

Cirralto Limited

ABN 67 099 084 143

Appendix 4D

Half-Year Ended 31 December 2018

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- Results For Announcement To The Market
- Half-Year Financial Report
- Independent Review Report

Appendix 4D

Half-Year Report

Name of Entity

Cirralto Limited (formerly Motopia Limited)

ABN or equivalent company reference	Half-Yearly (<i>tick</i>)	Preliminary final (<i>tick</i>)	Financial Year Ended ('current period')
A.B.N. 67 099 084 143	✓		6 months ended 31 Dec 18

Results for announcement to the market

Results	A \$
Total Revenues	Down from \$329,665 to \$251,327
Net loss for the period attributable to members	Down from \$1,917,214 to \$2,193,922

Dividends	Amount per security	Franked amount per security
Final dividend - no dividend is proposed	N/A	N/A
Previous corresponding period - no dividend declared	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A	

NTA backing	Current period	Previous corresponding period
Net tangible assets backing per ordinary security (in cents)	\$ nil	\$ nil

Explanation of Net Loss

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$2,193,922 (2017 December loss: \$1,917,214).

1. Details of entity over which control has been gained or lost during the period:

Not applicable

2. Details of individual and total dividends or distribution payments. The details must include the date on which each dividend or distribution is payable, and if known the amount per security of foreign sourced dividend or distribution.

Not applicable - no dividends have been declared or paid.

3. Details of any dividends or distribution reinvestment plans in operations and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable

4. Details of associated joint venture entities

Not applicable

This report is based on:

The financial report has been reviewed by an independent auditor.

Sign here: 

Date: 28 Feb 2019

Print Name: Justyn Stedwell (Company Secretary)

CIRRALTO LIMITED
AND ITS
CONTROLLED ENTITIES
ABN: 67 099 084 143

FINANCIAL REPORT

HALF-YEAR ENDED
31 DECEMBER 2018

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Corporate Information

This half-year report covers the Cirralto Group comprising Cirralto Limited (formerly Motopia Limited) and its subsidiaries. The Group's functional and presentation currency is AUD (\$).

DIRECTORS

Mr Peter Richards (Non-Executive Chairman)

Mr Adrian Floate (Managing Director)

Mr Marcus L'Estrange (Non-Executive Director)

Mr Stephen Dale (Non-Executive Director)

Mr Michael Mulvey (Chief Executive Officer & Executive Director (resigned 21st September 2018))

COMPANY SECRETARY

Mr Justyn Stedwell

REGISTERED OFFICE

1B/205-207 Johnston Street
Fitzroy, VIC 3065

SHARE REGISTER

Automic Registry Services
Level 3
50 Holt Street
Surry Hills NSW 2010
Phone: 1300 288 664 (within Australia)
+61 (2) 9698 5414 (outside Australia)
www.automic.com.au

AUDITORS

Nexia Perth Audit Services Pty Ltd
Level 3, 88 William Street
Perth WA 6000
Phone: +61 8 9463 2463
Fax: +61 8 9463 2499

STOCK EXCHANGE LISTING

The company is listed on the Australia Securities Exchange Limited <https://www.cirralto.com.au/>

ASX Code – CRO

PRINCIPAL PLACE OF BUSINESS

Level 13, 333 George Street
Sydney, NSW 2000

BANKERS

Westpac Banking Corporation
360 Collins Street
Melbourne VIC 3000
Phone: +61 3 9608 3205
Fax: +61 3 9608 4343

SOLICITORS

Steinepreis Paganin
16 Milligan St
Perth WA 6000

COMPANY WEBSITE

Directors' Report

Your Directors present their report on the consolidated entity consisting of Cirralto Ltd (formerly Motopia Ltd) and the entities it controlled ("Cirralto") for the half year ended 31 December 2018.

DIRECTORS

The names of the company's directors in office at any time during the half-year and until the date of this report are shown below. Directors were in office for this entire period unless otherwise stated.

Mr Peter Richards (Non-Executive Chairman)

Mr Adrian Floate (Managing Director)

Mr Marcus L'Estrange (Non-Executive Director)

Mr Stephen Dale (Non-Executive Director)

Mr Michael Mulvey (Chief Executive Officer & Executive Director (resigned 21st September 2018))

REVIEW AND RESULTS OF OPERATIONS

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$2,193,922 (2017 December loss: \$1,917,214).

Operational Update

The December 2018 quarter was built on the work program that commenced in September. This has resulted in a continuing growth in revenues from both a quarter on quarter basis and in comparison with the same period in 2017.

During the quarter the Group:

- continued developments of the PoolBox 2.0 solution;
- focussed technology investments upon the improvement of solution deliverability, scalability and performance;
- carried out further works in the development of its payment technologies in conjunction with the WestPay;
- started its exploration of the US markets and subsequent PoolBox BETA program;
- expanded the food industry market opportunity with our paddock to plate initiatives; and
- restructured its internal operations with a focus on customer acquisition, support reduction and project profitability.

These activities enabled conversations to resume with key partners in the pool and food industries that in turn has enabled us to set our 2019 goals:

- release our MVP payments product in the second half 2019;
- to deliver 300 Poolbox solutions in 2019; and
- establish a sustainable channel into the US.

The Group has the following plans for the coming quarters:

- Achieve our PoolBox deployment goals;
- Acquire new Agri business customers in Victoria;
- Align the companies intellectual property portfolio;
- Launch the PoolBox V2.0 product in March 2019;
- Announce our payments product strategy, including functional capabilities, expected release timetables and addressable market for the technology;
- Continue growth in our recurring income streams; and
- Further diversify our income base with developing relationships in the independent software vendor channel.

Directors' Report (continued)

Matters subsequent to reporting period

Capital Raising Activities

On 6th February 2019, the Company completed a Bookbuild to raise \$1,600,000 through a placement of approximately 169,000,000 fully paid ordinary shares to institutional, sophisticated and professional investors. The placement was undertaken at an issue price of \$0.0095. The shares issued under the placement fall within two tranches. The first tranche of the placement was completed on 14th February 2019 raising \$942,581 from the issue of 99,219,067 ordinary shares. The remaining shares will be issued subject to shareholder approval at a meeting of shareholders scheduled to occur in early April 2019.

On 26th February 2019, a share purchase plan to raise a maximum of \$500,000 was announced.

No other significant events have occurred since the end of the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Adrian Floate', with a stylized flourish at the end.

Adrian Floate

Managing Director

Date: 28th February 2019

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Cirralto Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2018 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Nexia Perth Audit Services Pty Ltd**

M. Janse Van Nieuwenhuizen
Director

Perth

28 February 2019

CIRRALTO LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Notes	31 Dec 2018	31 Dec 2017
		\$	\$
Revenue		251,327	329,665
Cost of services rendered		(260,079)	(57,819)
Other income		5,541	663
Employee expenses		(797,508)	(509,993)
Depreciation , amortisation and impairment		(117,057)	(186,042)
Consulting fees		(112,870)	(438,386)
Legal and other professional fees		(33,973)	(60,622)
Regulatory and listing costs		(29,424)	(59,706)
Occupancy expenses		(118,323)	(99,511)
Advertising and marketing		(51,844)	(29,707)
Software costs		(48,604)	(29,291)
Other expenses		(177,629)	(93,955)
Finance costs		(3,666)	(56,787)
Impairment expense	4	(581,501)	-
Share options expense		(118,312)	(666,355)
Loss before Income Tax	3	(2,193,922)	(1,957,846)
Income tax expense		-	40,632
Loss after income tax expense		(2,193,922)	(1,917,214)
Loss for the period after income tax attributable to owners of Cirralto Ltd		(2,193,922)	(1,917,214)
Other comprehensive loss for the half year, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF CIRRALTO LTD		(2,193,922)	(1,917,214)
Loss per share for the half-year attributable to the members of Cirralto Ltd			
- Basic (loss) per share (cents per share)		(0.5855)	(0.9522)
- Diluted (loss) per share (cents per share)		(0.5855)	(0.9522)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CIRRALTO LIMITED
Consolidated Statement of Financial Position
AS AT 31 DECEMBER 2018

	Notes	31 Dec 2018 \$	30 Jun 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents		21,628	569,399
Trade and other receivables		155,084	324,536
Other current assets		196,217	135,386
Total current assets		372,929	1,029,321
Non-current assets			
Property, plant & equipment		6,396	7,649
Intangible assets	4	4,282,871	4,155,988
Total non-current assets		4,289,267	4,163,637
TOTAL ASSETS		4,662,196	5,192,858
LIABILITIES			
Current liabilities			
Trade and other payables		557,820	534,287
Provisions		122,932	173,860
Total current liabilities		680,752	708,147
Non-current liabilities			
Other loans		-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		680,752	708,147
NET ASSETS/(LIABILITIES)		3,981,444	4,484,811
EQUITY			
Contributed equity	6	57,810,249	56,238,006
Option Reserve	8	1,622,159	1,503,847
Accumulated losses		(55,450,964)	(53,257,042)
TOTAL EQUITY		3,981,444	4,484,811

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CIRRALTO LIMITED
Consolidated Statement of Changes in Equity
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Contributed Capital \$	Accumulated Losses \$	Option Reserve \$	Total Equity \$
At 1 July 2018	56,238,006	(53,257,042)	1,503,847	4,484,811
Loss for the period	-	(2,193,922)	-	(2,193,922)
Total Comprehensive Loss for the period	-	(2,193,922)	-	(2,193,922)
Transactions with owners in their capacity as owners:				
Issue of Shares	1,680,399	-	-	1,680,399
Transaction costs related to share issue	(108,156)	-	-	(108,156)
Options issued	-	-	118,312	118,312
Balance as at 31 December 2018	57,810,249	(55,450,964)	1,622,159	3,981,444
At 1 July 2017	45,400,961	(46,816,398)	-	(1,415,437)
Loss for the period	-	(1,917,214)	-	(1,917,214)
Total Comprehensive Loss for the period	-	(1,917,214)	-	(1,917,214)
Transactions with owners in their capacity as owners:				
Issue of Shares	8,548,540	-	-	8,548,540
Transaction costs related to share issue	(159,290)	-	-	(159,290)
Options issued	-	-	666,355	666,355
Balance as at 31 December 2017	53,790,211	(48,733,612)	666,355	5,722,954

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CIRRALTO LIMITED**Consolidated Statement of Cash Flows****FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	31 Dec 2018	31 Dec 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	450,921	108,580
Payments to suppliers and employees	(2,512,422)	(2,670,250)
Interest received	987	663
Bank charges and interest paid	(3,666)	(28,724)
Net cash used in operating activities	(2,064,180)	(2,589,731)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired from CBS acquisition	-	224
Acquisition of non-current assets	(5,834)	(12,939)
Net cash used in investing activities	(5,834)	(12,715)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from related parties	-	(12,505)
Other loans	-	(7,310)
Proceeds from issue of shares	1,522,243	2,871,535
Net cash provided by financing activities	1,522,243	2,851,720
Net (decrease)/increase in cash held	(547,771)	249,274
Cash and cash equivalents at beginning of period	569,399	4,048
Cash and cash equivalents at end of period	21,628	253,322

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CIRRALTO LIMITED

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

The financial report of Cirralto Limited (the Company) (formerly Motopia Limited) and its controlled entities for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 28th February 2019.

Cirralto Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the consolidated entity are described in the directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose financial report for the half-year ended 31 December 2018 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by Cirralto Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Accounting policies

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2018 financial report except for the adoption of new and revised Accounting Standards.

New, revised or Amending Accounting Standards Adopted

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period, including AASB 9.

AASB 9 *Financial Instruments* – no changes were required in the half-year financial statements to recognise the requirements of AASB 9.

AASB 15 *Revenue from Contracts with Customers* – the Standard was early-adopted in the 30 June 2018 financial year.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the consolidated entity's presentation of, or disclosure in, its half-year financial statements.

New Accounting Standards for Application in Future Periods

The consolidated entity has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

AASB 16 *Leases* – the impact of the Standard is being assessed by the Company.

Notes to the Consolidated Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONT...)****NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT...)****(c) Going Concern**

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities, the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the period of \$2,193,922 (2017: \$1,917,214) and a cash outflow from operating activities of \$2,064,180 (2017: \$2,589,731).

Subsequent to the end of the period, the Company has completed a placement to sophisticated investors to raise approximately \$1.6 million (before the costs of the issue). The first tranche of the placement was completed on 14th February 2019 raising \$942,581 from the issue of 99,219,067 ordinary shares. The remaining shares will be issued subject to shareholder approval at a meeting of shareholders scheduled to occur in early April 2019. On 26th February 2019, a share purchase plan to raise a maximum of \$500,000 was announced. Based on the above events and a cash flow forecast prepared by management for the next 12 months, the directors are confident that the going concern basis is appropriate.

If the Group is unable to achieve forecast cash flows and/or secure alternate revenue sources, the net loss for the year and the cash outflow from operating activities indicate the existence of a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern, and the Group will be required to reduce operating costs and restructure its assets in order to continue as a going concern.

(d) Fair value of financial instruments

The consolidated entity has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. The carrying amount of the other current receivables and current payables approximates their fair value.

3. LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	Consolidated Group	
	Half-year Ended 31 Dec 2018	Half-year Ended 31 Dec 2017
	\$	\$
Interest income	987	663
Total other income	987	663
Amortisation of Intangible assets	107,323	184,318
Depreciation of Property, Plant and Equipment	9,734	1,724
Total depreciation, amortisation and impairment	117,057	186,042
Other interest expense	3,666	56,787
Total finance costs	3,666	56,787

CIRRALTO LIMITED

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONT...)

4. INTANGIBLE ASSETS

	31 Dec 2018	30 Jun 2018
	\$	\$
Lemon & Lime platform – at cost	5,500	5,500
Less: Accumulated amortisation	(4,125)	(4,125)
Less: Provision for impairment	(1,375)	(1,375)
	-	-
ConvertU2Online Platform – at cost	292,527	292,527
Less: Accumulated amortisation	(184,799)	(184,799)
Less: Loss on disposal of asset	(107,728)	(107,728)
	-	-
Modac IP - at cost	250,000	250,000
Less: Accumulated amortisation	(190,000)	(190,000)
Less: Provision for impairment	(60,000)	(60,000)
	-	-
Software development - at cost	1,549,707	755,000
Less: Accumulated amortisation	(162,041)	(75,718)
	1,387,666	679,282
Intangible assets on acquisition of CBS - at cost	2,814,990	2,814,990
Less: Accumulated amortisation	(380,300)	(380,300)
Less: Provision for impairment	(1,660,568)	(1,660,568)
Less: Deferred tax liability on the fair value of intangible asset acquired	(774,122)	(774,122)
	-	-
Goodwill on acquisition of CBS - at cost	3,476,706	3,476,706
Less: Provision for impairment	(581,501)	-
	2,895,205	3,476,706
Total intangible assets	4,282,871	4,155,988

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives, intangible assets not yet available for use, and goodwill are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONT...)

4. INTANGIBLE ASSETS (CONT...)

Impairment (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash Generating Unit (CGU)

As at 31 December 2018, the Company performed the relevant impairment testing of its cash-generating unit. The Group assessed that the recoverable value of its CGU was less than its carrying value at reporting date. Accordingly, an impairment of the CGU was required to be recognised.

The assumptions used in this assessment are provided below.

- The value in use assessment is based on budgets for the period to 30 June 2021. The terminal value assumes a growth rate of 2.5% p.a. beyond 30 June 2021;
- A pre-tax discount rate of 22%, which includes a risk margin, has been applied to the cash flows within the CGU. The discount rate was based on the Group's review of comparable listed companies;
- Working capital reflects management's estimate of normal operating levels; and
- Capital expenditure to maintain current operating activities has been assumed to be included within the Group's prevailing licencing arrangements.

5. SEGMENT INFORMATION

The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity operates predominantly in the IT industry focusing on data migration, and operates in a single geographic segment being Australia.

At regular intervals, the CODM is provided management information at a consolidated level for the entity's cash position, the carrying values of intangible assets and a cash flow forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

6. CONTRIBUTED EQUITY

	Six months to 31 Dec 2018	
Ordinary Shares	No. of shares	\$
Opening balance	342,670,041	56,238,006
Issues of ordinary shares during the half-year:		
Rights issue and share placements	54,206,404	1,680,399
Transaction costs related to share issue	-	(108,156)
Total	54,206,404	1,572,243
Total Contributed Equity	396,876,445	57,810,249

CIRRALTO LIMITED**Notes to the Consolidated Financial Statements (continued)****FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONT...)****7. RELATED PARTIES**

The following entities have been determined to be related party entities:

Entity	Director/Key Management Personnel
Raptor Global Corporation Ltd	Raptor Global Corporation Ltd ("Raptor") is a related party entity. Mr Marcus L'Estrange is a director of Cirralto Limited and Raptor.
Appstablishment Pty Ltd	Appstablishment Pty Ltd ("Appstablishment") is a related party entity. Mr Adrian Floate has shareholding interest in Appstablishment and is a director of Cirralto.
Appstablishment Software Group Pty Ltd	Appstablishment Software Group Pty Ltd ("ASG") is a related party entity. Mr Adrian Floate has shareholding interest in ASG and is a director of Cirralto Limited.
Floating Assets Trust	Floating Assets Trust is a related party entity in which Mr Adrian Floate has a beneficial interest.
Rare Air Nominees Pty Ltd	Rare Air Nominees Pty Ltd ("Rare Air") is a related party entity. Mr Adrian Floate is director of both Cirralto Limited and Rare Air.

Shares Issued to Related Parties

The following shares were issued to related parties in the half year period:

Issue Date	Entity/Individual	No. Shares	Issue Price
1 Nov 2018	Mr Peter Richards	125,000	0.031
1 Nov 2018	Rare Air Nominees Pty Ltd	4,762,994	0.031
24 Dec 2018	Mr Peter Richards	1,612,903	0.031
24 Dec 2018	Mr Adrian Floate	1,612,903	0.031
Total		8,113,800	

Transactions with related parties

During the half-year period, services have been provided to directors' related entities as follows:

Director	Entity	Nature	Half Year Ended 31 Dec 2018 \$	Half Year Ended 31 Dec 2017 \$
Mr Marcus L'Estrange	Raptor Global Corporation Ltd	Consulting services & Capital raising fees	-	120,958
Mr Shaun Melville	Raptor Global Corporation Ltd	Consulting services & Capital raising fees	-	120,958
Mr Adrian Floate	Anthem Software Pty Ltd	IT services	-	66,364
	Appstablishment Pty Ltd	IT services	1,017,795	499,680
	Floating Assets Trust	Consulting/admin fees	-	27,500

Sales to and purchases from related parties are made on an arm's length basis at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

All intercompany transactions are eliminated on consolidation.

Notes to the Consolidated Financial Statements (continued)

CIRRALTO LIMITED**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONT...)****8. OPTION RESERVE**

	31 Dec 2018		30 Jun 2018	
	No.	\$ AUD	No.	\$ AUD
Opening Balance	54,796,713	1,503,847	37,021,274	666,355
Unlisted options issued during the half year	-	-	17,775,439	517,372
Change in fair value	-	118,312	-	320,121
Total Reserves	54,796,713	1,622,159	54,796,713	1,503,847

9. DIVIDENDS

No dividends have been paid, declared or proposed for the half-year period.

10. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2018.

11. SIGNIFICANT EVENTS AFTER REPORTING DATE*Capital Raise*

On 6th February 2019, the Company completed a Bookbuild to raise \$1,600,000 through a placement of approximately 169,000,000 fully paid ordinary shares to institutional, sophisticated and professional investors. The placement was undertaken at an issue price of \$0.0095. The shares issued under the placement fall within two tranches. The first tranche of the placement was completed on 14th February 2019 raising \$942,581 from the issue of 99,219,067 ordinary shares. The remaining shares will be issued subject to shareholder approval at a meeting of shareholders scheduled to occur in early April 2019.

On 26th February 2019, a share purchase plan to raise a maximum of \$500,000 was announced.

No other significant events have occurred since the end of the reporting period.

CIRRALTO LIMITED

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Cirralto Limited made pursuant section 303(5)(a) of the Corporations Act 2001, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and the performance for the half-year ended on that date of the consolidated entity;
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) We draw attention to Note 1(c) in the financial report, which indicates that the consolidated entity incurred a net loss of \$2,193,922 during the half year ended 31 December 2018, had cash outflows from operating activities of \$2,064,180 and as at that date reported a cash balance of \$21,628. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

On behalf of the Board



Adrian Floate
Managing Director

Date: 28th February 2019

Independent Auditor's Review Report to the members of Cirralto Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Cirralto Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, other explanatory notes 1 to 11, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Cirralto Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying our review conclusion, we draw attention to Note 2(c) of the Financial Report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned operating costs. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial*

Reporting and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen
Director

Perth
28 February 2019