

ASX Announcement

31 January 2019

## **QUARTERLY ACTIVITIES REPORT – DECEMBER 2018**

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

### **OPERATIONS UPDATE**

#### *From the technical team*

During the last quarter which included the year-end technical freeze period, the development team continued its work on the long-term development goals by:

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

The platform encountered several maintenance issues during the quarter which required the development team to handle these issues and successfully avoid significant system downtime. Although these issues were effectively handled, the unfortunate nature of these disruptions and maintenance issues is that they do distract the team from the long-term feature development goals. Facebook API changes once again caused some unexpected impact on the platforms analytics engine that the development team had to handle during the quarter.

Evaluations continue to take place within the technology stack of the platform to find more operational efficiencies, specifically evaluation of infrastructure vendors to ensure Manalto is achieving the most effective and relevant service for its platform to deliver performance back to Manalto’s customers.

Business as usual continued during the quarter with regard to the handling of support tickets raised by customers as well as Manalto sales and accounts staff.

#### *From the sales and customer support team*

During the quarter, the sales and customer support teams continued to perform software demonstrations for prospective buyers. Existing clients were serviced with the creation of customised reporting and data on franchisees using Manalto was analysed for internal purposes.

The support team continued to manage all internal incoming support tickets and communicated these tickets with the technical team to provide fixes to flagged issues.

A significant client gain achieved by the sales team during the quarter was the addition of 3 new franchisee clients from Business Alliance Inc.

## CORPORATE UPDATE

### *Cash position*

The cash balance at 31 December 2018 was \$245k.

Cashflows in the December quarter varied from forecasted cashflows as follows:

Category	Estimate \$'000	Actual \$'000	Reason
<b>Advertising and Marketing</b>	50	6	Company reviewing and restructuring its new sales and marketing strategy and the future path to take for promoting its product.
<b>Staff</b>	230	197	Restructuring of overseas staff for product development and to manage the current liquidation statuses of subsidiary entities.
<b>Administration and Corporate</b>	380	170	Company reviewing its strategies and administration and corporate costs in line with its planned future operations.

### *Use of funds*

As at the date of this report, the Company cash balance is \$192k. The Company intends to use these funds as follows over the following quarter:

Category	Budget
Product operating costs	\$20,000
Advertising and marketing	\$15,000
Staff costs	\$60,000
Administration and corporate costs (including current creditors)	\$97,000

At its Annual General Meeting held on 30 November 2018, Shareholders approved for the Company to raise up to that number of shares, when multiplied by the issue price, will raise up to \$2,000,000. Subsequent to the quarter end, the Company is planning to utilise the placement approval to raise the funds in order to progress with the product development and hire and train new development staff in order to expand the team to accelerate the Manalto product, whilst also generating new potential customer acquisitions. Furthermore, the Company is currently reviewing its costs in order to streamline the business and reduce cash burn.

*Compliance with ASX Listing Rules*

The Directors confirm that the Company is in compliance with ASX Listing Rule 3.1.

ENDS

Terence Clee  
Executive Director  
For the Board of 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](http://manalto.com).