

Syntonic Builds Solid Foundation in First-Half For Realizing Revenue in 2017

Seattle, United States – Syntonic Limited (“Syntonic” or “Company”) (SYT.ASX), a mobile platform and services provider, is pleased to report highlights from its half year results for the six months ending 31 December 2016.

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

Freeway by Syntonic allows consumers the ability to connect to the mobile Internet free of charge with content providers and application developers paying for the data access as a means to increase brand awareness, acquire new users, enhance engagement, and monetize their content.

Syntonic’s second product, DataFlex, provides a cost effective, mobile split billing solution to separate personal from business use on employee smartphones, saving employers up to 50% of their Bring Your Own Device (“BYOD”) expenses and increasing workforce productivity by 10%.



Freeway by Syntonic ads across the world

Highlights during the Half Year:

During the half year to 31 December 2016, the Company operated as Syntonic Limited from 20 July 2016. The Company’s principle activities during its first half included:

- Re-listed on the Australian Securities Exchange after raising A\$2.2 million
- Signed agreements with worldwide telco carriers: Verizon Wireless, AT&T and Tata Communications
- Entered key geographies: U.S., India, Indonesia, and Malaysia
- Established strategic partnerships with major content providers, specifically in the gaming sector
- Appointed industry veteran, non-Executive Directors Mr. Steve Elfman and Mr. Chris Gabriel

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- Completed a placement to raise A\$5.44 million in November 2016
- Maintained a cash position of A\$7.0 million at 31 December 2016 to begin the second half of the year with funding to capture business opportunities

Dr. Gary Greenbaum, CEO and Managing Director of Syntonic, commented: *"I am pleased to present our first half year results as a listed company. The last six months have represented a highly productive period of business and operational ramp-up for the company. We strengthened partnerships with tier-one telcos, signed engagements with large content providers across multiple geographies, and set the foundation for capitalizing on existing business and capturing new opportunities in 2017.*

"Starting the second half of the year, we are in a solid financial position to drive further growth and to convert business opportunities into revenue with our sponsored data agreements, platform and white label licensing, and the launch of our OTT mobile video service. I look with confidence to the year ahead, as we continue to scale our operations and achieve our business objectives."

Outlook

Moving forward, Syntonic will focus on expanding its sponsored data offering, Freeway by Syntonic, in emerging economies, specifically in Southeast Asia and Latin America, while developing its Over-the-Top (OTT) mobile video platform for developed markets. With significant growth projected in sponsored data this year, Syntonic has chosen to prioritize and devote the majority of its resources to Freeway for the next few quarters to quickly capture this burgeoning opportunity. Despite this temporarily reprioritization, the DataFlex product continues to indirectly mature through ongoing Freeway enhancements, performance optimizations, security and reliability advances, and other feature innovations.

Syntonic is in a strong cash position with cash reserves of \$7 million (31 December 2016) and no debt, placing the Company on solid ground to conduct its current activities and pursue new deals. Given the early ramp up stage of the business models and the lack of historical models, the Company is not in a position to provide external revenue guidance for CY2017. The Company has received encouraging interest and activity to date, and has signed agreements with telco partners and new content providers --- all demonstrable factors that will fuel Syntonic's revenue conversion. The Company is confident in the conversion of the deal pipeline into ongoing reliable revenue streams.

About Syntonic

Syntonic (SYT.ASX) is a Seattle based software company which has developed two technology services: Freeway by Syntonic®, allowing free-of-charge, mobile internet access on smartphones by with advertisers sponsoring the data costs; and Syntonic DataFlex®, allowing businesses to manage split billing expenses for employees when using their personal mobile phones for work.

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

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