



Manalto Limited
Level 11, 216 St Georges Tce
Perth WA 6000
P: +61 8 9481 0389

ABN 88 098 640 352

ASX Announcement

24 May 2018

COMPANY UPDATE

As previously announced on 12 April 2018, ASX advised Manalto Limited (**MTL**, **Manalto** or the **Company**) that, in ASX's opinion, the relationships between:

- (a) MTL on the one hand and Adam, Darrin and Alvin Blumenthal and the entities they control, including Everblu, Anglo, ASN, Horatio and Suburban (together the **Blumenthal Parties**) on the other; and
- (b) the directors of MTL (who are related parties of MTL) on the one hand and the Blumenthal Parties on the other,

are such that any issue of equity securities by MTL to the Blumenthal Parties ought to be approved by the ordinary shareholders of MTL. To put it another way, ASX has formed the opinion that listing rule 10.11.2 applies in relation to any issue of equity securities by MTL to the Blumenthal Parties.

ASX further advised that it considers this to have been the case from no later than the date that Tim Wilson, James Ellingford and Terence Clee were appointed to the board of MTL as "nominees of Everblu", that is 15 September 2017.

Accordingly, in ASX's opinion any issue of equity securities by MTL to a Blumenthal Party on and from 15 September 2017 required the approval of MTL's ordinary shareholders under and in accordance with ASX Listing Rule 10.11 and the Blumenthal Parties and their associates should have been excluded from voting on the resolutions to approve such issues. In addition, ASX has informed the Company that each of the following parties should also be excluded from voting on these resolutions:

- Asenna Wealth Solutions Pty Ltd, Assad Tannous and their associates;
- Chifley Portfolios Pty Ltd <David Hannon Retirement A/C>, R A H (STC) Pty Limited, Fairborn Holdings Pty Ltd, Chifley Portfolios Pty Ltd <David Hannon A/C>, Chifley Portfolios Pty Limited <David Hannon Ret Fund A/C>, Elinora Investments Pty Ltd, David Hannon, Nick Hannon and their associates;
- CWS Group (Aust) Pty Ltd, Scott Plowman and their associates; and
- Yalina Investments Pty Ltd, Tidelian Pty Ltd, Ben Weber and their associates.

This has the result that each of the recent issues of shares on conversion of convertible notes, shares and options pursuant to the Company's recent placement and the issue of the adviser shares and adviser options by MTL to the Blumenthal Parties on 21 March 2018 approved by shareholders under ASX Listing Rule 7.1 were, in ASX's opinion, made in breach of ASX Listing Rule 10.11.



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ASX has also requested that the Company rectify these breaches to ASX's satisfaction before MTL will be reinstated to trading.

Whilst the Company does not agree with the stance taken by ASX, it understands that ASX has the discretion to form the opinion that ASX Listing Rule 10.11.2 applies in relation to any issue of equity securities by the Company to the Blumenthal Parties.

In light of this, the Company has agreed to (a) place a holding lock on all securities issued to the Blumenthal Parties and (b) seek a new shareholder approval in relation to the issue of equity securities to the Blumenthal Parties on and from 15 September 2017 in accordance with ASX Listing Rule 10.11. A notice of meeting seeking this approval is currently being finalised and the shareholder meeting will be convened as soon as practicable.

ENDS

The Board of Directors
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.