

## SYNTONIC JUNE 2016 QUARTERLY REVIEW

- **Syntonic commenced trading on the ASX on 20 July 2016 under the ASX code “SYT”**
- **At 30 June 2016, Syntonic had combined cash reserves of approximately A\$4 million leaving it fully funded to execute on its aggressive expansion plans**
- **Substantial news flow is expected over the coming months as Syntonic captures its growing sales pipeline in key markets**

**Syntonic Limited (“Syntonic” or “Company”) (SYT.ASX)**, a mobile platform services provider, today released its quarterly Appendix 4C filing for Q4 FY2016.

Syntonic commenced trading on the ASX on 20 July 2016 with combined cash reserves of approximately A\$4 million at 30 June 2016 following completion of the transaction (including cash reported in the Company’s Appendix 4C plus cash acquired as part of the transaction), leaving Syntonic fully funded to execute on its aggressive business expansion plans.

Syntonic is a leader in sponsored content services and is transforming how consumers and businesses access applications and content across the mobile Internet. Syntonic created the Connected Services Platform™, which supports two technologies, **Freeway by Syntonic®** and **Syntonic DataFlex®**.

In July 2016, Syntonic enabled sponsored access to the massively successful game, Pokémon GO through Freeway by Syntonic® on the AT&T network in the United States, validating the market demand for sponsored data.

Syntonic plans to aggressively expand its Syntonic DataFlex® solution in the U.S. and its Freeway by Syntonic® solution in Southeast Asia, Latin America and the United States. Substantial news flow is expected over the next several months as Syntonic expands its worldwide operations and captures its growing sales pipeline in key markets.

Mr. Greenbaum, Managing Director and CEO of Syntonic, said today: *“Our mission is to transform the mobile industry with an entirely new way of capitalizing the value of mobile apps, content, and network traffic – and we will do this with our market leading mobile technologies. Our Pokémon GO sponsored data deployment on the AT&T network has demonstrated that the Freeway market opportunity can be extended to post-paid geographies, such as the U.S., where streaming video and virtual reality applications can significantly impact mobile data plans. Freeway by Syntonic’s content services are well aligned to support the recent wave of content acquisition by the mobile carriers – for example AT&T’s purchase of DirectTV. Freeway by Syntonic is the most complete content services platform, and we plan to lead the charge in revolutionizing how mobile content is discovered, consumed, and monetized.”*

### For Consumers



#### Freeway

Freeway by Syntonic® gives consumers sponsored access to mobile applications and content, providing a new way for content providers, sponsors, and operators to reach, acquire, engage, and monetize customers.

### For Businesses



#### SYNTONIC DataFlex

Syntonic DataFlex® is a mobile split billing solution that works across all mobile operators, and helps companies reduce the costs of BYOD programs, boost productivity, advance business intelligence, and enhance network security.

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Other activities during, and subsequent to, Q4 FY2016 were as follows:

- Syntonic unveiled Freeway by Syntonic 2.0, a major update of its Freeway by Syntonic 1.0 solution that was first introduced on the AT&T network as the world's first sponsored content store. In addition to sponsored data, Freeway by Syntonic 2.0 offers "data rewards" where sponsors can provide data credits to the consumer as a reward for taking some action such as installing an application, subscribing to a music service, or purchasing a product;
- Syntonic launched a Freeway by Syntonic® pilot in Malaysia to be followed by deployments in other geographies in Southeast Asia and Latin America where over 80% of users ration their mobile data;
- Syntonic announced its plans to release two new smartphone survey reports on Bring Your Own Device ("BYOD") programs from the perspective of employers as well as employees. Employees are routinely and increasingly using their own personal smartphones for business. The research, commissioned by Syntonic and independently conducted by Information Solutions Group ("ISG"), will highlight major drivers behind BYOD usage, and key sentiments regarding BYOD reimbursement practices. The reports will be available in August and September 2016;
- Syntonic's Managing Director and CEO, Mr Gary Greenbaum, attended and presented at the TechKnow Invest Roadshow (Melbourne, Sydney and Brisbane) in April, the 121 Tech Investment conference (Hong Kong) in May, and conducted live interviews with CNBC in April and Bloomberg in May;
- Subsequent to the end of the quarter, the Company completed its acquisition of Syntonic Wireless, Inc. and completed its public share offer pursuant to its prospectus dated 13 May 2016 and supplementary prospectus dated 16 June 2016 after successfully raising the maximum amount of \$2,200,000; and
- Subsequent to the end of the quarter, the Company appointed Mr Gary Greenbaum as Managing Director and CEO and Mr Rahul Agarwal as Executive Director, President and CTO.

For further enquiries, please contact:

**Gary Greenbaum**  
**Managing Director and CEO**

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## About Syntonic

Syntonic Limited (SYT.ASX) is a software company which has developed two technology services: Freeway by Syntonic, allows free-of-charge, mobile internet access on smartphones by having advertisers sponsoring the data; and Syntonic DataFlex, allows businesses to manage split billing expenses for employees when using 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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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Syntonic Limited

ABN

68 123 867 765

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) staff costs	(55)	(73)
(b) advertising and market	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(78)	(288)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(122)</b>	<b>(312)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(122)	(312)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	(350)
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(250)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material):		
(a) Syntonic transaction costs	(229)	(266)
<b>Net investing cash flows</b>	(229)	(866)
<b>1.14 Total operating and investing cash flows</b>	(351)	(1,178)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	2,200	2,970
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material):		
(a) capital raising costs	-	(54)
<b>Net financing cash flows</b>	2,200	2,916
<b>Net increase (decrease) in cash held</b>	1,849	1,738
1.21 Cash at beginning of quarter/year to date	1,972	2,083
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	3,821	3,821

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### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	253
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments include directors' fees, superannuation, company secretarial services and provision of a fully serviced office.
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### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.
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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable.
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,821	1,972
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>3,821</b>	<b>1,972</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	Not applicable*	Not applicable
5.2 Place of incorporation or registration	Not applicable*	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable*	Not applicable
5.4 Total net assets	Not applicable*	Not applicable
5.5 Nature of business	Not applicable*	Not applicable

**\* The Company completed its acquisition of Syntonic Wireless, Inc., a U.S. software company, after the end of the current quarter, on 8 July 2016.**

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 26 July 2016  
(~~Director~~/Company secretary)

Print name: Gregory Swan

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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