27 August 2018

Dear Shareholder

Cirralto Limited - Non-Renounceable Rights Issue – Letter to Ineligible Shareholders

Cirralto Limited ACN 099 084 143 (**Company**) has announced an opportunity for holders of shares in the Company (**Shareholders**) with a registered address in Australia or New Zealand (**Eligible Shareholders**) as at 7:00 p.m. AEST on 29 August 2018 (**Record Date**) to participate in a non-renounceable pro rata rights issue (**Rights Issue** or **the Offer**).

Pursuant to the Rights Issue, the Company will issue up to approximately 48,480,528 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of $0.031 (3.1 cents) per New Share. The New Shares will be offered to Eligible Shareholders on the basis of one (1) New Share for every eight (8) fully paid ordinary shares (**Shares**) held in the Company as at the Record Date (**Entitlement**).

If fully subscribed, the Offer will raise up to approximately $1,502,896 before transaction costs. The Rights Issue has not been underwritten but Directors will retain the right to place any shortfall at their discretion. The Company will use the net proceeds from the Offer for 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, Rights Issue 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.

The rights to subscribe for the New Shares in accordance with an Entitlement under the Offer (**Rights**) are non-renounceable which means that Eligible Shareholders who do not wish to subscribe for some or all of their Entitlement will be unable to sell their respective Rights.

Full details of the Offer are contained in an Offer Document, lodged with ASX on 24 August 2018.

Shareholders as at the Record Date that have a registered address outside Australia or New Zealand (**Ineligible Shareholders**) will not be eligible to participate in the Offer. In accordance with ASX Listing Rule 7.7.1, the Company has considered that it would be unreasonable given the number of Shareholders with registered addresses outside of Australia and New Zealand and the size of the shareholdings held by those Shareholders to offer them New Shares under the Rights Issue. Taking this into consideration, as well as taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities of those relevant jurisdictions outside of Australia and New Zealand, the Company believes it to be unreasonable to extend the Rights Issue to all Shareholders.

According to our records, you do not satisfy the eligibility criteria to participate in the Rights Issue as stated above and accordingly, the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1 and section 9A(3) of the *Corporations Act 2001* (Cth), the Rights Issue will not be extended to you, you will not be able to subscribe for New Shares through the Rights Issue and you will not be sent the Rights Issue Offer Document.

On behalf of the Board of Cirralto Limited**,** we regret that you are not eligible to participate in the Rights Issue and thank you for your continued support.

Yours faithfully

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Cirralto Limited
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