

Business Update

Highlights:

- Strong progress implementing new corporate strategy focused on content monetisation using the Syntonic Revenue Generation Platform™
- Success in growing the Company's content portfolio, expanding geographical service coverage, and migrating existing strategic mobile carriers to use the Company's content monetisation services
- The FOX Sports Go service, since transitioning to the Syntonic platform in early October 2019, has seen 20.3% monthly growth to 273,560 paid subscription transactions in November, representing Syntonic's fastest growing and highest revenue generating content offer

Seattle, Washington – Syntonic Limited (“Syntonic” or “Company”) (ASX:SYT), a mobile content services provider, is pleased to provide shareholders with a progress update on Syntonic's newly implemented business strategy and the status of existing business engagements.

As was disclosed in the Company's 15 November 2019 ASX announcement, Syntonic has implemented a new strategy and business focus to support content distribution and sales via the Syntonic Revenue Generation Platform™ (“RGP”), a service that generated revenue of A\$6.1 million in FY2019 (over 85% of the overall Company's operating revenue¹).

The Syntonic RGP supports the complete customer journey, connecting premium content to mobile subscribers in a cost-efficient manner. The RGP benefits content providers by allowing them to remain focused on their core competency, i.e. creating quality content, with Syntonic focusing on content promotion and marketing, customer acquisition, content distribution, and monetization. This new strategic focus enables Syntonic to participate in the higher margin revenues generated through content subscription sales.

Commenting on Syntonic's new strategic business focus, CEO and Managing Director, Gary Greenbaum said:

“Syntonic's strategy reorientation builds upon and leverages our existing technology investments and carrier relationships in underserved content markets, namely, Southeast Asia, Latin America, and Sub-Saharan Africa. We've seen growing validation of this strategy with the

¹ Syntonic FY2020 Annual Report

sharp growth in our FOX Sport Gol subscribers and with the strong interest we received from carriers and content providers world-wide to use the Syntonic RPG for content monetization.”

Operational Update

The Company's new strategy involves execution success in three core categories:

- enhancing the Company's content portfolio for distribution and sales,
- growing consumer reach by expanding into new geographic markets, and
- transitioning the Company's existing strategic carrier engagements to use the Syntonic RGP for content monetization.

Syndicated Content

Less than three weeks after the executed agreement with Fox Latin American Channel LLC, (“Fox Sports”) that grants Syntonic the rights to distribute and sell FOX Gol mobile content in Brazil and Mexico, the Company successfully transitioned the service to the Syntonic RGP (refer to the 15 October 2019 ASX disclosure). The FOX Gol application and website, managed by Syntonic, enable soccer fans to follow their favorite teams and leagues, through a subscription package that gives them access to video and other curated content.

The FOX Gol service is currently the Company's most popular and largest revenue generation content offering. Since the transition to the Syntonic platform in October, the Company has seen it grow by 20.3% to 273,560 paid subscription transactions in November. In just two months of deployment, FOX Gol sales now represent 35% of the content monetization revenue and 39.6% of the RGP payment transactions.

Fox Sports has been promoting the FOX Gol service through television promotion and direct-to-consumer smart messaging in order to support and grow the subscriber base.

During the current quarter, the Company has executed distribution and sales agreements with additional content and app providers, adding to the Company's growing portfolio of available content and services. These include: *Saude 4 Patas*, a unique smartphone service that combines veterinary care coverage for 24/7 emergency and dog and cat consultations and emergency care; and *Quero Vantagens*, a leading Brazilian subscription based online discount shopping application.

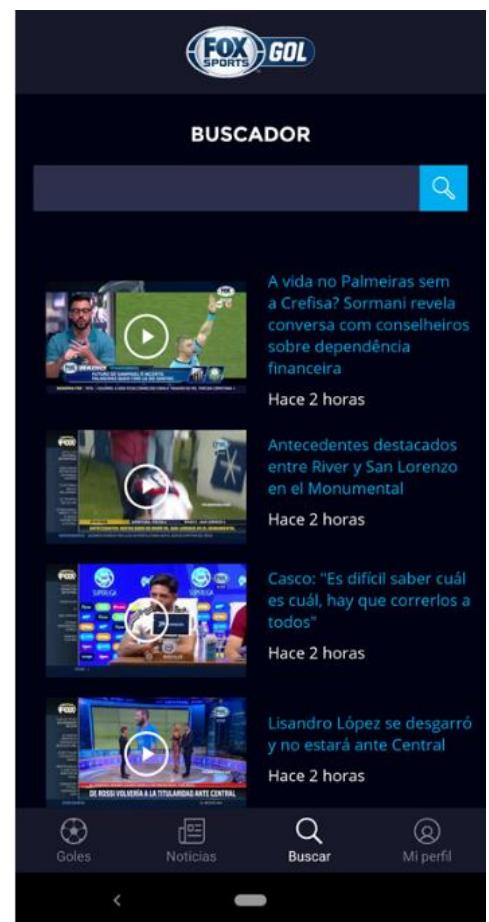


Figure 1: The Mexico version of the FOX Gol application managed by Syntonic

To further enhance margins, Syntonic introduced in December credit card processing for select Brazil-based content offers. The credit card payment option will be extended to most content offers in FY2020 to complement the more costly, but more convenient, direct-carrier-billing (“DCB”) transaction servicing currently supported by the Syntonic RGP.

Expanded Geographies

Syntonic’s principle target geographies are South America, Southeast Asia, and Africa – regions that overlap with Syntonic’s existing carrier relationships and remain challenging markets for content providers seeking to monetize the local smartphone consumers. Prior to the current quarter, the Syntonic RGP was deployed with all four major carriers in Brazil (Oi, TIM, Vivo, and Claro); in Mexico with América Móvil’s Telcel; and in Vietnam with MobiFone Telecommunications Corporation (“MobiFone”).

During the quarter, Syntonic has been working to finalize an agreement with Smart Communications (“Smart” PSE:TEL, NYSE:PHI), a leading wireless provider in the Philippines with more than 57 million subscribers², to accommodate Syntonic RGP transaction via Smart’s billing DCB services. Contingent on completion of a negotiated agreement, Syntonic plans on developing content offers for the Company’s existing portfolio of content and apps for Smart subscribers.

Strategic Carrier Transitioning

During the quarter, Thang Long Event Limited (“TLC”), Syntonic’s Vietnam-based partner, negotiated to provide Syntonic RGP services to Viettel Telecom (“Viettel”), the largest mobile carrier in Vietnam with 63 million subscribers³. Viettel’s *MyData* service, scheduled for launch in Q3 FY2020, is a white-labelled version of the Syntonic RGP and will enable Viettel subscribers to purchase data-free content and application subscriptions. The Company is now negotiating with TLC to expand Viettel’s *MyData* and Mobifone’s *MobifoneGo* services to include content subscriptions from Syntonic’s content portfolio. With deployments across both carrier networks, the Syntonic RGP services will reach 97.6 million mobile subscribers, or 76% of the total Vietnamese market⁴.

Syntonic remains committed to support the Vodacom Group Limited (JSE: VOD, “Vodacom”) efforts involving data-free and sponsored services that include Vodacom’s *DataPass* sponsored data application, the TurnUp music service, and PlayInc, Vodacom’s recently launched subscription-based gaming service. The Company is working with Vodacom to expand its focus to include the content monetisation services of the Syntonic RGP.

² <https://smart.com.ph/About/profile/>

³ <https://www.export.gov/apex/article2?id=Vietnam-Information-Technology>

⁴ <https://www.export.gov/apex/article2?id=Vietnam-Information-Technology>

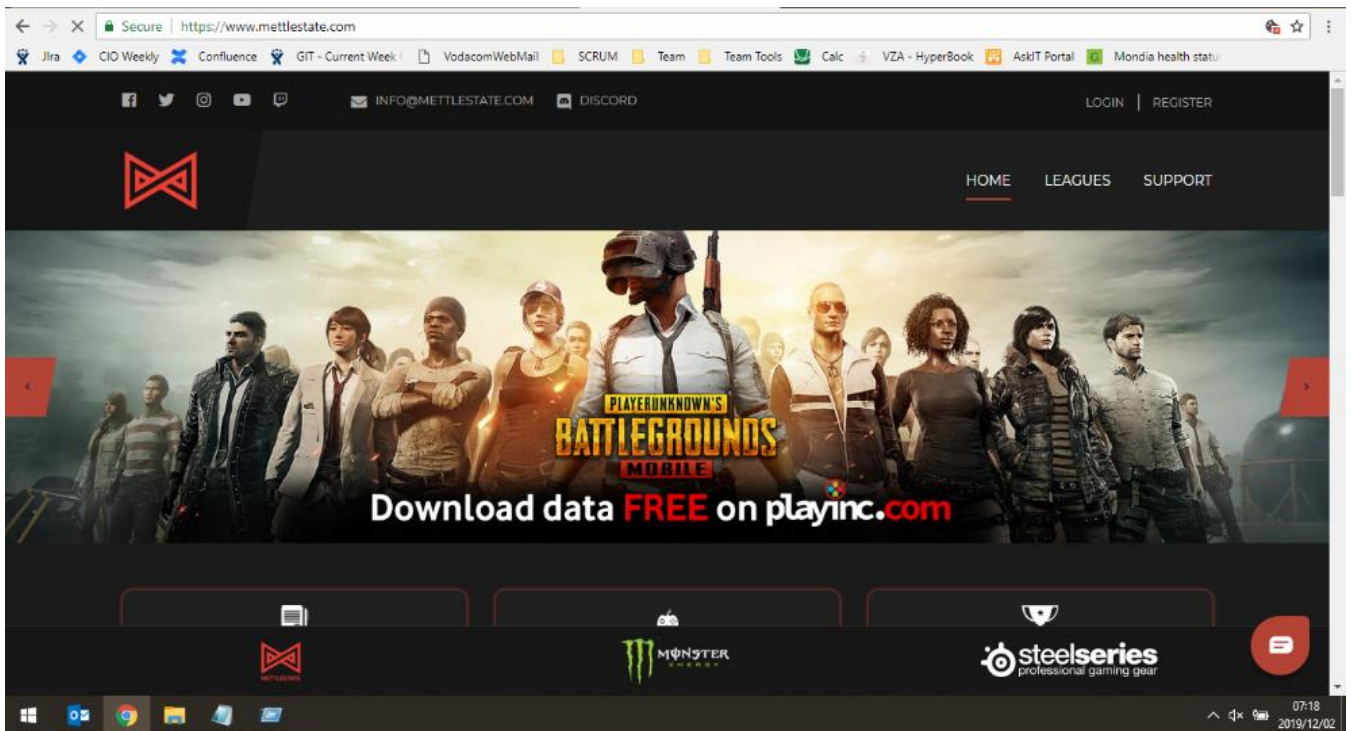


Figure A Black Friday 2019 PlayInc promotion for data-free download of applications using the Syntonic RGP

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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