

MANALTO MARKET UPDATE

MTL.ASX - May 2016



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2015/2016 HIGHLIGHTS

The activities over the past 12 months prepared us for a stronger market position, growth and shareholder return.



Integrated into Odin and AppDirect
Est. addressable market of 40m SMEs.



Signed 6 Sóshlr partners
Est. addressable market of 5.45m SME's.



First social media solution offered via Odin.



75-strong Odin sales team promoting Sóshlr as part of Odin ISV Accelerate Program.



Signed The Dwyer Group, a Top-50 Franchise Group - est. 2100 addressable licenses.



Global referral partnership with Adstream, UK, for enterprise solution.



Sale of Sóshlr licenses have commenced via Blacknight.

Ramp-up enterprise direct and channel sales

Fully leverage the Sóshlr channel partners

Speed-to-market of new features

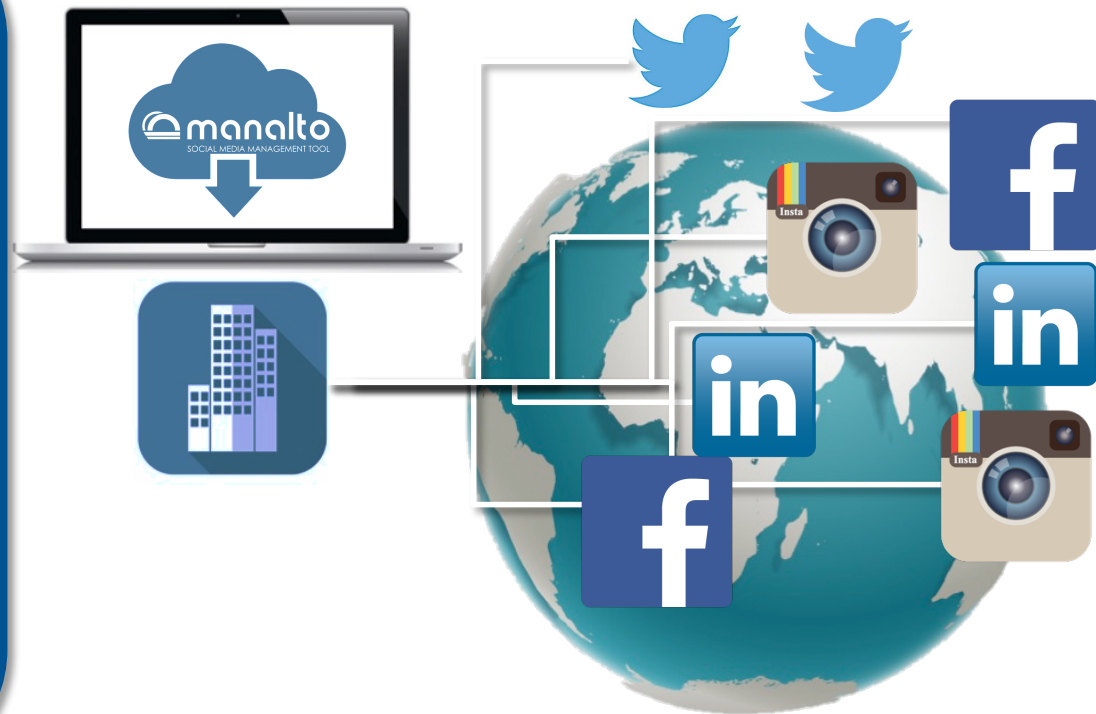
WHAT DOES MANALTO DO?

Delivers cloud-based social media management capability – at scale.

An enterprise can instantly publish content and manage its brand across 000's of its organisation's social media pages **in just one click.**

Benefits

- ✓ Save time and money
- ✓ Brand consistency
- ✓ Improved reputational risk mgmt.
- ✓ Improved social media marketing



DISTRIBUTION MODEL

Two distinct solutions distributed via direct sales and channel partners.

Manalto Limited Cloud-based Social Media Management Technology

Enterprise solution

Direct sales

Integrated into Adstream, UK

- 50 – 000's licenses
- Account managed solution
- Direct sales and one channel partner
- Direct sales targets decentralised organisations
- Adstream is a global referral channel partner

SME solution – **Sóshlr**

Integrated into Odin

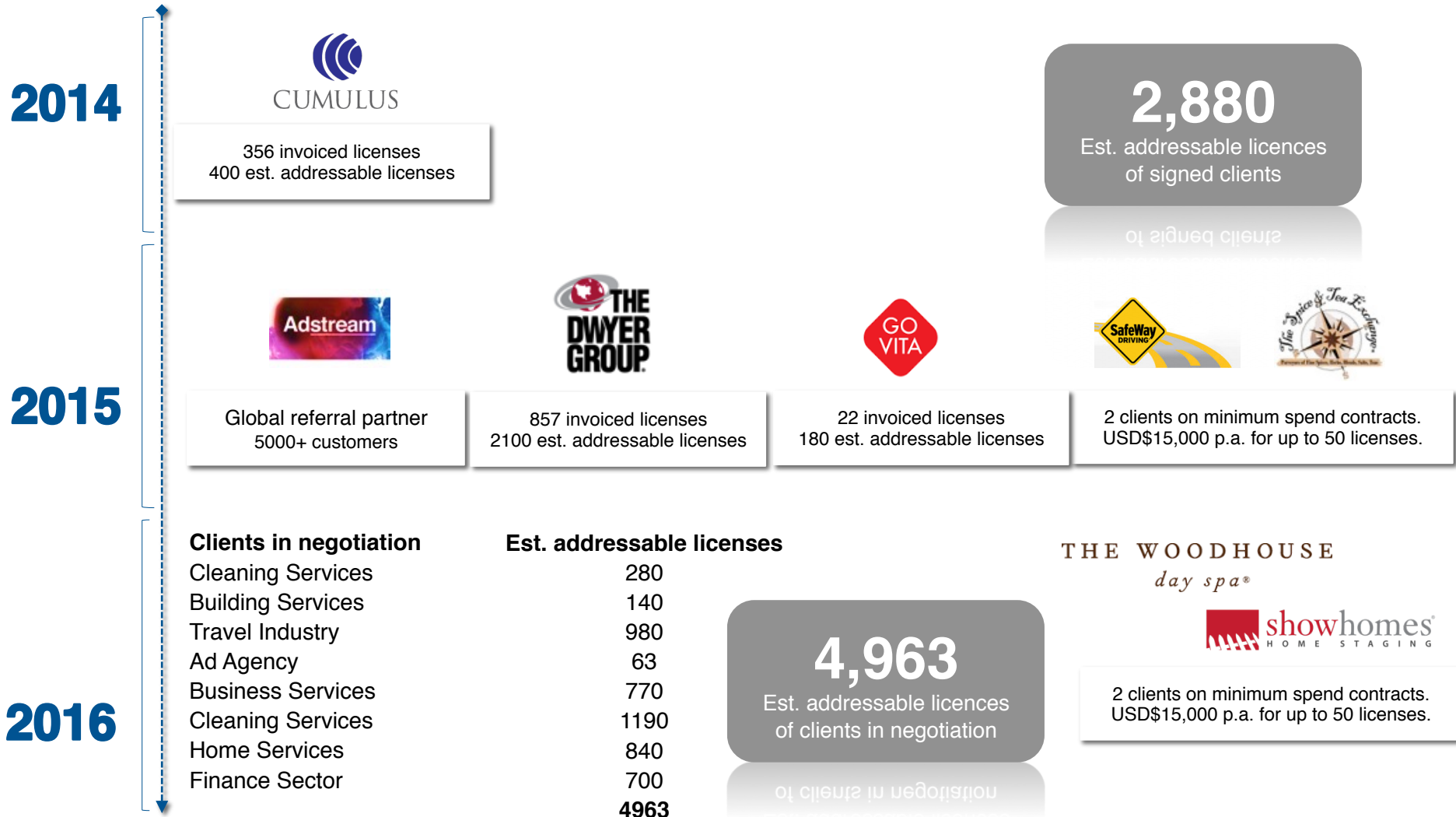
Integrated into AppDirect

Channel partners

e.g. Telco's, hosting companies
and other cloud application resellers

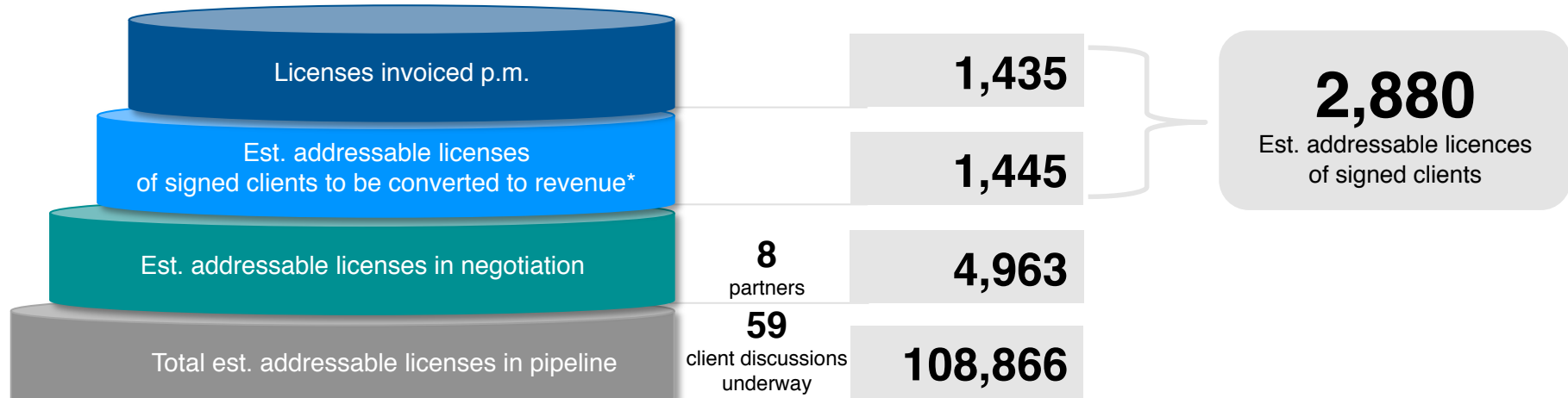
- 1- 50 licenses
- Distributed exclusively via channel partners to SME's

ENTERPRISE CLIENTS



Note: No. of est. addressable licenses is subject to change.

ENTERPRISE PROGRESS SUMMARY

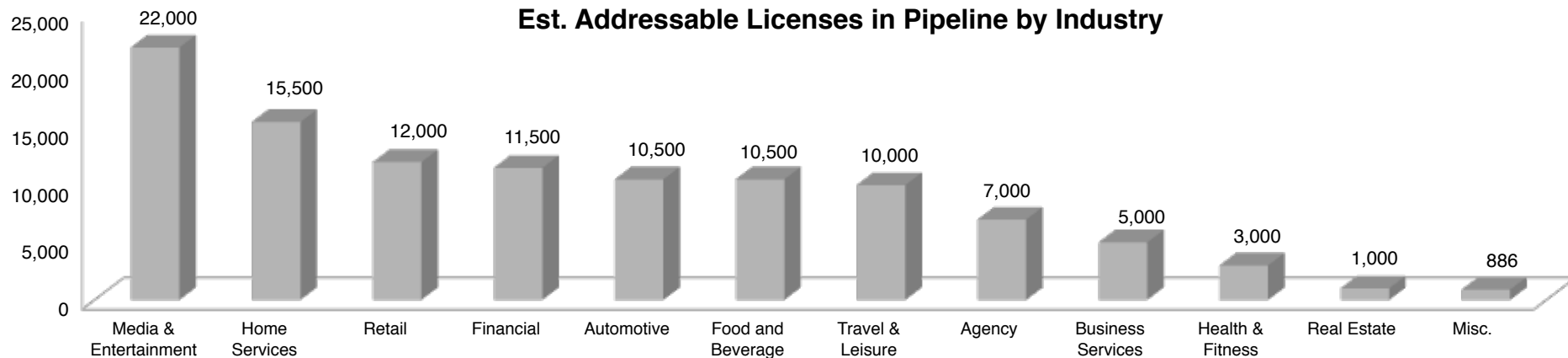


*This figure may change following client changes, e.g. sale or purchase of business outlets.

*Dependency is on client for license take-up and rate of conversion.

*Manalto employs strategies to increase client take-up and conversion.

*Current avg. client conversion rate is approx. 100 licenses p.m.



Note: No. of est. addressable licenses is subject to change.

ENTERPRISE TARGET - 2016

Assumptions

- Est. date of agreement is subject to change.
- Enterprise clients onboard an avg. rate of 100 licenses p.m.
- 2015 avg. license fee was USD\$240 p.a.
- The Dwyer Group – avg. license fee was USD\$120 p.a. 2015. 2016 target avg. license fee is USD\$240 p.a.

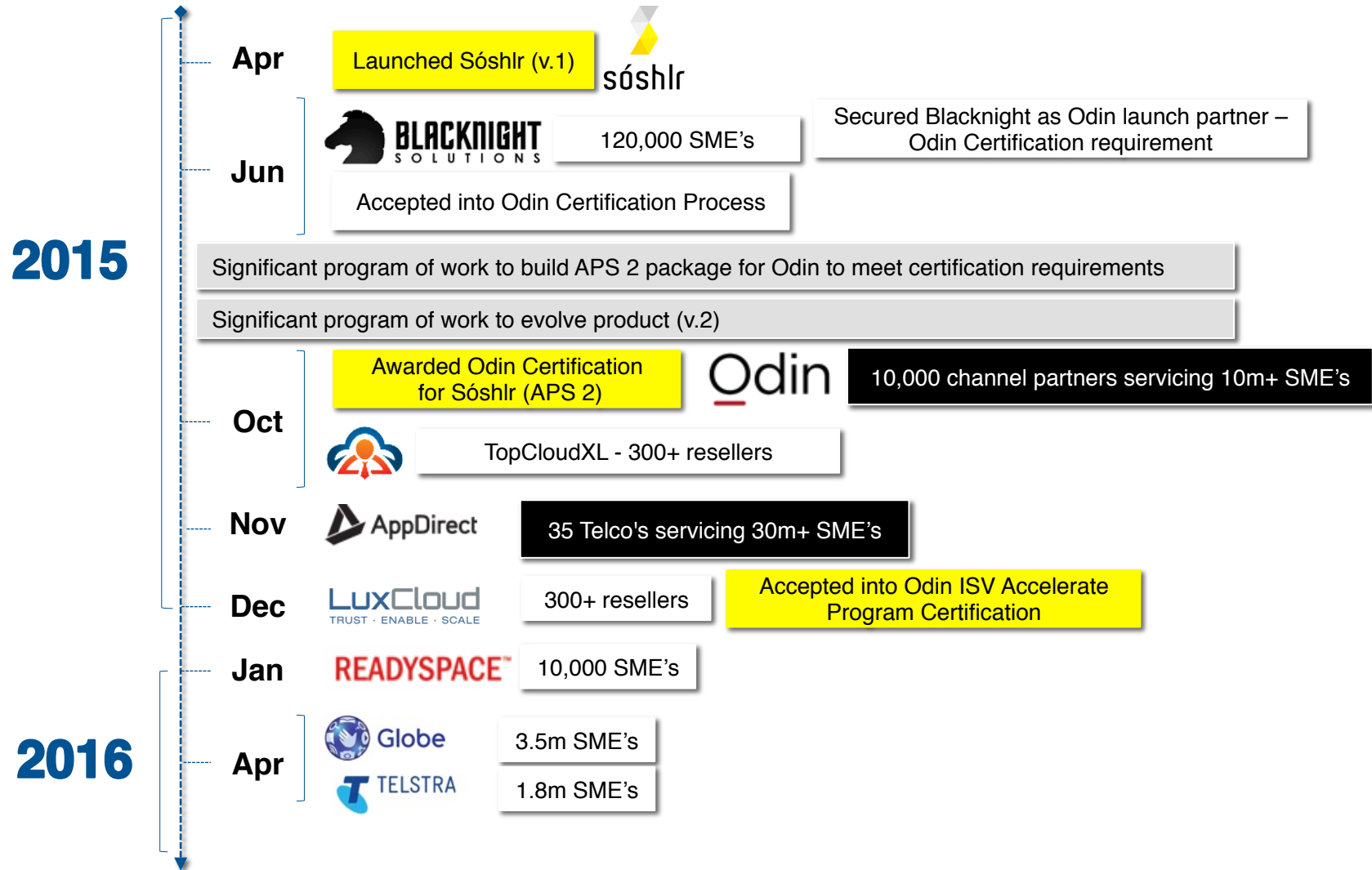
Client	Progress	Est. Addressable Licenses	Est. Date of Agreement	Est. Month of First Revenue
Cleaning Services	Negotiation	280	May	June
Building Services	Negotiation	140	May	June
Travel Industry	Negotiation	980	May	June
Ad Agency	Negotiation	63	June	July
Business Services	Negotiation	770	June	July
Cleaning Services	Negotiation	1190	June	July
Home Services	Negotiation	840	July	August
Finance Sector	Negotiation	700	July	August
		4,963		

Notes:

There can be no assurance that matters under negotiation will proceed to signing of contract.
 Signing of contract with an enterprise client does not guarantee that licenses will be taken up.
 No. of est. addressable licenses is subject to change.

SÓSHLR STRATEGIC AND CHANNEL PARTNERS

MTL.ASX



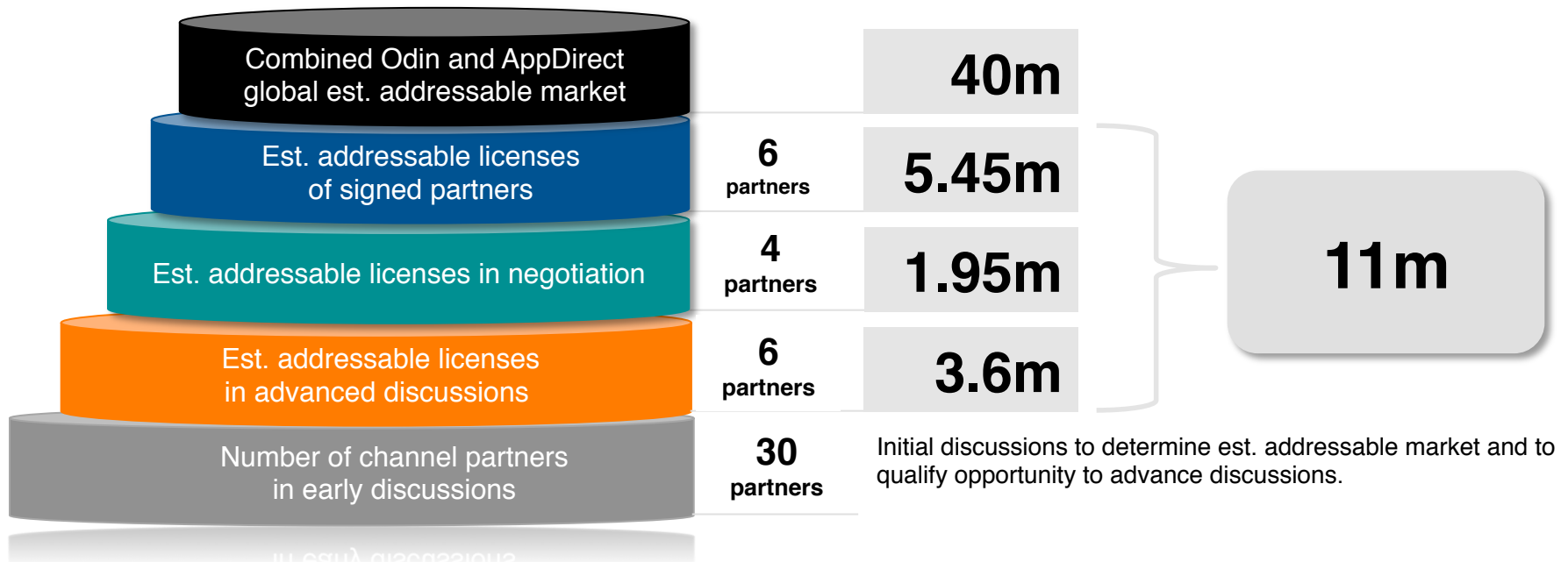
Notes:

Illustration shows dates of agreements, not commercialisation.

No. of est. addressable licenses is subject to change.

SÓSHLR PROGRESS SUMMARY

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Expected date of first revenue for signed channel partners



Note:
No. of est. addressable licenses is subject to change.

Assumptions

- Est. date of agreement is subject to change.
- First revenue has an approx. lead time of 6-10 weeks from date of agreement to enable channel partner integration and sales readiness.
- Target avg. gross license fee is \$120 p.a.
- Revenue to Sóshlr ranges between 50%-80% of gross license fee.

Channel Partner	Progress	Est. Addressable Market	Est. Date of Agreement	Est. Month of Integration	Est. Month of First Revenue
UK Host Company	Negotiation	200,000	May	June	July
US Telco	Negotiation	250,000	May	June	July
US Host Company	Negotiation	1m	May	June	July
European Telco	Negotiation	500,000	June	July	August
European Telco	Advanced discussions	200,000	May	June	July
Australian Host Company	Advanced discussions	150,000	June	July	August
European Telco	Advanced discussions	250,000	June	July	August
US Web Host Company	Advanced discussions	1m	July	August	September
US Telco	Advanced discussions	1m	July	August	September
UK Host Company	Advanced discussions	1m	August	September	October
Total est. addressable market in negotiation and advanced discussions		5.55m			

Notes:

- There can be no assurance that matters under negotiation will proceed to signing of contract.
- Signing of contract with a channel partner does not guarantee that licenses will purchased by an end customer.
- No. of est. addressable licenses is subject to change.

PARTNER COMMERCIALISATION MILESTONES

The following framework illustrates the core activities and milestones between contract execution and commercialisation of a partner.

Management expects a timeframe approximately 6-10 weeks from date of contract execution to launch. Timeframes are dictated by partners and are dependent on existing priorities including the launch of other web services.

Milestone #	Description
Contract Signed	Contract signed
Channel Partner Kick-off Call	Channel Partner and Sóshlr contacts to discuss Go-to-Market strategy and technical integration process and timelines.
Partner Training	Provision of product training for sales and customer support personnel
Marketing Build	Collaboration around co-marketing and launch initiatives.
Technical integration	Technical integration, QA Testing and User Testing.

Partner Marketing

Manalto anticipates that partners will conduct the following marketing activities to support the launch of Sóshlr to customers and works collaboratively with partners to help build launch campaigns.

- **Web:** Channel Partner website home page exposure, development of a landing page within the Channel Partner cloud store
- **Digital:** Email marketing campaigns, search engine marketing, digital Re-targeting, Google adwords, social media advertising
- **Traditional media:** advertising
- **Direct Sales**
- **Customer Support Centre:** Upselling

COMBINED REVENUE MODELS

Illustration of Enterprise 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

Illustration of Sóshlr 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

Notes:

These models are an example and are 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.



SHARE CAPITAL STRUCTURE

CAPITAL STRUCTURE		
Exchange Listing Details	Exchange	MTL.ASX
Ordinary Shares on Issue	No.	Approx. 146m
Share Price (28 April, 2016)	A\$/share	\$0.065
Market Capitalisation (28 April, 2016)		Approx. AUD\$9.5m
Cash (28 April, 2016)	AU\$m	Approx. AUD\$1.2m

TOP 10 SHAREHOLDERS	SHARES HELD	% of IC
ECA VENTURES LLC	13,841,412	9.51%
LSAF HOLDINGS	12,535,771	8.61%
MRS MELANIE VERHEGGEN	8,336,560	5.73%
ANTHONY AND MEGAN OWEN	6,769,540	4.65%
JACK BURSTON	5,346,590	3.67%
VANKAT PTY LTD	4,130,162	2.84%
CHIFLEY PORTFOLIOS PTY LIMITED	4,117,857	2.83%
RAVEN VENTURES (AUSTRALIA) PTY LTD	3,485,986	2.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,224,776	2.22%
EXIT OUT PTY LTD	2,705,253	1.86%
TOTAL	64,493,907	44.31%

Manalto has resources located in USA, Europe, South Africa and Australia.

Manalto Limited	Region	Number
Board of Directors	Australia	2
	USA	2
Management and Staff	USA	10
	South Africa	18
	Europe	1
	Australia	1
Total		34

BOARD OF DIRECTORS

Joseph Miller Interim Chairman	Joseph Miller has been a Managing Director at Europlay Capital Advisors, LLC and its subsidiaries (“ECA”) since 2003. ECA is a Los Angeles-based boutique merchant bank and financial advisory firm that invests in, and provides services to, companies in the technology, media, telecom, life sciences and consumer sectors. ECA’s investments have included such notable companies as Skype, Rdio, FlashFunders, FanDuel, and Red Bull Global Rallycross. Mr Miller currently serves on the boards of several companies including Covata (ASX: CVT), Manalto, FlashFunders and Red Bull Global Rallycross. In the past, he has also served on the boards of Talon International, Multigig, and Unicorn Media as well as on the Compensation and Audit Committees of Skype Global, prior to its sale to Microsoft.
Anthony Owen Founder & CEO	Mr Owen is the founder of Manalto with 20 years’ experience in digital and social media. His experience includes media agency environments, direct-to-market and senior sales management and strategic commercial partnership roles. Anthony has a track record in establishing & building successful sales management capability across many organisations including, OzEmail, BMC Media, Softbank, Sensis and Groupon.
Chris Adams Director	Mr Adams is an internationally recognised digital strategist, advisor and technology executive. Mr Adams created and produced the reality TV series ‘Facebook Diaries’ for Facebook and served as Chief Vision Officer and SVP of Business Development for Participant Media. Mr Adams served in executive roles with Facebook and Amazon.
Michael Quinert Director	Mr Quinert graduated with degrees in economics and law from Monash University and has over 28 years’ experience as a commercial lawyer, including three years with the ASX and over 20 years as a partner in a Melbourne law firm. He has extensive experience in assisting and advising public companies on capital raising and market compliance issues and has regularly advised publicly listed mining companies. Mr Quinert is partner at Quinert Rodda, a law firm in Melbourne.

INDUSTRY ADVISORY BOARD

David McLauchlan

CEO and Co-Founder of USA-based Technology Company – Buddy Platform, Inc. (“Buddy”) to be listed on ASX in December 2015. David spent nearly eleven years at Microsoft (Redmond, WA) before leaving in 2011 to co-found Buddy. While at Microsoft, David led business development for Microsoft’s Zune hardware business, spent many years in Microsoft’s Windows division and prior to that served in the Server & Tools division working on the Visual C++ product.

His international business development experience is considerable, having closed inbound and outbound licensing deals for Microsoft with global partners and customers in the consumer, enterprise, B2B and component industries. In addition to his work in various product groups at Microsoft, David represented the company in several international standards setting organizations, including the USB Implementers Forum, Consumer Electronics Association, Digital Living Network Alliance (DLNA), Bluetooth SIG and the IEEE Printer Work Group.

David is the co-founder of TVinteract, LLC which developed software for on-air TV talent to curate and display social media in real-time, which was acquired in 2014. David serves as a Technology Partner Network advisor for the Bill & Melinda Gates Foundation and currently serves as a mentor for the Australian incubator “Innovyz START” and is an advisor to Melbourne-based Bluedot Innovation. Prior to moving to the United States, David was a management consultant at PricewaterhouseCoopers in Melbourne, Australia, and prior to that was a professional pianist in Adelaide, Australia. David holds a Master of Engineering: IT, Telecommunications & Business Management, and a Bachelor of Electronic Engineering (Hons.) – both from the University of South Australia.

Jerry Darnell

Jerry is a highly regarded leader and key influencer within the franchise industry within the USA. His expertise and solid network has been built through 36 years of experience in sales and marketing, and business consulting across the finance and franchise sectors, health, optical and pharmaceutical, and also the automotive aftermarket. Jerry has held senior roles with leading organisations including Management 2000, Guidant Financial group and The Medicine Shoppe, where he held the role as Head of Franchise Development and was responsible to significantly contributing to their growth as a \$10 billion franchise, and growing the stock price from \$8.00 to \$32.00 over 19 months.

He founded Jerry Darnell & Associates in 2012 to provide strategic consulting to businesses, particularly within the USA Franchise sector and start-ups. Jerry’s expertise within Franchising is highly sought after, and in addition to being regarded as a key person who has helped to shape the franchise industry during the past decades within the USA, he continues to remain as a strong advocate of development and change within the sector through decisive leadership, influence and action.

INDUSTRY ADVISORY BOARD

Paul Segreto	Paul is a Certified Franchise Executive (CFE) and CEO at Franchise Foundry. More than 30 years exclusive franchise industry experience as a consultant and coach, senior-level corporate executive, advocate, multi-unit franchisee and area developer. Paul is an active member of the International Franchise Association, serving on its Franchise Relations, Marketing & Technology and Membership Committees. Paul is highly regarded as an industry leader within the franchise industry within the USA.
Lee Plave	Lee Plave is a co-founding partner of Plave Koch PLC, an entrepreneurial law firm in Virginia, USA. He counsels franchisors and distributors, drafts and negotiates agreements for international and domestic transactions, and advises clients on all aspects of franchise and distribution law. Lee also works with clients on how to apply technology in franchise and distribution systems, including cyber security, social networking and media issues, and e business policies, cybersquatting and domain name disputes, as well as cyber smear/complaint sites. He also represents clients before the Federal Trade Commission, where he began his career. Lee was formerly a Partner at DLA Piper and served as the Director of the International Division of the American Bar Association's Forum on Franchising from 2012-14. The International Franchise Association Educational Foundation recognized Lee as a "Certified Franchise Executive." London-based Chambers & Partners, which publishes an internationally respected client guide, ranks Lee as one of the leading franchise lawyers in the United States. Another London-based publication, Who's Who Legal, has consistently listed Lee as one of the global Top 10 franchise lawyers in The International Who's Who of Franchise Lawyers and, in 2015, named Lee the top franchise lawyer in North America, as ranked by his peers.
Trent Telford	Founder and CEO of Covata (ASX: CVT). Experienced in equity and debt markets, growth strategy, board and corporate governance, Director (post transaction) international expansion, legal and compliance. Covata has developed high grade data security software for encryption, access control and audit of files across the internet. Trent holds more than 15 years of senior experience in Management Consulting and IT in markets including Asia, Europe and the US.