27 August 2018

Dear Shareholder

Cirralto Limited - Non-Renounceable Rights Issue

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**).

Fractional entitlements under the Offer will be rounded up to the nearest whole number of New Shares. The New Shares will be fully paid, will rank equally with the Company's existing issued Shares and the Company will make an application to the ASX for official quotation of the New Shares.

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.

Full details of the Offer are contained in the Offer Document lodged with ASX on 24 August 2018. The Offer Document is available on the ASX website. The Offer Document and an Entitlement and Acceptance Form will be sent to all Eligible Shareholders on 3 September 2018.

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.

Eligible Shareholders that subscribe for their full Entitlement under the Offer may apply for any number of additional Shares by completing the section of the Entitlement and Acceptance Form entitled 'Shortfall'. Shortfall will be issued at the Directors' discretion.

Shortfall Shares will be issued at the same price and on the same terms as the New Shares and an Eligible Shareholder may only make an application for Shortfall Shares if they apply for their maximum Entitlement under the Rights Issue.

The number of issued Shares at the date of this letter and the total number of issued New Shares at the close of the Offer (if fully subscribed) are as follows:

Number of Shares currently on issue	387,844,223
Number of New Shares to be issued under the Offer	Up to 48,480,528
Total Shares on issue on completion of the Offer	Up to 436,324,751

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 determined that it would be unreasonable to extend the Offer to Ineligible Shareholders.

Under the Offer, Eligible Shareholders may:

- take up all of their Entitlement;
- take up all of their Entitlement and apply for additional Shortfall Shares;
- allow all of their Entitlement to lapse; or
- take up part of their Entitlement and allow the balance to lapse.

Eligible Shareholders who are taking up part or all of their Entitlement must ensure that the completed Entitlement and Acceptance Form and Application Money is received by the

Company's share registry, Automic Registry Services, by 5.00pm AEST on Tuesday, 18 September 2018 (**Closing Date**).

The proposed timetable and important dates of the Rights Issue are set out 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* (Cth) and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any Application Money received will be returned without interest.

Please ensure you read the Offer Document in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

For further information on your Entitlement please contact the Company's share registry Automic Registry Services by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside Australia).

Yours faithfully

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
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