

COVID-19 Business Impact

Highlights:

- To minimize the spread of COVID-19, the Company has mandated that all Syntonic employees work online from home and has cancelled all business travel.
- The recent accelerated spread of COVID-19 has resulted in soccer leagues cancelling matches which will dampen FOX Sports Gol subscription sales and renewals – a revenue source that contributed 38.9% of the Company's content services revenue during the first half of the current quarter.
- The unforeseen and sudden business impact will delay Syntonic's ability to achieve its target of cash flow positive operations by the end of the FY2020.
- The Company is pursuing various courses of action to strengthen its cash position.

Seattle, Washington – Syntonic Limited ("Syntonic" or "Company") (ASX:SYT), a mobile content services provider, is providing shareholders an update on the impact of the new coronavirus disease ("COVID-19") on the Syntonic business.

In compliance with the recommendations from the World Health Organization and the Centers for Disease Control and Prevention in territories where Syntonic conducts business, the Company has mandated that Syntonic employees work online from their home and all business travel, domestic and international, be cancelled. The Company does not anticipate any short-term material impact on the business operations resulting from these Company directives. Depending upon the duration of enforcement, the Company anticipates these directives could delay execution of future content agreements which would negatively affect future sales.

The COVID-19 pandemic has resulted in the recent and sudden cancellation of soccer matches which highlighted the FOX Sports Gol content service. All games provided by the FOX Sports Gol service from the English Premier League, UEFA Champions League, Bundesliga, UEFA Europa League, CONCACAF Champions League, Liga MX, and Copa MX have either been cancelled or postponed indefinitely.

As a consequence, the Company is anticipating a material impact on the revenue generated from sales and renewals of the Fox Sports Gol service which had comprised 38.9% of the Company's content services revenue¹. This revenue reduction will also impact the Company's ability to achieve its target of cash flow positive operations by the end of FY2020. Additionally, the Company is anticipating an overall decline in consumer spending as the COVID-19 expands into Syntonic's principle markets which may reduce Syntonic's revenue in the upcoming quarter.

¹ For the period of 1 January 2020 to 15 February 2020 as detailed in Syntonic's ASX disclosure dated 26 February 2020

Given the fluid nature of the COVID-19 situation, the Company is uncertain of the impact COVID-19 may have to its revenue and cash receipts this stage and (by extension) has no certainty in respect to its ability to achieve its target of cash flow positive operations by the end of the FY2020.

The Company is pursuing various courses of actions to bolster its cash position to offset its expected short-term negative operating cash flows including:

1. advancing the progress of its collection of accounts receivable, totalling \$893,000 as of 31 January 2020;
2. further reductions in the Company's expenditure;
3. the conversion of long-term revenue share agreements to "buy-out" licenses for its legacy sponsored data and data rewards product, i.e. Freeway by Syntonic®;
4. engagements with potential investors to discuss various funding opportunities via debt and/or equity

The Company notes that the arrangement detailed in item 4 above is not finalized or complete and the Company is not party of any binding agreements in respect to these matters. Accordingly, there is no certainty that any binding agreement or arrangement will be reached, or that any concluding agreement or arrangement will eventuate.

The Company will keep shareholders updated in respect to the impact of COVID-19 to its business and the progress of the above matters by way of further ASX announcements.

This announcement has been approved by the Board of Syntonic.

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.

For further enquiries, please contact:

Gary Greenbaum

CEO and Managing Director, Syntonic

Tim Slate

Company Secretary

E: ir@syntonic.com