



ASX Announcement

30 October 2017

### **QUARTERLY ACTIVITIES REPORT – SEPTEMBER 2017**

Manalto Limited (MTL.ASX) provides the following summary of activities for the quarter ended 30 September 2017.

#### **Highlights**

- Ongoing product development to solidify past integrations
- Strong lead generation and follow up from the International Franchise Expo
- Continued work with Ray White (Australia) to bring more franchise locations online

#### **PRODUCT UPDATE**

##### ***Sales & Customer Support***

Manalto's customer support and sales team, based in the USA continued to lead and nurture relationships from prospective customers/clients with whom we met during International Franchise Expo in June 2017. The team performed and led all software demonstrations for a number of prospective customers/clients and continued to nurture these relationships with key clients by creating customized reports such as, who has post alerts enabled and disabled and continued to provided training where necessary.

The sales and support team continued to work with Ray White (Australia) to bring on more of their franchise locations into the Manalto platform and successfully initiated individual billing system profiles specifically for this client.

They continued proactive management of all internal client support tickets and executed ongoing communication with Manalto's developers in South Africa to bring fixes to issues identified to ensure ongoing relevance of our product offering by providing a stable and reliable platform.

The Manalto products were also represented in the USA at both the Faegre Summit Show in August where Manalto created an HTML Campaign for the Conference and the Springboard Show in Philadelphia. Manalto also plans to attend the Franchise Update Leadership Conference in October 2017.

Throughout the period a number of discovery calls were made to potential clients, product proposals submitted, product demonstrations performed, pre conference meetings established and confirmed and, training provided to our current and new customers.

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### ***Development***

During the September quarter the development teams primary focus has been to solidify the past integrations with 3rd party products within the Manalto Platform.

The continual phased enhancement of Artificial Intelligence via Manalto's integration with IBM Watson within the Social Listing feature which will progressively deliver more invaluable business insights to Manalto clients was also undertaken.

Ongoing development on the advanced data and reporting capability from Microsoft Power BI remains within development remit to ensure a well-rounded product that will fulfil our client's needs. This will allow for more meaningful insights to be obtained leading to higher business intelligence capabilities.

Apart from these two major development areas there were small refinements made within several segments of the platform to address and improve overall user experience.

### **CORPORATE UPDATE**

#### ***New Board Appointed***

On 15 September 2017, the Company advised the retirement of Jim McKerlie, Paul Gardner and Michael Quinert as directors and the appointment of Dr James Ellingford, Mr Terence Clee and Mr Tim Wilson as new directors.

#### ***Bambu Transactions***

On 15 September 2017, the Company announced that the shareholders of Bambu and the Company have reached mutual agreement not to proceed with the Company's acquisition of Bambu.

#### ***Capital Raising***

Subsequent to the end of the quarter, the Company received the final \$550,000 from the Chairman's List as disclosed to the market 23 August 2017 has now been received via the issue of convertible notes.

Shares will be issued on conversion of these convertible notes in due course, at a conversion price of \$0.011 per Share.

ENDS

Elizabeth Hunt  
Company Secretary  
Manalto Limited

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#### **About Manalto Limited**

Manalto Limited (MTL.ASX) is a global provider of social media management solutions. Manalto's proprietary software delivers capability for the streamlined management of social media including controls to support organisational brand management, reputational risk management and efficiency in managing users, community engagement and analytics. An enterprise can centrally publish content and update brand assets across hundreds of its organisation's social media pages spanning multiple platforms – in just one click. Manalto offers an Enterprise Solution and a SME Business Application sold through cloud partners. For further information on Manalto visit [manalto.com](http://manalto.com)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Manalto Limited

**ABN**

88 098 640 352

**Quarter ended ("current quarter")**

September 30, 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	36	36
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(88)	(88)
(c) advertising and marketing	(57)	(57)
(d) leased assets		
(e) staff costs	(342)	(342)
(f) administration and corporate costs	(432)	(432)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(883)</b>	<b>(883)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire:

- (a) property, plant and equipment
- (b) businesses (see item 10)
- (c) investments

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	-	-

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes <sup>1</sup>	601	601
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options <sup>2</sup>	(85)	(85)
3.5 Proceeds from borrowings <sup>3</sup>	15	15
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>531</b>	<b>531</b>

<sup>2</sup> During the quarter, the Company placed a total of 601,000 unsecured convertible loan notes (CLN) each with a face value of A\$1.00 to raise a total of A\$601,000 before costs. This was the remaining balance of a total of 1,399,365 CLN's placed under Tranche 2 of the A\$2.5m EverBlu Capital Pty Ltd placement.

<sup>3</sup> Costs relate to capital raising fees on Tranche 1 placement of 30,500,000 shares at A\$0.02 to raise A\$610,000 and Tranche 2 issue of 782,000 CLN's to raise A\$782,000 in the quarter ending 30 June 2017.

<sup>3</sup> This item relates to short-term loan from Executive Director, James Ellingford, for payment of legal fees.

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	497	497
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(883)	(883)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	531	531
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>145</b>	<b>145</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	145	497
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>145</b>	<b>497</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	(102)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes fees paid to Jim McKerlie for Executive Chairman role, and fees paid to Paul Gardner for marketing and advertising consultancy services.

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7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(33)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

This item consists of fees paid to Quinert Rodda & Associates. A Director, Michael Quinert, is the partner of a legal firm Quinert Rodda & Associates. During the quarter, Quinert Rodda & Associates provided legal advisory service to the Group. The services were provided on normal commercial terms and conditions.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(30)
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(96)
9.6 Administration and corporate costs	(345)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(471)</b>

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10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Terence Clee  
(Director)

Date: 30 October 2017

Print name: Terence Clee

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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