

Completion of Sale of Syntonic US Companies

Syntonic Limited ("**Syntonic**" or "**Company**") (**ASX:SYT**), is pleased to announce that it has completed the sale of the Company's entire interest in the outstanding issued share capital of its subsidiaries Syntonic Wireless Inc. and Syntonic US Inc. (including Syntonic Brasil Tecnologia LTDA, a wholly owned subsidiary of Syntonic US Inc) (together, the "**Syntonic US Companies**") to First Orion Corp. ("**First Orion**"), a US corporation ("**Transaction**"). Refer to the Notice of Meeting dated 25 September 2020 for further details.

The Company advises that it will imminently receive US\$302,000 from First Orion (following the settlement of liabilities associated with the Syntonic US Companies) and will receive an additional US\$220,000 payable in four (4) equal monthly instalments of US\$55,000 beginning January 4, 2021 and on the first day of each month thereafter with the last payment payable on April 1, 2021 in accordance with the terms of the Transaction.

Shareholders are advised that First Orion may withhold and/or deduct from the monthly instalments (detailed above) any amounts owing to First Orion by Syntonic under the share purchase agreement, including by reason of a claim made by First Orion in respect to a "buyer indemnity" (which includes a breach of a representation or warranty under the share purchase agreement by Syntonic), a failure by Syntonic to complete the forgiveness process for the loan amount under the Paycheck Protection Program by March 1, 2021 and/or the deduction of an amount of US\$146,000 advanced to Syntonic, if certain receivables are not received by the Syntonic US Companies on or before 31 January 2021.

The proceeds received from the Transaction will be utilised for working capital and the pursuit of new opportunities.

Coinciding with completion of the Transaction, Messrs Graziano and Slate have commenced their role as non-executive directors and Messrs Gary Greenbaum, Rahul Argarwal and Steve Elfman have resigned from the Board effective 1 November 2020.

Furthermore, the Company will commence the selective capital reduction and cancellation of the following securities:

- 602,528,061 Shares held by Mr Gary Greenbaum (and/or his nominee);
- 602,528,061 Shares held by Mr Rahul Agarwal (and/or his nominee); and
- 3,900,000 Shares held by Mr Steve Elfman (and/or his nominee).

The Company will also cancel all of Messrs Greenbaum and Agarwal's (and/or their nominees) existing Performance Rights and Options in the Company (being an aggregate of 398,789,660 Performance Rights and 50,000,000 Options).

The Board would like to thank Messrs Greenbaum, Argarwal and Elfman for their effort and contribution during their time with Syntonic.

This announcement has been authorized by the Board of the Company.



For further enquiries, please contact:

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About Syntonic

Syntonic Ltd (SYT.ASX) is an Australian listed company currently exploring project and business opportunities.

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