16 August 2018

ASX Announcement

Cirralto completes $1.5 million Capital Raising

Cirralto Limited (ASX: CRO, **Cirralto**, **Company**) is pleased to advise that it has completed a Bookbuild to raise $1.5 million through a placement of approximately 48 million fully paid ordinary shares at an issue price of $0.031 to institutional and sophisticated investors (**Placement**). Directors of Cirralto have committed to subscribe for $100,000 in the Placement, subject to receipt of shareholder approval.

Funds raised pursuant to the Placement will provide Cirralto with the working capital required to execute its new "go to market" strategy involving direct engagement with its customers. This direct customer engagement provides Cirralto with opportunities to complement the core software as a service (SaaS) solution by offering hardware and other services to its customers, potentially increasing the value of each contract entered into.

In addition, Placement proceeds will be used to:

- Fund further growth in the operations team;
- Fund further product development to enhance the solution set; and
- Continue to fund the initial testing and subsequent development of the potential Payments solution.

Hartleys Limited acted as Sole Lead Manager to the Placement.

In addition to the Placement, Cirralto will undertake a non-renounceable 1:8 entitlements issue, providing shareholders with a registered address in Australia or New Zealand **(Eligible Shareholders)** with the ability to subscribe for one (1) new share for every eight (8) shares held by Eligible Shareholders on the record date (Wednesday 29 August) at an issue price of 3.1 cents to raise up to a further $1.5 million (**Entitlements Issue**).

Commenting on the success of the Placement, Cirralto Managing Director, Mike Mulvey, said:

"It is heartening to receive this strong level of support from our shareholders, brokers and investors and we look forward to welcoming a number of new shareholders to our register. The capital raising provides the Company with the runway required to execute its new "direct to customer" sales model. The whole team at Cirralto is focussed on re-contracting our existing customer base and signing new business on the enhanced plan as quickly as possible.

As we engage in the direct to customer approach we are seeing higher value in the individual contracts we are signing that involve additional hardware and services. I look forward to providing regular updates on our progress and reporting the key fundamentals as we progress."

The Placement will be undertaken in two tranches involving the initial issue of approximately 45.17 million fully paid ordinary shares in the Company (**New Shares**) at an issue price of 3.1 cents per New Share to raise approximately A$1.4 million (before costs). Tranche one of the Placement is scheduled to settle via DvP on 23 August 2018 using a portion of the Company's existing Listing Rule 7.1 placement capacity (12,328,033 Shares) and the additional Listing Rule 7.1A placement capacity (32,846,147 Shares). The second tranche of approximately 3.23 million New Shares raising $100,000 (before costs) will be issued to Directors of the Company, subject to shareholder approval at a meeting of shareholders intended to be held in October 2018.

An indicative timetable for the Entitlements Issue is detailed below:

Event	**Date**
Announcement of Entitlements Issue and Appendix 3B lodged with ASX	Thursday, 16 August 2018
Rights Issue Offer Document and cleansing notice lodged with ASX	Friday, 24 August 2018
Notice to Shareholders containing information required by Appendix 3B	Monday, 27 August 2018
Ex date – the date on which Shares commence trading without the entitlement to participate in the Entitlements Issue	Tuesday, 28 August 2018
Record Date – the date for determining entitlements of Shareholders to participate in the Entitlements Issue	Wednesday, 29 August 2018

Dispatch of Offer Document and Entitlement and Acceptance Form	Monday, 3 September 2018
Entitlements Issue opens for acceptances	Monday, 3 September 2018
Closing Date	Tuesday, 18 September 2018
Notification to ASX of under subscriptions	By Friday, 21 September 2018
Allotment of New Shares	By Tuesday, 25 September 2018

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date.

This announcement effects the end of the Company's trading halt.

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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.