

Syntonic's carrier progress and performance

Highlights

- Carrier progress on-track for Freeway deployments during H1 FY2019 in Turkey, Philippines, Vietnam, Oman, Kenya, and Ghana with tier-1 mobile providers including MTN, Ooredoo, Vodafone, Airtel and Tata Communications
- Continued strong growth in Freeway's Global Installed Base during Q4 FY2018, with quarter-on-quarter growth of 25.2%, reaching 39.7 million smartphones
- As a consequence of the 14-month planned pause in the commercialisation of Syntonic DataFlex®, Performance Milestone 3 has not been fully achieved in the 2-year schedule defined in the Company's May 2016 Prospectus, resulting in the expiration of 166,666,668 unlisted Milestone 3 Performance Shares on 8 July 2018

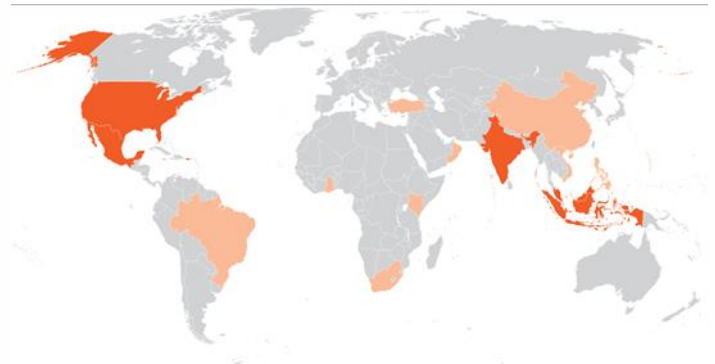
Syntonic Limited ("Syntonic" or "Company") (SYT.ASX), a US-based mobile platform and services provider, is pleased to inform the market on the Company's carrier deployment progress and an update on the company's performance.

Gary Greenbaum, CEO and Managing Director of Syntonic, commented:

"Syntonic is rapidly moving forward with mobile carriers and integration partners to deploy the Freeway service in H1 FY2019 in multiple markets including Turkey, Philippines, Vietnam, Oman, Kenya and Ghana with many of the world's largest mobile carrier companies. Syntonic is working hard to make the Freeway white-labeled service available to an additional 139.1 million smartphones in these countries¹, and we are excited with the number of additional tier-1 carriers advancing in the pipeline for FY2019."

Freeway by Syntonic® Global Expansion

The Freeway platform is licensed to mobile carriers and strategic partners to enable new revenue streams from mobile advertising. Specifically, the platform provides brands and app publishers a cost-efficient solution for customer acquisition and engagement using sponsored data, data rewards, and unlimited-data 'content-plans.'



¹ eMarketer, April 2018

Syntonic has been actively engaging with tier-1 mobile carriers to expand its carrier customer base beyond the Company's established presence in the U.S. and parts of Southeast Asia. The Company is pleased to report on the status, by continent, of those engagements most significantly advanced with planned deployments in H1 FY2019.

Europe

Syntonic is working with Türk Telekom, Turkcell, and Vodafone Turkey to integrate the Syntonic Connected Services Platform™ ("CSP") to enable a white-labeled Freeway and DataFlex service, supported by Syntonic's regional partner, AKTAY A.S. Additionally, AKTAY has secured local municipal government agencies to participate in the service. The Company anticipates these services to be available on the Turkey carrier networks in Q2 FY2019.

Asia

Syntonic's engineering team continues their integration efforts to enable the Freeway Roaming Service™ into the next version of the *RoamFree* traveller application from Smart Communications ("Smart"), the fourth-largest mobile carrier in Southeast Asia with 57.7 million subscribers in the Philippines². The Freeway-powered RoamFree service will provide Smart's international travellers with sponsored data access to essential and popular travel services such as Agoda, AirBnB, Grab, Uber, Klook, TripAdvisor, ATM Finder, Google Maps, and Groupon and is expected to be available in Q2 FY2019.

In Vietnam the integration and testing of the Freeway platform has now been completed for Viettel Telecom, and a proof of concept launch, supported by Syntonic's regional partner, TecaPro Limited, is expected in Q1 FY2019 with other Vietnam carriers to be on-boarded during H2 FY2019.

Africa & Middle East

Syntonic is working with Nazara Technologies, a leading mobile games company with more than 4 million paying users³, and the Ooredoo Group, a leading communications company with 164 million customers and operations in Qatar, Kuwait, Oman, Algeria, Tunisia, Iraq, Palestine, the Maldives, Myanmar and Indonesia⁴, to deploy the Nazara Games Club subscription service to include unlimited data access for Ooredoo subscribers. The initial release is anticipated in Q2 FY2019, initially for the Oman market.

Sub-Saharan Africa is a targeted region of interest for Syntonic. In Ghana, the Company has completed the integration of the Syntonic CSP into the production environments of MTN Ghana, Airtel Tigo, and Vodafone Ghana and is anticipating deployment of a white-labelled version of the Freeway service on these carriers in Q1 FY2019. Additionally, in the region, Syntonic has completed integration of its white-labelled service with Safaricom in Kenya and anticipates deployment in Q1 FY2019.

² http://www.pldt.com/docs/default-source/presentations/2018/1q2018-presentation_final_.pdf?sfvrsn=0

³ September 2017: http://nazara.com/?page_id=2390

⁴ http://ooredoo.com/en/investors/financial_information/facts-figures/

Global

Tata Communications, the flagship telecom arm of the Tata Group with a market capitalisation of ~US\$196 billion⁵, in February 2018 renewed their license of the Syntonic CSP. Tata recently rebranded their white-labelled Syntonic CSP solution as *Opari Digital Commerce* that includes sponsored data and data rewards. The Company will keep the market updated on the anticipated deployment of this Syntonic revenue generating service into new markets.

Performance Milestone 3 - Syntonic DataFlex®

DataFlex, Syntonic's Enterprise Mobility Platform, enables enterprises to reduce the cost of deploying, managing, and operating their employee smartphone program.

Following Syntonic's planned pause for more than 14 months in the commercialisation of DataFlex to focus on the international roll-out of the Freeway service, the Company announced in April 2018 the restart of the product's commercialisation efforts with the signing of a reseller agreement with AKTAY A.S., a value-added telecommunications service provider in Turkey.

Activities in Turkey are progressing rapidly as the DataFlex service is in process of integration with the local Turkey carrier networks.

As a consequence of the pause in the commercialisation of DataFlex, the Company could not fully achieve the Milestone 3 target of fifty DataFlex customers in the shortened timeline, defined in the Company's May 2016 Prospectus.

The Company is committed to the DataFlex product and is now pursuing additional DataFlex resellers which will execute on selling DataFlex into the enterprise market in the U.S. and other geographies. The Company will update investors on this progress as appropriate.

Syntonic advises that in accordance with the terms of issue, 166,666,668 unlisted Milestone 3 Performance Shares have expired on 8 July 2018. The Performance Shares were issued as part of the consideration for the Acquisition on 8 July 2016. Under the terms of the Performance Shares, as Milestone 3 was not achieved prior to the expiry date, 8 July 2018, the remaining number of Performance Shares on issue will be cancelled.

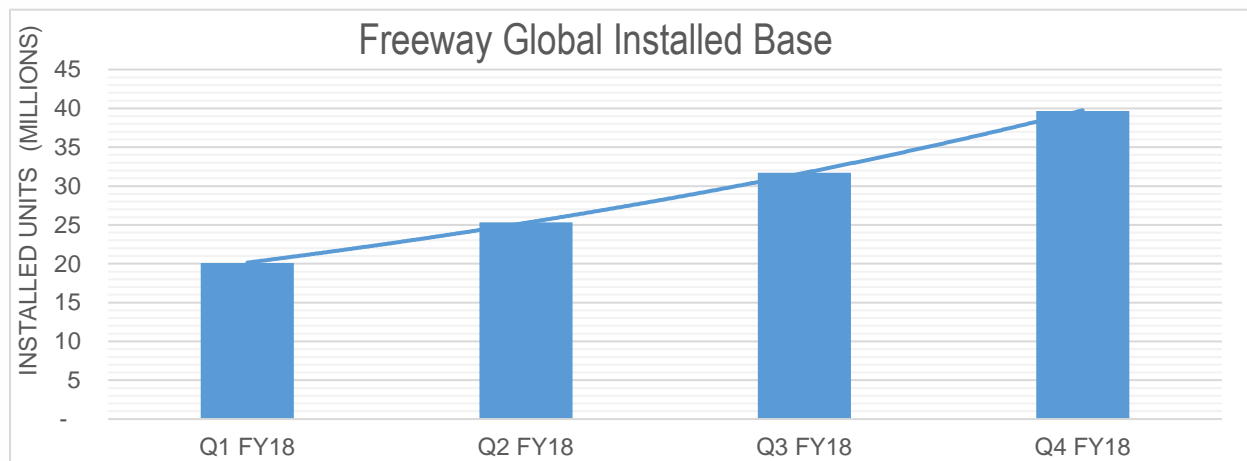
Freeway Global Installed Base

During Q4 FY2018 the Company accomplished another strong quarter of growth as measured by the Freeway Global Installed Base. The installed base metric is composed of Freeway app downloads, Freeway SDK adoption, Freeway technology natively supported on smartphones, and the Company's white-labelled application licensed to mobile carriers.

Freeway's Global Installed Base grew quarter-on-quarter by 25.2% in Q4 FY2018 to reach 39.7 million smartphones with the majority of growth driven by the Freeway SDK preinstalled on select Verizon Android smartphones. The Company anticipates the next wave of FY2019 growth in the installed base will

⁵ www.tatacommunications.com/about

be driven by the upcoming carrier deployments in Turkey, Philippines, Vietnam, Oman, and sub-Saharan Africa. Going forward, Syntonic will report growth of the installed base on a quarterly basis.



About Syntonic

Syntonic Limited (SYT.ASX) is a Seattle based software company which has developed two technology services: Freeway by Syntonic®, which allows consumers sponsored and subscription mobile access to content and applications; and Syntonic DataFlex®, which enables 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 our new website at www.syntonic.com

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