

## Syntonic Demonstrates Strong Underlying Growth in FY2017

Seattle, United States – Syntonic Limited (“Syntonic” or “Company”), a mobile platform and services provider, is pleased to release its Preliminary Final Report (Appendix 4E) for the Financial Year ending 30 June 2017.

### Financial Highlights:

- FY17 revenue from sales & service was A\$846,139 up 17% from FY16
- Licensed the Syntonic platform services to Verizon Wireless, resulting in monthly recurring revenue
- Signed agreements with major content providers and leading brands such as Reliance Entertainment-Digital Group, Perform Group, and Zapak Digital Entertainment
- Anticipates strong revenue generation in FY18 from new telco and brand customers

### Operational Highlights:

- Deployed sponsored data services on two of the world’s largest mobile operators
- Released Freeway Overpass™, the first cross-carrier, paid and sponsored subscription service
- Rolled out Freeway by Syntonic™ in four major geographies: Southeast Asia, India, Mexico, and the U.S.
- Exceeded ‘Performance Milestone 1’ objective, reaching a 100 million addressable audience for the Freeway product, five months ahead of schedule

### Operations report

FY17 has been a pivotal year for Syntonic, having signed agreements with two of the world’s largest telecommunication providers, Verizon Wireless and Tata Communications, to license the Syntonic platform services.

The majority of FY17 revenue was generated by licensing royalties for the use of Syntonic’s platform technologies that includes the Connected Services Platform™ (“CSP”) and the Freeway SDK (‘software development kit’). The cornerstone agreement in FY17 was the deal reached with Verizon Wireless, the largest carrier in the U.S. Verizon was granted a non-exclusive license and sublicense right to deploy the Syntonic platform services to enable data-free and sponsored content services for its 100+ million subscribers. This agreement has resulted in generating monthly recurring revenue for the Company.

Given the scale of Verizon and other interested tier-1 carriers, the Company anticipates that over the next several quarters, a majority of the revenue will come from its high-margin, recurring revenue CSP licensing business.

During the June 2017 quarter, the Company released Freeway Overpass™, the world’s first cross-carrier mobile content service, that provides subscribers the flexibility to access unlimited content-plans either as a paid or sponsored subscription without impacting their data plan. The service started generating revenue from the first day of release and the Company expects revenue from this channel to build over the coming quarters.



Syntonic also made geographical progress rolling out Freeway by Syntonic® sponsored content services in four major geographies--Southeast Asia, specifically Indonesia and Malaysia, Latin America, specifically Mexico, India and the U.S.

Highlighting the effectiveness of Freeway by Syntonic, agreements were signed with leading content providers and brands to advance engagement and retention with customers using Freeway to provide promotional access to their on-line assets. Agreements were reached with some of the largest gaming and entertainment companies including Reliance Games, the mobile gaming division of the Reliance Entertainment-Digital Group; Zapak Digital Entertainment, India's largest online casual gaming site, and Perform Group, owner of GOAL – the world's number one digital football association with over 60 million monthly fans.

FY17 revenue from operations (sales & service) grew 17% to A\$846,139 from FY16 operational revenue. The revenue largely resulted from a strong revenue ramp in the second half of the 2017 financial year. The Company is confident in the continued revenue growth in FY18.

For the year ending 30 June 2017, Syntonic delivered a net loss of A\$25,762,930, largely attributable to a \$21,587,622 one off cost of listing expense posted following the treatment of the acquisition of Syntonic Wireless, Inc. as a reverse acquisition in July 2016.

During the year, Syntonic also completed a capital raising of A\$2,200,000 million through a public offer in July 2016, in addition to a successful completion of an oversubscribed A\$5,440,000 placement. The Company maintained a comfortable cash position of A\$4,910,375 as at 30 June 2017, remaining debt free, and is well-funded to execute on growth opportunities ahead.

#### **Outlook**

Syntonic has performed strongly in FY17 with material improvements in its operations, transitioning from pilot deployments to full commercialisation. In the second half of the financial year, the Company delivered steady revenue growth. Moving into FY18, Syntonic sees a strong growth outlook as discussions advance with a number of major telco carriers and brands.

#### **Gary Greenbaum, Syntonic CEO and Managing Director, commented:**

*"We're very pleased to report strong business performance and a positive outlook in our first set of annual results as a publicly listed company. We enter FY18 in a robust and confident position, with products and services that are competitively well placed. Our technology offerings, global presence, and the strength of our client relationships provide us with an extremely solid business foundation for next year on which to construct new solutions and growing sources of revenue."*

#### **About Syntonic**

Syntonic (SYT.ASX) is a Seattle based software company which has developed two mobile technology services: Freeway by Syntonic®, which allows consumers unlimited mobile access to content and applications, supported by subscription and sponsorship; and Syntonic DataFlex®, which enables businesses to manage split billing expenses for employees when they use 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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