CIRRALTO EXECUTES POOLBOX SUPPLY CONTRACT WITH INDEPENDENT DISTRIBUTOR

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CRO

Issued Capital

Shares: 396,876,445
Options: 54.8m

HIGHLIGHTS

- **Successful completion of early adopter program with 10 independent retail pool stores leads to execution of PoolBox supply contract with leading independent distributor EMBU.**
- **EMBU Supply contract to deliver PoolBox to 150 independent retail pool stores across Australia and New Zealand in 2019.**
- **This is expected to deliver a minimum ~$1M during 2019 with monthly recurring revenue of $82,350.**
- **EMBU network of independent retail pool stores in excess of 500 across Australia and New Zealand.**

Cirralto Limited (ASX: **CRO** or the **Company**) is pleased to announce that it has achieved a key commercialisation milestone with its PoolBox vertical market software solution. Materially, the Company has executed a software supply agreement (the **Agreement**) with EMBU Pty Ltd (**EMBU**), the technology arm of Australian and New Zealand independent chemical distributor International Quadratics Pty Ltd (**IQ**).

The move to finalise and execute a software supply contract with EMBU was a direct result of the completion of a successful pilot program undertaken by the Company and EMBU during 2018 involving 10 early adopter customer reference sites.

The 10 operating sites provided valuable feedback in refining the launch minimum viable product (**MVP**) for the PoolBox vertical market solution.

EMBU have a footprint that stretches across Australia and New Zealand covering an independent retail network of over 500 pool stores. EMBU has forecast that the Poolbox solution is suitable for ~45% of their current independent retail store coverage and has contracted the Company to supply the PoolBox solution to a minimum 150 pool stores in 2019 with the contract to roll into 2020 until saturation has been achieved.

A typical independent store rollout is priced according to the below average cost structure:

- Store Implementation Fee: $5,000
- Monthly PoolBox subscription fee: $549
- Term: 36 months (early termination fees applicable)
- Store value over 3-year term: $24,750

Subject to performing its obligations under the supply agreement and rollout of the minimum 150 independent retail stores, the Company expects to generate:

- Implementation revenue of $750,000; and
- Monthly recurring subscription revenue of $82,350.

The Company expects that the PoolBox supply contract with EMBU will generate a minimum of A$1M in revenue during 2019 with peak contracted monthly recurring revenue expected to be achieved in October 2019. Upon successful rollout to the 150 independent retail pool stores, the Company expects that it will have deployed PoolBox to approximately 40% of EMBU's independent retail store network.

The Parties will jointly commence rolling out the PoolBox software solution in Victoria and New South Wales in late March 2019 and plan to rollout to other parts of the country and New Zealand during the autumn and winter months, which are typically quieter trading periods for retail pool stores.

Commenting on the Cirralto contract and roll out, Eddie Lloyd, Director of EMBU, stated:

"This is one of the most exciting projects I have worked on in my 20 years within the industry. The PoolBox bundle solution is the first technology solution that provides real business value and productivity gains to the owners of any size pool business. The end of manual processing and endless hours of arduous reconciliation across disparate business systems – including paper – affords business owners in the retail pool industry to get back to what's important - work 'on' their business rather than within it. For years, the industry has had to work with up 5 or even 6 different pieces of software that don't talk to each other, making managing their business extremely inefficient. By supplying the retail store owners the PoolBox solution, we can provide a better way to transform their business for the better".

Commenting on the onboarding process and the new contract, Adrian Floate Managing Director of Cirralto, stated:

"We are very pleased to see the PoolBox vertical market solution gaining market acceptance, of which this new contract with EMBU has demonstrated.

We have always believed in the value PoolBox will provide to retail pool store businesses. Our team has done a lot of work in the off season to improve our data migration processes and drive down implementation time. We can have a retail pool store migrated onto the platform and working within two weeks. We continue to concentrate our efforts on training and making sure our customers get the most out of the tools we have developed which give them complete visibility over their business and giving back the time to manage and grow their sales.

This contract is a major milestone for the Company and is in line with our expectations in securing supply contracts with key industry participants.

We look forward to the continuing success of Poolbox in the Australian and New Zealand markets during 2019 as we continue ongoing supply discussions with key industry participants, before our expected roll out to North America later this year".

For Shareholder contact:

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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.