

Fox Sports selects Syntonic's platform for the distribution and monetisation of Fox Gol

Highlights:

- Fox Sports Latin America selects Syntonic's Revenue Generation Platform™ (RGP) for the digital distribution and monetisation of Fox Gol soccer content
- Syntonic to share net revenue generated via the Syntonic platform with Fox Sports for Fox Gol content subscription sales in Brazil and Mexico
- The Fox Gol business is currently operational and supports approximately 700,000 active users¹
- All Fox Gol content subscription sales will be transitioned to the Syntonic platform in early Q2 FY20, activating a new source of revenue for the Company

Syntonic Limited ("Syntonic" or "Company") (SYT.ASX), a mobile services provider, today announces it has signed two binding Memorandums of Understanding ("MOUs") with leading pay television sports aggregator Fox Latin America Channel LLC, ("Fox Sports") for the right to distribute and sell Fox Gol mobile content via Syntonic's Revenue Generation Platform (RGP). The first MOU provides Syntonic with the rights in Brazil, and the second covers Mexico. Fox Sports and Syntonic have committed to complete definitive agreements within 120-days for each territory.

The Fox Gol application enables Brazilian and Mexican soccer fans to follow their favorite teams and leagues, through a subscription package that gives them access to video and other curated content. The service currently in Brazil has approximately 700,000 active users including circa 200,000 subscribers, paying up to BRL 4.99 (A\$1.75) weekly. Syntonic and FOX are committed to use the Syntonic RGP to significantly grow active users in both markets.

Transfer of the Fox Gol service to the Syntonic platform is anticipated to occur in early Q2 FY20 following an implementation period. Whilst the revenue impact to Syntonic will be unknown until the Fox Gol service is fully implemented and integrated, this agreement further validates the Company's platform technology and recent corporate focus to sell premium mobile content through the Syntonic RGP.

Agreement Terms

The binding MOUs contain the material commercial terms and conditions that will govern the business arrangement between Syntonic and Fox Sports, as well as the basic launch and operational plan. The arrangements are subject to the execution of formal documentation for which the parties remain committed to formalizing and executing for each territory to govern the commercial, technical and operational relationships.

The MOUs' term is sixty days from execution ("Initial Period"), with an automatic renewal of an additional sixty days ("Subsequent Period") if the definitive agreements have not been executed during the Initial Period.

¹ August 2019 figures reported to Syntonic by Fox Sports

The launch of the FOX Gol service via the RGP is not contingent on the execution of formal documentation. Accordingly, if a conclusive test of the transmission of the Fox Sport's offering using the RGP and an initial marketing plan are completed, but the definitive agreements have not been executed at that time, the parties will be governed by the terms and conditions detailed in the MOUs.

The MOUs may be terminated at Fox Sports discretion if: a) Syntonic fails to offer the Fox Sports offering via at least two major mobile operators in Brazil and Mexico during the term of the MOUs or b) Syntonic fails to provide its services at minimum services levels (according to market standards).

The agreements require Syntonic to share with Fox Sports a fixed percentage of the revenue generated from the sales of FOX Gol, net the mobile operator's direct carrier billing charge, Syntonic's media marketing and operating expenses, and applicable taxes. Syntonic will guarantee to Fox Sports a minimum revenue share per annum.

Syntonic is responsible for creating and executing a marketing and media plan for the Fox Sports offering; mobile operator management; and hosting services for the mobile Fox Gol application and web site. Fox Sports is responsible for curating and updating the Fox Gol offering, securing the requisite content licenses to support the Fox Sports offering, incorporating the Syntonic platform into the Fox Sports offering, and providing marketing support, such as 30 second ads on the Fox Sports cable channel and promotional support from Fox Sports commentators.

Syntonic's Revenue Generation Platform

After completing the integration of the acquired mCommerce assets from Zenvia in August 2019, Syntonic was able to provide the full customer-journey for mobile operators seeking to participate in the app-economy and for content providers seeking to market, distribute, and sell their premium content in challenging mobile markets.



During the course of FY19 the Company reported greater revenue, higher margins, and faster deployment cycles selling premium content using its carrier integrated RGP, than licensing its platform to mobile carriers. With the Abril Group, Fox Sports, and other premium content delivering higher margins and revenues, the Company has decided to provide greater focus on the content provider channel, specifically in many of the challenging markets where the Company already has a market presence, such as Vietnam, Philippines, South Africa, Brazil and more, to enhance its balance sheet moving forward.

About FOX Sports Latin America

FOX Sports is the leading multiplatform sports brand in Latin America whose reach exceeds 61 million homes in 19 countries throughout Latin America. Through its portfolio FOX Sports offers 24 hours, every day, sports entertainment content that includes live and exclusive events, sports news, talk shows and other original content. The CONMEBOL Copa Libertadores, the Bundesliga, CONCACAF Champions League, the WWE, the Formula E, are among its most outstanding programming. FOX Sports Brasil and Fox Sports Mexico are currently operated by FOX Networks Group (FNG), a subsidiary of The Walt Disney Company (NASDAQ: DIS; ASX: DIS).

For more information, please visit www.foxsportsla.com



About Syntonic

Syntonic Ltd (SYT.ASX) is a Seattle-based software company which provides easy-to-deploy mobile services for telecommunication carriers and content providers to generate more revenue from mobile data and participate in the app economy. Syntonic has created the world's leading unified mobile revenue platform spanning mobile advertising, content monetization and mobile commerce. Syntonic's carrier-grade service has been designed with high availability, scalability and 100% revenue assurance in mind. The Syntonic platform has been deployed and validated on the world's largest networks.

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

The Company advises that whilst this announcement in respect of Fox Sports selecting Syntonic's platform for the distribution and monetisation of Fox Gol was the original reason for the Company entering a trading halt and suspension, the Company now requests to remain in suspension subsequent to the release of this ASX announcement, pending the release to the market a separate announcement in respect of a financial restructuring. The Company requests that the voluntary suspension be extended until the commencement of trade on Monday 7 October 2019, when it anticipates it will be in a position to make an announcement to the market in respect of the abovementioned matter. The Company is not aware of any reason why the voluntary suspension should not be granted, nor of any other information necessary to inform the market about the voluntary suspension.

For further enquiries, please contact:

Gary Greenbaum

CEO and Managing Director, Syntonic

E: ir@syntonic.com

Catherine Strong

Investor and Media Enquiries

E: cstrong@citadelmagnus.com