

# MARKET UPDATE

---

MANALTO LIMITED  
MTL.ASX  
August 2016

# DISCLAIMER

This presentation is prepared by Manalto Limited (“the Company”) to provide background information to assist readers in obtaining a general understanding of the Company’s history, plans and objectives. It is not and should not be considered as an offer or invitation to apply for or purchase any securities of the Company or as a recommendation or inducement to make an offer or invitation in respect of securities in the Company. No agreement to subscribe for the securities of the Company will be entered into on the basis of this presentation.

This presentation is not a prospectus, product disclosure document or other offering document under Australian law or under any other law of any other jurisdiction. Accordingly, this document neither purports to be exhaustive nor contain all of the information which any reader or prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus or similar disclosure document.

This presentation contains general summary information and does not take into account the investment objectives, financial situation and particular needs of an individual investor. This presentation is not financial product advice. The Company is not licensed to give and does not provide financial advice. Readers must not rely on this presentation but make their own independent assessment and seek and rely upon their own independent taxation, legal, financial or other professional advice.

No representation or warranty, express or implied, is given as to the fairness, accuracy, completeness, correctness, reliability or adequacy of any statements, estimates, opinions or other information, or the reasonableness of any assumption or other statement contained in this presentation (any of which may change without notice), or the likelihood of achievement or reasonableness of forward-looking or prospective statements (if any) contained in the presentation. Forward-looking or prospective statements (which may be identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words) are by their nature subject to significant uncertainties, risks and contingencies. Forward-looking or prospective statements contained in this presentation (if any) have been based on current expectations about future events and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described.

Readers should make their own independent assessment of the information and take their own independent professional advice in relation to the information and any proposed action to be taken on the basis of the information. To the maximum extent permitted by law, the Company and its professional advisors and their related bodies corporate, affiliates and each of their respective directors, officers, partners, employees, advisers and agents and any other person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use of or reliance on anything contained in, or omitted from, this presentation.

Neither the Company nor its advisors have any responsibility or obligation to update this presentation or inform the reader of any matter arising or coming to their notice after the date of this presentation document which may affect any matter referred to in the presentation.

# MANALTO VISION

To be a **globally recognized and leading social media platform sold via the Cloud Marketplaces** of hosting companies, Telco's and other 3<sup>rd</sup> Party resellers to small, medium and large enterprises – **an estimated total market opportunity representing than USD\$200m per annum in revenue.**

# INTRODUCTION

**Manalto Limited (ASX: MTL) (“Manalto” or “the Company”) is pleased to provide an update on the Company’s key goals and strategic focus through Q4 FY17 which will drive Manalto’s revenue goals.**

## **Cloud and Social Media**

**Increasing adoption of cloud-based applications by businesses**, in particular, small-to-medium sized enterprises (SME’s), together with the **increasing business uptake of social media**, are the two most significant drivers that continue to expand Manalto’s addressable market.

## **Only Certified Cloud Based Social Media Management Solution offered by Odin, AppDirect and WHMCS**

Manalto solves an increasing problem for businesses in how they manage an expansive social media presence across multiple social media platforms, by providing a highly scalable cloud-based technology solution. **Most importantly, in a first-to-market move, Manalto offers the only certified cloud based social media management solution integrated with, and available via leading global cloud marketplaces, Odin, AppDirect and WHMCS.**

## **Manalto has signed agreements with major Hosts and Telco’s**

Manalto is successfully building the foundations and is now well positioned to take full advantage of the rapid growth in the use of cloud market places. We have secured relationships with key players, placing Manalto as a leading social media platform in the cloud. In a short period we have secured deals with major Hosters and Telco’s, including but not limited to, Telstra, Globe Telecom and Plesk representing an estimated addressable market of 15m SME’s. Manalto will continue to sign deals with major Hosters and Telco’s and commercialise both Sóshlr and Enterprise.

# TWO PRODUCTS

Manalto has two products, which stem from its base technology platform; an **Enterprise Solution** for large disparate businesses and government as well as an SME solution known as **Sóshlr**.

Today the Company is focused on two key distribution channels: **3<sup>rd</sup> Party distribution via cloud application platforms; and direct sales.**



- **Cloud** – exclusively Cloud based distribution channel partnering with some of world's largest and leading cloud marketplaces, and Host/ Telco's Partners offering Sóshlr for resale to SME's.
- Sóshlr, Manalto's SME product, is **currently the only certified social media management solution integrated in Odin, AppDirect and WHMCS** – three leading global cloud marketplaces servicing major Hosters and Telco's who service and sell software to **more than approximately 40 million SME's businesses.**



- **Direct sales** – targeting large, decentralised organisations across broader market sectors, including, but not limited to, media and entertainment, real estate, automotive, hospitality and health, in addition to the franchise industry
- **Cloud** - Manalto Enterprise Solution is now cloud enabled and will be made available through cloud marketplaces over the next 6 -12 months as an increasing number of corporates transition to purchasing software through the cloud.

# REVENUE GOALS TO Q4 FY17

Revenue Goals	Why This Matters
<ul style="list-style-type: none"> <li>– <b>Generate revenue from initial Host and Telco partners</b> through Sales of Sóshlr; Telstra; Globe Telecom; Plesk; LuxCloud; Blacknight</li> <li>– <b>Generate revenue from large-scale enterprises</b> within and external to the franchise sector, within US and Australia.</li> </ul>	<p>Continues to validate that Sóshlr solves a problem from which it can generate revenue for its cloud partners, enterprise customers, and the Company.</p> <p>Continue to drive growth to achieve management revenue goals.</p>

ASIC regulatory guides preclude Australian companies at Manalto's stage of development from providing revenue forecasts. Illustrative revenue models follow on next slide.



# ILLUSTRATIVE REVENUE MODELS

## Illustrative Sólhlr Revenue Model (USD)

No. of channel partners	2-8	9-14	15-19	20-24	25-29
No. of addressable licenses	3,000,000	5,000,000	8,000,000	11,000,000	13,000,000
No. of licenses invoiced (assumes an avg. 3% take-up)	90,000	150,000	240,000	330,000	390,000
Est. gross license income at \$120 p.a.	\$10.8m	\$18m	\$28.8m	\$39.6m	\$46.8m

## Illustrative Enterprise Solution Revenue Model (USD)

Number of clients	50	75	100	125	150
Avg. client size by no. of licenses	500	500	500	500	500
No. of licenses invoiced	25,000	37,500	50,000	62,500	75,000
Est. gross license income at \$240 p.a.	\$6m	\$9m	\$12m	\$15m	\$18m

Revenue models are an example and not be taken as a forecast. Revenue is based on market feedback on cost per license. Assumes full 12 months of invoicing. There are no guarantees that the per unit license rate or avg. % of take-up would be maintained or achieved. ASIC regulatory guides preclude Australian companies at Manalto's stage of development from providing revenue forecasts.

\*Number of est. addressable licenses is subject to change.

# SALES GOALS TO Q4 FY17

Sales Goals	Why This Matters
<p><b>Sóshlr</b></p> <ul style="list-style-type: none"> <li>– <b>Secure agreements with four (4) major additional Hosters and/or Telco's</b> with an estimated addressable market of 10m SME's (Q2 FY17)</li> <li>– <b>Expand operations in Europe, Asia and India</b> targeting additional Host/Telco partners to deliver an additional estimated addressable market of 20m SME's in 2017</li> </ul> <p><b>Enterprise Solution</b></p> <ul style="list-style-type: none"> <li>– <b>Secure an additional 3,000 new Enterprise Solution licenses (Q4 FY17)</b></li> <li>– Target selected Host and Telco partners with the capability and client base to deploy Enterprise Solution, in addition to Sóshlr.</li> <li>– <b>Secure two (2) partners for distribution of Enterprise Solution</b> with an estimated 80-100 enterprise clients with an addressable market of more than 5000 licenses (Q2 FY17)</li> </ul> <p>Prospective partners include several large digital media agencies and a private equity firm that owns over 30 major franchise brands.</p>	<p><b>Sóshlr</b></p> <ul style="list-style-type: none"> <li>– Achieving an additional 10m will bring estimated addressable market to 25m delivering a high propensity to achieve strong revenue growth over the next 12-18 months.</li> </ul> <p><b>Enterprise Solution</b></p> <ul style="list-style-type: none"> <li>– Manalto has commenced the build of an Enterprise API package and is exploring other cloud-platform integration opportunities. Ingram Micro wants to distribute a cloud-based version of the Enterprise Solution. Planned distribution of the Enterprise Solution and Sóshlr via Ingram Micro's 200,000 resellers and the IBM cloud following the build and commercialisation of the Enterprise APS package and through the release of a new set of APIs, offers the Company significant opportunity to meet the desired growth objectives.</li> </ul> <p>Nb. Organisations such as IBM and Ingram Micro have a large existing enterprise client base seeking an enterprise grade social media solution.</p>



# PRODUCT DEVELOPMENT GOALS TO Q4 FY17

Product Development Goals	Why This Matters
<ul style="list-style-type: none"><li>– Continued deployment of new platform features including AdTech, Social Listening, Analytics as well as additional integrations with Pinterest, LinkedIn Business Pages, SnapChat, Line, Tumblr, etc. (Q3 FY17)</li><li>– Release of Enterprise Solution and Sólshlr Mobile Apps for Apple iOs and Android (v.1) (Q2 FY17)</li><li>– Gain Facebook Partner badges for Advertising and Community Management</li><li>– Gain formal certification from both Microsoft and IBM upon completion of our integrations.</li></ul>	<ul style="list-style-type: none"><li>– The ‘scalability’ of Manalto’s products remains the key differentiator in the market. The company must continue to evolve and advance its offering in response to market demand and to maintain its unique value proposition.</li><li>– To capture the mobile market and deliver mobile functionality for existing customers</li><li>– Credibility and access to developer conferences and clients</li><li>– Credibility and access to IBM and Microsoft clients</li></ul>

# THIRD PARTY INTEGRATION GOALS TO Q4 FY17

Third Party Integration Goals	Why This Matters
<ul style="list-style-type: none"> <li>– <b>Integrate Sóshlr with Microsoft 365 (Q2 FY17)</b></li> <li>– <b>Integrate Enterprise Solution with Microsoft 365 (Q3 FY17)</b></li> <li>– <b>Integrate Sóshlr and Enterprise Solution with IBM Watson (Artificial Intelligence) (est. Q3 FY17)</b></li> <li>– <b>Integrate Enterprise Solution with IBM Cloud Marketplace (est. Q3 FY17)</b></li> <li>– <b>Integrate with Rhipe (major cloud platform in Asia) (Q3 FY17)</b></li> </ul>	<ul style="list-style-type: none"> <li>– Microsoft 365 is the largest selling cloud business application. The Company's Sóshlr product will be the first social media solution to be made available for sale via Microsoft 365 applications marketplace allowing <b>Sóshlr and Enterprise Solution to be made available to all of MS 60m end user clients globally.</b></li> <li>– IBM Watson and cloud market place integration means that the Company's core features will be <b>underpinned by Watson's artificial intelligence and algorithms propelling the capability to a new level.</b></li> <li>– Rhipe is a major cloud platform in Asia and <b>propels the Company's footprint across Asia</b></li> </ul>

# MARKETING GOALS TO Q4 FY17

Marketing Goals	Why This Matters
<ul style="list-style-type: none"> <li>– <b>Continue to expand Sóshlr channel in the UK, Europe, India and Asia Pacific regions.</b></li> </ul> <p>During 2016, the Company increased its sales outreach to help deliver the threshold of volume required to achieve planned growth and revenue goals for its Sóshlr and enterprise distribution channel. The Company appointed FDM (UK/ Europe) and Tel-Connect (Australia/ Asia) which are both specialist cloud-sales companies, <b>with a combined 10 dedicated sales personnel to drive sales growth of Sóshlr.</b></p> <ul style="list-style-type: none"> <li>– <b>Continue to aggressively build both Sóshlr and Enterprise Solution pipelines</b> via digital marketing activities, key industry conferences across U.S, Europe and Asia, and via collaborative partner marketing.</li> </ul>	<ul style="list-style-type: none"> <li>– Leveraging the expertise of FDM and Tel-Connect that already have an established network of SME providers – including hosting, domain and Telco companies and other enterprises will streamline and ultimately accelerate the sales cycle for Sóshlr and our enterprise product. <b>FDM and Tel-Connect are well underway and engaged in a number of advanced discussions and negotiations with several major hosting companies, Telco's and corporations.</b></li> <li>– In addition to digital marketing, active engagement in key industry events, via sponsorship and participation as keynote speaker is imperative to achieve brand exposure and build credibility and is a general industry expectation and demonstration of corporate commitment to the industry.</li> </ul>

# CORPORATE GOALS TO Q4 FY17

Corporate Goals	Why This Matters
<ul style="list-style-type: none"><li>– Leverage Australian Corporate Advisory Group, Henslow to provide advisory services to advance the Company beyond its early growth stage including supporting core investor relations' activities and providing U.S based management with on-ground resources and expertise to broaden the Company's investor reach within Australia.</li><li>– Maintain operational efficiency while ensuring delivery of growth strategy.</li><li>– Secure key hires across sales, technology and partner marketing.</li></ul>	<ul style="list-style-type: none"><li>– Assist Manalto to reach strategic investors and communicate with investors.</li><li>– Support achievement of global strategic activities.</li><li>– To balance cash burn with expected operational growth to achieve strategic goals.</li></ul>

# SUMMARY

The Company **continues to focus direct sales of its Enterprise Solution** to broader market sectors, in addition to the franchise industry.

It is **concurrently building a very significant cloud based distribution channel for Sóshlr and the Enterprise Solution**, partnering with some of world's largest and leading cloud platform providers to enable resale of both products via Hosters, Telco's and third party resellers.

These two key strategic activities will **extend the product reach of both Sóshlr and Enterprise solutions** into an ever-increasing addressable market in which Manalto maintains both unique and first-mover advantages, **to achieve revenue growth and shareholder return.**

# ABOUT MANALTO LIMITED

- Manalto Limited (MTL.ASX) is a U.S. based global provider of cloud social media management solutions.
- Manalto's proprietary software delivers capability for the streamlined management of social media at scale – 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 a direct-to-market Enterprise Solution and a Business Application for Channel Partners to offer to SME's – 'Sóshlr'.
- Manalto is headquartered in Washington, D.C. with offices in the Netherlands, Australia and South Africa, and supports channel partners and customers globally.
- *For further information, please visit [www.manalto.com](http://www.manalto.com). For more information on Sóshlr [www.soshlr.com](http://www.soshlr.com)*