



SYNTONIC LIMITED

ACN 123 867 765

PROSPECTUS

For the offer of up to 1,000 Shares at an issue price of \$0.034

AND

For the offer of 15,000,000 Options

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE PLACEMENT SHARES AND THE DIRECTOR SHARES.

AND

THIS PROSPECTUS IS BEING ISSUED IN ORDER TO ISSUE OPTIONS TO FACILITATE SECONDARY TRADING OF THE UNDERLYING SECURITIES TO BE ISSUED UPON EXERCISE OF THOSE OPTIONS.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

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IMPORTANT INFORMATION

This Prospectus is dated 23 November 2016 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the office of the Company at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.4).

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Securities will only be accepted on an Application Form which is attached to, or provided by the Company, with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

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CORPORATE DIRECTORY

Directors

Gary Greenbaum – Managing Director & CEO

Rahul Agarwal – Executive Director, President & CTO

Ian Middlemas – Non-Executive Chairman

Steven Elfman – Non-Executive Director

Chris Gabriel – Non-Executive Director

Company Secretary

Greg Swan

Registered Office

Level 9, BGC Centre,
28 The Esplanade
Perth WA 6000

Website

<https://syntonic.com/>

Stock Exchange Listing

Australian Securities Exchange
ASX Code: SYT

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: +61 3 9415 4000

Lawyers

DLA Piper Australia
Level 31, Central Park Building
152-158 St Georges Terrace
Perth WA 6000

Auditor*

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

* This entity are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC	23 November 2016
Opening Date	23 November 2016
Closing Date	25 November 2016
Expected date for quotation of the Shares	28 November 2016

The above timetable is indicative only and subject to change. Subject to compliance with all applicable laws, the Directors reserve the right to vary these dates, including the Closing Date for the Offer, without prior notice.

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RISK FACTORS

There are a number of risks associated with investing in the share market generally and in the Company specifically. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety and, in particular, consider the risk factors detailed in Section 3, which include (but are not limited to):

Risk	Summary	Reference
Competition and new technologies	The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the technology market.	Section 3.1(a)
Sales and marketing success	The Company is focused on developing and marketing the Syntonic Technology. By its nature, there is no guarantee that the Syntonic Technology's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the Syntonic Technology. This would likely have an adverse impact on the Company's potential profitability. Even if the Company does successfully commercialise the Syntonic Technology, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.	Section 3.1(b)
Attracting customers to the Platform	The Company's revenue will be affected by its ability to attract customers to the Syntonic Technology. Various factors can affect the level of customers using the Syntonic Technology, including marketing, promotion, brand damage and pricing.	Section 3.1(c)
Hacker attacks	Hackers could render the Syntonic Technology unavailable or cause customers' personal information to be compromised. Although the Company has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Syntonic Technology could lead to a loss of revenue for the Company while compromising customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.	Section 3.1(d)
Contractual risk	The Company operates a business model that has a moderate number of mid-large sized contracts. This puts a heavy revenue dependency on a relatively small number of contracts. Additionally, existing contracts may be terminated at will (with at least 30, 60 or 90 days' notice) by either the Company or the customer.	Section 3.1(i)

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Risk	Summary	Reference
Contractual third party risk	The Company relies on third parties for key deliverables in its business model. A failure of any one of these parties without an appropriate countermeasure could cause a disruption to operations. The Company is continually assessing the risk and opportunities associated with its business model and other than disruptions for short periods of time due to service delivery failure is not solely reliant on any one party for delivery.	Section 3.1(j)
Protection of intellectual property rights	The Company has pursued IP protection in the form of patent applications however legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Syntonic Technology may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property. Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.	Section 3.1(l)
Net neutrality	Net neutrality is a telecom tenet that requires all data on the Internet be treated the same, without differentiation based on price or quality of service. At issue is whether giving consumers free access to mobile content violates the principle of net neutrality. The principle concern of net neutrality advocates is that Internet providers, such as mobile operators, could vary their services based on price or quality of service, and subsequently act as gatekeepers, demanding an extra charge or "toll" on specific traffic in exchange for a guarantee of quality or premium delivery. Sponsored data has entered into the debate because, for some government regulatory agencies, free mobile data could be perceived as price discrimination that unfairly favours larger companies who have the means to pay for free data. However, few regulatory agencies have taken this view on sponsored data.	Section 3.1(m)
Currency risk	The Company derives and is expected to continue to derive a majority of its revenue from the United States, in US dollars. Accordingly, changes in the exchange rate between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of the Company.	3.1(n)

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1. Details of the Offer

1.1 The Offer

The Company is offering, pursuant to this Prospectus, the following:

(a) Share Offer

1,000 Shares each at an issue price of \$0.034 (**Share Offer**).

(b) Option Offer

15,000,000 Options to Armada Capital & Equities Pty Ltd and CPS Capital Group Pty Ltd (together, the **Brokers**) or their nominees (**Option Offer**). The Option Offer under this Prospectus is made only to the Brokers or their nominees.

(Depending on the context, the Share Offer and the Option Offer shall together, or separately, be called the "**Offer**").

Refer to Section 4.1 for a summary of the rights attaching to the Shares and Section 4.2 for the terms and conditions of the Broker Options.

1.2 Purpose of the Offer

On 16 November 2016, the Company announced an equity capital raising via the placement of 160,000,000 Shares each at \$0.034 (**Placement Shares**). The Placement Shares will be issued to "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act.

In consideration for the Brokers acting as joint lead brokers to the equity capital raising, the Company will issue 9,600,000 Shares (**Broker Shares**) and 15,000,000 Options (**Broker Options**) to the Brokers (or their nominees).

Refer to the Company's ASX announcement of 16 November 2016 for details of the equity capital raising.

On 5 October 2016, the Company appointed Messrs Steve Elfman and Chris Gabriel to the Board. Messrs Elfman and Gabriel were each issued 1,300,000 Shares as remuneration for the financial year ending 30 June 2017 (**Director Shares**).

(a) Share Offer

This Prospectus has been issued to facilitate secondary trading of the Placement Shares, Broker Shares and the Director Shares, as they were issued without disclosure under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable the recipients of the Placement Shares, Broker Shares and Director Shares to on-sell those Shares within 12 months of their issue. The Company did not issue the Placement Shares, Broker Shares or the Director Shares with the purpose of the persons to whom they were issued selling or transferring the Placement Shares, Broker Shares or the Director Shares, or granting, issuing or transferring interests in the Placement Shares, Broker Shares or the Director Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

(b) Option Offer

The Option Offer does not require a prospectus. However, to facilitate secondary trading of the underlying securities to be issued upon exercise of the Broker Options, the Company has elected to lodge this Prospectus. Issuing the Broker Options under this

Prospectus will enable persons who are issued the Broker Options to on-sell the Shares issued on exercise of the Options pursuant to ASIC Class Order 2016/80.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Share Offer;
- (b) ensure that the on-sale of the Placement Shares, Broker Shares and the Director Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act; and
- (c) ensure that the on-sale of the underlying securities to be issued upon exercise of the Broker Options is in accordance with ASIC Class Order 2016/80.

1.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm (AWST) on 25 November 2016 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

1.4 No minimum subscription

There is no minimum amount sought to be raised under the Offer.

1.5 Effect on control

The Offer will have no impact on the control of the Company as no person as a result of the Offer will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

1.6 Application Form

The Company will send this Prospectus, together with an Application Form, to selected persons whom the Directors determine are eligible to participate in the Offer.

If you wish to subscribe for Shares pursuant to the Share Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

If you wish to subscribe for Options under the Option Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

Completed Application Forms must be received by the Company prior to 5.00pm on the Closing Date. Application Forms should be delivered or mailed to Syntonic Limited, Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia or sent by facsimile to +61 8 9322 6558.

If you are in doubt as to the course of action, you should consult your professional advisor.

The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) in accordance with the Corporations Act.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.7 Issue and dispatch

The Company intends to issue the Securities progressively as Applications are received. Security holder statements will be dispatched as soon as possible after issue of the Securities.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.8 Application Monies held on trust

All Application Monies received for the Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.9 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for the official quotation of the Shares. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), Application Monies will be refunded (without interest) in accordance with the Corporations Act.

1.10 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.11 Residents outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such

restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.12 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 3.

1.13 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.15 Major activities and financial information

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2016 is in the Annual Report which was lodged with ASX on 22 September 2016.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report are listed in Section 4.4.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.16 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on + 61 8 9322 6322.

2. Effect of the Offer

2.1 Capital Structure on completion of the Offer

	Shares	Performance Shares	Options
Balance at the date of this Prospectus	2,188,976,880 ¹	500,000,000 ²	25,000,000 ³
To be issued under the Share Offer	1,000	-	-
To be issued under the Option Offer	-	-	15,000,000 ⁴
Balance after the Offer	2,188,977,880	500,000,000	40,000,000

Notes:

- (1) Includes the Placement Shares, Broker Shares and the Director Shares.
- (2) Refer to the Company's prospectus dated 13 May 2016 for full details of the terms and conditions of the Performance Shares.
- (3) 25,000,000 Options with an exercise price of \$0.02, exercisable on or before 8 July 2019.
- (4) Refer to Section 4.2 for the terms and conditions of the Broker Options.

2.2 Effect of the Offer on the Company

After paying for the expenses of the Offer of approximately A\$7,850, there will be no proceeds from the Offer. The expenses of the Offer exceeding \$34 (being the amount raised if the Offer is fully subscribed) will be met from the Company's existing cash reserves. The Offer will have a minimal effect on the Company's financial position, being receipt of funds of \$34 less costs of preparing the Prospectus.

2.3 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the respective dates of those sales were:

Highest:	\$0.06 per Share on 30 September 2016
Lowest:	\$0.024 per Share on 9 September 2016
Latest	\$0.042 per Share on 22 November 2016

2.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3. Risk Factors

The proposed future activities of the Company are subject to a number of risks and other factors which may impact the financial performance of the Company and the value of its Securities. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

3.1 Risks in Respect of the Company's Operations

(a) **Competition and New Technologies**

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company not being differentiated to other similar offerings.

The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, the Company's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

(b) **Sales and Marketing Success**

The Company is focused on developing and marketing the its sponsored data services and cost effective mobile split billing solutions (**Syntonic Technology**). By its nature, there is no guarantee that the Syntonic Technology's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the Syntonic Technology. This would likely have an adverse impact on the Company's potential profitability.

Even if the Company does successfully commercialise the Syntonic Technology, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.

(c) **Attracting Customers to the Platform**

The Company's revenue is affected by its ability to attract customers to the Syntonic Technology. Various factors can affect the level of customers using the Syntonic Technology, including:

- (i) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in fewer customers using the Syntonic Technology;
- (ii) Brand damage: If the Company suffers from reputational damage, customer numbers could be affected; and

- (iii) Pricing: Targeted customers may not be prepared to incur the costs for their business implicit in the adoption of the Syntonic Technology or to abandon their investments in existing technologies.

Accordingly, there is no guarantee that the Company's marketing and pricing strategies will be successful to achieve a sizeable take up rate of its products from customers.

(d) **Hacker attacks**

The Company will rely upon the availability of its Syntonic Technology to provide services to customers and attract new customers. Hackers could render the Syntonic Technology unavailable or cause customers' personal information to be compromised.

Although the Company has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Syntonic Technology could lead to a loss of revenue for the Company while compromising customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

(e) **Limited operating history**

The Company has a limited operating history and the potential of its business model is unproven. No assurances can be given that the Company will achieve commercial viability through the successful implementation of its business plans.

(f) **Failure to deal with growth**

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the Company's business, including demand for the Company's products/services, revenue collection, customer satisfaction and public perception.

(g) **Risks associated with overseas expansion**

The Syntonic Technology has been constructed so as to be capable of being utilised in, and marketed to, multiple overseas jurisdictions. As the Company seeks to expand into overseas markets, including Southeast Asia, Europe and Latin America, it may require a physical presence in those countries and an associated increase in overheads and development and marketing costs.

There is the risk that any overseas expansion will be unsuccessful, or that even if there is demand for the Company's products in that market, that the costs of doing business in that market, including the costs of establishing a new base in country, overseas regulatory compliance and the potential duplication of running costs for the business, are such that the Company's profitability and available working capital will be adversely impacted.

(h) **Business model to initially focus on growing market share**

The Company's business model is initially focused on maximising sales and market share, rather than profitability. This is likely to require expenditure on marketing and business development and significant expenditure on personnel. Only once the Company has incurred such additional expenditure will it be in a position to seek to achieve its targeted revenue growth and market penetration objectives. Accordingly, the Company may not achieve significant profitability in the short term or may suffer losses and, to the extent such circumstances continue, may suffer a shortage of working capital.

(i) **Customer concentration risk**

Over-reliance upon key customers may, in the event of termination or non-renewal of such arrangements, create revenue volatility. The Company is conscious of customer concentration risk and the need to diversify its customer base. However, large contract wins could skew the concentration of revenues, increasing the risk that non-renewal will have a larger impact on future earnings.

(j) **Contractual third party risk**

The Company relies on third parties for key deliverables in its business model. This includes payment gateway providers, sales staff and integration of the Syntonic Technology to the market dispensing software packages. A failure of any one of these parties without an appropriate countermeasure could cause a disruption to operations. The company is continually assessing the risk and opportunities associated with its business model and other than disruptions for short periods of time due to service delivery failure is not solely reliant on any one party for delivery.

(k) **Staff risk**

There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of the Company's intellectual property which has a commercial value to the Company as well as an opportunity cost for replacement of those staff and subsequent training.

This risk is mitigated as the Company has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by the Company to the maximum extent possible.

(l) **Protection of intellectual property rights**

The Company has pursued IP protection in the form of patent applications however legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Syntonic Technology may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(m) **Net Neutrality**

Government regulatory agencies in several countries have debated the appropriateness of sponsored data (sometimes referred to as toll free data or zero-rated data) in light of net neutrality. Net neutrality is a telecom tenet that requires all data on the Internet be treated the same, without differentiation based on price or quality of service. At issue is whether giving consumers free access to mobile content violates the principle of net neutrality.

The principle concern of net neutrality advocates is that Internet providers, such as mobile operators, could vary their services based on price or quality of service, and subsequently act as gatekeepers, demanding an extra charge or "toll" on specific traffic in exchange for a guarantee of quality or premium delivery. Sponsored data has entered into the debate because, for some government regulatory agencies, free mobile data could be perceived

as price discrimination that unfairly favours larger companies who have the means to pay for free data. However, few regulatory agencies have taken this view on sponsored data.

The Federal Communications Commission (**FCC**) issued their Open Internet Rules in March 2015 detailing the U.S. position on net neutrality. The FCC specifically considered and referenced the Company in their findings, and commented favourably about the value of innovative business models, such as sponsored data: “these business models increase choice and lower costs for consumers” and improve competition by helping edge providers “distinguish themselves in the marketplace and tailor their services to consumer demands.”

Freeway by Syntonic® does not distort competition to benefit only a handful of favoured or “deep-pocketed” content providers. The service supports any application and web site. Any Android or iOS developer that wants to incorporate sponsored data into a specific application or web site can readily do so. Additionally, the FCC explained that its content rules do not apply to “non-bias data services,” explicitly citing exemptions for the Company’s services which encompass the Syntonic DataFlex® offering.

Most other government regulatory agencies have taken a similar position vis-à-vis sponsored data. For example, the European Parliament rejected amendments to recent legislation that would have banned sponsored data.

However, a few isolated government regulatory entities, most notably the Telecom and Regulatory Authority of India (TRAI), have taken a more aggressive position against sponsored data. TRAI specifically targeted sponsored data as a form of discriminatory pricing and as a result prohibited sponsored data services in India. Recent negative public backlash to TRAI’s ruling has prompted TRAI to re-examine its position on sponsored data. In the interim, Freeway by Syntonic® will limit its services to support data rewards and loyalty programs in the Indian market.

(n) **Currency risk**

The Company expects to derive a majority of its revenue from the United States, in US dollars. Accordingly, changes in the exchange rate between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of the Company.

3.2 **General Risks Relating to the Company**

(a) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

(b) **Risk of High Volume of Share Sales**

The Company has issued a significant number of new Securities to various parties as a result of its acquisition of Syntonic Wireless, Inc and re-listing on ASX. Some of the persons that received Securities as a result of the acquisition or the re-listing may not intend to continue to hold those Securities and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Securities may adversely impact on the market price of Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the re-listing.

(c) **Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(d) **Additional Requirements for Capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(e) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Economic risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(g) **Technology Sector Risks**

The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of the Company's securities may be adversely affected by any general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular, regardless of the Company's operating performance.

(h) **Force majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(i) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

3.3 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its Securities.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend Rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to

the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder Liability**

As the Shares under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 **Terms and Conditions of the Broker Options**

The terms and conditions of the Broker Options are as follows:

- (a) the Broker Options will be exercisable on 10 business days' notice prior to 5.00pm WST on the date that is three years from the date of issue (**Broker Option Expiry Date**). Broker Options not exercised on or before the Broker Option Expiry Date will automatically lapse;
- (b) the exercise price of each Broker Option will be A\$0.06;
- (c) the Broker Options will be unquoted;

- For personal use only
- (d) the Broker Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Share Registry and received by it any time prior to the Broker Option Expiry Date;
 - (e) upon the exercise of a Broker Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted official quotation;
 - (f) a summary of the terms and conditions of the Broker Options, including the Notice of Exercise, will be sent to all holders of Broker Options when the initial holding statement is sent;
 - (g) subject to any trading restrictions imposed by the ASX, the Broker Options are freely transferable provided that they are not to be transferred to another person within 12 months following their issue (other than to another exempt investor pursuant to section 708A of the Corporations Act);
 - (h) any Notice of Exercise received by the Share Registry on or prior to the Broker Option Expiry Date will be deemed to be a Notice of Exercise as at the last business day of the month in which such notice is received;
 - (i) there will be no participating entitlements inherent in the Broker Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Broker Options. Prior to any new pro rata issue of Securities to Shareholders, holders of Broker Options will be notified by the Company and will be afforded 6 business days before the record date (to determine entitlements to the issue), to exercise the Broker Options;
 - (j) in the event the Company proceeds with a pro rata issue (except a bonus issue) of Securities to the holders of Shares after the date of issue of the Broker Options, the exercise price of the Broker Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2;
 - (k) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Broker Option Expiry Date, all rights of an option holder are to be changed in a manner consistent with the Listing Rules;
 - (l) Shares issued pursuant to the exercise of an Broker Option will be issued not more than 14 days after the date of the Notice of Exercise; and
 - (m) if required, the Company must lodge with ASX a cleansing notice that complies with the requirements under section 708A(5)(e) of the Corporations Act within 5 business days following the conversion of the Broker Options issued by the Company to the option holder into Shares, or, if the Company is unable to lodge such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

4.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below).

4.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2016, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus, being as follows:

Date Lodged	Subject of Announcement
30 September 2016	Mobile Industry Senior Executives Join Syntonic Board
3 October 2016	Response to ASX price and volume query
4 October 2016	Appendix 3B
5 October 2016	Final Directors Interest Notice
5 October 2016	Initial Directors Interest Notice
5 October 2016	Initial Directors Interest Notice
12 October 2016	Syntonic Expands Partnership With Verizon
24 October 2016	Notice of Annual General Meeting/Proxy Form
28 October 2016	Appendix 4C - September 2016 Quarter
31 October 2016	Freeway by Syntonic Expands to India
8 November 2016	New Independent BYOD Employee Research for Syntonic DataFlex
9 November 2016	Syntonic Q&A Webinar
9 November 2016	Syntonic Q&A Webinar (Revised)
14 November 2016	Trading Halt
16 November 2016	Placement to Raise A\$5 Million
23 November 2016	Results of Meeting

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the Company at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia:

- (i) this Prospectus;
- (ii) the Constitution; and
- (iii) the consents referred to in Section 4.13 and the consents provided by the Directors to the issue of this Prospectus.

4.5 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

4.7 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

4.8 Directors' interests in Securities

Set out in the table are details of the Directors' relevant interests in the Securities at the date of this Prospectus:

Director	Shares	Performance Shares
Gary Greenbaum	385,861,395 ¹	250,000,000 ¹
Rahul Agarwal	385,861,395 ¹	250,000,000 ¹
Ian Middlemas	40,000,000	Nil
Steve Elfman	1,300,000	Nil
Chris Gabriel	1,300,000	Nil

Note:

- These Shares and Performance Shares are subject to ASX escrow until 20 July 2018.

4.9 Directors remuneration

Directors received the following remuneration for the preceding two financial years:

Director	Financial Year	Total Remuneration ¹
Gary Greenbaum ²	2015	-
	2016	-
Rahul Agarwal ²	2015	-
	2016	-
Ian Middlemas	2015	A\$24,000
	2016	A\$39,420
Steve Elfman ³	2015	-
	2016	-
Chris Gabriel ³	2015	-
	2016	-

Notes:

- Includes non-monetary remuneration.
- Messrs Greenbaum and Agarwal were appointed on 8 July 2016, after the end of the 2016 financial year.
- Messrs Elfman and Gabriel were appointed on 5 October 2016, after the end of the 2016 financial year.

Dr. Greenbaum, Managing Director and CEO, was appointed on 8 July 2016. Dr. Greenbaum has an employment agreement with the Group under which he is entitled to a base salary of US\$250,000 per annum and a discretionary annual bonus of up to US\$150,000 to be paid upon the successful completion of key performance indicators ("KPI's") as determined by agreement between Dr Greenbaum and the Board.

Mr. Agarwal was appointed on 8 July 2016. Mr. Agarwal has an employment agreement with the Group under which he is entitled to a base salary of US\$250,000 per annum and a discretionary annual bonus of up to US\$150,000 to be paid upon the successful completion of KPI's as determined by agreement between Mr Agarwal and the Board.

Mr. Middlemas, Non-Executive Chairman, receives director fees of A\$36,000 per annum (plus superannuation).

Mr. Elfman, Non-Executive Director, was appointed on 5 October 2016. Mr. Elfman receives equity remuneration consisting of Shares in lieu of cash remuneration. In respect of the 2017 financial year, Mr. Elfman was issued 1,300,000 Shares in the Company. Subject to shareholder approval, Mr. Elfman will be issued a further 1,300,000 Shares in respect of the 2018 financial year and a further 1,300,000 Shares in respect of the 2019 financial year.

Mr. Gabriel, Non-Executive Director, was appointed on 5 October 2016. Mr. Gabriel receives equity remuneration consisting of Shares in lieu of cash remuneration. In respect of the 2017 financial year, Mr. Gabriel was issued 1,300,000 Shares in the Company. Subject to shareholder approval, Mr. Gabriel will be issued a further 1,300,000 Shares in respect of the 2018 financial year and a further 1,300,000 Shares in respect of the 2019 financial year.

4.10 Other Interests

Adroit Business Solutions, Inc. (**Adroit**), a company controlled by Mr Rahul Agarwal, currently provides software engineering services to Syntonic under a services agreement dated 20 January 2014. Adroit currently receives monthly fees of approximately US\$50,500 for provision of software engineering services to Syntonic. The monthly fees are based on Adroit's cost of providing resources (based on an hourly rate, with minimal or no mark-up) and materials (at cost) to Syntonic for that month.

4.11 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

The Company's legal advisors will be paid fees of approximately \$5,000 (plus GST) in relation to the preparation of this Prospectus.

4.12 Expenses of the Offer

The estimated expenses of the Offer are as follows:

	\$
ASIC lodgement fee	2,350
Legal expenses	5,000
Printing, mailing and other expenses	500
Total	<u><u>\$7,850</u></u>

4.13 Consents

DLA Piper Australia has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. DLA Piper Australia has not authorised or caused the issue of this Prospectus or the making of the Offer. DLA Piper Australia makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

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5. Authorisation

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of the Company by:



Gary Greenbaum
Managing Director and CEO

23 November 2016

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Acceptance means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Adroit has the meaning in Section 4.10.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2016 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2016, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2016.

Applicant means a person who submits an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus.

Application Monies means application monies for Shares received by the Company from an Applicant.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

AWST means Australian Western Standard Time.

Board means the Directors meeting as a board.

Brokers has the meaning in Section 1.1.

Broker Options has the meaning in Section 1.2.

Broker Option Expiry Date has the meaning in Section 4.2.

Broker Shares has the meaning in Section 1.2.

Chairman means chairman of the Board.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date has the meaning in Section 1.3.

Company means Syntonic Limited ACN 123 876 765.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Director Shares has the meaning in Section 1.2.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Notice of Exercise has the meaning in Section 4.2.

Offer means as defined in Section 1.1.

Option means the right to acquire one Share in the capital of the Company.

Option Offer has the meaning in Section 1.1.

Performance Share means a performance share in the capital of the Company.

Placement Shares has the meaning in Section 1.2.

Prospectus means this prospectus dated 23 November 2016.

Section means a section of this Prospectus.

Securities mean any securities, including Shares, Performance Shares or Options, issued or granted by the Company.

Shareholder means a holder of Shares.

Share means a fully paid ordinary share in the capital of the Company.

Share Offer has the meaning in Section 1.1.

Share Registry means Computershare Investor Services Pty Ltd.

Syntonic Technology has the meaning given in Section 3.1(b).

\$ means Australian dollars unless otherwise specified.

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