



ASX Announcement

30 January 2018

QUARTERLY ACTIVITIES REPORT – DECEMBER 2017

Manalto Limited (MTL.ASX) provides the following summary of activities for the quarter ended 31 December.

COMPLETION OF STRATEGIC REVIEW

The Board of Manalto has completed the strategic review of the Manalto business and core product.

Manalto stands by the vision outlined in the Review of Operations contained in the recent Annual Report to Shareholders and has continued to run software development teams in South Africa and a USA sales force that are wholly focused on the core Manalto product.

As a result of the strategic review, the Board working closely with the South African development team have identified several high-value integrations to the core Manalto platform, in particular, the potential integration of Blockchain technology.

PRODUCT UPDATE

Development Milestones

In addition to customer acquisitions and growth since 15 September 2017, the development team in South Africa has rolled out several technological improvements to the core Manalto platform. Historically, the stability and speed of the Manalto platform have been a key criticism from Manalto clients.

In addition to the above achievements, the development team handled 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 development has also 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 which has come in to Manalto.

CORPORATE UPDATE

Capital Raising

On 4 October 2017, the Company announced that EverBlu Capital ("EverBlu") had committed to the short-term funding of the Company which included filling a A\$550,000 equity capital raise from the

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Chairman's List which has now been completed via the issue of Convertible Notes. The Company is seeking approval for the conversion of these notes at the upcoming AGM.

Furthermore, EverBlu has committed to a minimum of A\$1.5m to support the short-term funding of the Company in order to ensure the Company can pay debts as they fall due, as well as providing longer term support in follow up capital raises. It is EverBlu's current intention that the amount will not be less than A\$1.5m and up to A\$3m.

To date, \$540,000 of this capital raising has been received ahead of the placement approval in the form of convertible loans.

Approval for a placement to raise up to \$3 million was granted by shareholders at the Company's AGM. The purpose of this Placement will be to further develop the Manalto business, provide security, support and growth opportunities to the US based sales and customer support team (the US and Australia are key markets for Manalto) and general working capital.

The additional funding will ensure that Manalto is able to enhance the existing core product by seeking high value add integrations. Manalto is in a technical position to integrate cutting edge technologies such as Blockchain into the product offering. The Board expects the new funding will put Manalto in a position to pursue numerous high value add software integrations in the first half of 2018.

Reinstatement to ASX quotation

Manalto anticipates reinstatement to ASX quotation to commence on completion of the current placement.

ENDS

Terence Clee
Chairman
Manalto Limited

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.

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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")

December 31, 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	56	92
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(55)	(143)
(c) advertising and marketing	(78)	(135)
(d) leased assets	-	-
(e) staff costs	(136)	(478)
(f) administration and corporate costs	(325)	(757)
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)	-	-
1.9 Net cash from / (used in) operating activities	(538)	(1,421)

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 (6 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)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	1,090	1,691
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(68)	(153)
3.5 Proceeds from borrowings	-	15
3.6 Repayment of borrowings	(15)	(15)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,007	1,538

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	145	497
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(538)	(1,421)
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)	1,007	1,538

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	614	614

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	614	145
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	614	145

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
-
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
44
-

This item consists of fees paid to Quinert Rodda & Associates. A former Director, Michael Quinert, is the partner of a legal firm Quinert Rodda & Associates, for services provided in previous quarters. The services were provided on normal commercial terms and conditions.

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8. Financing facilities available <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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	50
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	225
9.6 Administration and corporate costs	345
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	620

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		

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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 January 2018

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.