



Manalto Limited
Level 11, 216 St Georges Tce
Perth WA 6000
P: +61 8 9481 0389

ASX Announcement

20 April 2018

QUARTERLY ACTIVITIES REPORT – MARCH 2018

Manalto Limited (MTL.ASX) (“the **Company**”) provides the following summary of activities for the quarter ended 31 March 2018.

OPERATIONS UPDATE

Existing Manalto product

Within the first quarter of 2018 the technical and development team continued its primary focus on the maintenance and general housekeeping of the Manalto platform, specifically aimed to ensure a more stable and robust platform.

In recent months, the development team in South Africa has rolled out several technological improvements to the core Manalto platform including troubleshooting, testing and implementation of a number of development backlog customer issues as well as the evaluation and testing of numerous newer APIs from the top social networks.

Manalto’s developers were able to enhance the posting template functionality to deliver further ease of use and to address a number of customer feature requests. The Company plans to continue developing its software in accordance with best practices to ensure the product is positioned correctly and remains relevant in the ever-changing technology landscape.

The teams have continued the evaluation and testing of numerous API’s from the social networks – especially taking into account a renewed focus on customer data and the privacy of customer data.

Apart from the above mentioned it was business as usual with the development team assisting with the 3 Tier resolution of customer logged tickets throughout the first quarter 2018.

In conclusion, the development and technical team continued roadmap pre-work analysis and evaluation on the product development to ensure that when Manalto ramps up on resource capability, that feature set development can continue without delay.

Development pipeline

The Company remains committed to ongoing improvement of functional enhancements to the product, including:

- Artificial intelligence via integration with IBM Watson;
- Data analysis and reporting from Microsoft Power BI;
- Posting and social media management by integrating with Microsoft Outlook Calendar; and
- Ongoing efforts to improve the stability and UX for existing Manalto users.

For personal use only



Manalto Limited

Level 11, 216 St Georges Tce

Perth WA 6000

P: +61 8 9481 0389

Manalto will continue to focus on assisting clients to ensure brand consistency, solving both scalability and distributed challenges. With Manalto's unique targeting capabilities franchise/SME managers can ensure posts/profile & cover updates are published to the right social media franchise/SME pages at scale. Clients using the Manalto product have been able to take back control of their brand as well as reach far higher volumes of advertising.

The Manalto Board's intention is to maintain and continue product development over the coming twelve months to ensure our Enterprise Solution: multi-location/multi-brand distributed organizations across a wide range of industries, are properly serviced.

Staff Hires

In March 2018, Manalto made its first new appointment of an Indian-based developer, who has commenced working alongside the South African-based team on the existing Manalto platform and product development pipeline. Manalto has budgeted to hire two to three additional new members (likely to be based in India) following confirmation by ASX of reinstatement to quotation, as well as an additional senior sales executive to manage the sales pipeline and increase sales leads in the USA by mid-calendar 2018. Sales focus, training and the ability to work with our development team is required for product success and as such the additional resource is a priority.

Sales

Sales during the March 2018 quarter totalled \$22,000 which is in line with forecasted revenue.

Manalto's customer support and sales team continue to lead the charge in the US market as well as, nurture and develop relationships with current and potential new accounts.

During the recent quarter Manalto have been able to add a total of fifteen new franchisee users across a number of accounts. This is testament to the continued sales focus in the USA and the drive to ensure Manalto gain maximum traction as quickly as possible. Manalto has been able to ensure timely and successful delivery of all solutions required to ensure our customer needs are met and satisfied. These solutions have been well communicated through development, sales and the end user to ensure maximum traction and uptake.

Unfortunately, one of our larger clients, The Dwyer Group, is no longer a client. This was due to a number of reasons. The Dwyer Group represented approximately 33% of current revenue.

Meetings with prospective customers planned in Florida, Texas and California over the coming months as well as, ongoing training and demonstrations delivered when and where required.

Future development of Manalto Product

During December, the development team performed pre-work analysis and evaluation on the product development roadmap for 2018. This work is scheduled to begin promptly in 2018 utilising the new funding.

For personal use only



Manalto Limited
Level 11, 216 St Georges Tce
Perth WA 6000
P: +61 8 9481 0389

The Company remains committed to ongoing improvement of functional enhancements to the product and will continue to focus on assisting clients to ensure brand consistency; solving both scalability and distribution challenges.

Status of liquidations

Ireland & Netherlands

As previously announced, Manalto has made the irrevocable decision to liquidate its Irish & Netherlands subsidiaries and cease funding. As stated in the announcement of 20 December 2017, closure of the Ireland and Netherlands offices are underway. Manalto has appointed liquidators in both Ireland and Netherlands.

USA & South Africa

The Manalto Board has made the decision to liquidate both the USA and South African entities.

Manalto has appointed liquidators in the USA who have confirmed filing in the USA was completed on 26 February 2018. Manalto has appointed liquidators South Africa who are currently working on the liquidation. This work is well progressed and filing in South Africa is imminent.

CORPORATE UPDATE

Capital Raising

On 21 March 2018, Manalto issued 2,570,000,000 Shares to raise \$2.57M pursuant to the placement approved at the AGM held 21 December 2017. This comprised \$0.97M of new funds in addition to the placement funds of \$1.06M announced on 2 March 2018 and \$0.54M raised in the form of convertible loans announced 20 December 2017.

These funds raised will be used to further develop the Manalto business, provide support and growth opportunities to the US based sales and customer support team, settle creditors and allow for general working capital.

In addition, the Company issued 500M shares on conversion of convertible notes and 200M shares and 200M options to Advisors. Both issues were approved at the 2017 AGM.

Following these issues, Manalto has 3,642,388,631 shares on issue.

Reinstatement to ASX quotation

Manalto is working with ASX on reinstatement to quotation.

ENDS

Elizabeth Hunt
Company Secretary
For the Board of Manalto Limited

For personal use only



Manalto Limited
Level 11, 216 St Georges Tce
Perth WA 6000
P: +61 8 9481 0389

About Manalto Limited

Manalto is an integrated technology Company focusing on social media and e-commerce solutions for SMBs and enterprises. Manalto's purpose has and will remain to find a number of ways to service business consumers looking to market and transact (e-commerce) on the internet. Manalto Enterprise is a cloud-based social media management software that enables enterprises to efficiently manage their social media presence across multiple social platforms, at scale, with alignment to their structure. The Manalto solution delivers controls to support brand management and risk management across social media. Manalto saves time, money and resources, while allowing visibility to ensure real-time customer service and engagement. For further information visit manalto.com.

For personal use only