

Vodacom to launch mobile advertising service with Syntonic technologies

Highlights:

- Syntonic executes service agreement with Vodacom Group Limited (JSE: VOD) to enable Vodacom to deploy a sponsored data advertising business using Freeway's platform services
- First phase of deployment will provide the Freeway service on the Vodacom network in South Africa, accessible to 20.3 million mobile data customers¹.
- Revenue will be generated from data usage by advertisers and brands, commissions from data-free downloads of apps, and platform access fees
- Strong opportunity to drive further consumer engagement with the Freeway service across all of Vodacom's Pan-African network

Seattle, United States – Syntonic Limited ("Syntonic" or "Company") (SYT.ASX), a mobile platform and services provider, is pleased to announce that it has signed a service agreement with Vodacom Group Limited (JSE: VOD) that grants Vodacom a license to deploy a white-labelled version of the Syntonic Connected Services Platform ("CSP") to enhance its mobile advertising business with Freeway's sponsored data and data rewards services.

Vodacom is a leading African communications company, majority owned by Vodafone, that provides a wide range of services, including mobile and fixed voice, messaging, data, financial, Enterprise IT and converged services to over 103 million customers².

Syntonic will license to Vodacom the white-labelled version of the Syntonic CSP that includes the Freeway container application, the Freeway software development kit ("SDK"), and the Freeway mobile web service to enable data rewards for consumer app downloads and/or usage and zero-rated (sponsored) apps and web-sites.

The parties anticipate a staged launch with the Freeway platform service available as a commercial pilot deployment initially to Vodacom subscribers in South Africa. With more than 40% market share, Vodacom is the largest telco carrier in South Africa, servicing 20.3 million mobile data customers.

Syntonic and Vodacom have identified strong potential to leverage the Freeway service to expand Vodacom's mobile advertising business across other carriers in its network. To accommodate a potential cross-carrier solution, Vodacom will brand the licensed Syntonic white-labelled service as Freeway.

¹ Vodacom's "Annual Results for year ended 31 March 2018" presentation

² <http://vodacom-reports.co.za/integrated-reports/ir-2018/who-we-are.php>

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Vodacom's pan-African reach, including mobile operations through own or partner networks and enterprise sales hubs, is shown below:



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

"We are thrilled to partner with Vodacom to bring sponsored data based mobile advertising to South Africa using the Freeway service.

"Vodacom is the pre-eminent player in an attractive market for Syntonic, with mobile ad spending in Africa and the Middle East growing strongly, forecasted to be US\$1.3 billion in 2018.³

"With continued pressure on data prices worldwide, telco carriers are aggressively seeking new initiatives to stimulate usage and boost monetisation. We are looking forward to working with Vodacom and its partner networks to aid their mobile advertising growth plans."

Deal terms:

The initial service agreement is for a 6-month term and may be extended by agreement of the parties. Either party may suspend or terminate the initial service agreement at any time by giving 30-days written notice to the other party before the end of the term or any extension thereof. The principle success milestone for the initial service agreement is demonstration of positive return-on-investment for brands and advertisers.

Under the terms of the service agreement, Vodacom will promote the Freeway service, source advertisers in the deployed markets, handle invoicing and customer collections, and will assume hosting costs for the Syntonic CSP.

Syntonic will generate revenue based on data usage generated by advertisers and brands, commissions for data-free downloads of apps, and fees for accessing platform services. Syntonic's management is presently unable to offer guidance on revenue potential from these components due to its uncertain nature during this initial stage of deployment.

³ eMarketer, March 2018

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About Vodacom

Vodacom is a leading African communications company providing a wide range of communication services, including mobile and fixed voice, messaging, data, financial, Enterprise IT and converged services to 103 million customers. With roots in South Africa, Vodacom has grown its mobile network business to include operations in Tanzania, the DRC, Mozambique, Lesotho and Kenya. Vodacom's mobile networks cover a population of over 284 million people.

Vodacom is majority owned by Vodafone (64.5% holding), one of the world's largest communications companies by revenue.

For more information, visit www.vodacom.com.

About Syntonic

Syntonic Ltd (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.

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