9 August 2018

ASX Announcement

Cirralto enhanced 'go to market' strategy gains traction

Highlights:

- **Cirralto signs 15 contracts in 1st week of enhanced operations**
- **Delivery of PoolBox solution continues to grow**
- **Revenues of $375,000 booked**
- **Two MYOB advanced modernisation projects completed**

Cirralto Limited ("**Cirralto**" or the "**Company**") is pleased to provide an update on the Company's progress implementing its new "go to market" strategy. As previously announced, The Company has commenced the process of re-contracting its existing customer base across to the 'Direct to Cirralto' engagement as its moves away from the previous model via Telstra. Cirralto has made a strong start to the implementation of the restructured and enhanced business model as it moves to capitalise from re-contracting its customer base onto direct agreements.

The Classic Funding engagement enables Cirralto to deliver a complete solution to the customer that includes hardware and software, as well as simplifying the renewals and contract variation processes. This improved agreement flexibility will allow us to more rapidly deliver new "in development" solutions that have the potential to increase average customer revenue as and when they are released.

In the first week of operations under this model, 15 contracts have been signed including 4 new contracts and 11 re-contracted which equates to $375,000 of contracted revenue. The company has already commenced receiving cash with $75,000 deposited from sales activities. It is expected that this rate will ramp up over the next few months as the Company focuses on re-establishing the contracted customers from the previous Telstra engagement.

As previously announced, the reversal of booked revenues via Telstra had a subsequent impact on FY18 financial performance. It is therefore pleasing to see the immediate success of re-signing 11 of our customers in the first few days. This is a great start in the re-signing of previously contracted customers and there is considerable focus on achieving this during the next month.

The implementation team is continuing to gain momentum and has now delivered the PoolBox solution across all of the five Pool and Spa partner channels engaged by Cirralto.

Additionally, Cirralto continues to grow its business with other software vendors. This month alone, Cirralto has completed two modernisation projects with a National Sunglasses retailer and an Electrical Appliances retailer. The projects involved conversion and integration with data to and from the MYOB Advanced cloud based accounting system.

The Company will continue to provide regular updates during the current period of transition to the enhanced customer engagement model.

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About Cirralto
Cirralto Limited (ASX: CRO) listed company that owns and operates technology assets and services that enable modernisation of business IT systems via the conversion, migration and management of server based legacy data and systems to the Cloud.