - 13 June 2019 54,481,713 - 9 July 2019 <i>Note:</i> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	6,944,065,512

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	1,041,609,826
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	-
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	1,041,609,826
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	-
<p>Total [“A” x 0.15] – “C”</p>	1,041,609,826 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	6,944,065,512
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	694,406,551
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	694,406,551
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	694,406,551 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.