APPENDIX 4D

MANALTO LIMITED
ABN 88 098 640 352
HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018
Based on accounts that have been reviewed

Results for announcement to the market

1. Key Information

				$AUD
Revenue from ordinary activities	DOWN	51%	to	40,783
Loss from ordinary activities after tax attributable to members	DOWN	30%	to	(1,089,297)
Net loss for the period attributable to members	DOWN	29%	to	(1,131,967)

Revenue from ordinary activities is derived from enterprise services and has decreased 51% from $83,372 in the corresponding period last year to $40,783 in the current period. The loss from ordinary activities has decreased 43% from $1,563,710 in the corresponding period last year to $1,089,297 as of December 2018. The net loss has decreased 29% from $1,599,742 in the corresponding period last year to $1,131,967 this period. Further commentary on the Group's performance and results from operations are set out in the attached half year report.

2. NTA Backing

	Current period	**Previous corresponding period**
Net tangible asset (liability) backing per security $AUD	(0.00024)	**(0.0042)**

3. Dividends

No dividends are proposed and no dividends were declared or paid during the current or prior corresponding period.

4. Emphasis of Matter

This report is based on the consolidated 2019 half year financial statements which have been reviewed by Grant Thornton Australia Pty Ltd.

Which includes an emphasis of matter on going concern.

Manalto Limited
and its controlled entities

Half Year Report
For the Half Year ended
31 December 2018

MTL.ASX

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DIRECTORS REPORT

The Directors' of Manalto Limited ("the Company") present their report together with the interim financial statements of the Manalto Group ("the Group"), being the Company and its controlled entities, for the six months ended 31 December 2018.

DIRECTORS

The names of Directors who held office during or since the end of the period and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

James Ellingford – Executive Director (resigned 30 January 2019)
Terence Clee – Non-Executive Director (change of title to Executive Director on 20 January 2019)
Tim Wilson – Non-Executive Director
Piers Lewis – Non-Executive Chairman (appointed 30 January 2019)

REVIEW OF OPERATIONS

During the half year, Manalto made the following developments.

PRODUCT DEVELOPMENT

The development team continued to be Manalto's strongest performing team during the period. The development team has maintained the system stability in a challenging development environment, due primarily to the change that has occurred to Facebook's APIs. During the period, there were significant global developments (in particular, in the USA) regarding privacy concerns relating to the Facebook platform stemming from the US elections. Adapting to the changes Facebook made to its Extended Platform Products programme (to ensure ongoing compliance) was a significant achievement for Manalto's development team.

The changes that occurred with Facebook did however distract from the long-term development goals. However, MTL can say that significant progress was made in regard to:

- Further use and functionality of IBM Watson;
- BI Data analysis and advanced reporting via Microsoft Power BI;
- Improvement of UX of the Manalto UI;
- Increased platform stability and integrations, based on client feedback, and;
- Infrastructure performance evaluations and streamlining.

The development team did add new hires from India during the period. Unfortunately, these hires did not prove effective and were terminated. MTL continues to re-evaluate its plans for an expanded IT development team out of India. Currently, the India expansion plans are on pause pending a capital raise.

Sales and Marketing

The sales and marketing teams did deliver some significant client acquisitions during the period, such as – Mosquito Joe and Business Alliance Inc adding on new franchises. There were also key presentations and demonstrations to groups such as Max Challenge Franchising group. Unfortunately, there were also clients lost during the period.

Overall, MTL is concerned about the lack of sales growth and competitive environment in the space which MTL competes with large, well-funded competitors such as HootSuite.

CORPORATE UPDATE

Status of Liquidations

MTL's view is that the liquidations/cessation of the relevant overseas entities no longer in use have now progressed to the stage that there are no longer any material liabilities or professional fees remaining on this matter.

In the event there are future costs associated with the cessation of the overseas entities, these costs should not be material. As this matter is no longer considered active or material, MTL will cease providing commentary on this matter.

Status of Litigations

The Company continues to be engaged in three outstanding litigations with a total estimated exposure of $150,000.

Changes to Board and Company Secretary

On the 28th of August 2018, Elizabeth Hunt retired as Company Secretary and was replaced by Aida Tabakovic. Aida subsequently retired as Company Secretary on 28 January 2019 and was replaced by Dane Etheridge. James Ellingford resigned from his role as Executive Chairman Director on the 30th of January. Immediately following Dr Ellingford's departure, Piers Lewis joined the Board as independent non-executive Chairman and Terence Clee, who was previously the Non-Executive Chairman, changed role to Executive Director.

Events Subsequent to Reporting Date

On 30 January 2019, the Board of Manalto Limited underwent a change in Directors. Mr Terence Clee, who had previously been the Non-Executive Chairman of the Company, assumed the role of Executive Director. Mr Piers Lewis joined the Board as Independent Non-Executive Chairman.

On the 18th of January 2019, Manalto received a funding update from EverBlu Capital Pty Ltd (Everblu). EverBlu has agreed to underwrite a $500,000 equity capital raise. In addition, EverBlu is preparing two initiatives to raise up to a further $1.5m via a placement and rights issue on a best endeavours basis. EverBlu anticipates this will be completed in March and April. The proposed underwriting by EverBlu requires approval by shareholders.

No other significant matters have arisen between balance date and the date of this report.

FINANCIAL RESULTS

The Group recorded a net loss after tax of $1,089,297 for the six months ended 31 December 2018 (2017: $1,563,710). The Group earned revenue of $44,171 (2017: $83,404) mainly the result of sales generated from the Company's Enterprise Solution. The Group had operating cash outflows of $1,262,708 for the six months ended 31 December 2018 (2017: $1,375,101).

The accompanying Half Year Financial Statements have been signed in accordance with a resolution of the Board of Directors:

Mr Terence Clee
Director

Dated 6 March 2019

AUDITORS INDEPENDENCE DECLARATION

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Auditor's Independence Declaration

To the Directors of Manalto Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Manalto Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P W Warr
Partner – Audit & Assurance

Perth, 6 March 2019

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2018

	Note	Consolidated 31 December 2018 $AUD	31 December 2017 $AUD
Revenue		40,783	83,372
Other income		3,388	32
Total revenue and other income		**44,171**	83,404
Expenses			
Payroll and employees' expense		(5,757)	(393,073)
Share based payment expense	10	(52,215)	(48,395)
Travel and accommodation		(48,151)	(85,030)
Consulting and professional fees		(720,341)	(660,277)
General administration and compliance costs		(97,538)	(127,516)
IT and web costs		(47,997)	(87,435)
Advertising and marketing		(135,769)	(42,009)
Depreciation and amortisation		-	(20,979)
Other expenses		(14,130)	(64,376)
Finance expense		(682)	(119,773)
Loss before income tax		**(1,080,043)**	(1,565,459)
Income tax benefit		-	-
Loss from continuing operations		**(1,080,043)**	(1,565,459)
Profit/(loss) from discontinued operations		**(9,254)**	1,749
Loss for the period		**(1,089,297)**	(1,563,710)
Other comprehensive income			
Foreign currency translation reserve movement		(42,670)	(36,032)
Total comprehensive (loss) for the period		**(1,131,967)**	(1,599,742)
Basic and diluted loss per share (cents per share)			
Basic earnings per share from continuing operations	8	(0.00029)	(0.005)
Basic earnings per share from discontinued operations	8	(0.001)	0.001
Total		(0.00129)	(0.004)
Diluted earnings per share from continuing operations	8	(0.00029)	(0.005)
Diluted earnings per share from discontinued operations	8	(0.001)	0.001
Total		(0.00129)	(0.004)

The accompanying notes form part of the financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018 2

	Note	Consolidated 31 December 2018 $AUD	30 June 2018 $AUD
ASSETS			
Current Assets			
Cash and cash equivalents		245,391	1,516,513
Trade and other receivables		36,853	86,823
Prepaid expenses		36,218	20,836
Total Current Assets		**318,462**	1,624,172
Non-Current Assets			
Property, plant and equipment		2,423	-
Total Non-Current Assets		**2,423**	-
TOTAL ASSETS		**320,885**	1,624,172
LIABILITIES			
Current Liabilities			
Trade and other payables		1,135,170	1,353,057
Short-term provisions		78,771	78,742
Total Current Liabilities		**1,213,941**	1,431,799
TOTAL LIABILITIES		**1,213,941**	1,431,799
NET ASSETS		**(893,056)**	192,373
EQUITY			
Equity attributable to owners of the parent:			
Contributed equity	9	20,518,900	20,524,577
Share option reserve	10	1,563,956	1,511,741
Foreign currency translation reserve		(190,663)	(147,993)
Accumulated losses		(22,785,249)	(21,695,953)
TOTAL EQUITY		**(893,056)**	192,373

The accompanying notes form part of the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2018

	Note	Contributed Equity $AUD	Other Contributed Equity $AUD	Foreign Currency Reserve $AUD	Accumulated Losses $AUD	Share Option Reserve $AUD	Total $AUD
Balance at 1 July 2017		**16,178,155**	**59,533**	**(120,936)**	**(19,525,366)**	**1,381,209**	**(2,207,405)**
Comprehensive Income							
Loss for the period		-	-	-	(1,563,710)	-	(1,563,710)
Foreign currency translation reserve movement		-	-	(36,032)	-	-	(36,032)
Share based payment		-	-	-	-	48,395	48,395
Issue of Convertible Notes -- Equity component		-	113,511	-	-	-	113,511
Contributions of Equity		1,403,260	-	-	-	-	1,403,260
Balance at 31 December 2017		**17,581,415**	**173,044**	**(156,968)**	**(21,089,076)**	**1,429,604**	**(2,061,981)**

	Note	Contributed Equity $AUD	Other Contributed Equity $AUD	Foreign Currency Reserve $AUD	Accumulated Losses $AUD	Share Option Reserve $AUD	Total $AUD
Balance at 1 July 2018		**20,416,997**	**107,580**	**(147,993)**	**(21,695,952)**	**1,511,741**	**192,373**
Comprehensive Income							
Loss for the period		-		-	(1,089,297)	-	(1,089,297)
Foreign currency translation reserve movement		-		(42,670)	-	-	(42,670)
Share based payment		-		-	-	52,215	52,215
Share capital raising costs		(5,679)	-	-	-		(5,679)
Balance at 31 December 2018		**20,411,320**	**107,580**	**(190,663)**	**(22,785,249)**	**1,563,956**	**(893,056)**

The accompanying notes form part of the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2018

	Consolidated	
	31 December 2018 $AUD	**31 December 2017 $AUD**
Cash flows from operating activities:		
Receipts from customers	38,277	92,313
Payments to suppliers and employees	(1,295,119)	(1,469,195)
Interest received	3,388	33
Net cash from continuing operations	(1,253,454)	(1,376,850)
Net cash from discontinued operations	(9,254)	1,749
Net cash (used in) operating activities	**(1,262,708)**	**(1,375,101)**
Cash flows from investing activities:		
Payments for plant and equipment	(2,755)	3,149
Net cash (used in) investing activities	**-**	**3,149**
Cash flows from financing activities:		
Proceeds from issue of share capital	-	-
Proceeds from shareholder borrowings	-	1,641,383
Share issue costs	(5,679)	(116,105)
Net cash provided by financing activities	**-**	**1,525,278**
Net increase / (decrease) in cash held	(1,271,141)	153,326
Effects of currency translation on cash and cash equivalents	19	(36,032)
Cash at beginning of financial year	1,516,513	496,629
Cash at end of period	**245,391**	**613,923**

The accompanying notes form part of the financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2018

1. Nature of operations

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Pursuant to changes to the *Corporations Act 2001*, the financial statements presented are only for the consolidated entity consisting of Manalto Limited and its subsidiaries.

2. General information and basis of preparation

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2018. The functional currency of the Manalto Limited and Australian subsidiary Soshlr Pty Ltd is Australian Dollars ($AUD), while the subsidiary in the United States has a functional currency of US Dollars ($USD), the subsidiary in South Africa has a functional currency of South African Rand (ZAR), the subsidiary in Ireland has a functional currency of Euro (€EUR), and the subsidiary in the Netherlands has a functional currency of Euro (€EUR). As the Company has transitioned the corporate function back to Australia, with the majority of management and operating cashflows to be focused in Australia going forward, the directors have presented the financial information in Australian dollars.

These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*. The comparative information for the 6 months ended 31 December 2017 presented in the consolidated statement of profit or loss and other comprehensive income have been further divulged to provide a greater level of detail.

The interim financial statements have been approved and authorised for issue by the Board of AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of interim financial statements. The nature and effect of changes arising from these standards are summarised below.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 28 February 2019.

New standards adopted as at 1 July 2018

– AASB 9: Financial Instruments and associated Amending Standards

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

– AASB 15: Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

Other than those identified above, there have been no other standards coming into effect for the first time during the half-year ended 31 December 2018.

Accounting standards and interpretations issued not yet effective

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases.

Based on the entity's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have no material impact on the transactions and balances recognised in the financial statements.

3. Going Concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group has reported operating losses of $1,089,297 (2017:$1,563,710) and net cash outflows from operating activities of $1,262,708 ($1,375,101) for the six months to 31 December 2018 and has net asset deficiency of $893,056 as at 31 December 2018.

On the 18th of January 2019, Manalto received a funding update from EverBlu Capital Pty Ltd (Everblu). EverBlu has agreed to underwrite a $500,000 equity capital raise. In addition, EverBlu is preparing two initiatives to raise up to a further $1.5m via a placement and rights issue on a best endeavours basis. EverBlu anticipates this will be completed in March and April. The proposed underwriting by EverBlu requires approval by shareholders.

The Company makes reference to the liquidation of its subsidiaries in other jurisdictions: Manalto, Inc (United States), Soshlr South Africa (Pty) Ltd (South Africa), Soshlr Limited (Ireland) and Soshlr B.V (Netherlands). The Company confirms that the creditor balances that are within these entities are not required to be paid upon liquidation.

Included in the trade creditors balance as at 31 December 2018 is $342,149 of which the directors believe were not contractual and not payable by the Company. The directors are confident that negotiations on these balances will be finalised and the invoices settled accordingly. The board estimates settlement amount to be zero, but have reported a contingent liability of $150,000 (refer Note 12).

Further, several other creditors of the Company have provided to the Company the right to defer settlement until the above-mentioned capital raising is complete.

On the basis of this developments above, the Directors believe that it is reasonably foreseeable that the Company and consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in preparation of the interim financial report.

Should the Group be unable to obtain the funding as described above, there is material uncertainty whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from these stated in the financial report. The financial report doesn't not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

4. Changes in significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2018, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the

Group's last annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became effective for periods beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the interim period ended 31 December 2018. Changes to the Group's accounting policies arising from these standards are summarised below:

Revenue
Revenue is comprised of the sale of goods. To determine whether to recognise revenue, the Group follows a five-step process:

1. Identifying the contract with a customer,
2. Identifying the performance obligations,
3. Determining the transaction price,
4. Allocating the transaction price to the performance obligation,
5. Recognising revenue when performance obligation is satisfied.

Revenue from the sales of goods is recognised at a point in time, when the Group satisfies performance obligations by transferring the promised goods to its customers. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Trade and other receivables
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

5. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.
The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2018. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

6. Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are regularly reviewed by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include revenue and expense items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Assets and liabilities are not allocated to operating segments. Other unallocated items comprise mainly head office and Group-wide expenses, and income tax amounts.

Under AASB 8 *Operating Segments*, segment information is presented using a 'management approach'; that is, segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (executive management committee that makes strategic decisions). The Group has operations in South Africa, Ireland, the Netherlands, Australia and the USA. As such, the Directors have opted to report its operations by geographical segments. Refer to Note 11 for further information.

7. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except for differences arising on the re-translation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Foreign currency gains and losses are reported on a net basis.

8. Earnings Per Share

(a) Reconciliation of Earnings to Profit or Loss

	Consolidated	
	31 December 2018 $AUD	31 December 2017 $AUD
Loss for the year	(1,088,480)	(1,563,710)
Earnings used in calculation of basic and diluted EPS from continuing operations	(1,097,734)	(1,565,459)
Earnings used in calculation of basic and diluted EPS from discontinued operations	(9,254)	1,749

(b) Weighted average number of ordinary shares (diluted):

	Consolidated	
	31 December 2018 $AUD	31 December 2017 $AUD
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	3,642,388,632	328,224,964
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	**3,642,388,632**	**328,224,964**

As diluted EPS is calculated as a lower loss per share than basic EPS, diluted EPS is taken to be the same as basic EPS.

9. Contributed Equity

	Consolidated	
	31 December 2018 No. of shares	30 June 2018 No. of shares

Opening contributed equity	3,642,388,632	239,173,632
Shares issued during the year upon conversion of convertible notes	-	1,167,215,000
Share based payments	-	206,000,000
Shares issued during the year for cash	-	2,030,000,000
Total	**3,642,388,632**	3,642,388,632

Reconciliation:	**Consolidated**	
	31 December 2018 $AUD	**30 June 2018 $AUD**
Balance at 1 July	20,524,577	16,237,688
Opening balance adjustment	**-**	(87,000)
Shares issued during the year for cash	**-**	2,030,000
Share issue expenses	(5,679)	(367,608)
Net cash flow from share issue	**-**	1,662,392
Conversion of short term borrowing to equity	**-**	2,439,365
Share based payments	**-**	242,000
Contributions of equity	**-**	4,421,757
Issue of convertible note – equity component	**-**	30,132
Total	**20,518,899**	20,524,577

10. Share Option Reserve

Fair value of options granted

Grant Date	Expiry Date	Exercise Price cents	No. options as at 01/07/18 '000	Balance 01/07/18 $	No. Granted As Remun '000	Value recognised in reserve $	Exercised	Forfeited	No. of options as at 31/12/18 '000	Balance 31/12/18 $	Vested & Exercisable '000
11 March 2015	11 March 2020	25	4,550	530,469	-	9,581	-	-	4,550	540,050	4,550
11 March 2015	11 March 2018	25	-	202,500	-	-	-	-	-	202,500	-
16 December 2015	15 December 2020	30	1,268	40,882	-	2,037	-	-	1,268	42,919	1,268
29 February 2016	29 February 2020	20	12,324	556,800	-	35,009	-	-	12,324	591,809	9,072
1 December 2015	29 February 2020	25	2,005	91,841	-	5,588	-	-	2,005	97,429	1,476
9 January 2017	19 January 2020	7	5,250	89,250	-	-	-	-	5,250	89,250	5,250
21 March 2018	21 March 2021	0.4	1,913,333	-	-	-	-	-	1,913,333	-	-
Total			**1,938,730**	**1,511,741**	**-**	**52,215**	**-**	**-**	**1,938,730**	**1,563,957**	**21,616**

(a) Expenses arising from share - based payment transactions

Total expenses arising from share - based payment transactions recognised during the period:

	Consolidated	
	31 December 2018 $AUD	**31 December 2017 $AUD**
Current period expense of existing share options	52,215	48,395
Options issued during the period	-	-
Total	**52,215**	48,395

11. Segment Reporting

The following details information related to the geographical segment reporting for the half-year ended 31 December 2018. The Group only operates in one business segment, being the development and commercialisation of social media management technology. The geographical segments are monitored by the Group's chief operating decision maker.

The information presented below has been prepared using consistent accounting policies as presented in Note 6.

Half-year ended 31 December 2018	Australia $AUD	USA $AUD	Ireland $AUD	South Africa $AUD	Netherlands $AUD	Total $AUD
Total segment external income from continuing operations	40,783	-	-	-	-	40,783
Total segment external income from discontinued operations	-	-	-	-	-	-
Total segment interest	3,388	-	-	-	-	3,388
Total segment expenses	(1,124,214)	(9,254)	-	-	-	(1,133,468)
Total segment loss	(1,080,043)	(9,254)	-	-	-	(1,089,297)
Total deferred tax assets	-	-	-	-	-	-
Total segment assets	319,896	-	899	-	87	320,883

The following details information related to the geographical segment reporting for the half-year ended 31 December 2017.

Half-year ended 31 December 2017	Australia $AUD	USA $AUD	Ireland $AUD	South Africa $AUD	Netherlands $AUD	Total $AUD
Total segment external income from continuing operations	30,989	52,383	-	-	-	83,372
Total segment external income from discontinued operations	-	-	-	-	-	1,749
Total segment interest	-	32	-	-	-	32
Total segment expenses	(1,068,819)	(358,077)	-	(221,967)	1,749	(1,647,114)
Total segment loss	(1,037,830)	(305,662)	-	(221,967)	1,749	(1,563,710)
Total deferred tax assets	-	-	-	-	-	-
Total segment assets	616,587	187,476	848	94,012	83	899,006

12. Contingent Liabilities and Contingent Assets

Status of Liquidations

MTL's view is that the liquidations/cessation of the relevant overseas entities no longer in use have now progressed to the stage that there are no longer any material liabilities or professional fees remaining on this matter.

In the event there are future costs associated with the cessation of the overseas entities, these costs should not be material.

Status of Litigations

The Company continues to be engaged in three outstanding litigations with a total estimated exposure of $150,000.

13. Events Subsequent to Reporting Date

On 30 January 2019, the Board of Manalto Limited underwent a change in Directors. Mr Terence Clee, who had previously been the Non-Executive Chairman of the Company, assumed the role of Executive Director. Mr Piers Lewis joined the Board as Independent Non-Executive Chairman.

On the 18th of January 2019, Manalto received a funding update from EverBlu Capital Pty Ltd (Everblu). EverBlu has agreed to underwrite a $500,000 equity capital raise. In addition, EverBlu is preparing two initiatives to raise up to a further $1.5m via a placement and rights issue on a best endeavours basis. EverBlu anticipates this will be completed in March and April. The proposed underwriting by EverBlu requires approval by shareholders.

No other significant matters have arisen between balance date and the date of this report.

14. Interests in Controlled Entities

The Consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest held by the Group	
Name of subsidiary	**Country of Incorporation**	**31 December 2018**	**30 June 2018**
Manalto, Inc.	United States	100%*	100%
Sóshlr Pty Ltd	Australia	100%	100%
Sóshlr South Africa (Pty) Ltd	South Africa	100%*	100%
Sóshlr Limited	Ireland	100%*	100%
Sóshlr B.V.	Netherlands	100%*	100%

**Note: All subsidiaries listed above are currently in the process of liquidation*

MTL's view is that the liquidations/cessation of the relevant overseas entities no longer in use have now progressed to the stage that there are no longer any material liabilities or professional fees remaining on this matter.

In the event there are future costs associated with the cessation of the overseas entities, these costs should not be material.

Manalto Inc (United States), Soshlr South Africa (Pty) Ltd (South Africa), Soshlr Limited (Ireland) and Soshlr B.V. (Netherlands) are now no longer in use. The Company concludes that no material liabilities remain within any of these entities. Liquidation of Manalto Inc (United States), the Company's primary subsidiary, was formally filed on 26 February 2018. Letters were sent to all US creditors informing them of the US subsidiaries liquidation and that it is not anticipated there will be any remaining assets for distribution or payment to general unsecured creditors.

15. Discontinued operations

The amounts presented in the statement of Profit or Loss and Other Comprehensive Income under discontinued operations relate to the operations in Ireland, United States, South Africa and the Netherlands following reduction in international headcount and the merger of Soshlr operations into the core Manalto product.

DIRECTORS' DECLARATION

In the opinion of the Directors of Manalto Limited ("the Consolidated Entity"):

1. The condensed consolidated financial statements and notes set out on Pages 7 to 17 are in accordance with the *Corporations Act 2001,* including:

   (a) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the six months ended on that date; and there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s305(5) of the Corporations Act 2001.

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Mr Terence Clee
Director
Perth

6 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

Grant Thornton

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Independent Auditor's Review Report

To the Members of Manalto Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Manalto Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2018, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Manalto Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting.*

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of $1,089,297 during the half year ended 31 December 2018 and, as of that date, the Group's current liabilities exceeded its current assets by $893,056. As stated in Note 3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Manalto Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner – Audit & Assurance

Perth, 6 March 2019

CORPORATE DIRECTORY

DIRECTORS

Piers Lewis
Terence Clee
Tim Wilson

COMPANY SECRETARY

Dane Etheridge

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