CORPORATE DIRECTORY

Chairman

Peter Richards

Managing Director

Adrian Floate

Non-Exec Directors

Stephen Dale
Howard Digby

Company Secretary

Justyn Stedwell

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ASX Code

CRO

Issued Capital

Shares: 660,257,705
Options: 91,621,274

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2019

Product Rollout

- Project plan developed for national franchise Clark Rubber to rollout over 60 stores nationwide.
- On completion, project will connect the shop, field, warehouse and head office in a single ecosystem across the franchise network.
- First custom project to adapt a specific “box” type software solution within the specific paddock to plate vertical market is currently in user acceptance testing.
- First customer to adopt payment service offering currently being onboarded.

Product Development

- First phase of development to integrate Invigo’s integrated funding solution into the Company’s technology stack have commenced.

Marketing and Business Development

- Company sponsored 3 SPASA industry events, in July and August.
- Participated as an exhibitor in the “startup alley” to showcase the technology service offerings at Xerocon.
- Further software supply contract negotiations to supply PoolBox across Australia and New Zealand with substantial market participants remain ongoing.

Corporate Update

- Appointment of Howard Digby to the Board.
- Resignation of Marcus L’Estrange from the Board.
- Execution of a Software Licence and Service Agreement with national retail franchise chain, Clark Rubber.
- Execution of A$1M finance facility with Major Shareholder and Intellectual Property (IP) Licensing Partner.
- Execution of Partnership and Revenue Sharing Agreement with Sydney based fintech Invigo.

Cash Position

- Cash receipts of $215k recorded in the quarter.
- Cash balance of $84k as at September 30.
- Working Capital Facility of up to A$750k available.

Event Subsequent to Quarter Close

- Canary Capital mandated as advisor to the Company.
- Working Capital Facility of minimum A$500k committed with up to an additional A$500k proposed to the Company.

Cirralto Limited (ASX:CRO) ("CRO" or the "Company") is pleased to provide an update on the Company's activities for the quarter ending 30 September 2019.

Operational Update

1. Product Rollout Update

The Company and Clark Rubber have been working diligently to formalise a project and implementation plan to rollout PoolBox across the 60 strong Clark Rubber franchise network within the next 3 months subject to resourcing and availability of key store and head office participants.

The project will comprise two parts, Clark Rubber head office system integration to enable dashboard and store reporting functionality with PoolBox and PoolBox deployment across all owned and franchise stores.

On completion, the project will connect the shop, field, warehouse and head office finance teams in a single ecosystem that enables operational excellence across Clark Rubber's franchise network.

The first custom project to adapt a specific "box" type software solution within the specific paddock to plate vertical market is currently in user acceptance testing with a view to be commercially rolled out in the December quarter with a large food distribution group in Western Australia. This distributor trades with over ~700 businesses in the retail food and hospitality services industry.

2. New Customer Product Development

The Company has commenced the first phase of development work to integrate Invigo's integrated supply chain funding solution into the Company's technology stack. The Company expects this partnership will add transactional revenue streams associated with early payments and debtor financing to its current software as a service revenue.

3. Payments Update

The Company and its affiliate partners are currently onboarding the first customer to adopt its payment service offering. The first offering is highly competitive on merchant rates and provides an immediate cash saving to the customer with the added value of integrated financial and cash management capabilities.

On successful completion of testing and streamlining of the onboarding process, the Company expects to be in a position to commence a full commercial release of integrated payment services during the December quarter.

4. Marketing and Business Development

The Company sponsored three Swimming Pool and Spa Association (SPASA) award nights to promote the PoolBox platform across the major states during July and August. Interest generated from these events has resulted in the Company engaging in commercial discussions with one of Australia's largest spa manufacturers with a view to supplying a modified version of PoolBox to the company and its retail store network.

The Company attended Xerocon in Brisbane as an exhibitor in the "startup alley" and showcased its technology service offerings to a diverse audience encompassing accountants, large distribution

/wholesale businesses and potential independent service vendors to resell the Company's technology stack.

5. Quarter in Review

Operations have continued to focus on and execute our business strategy, which has seen the Company's team purposed on several key work streams:

- Payments customer onboarding – which utilised our technology, marketing, sales and implementation teams;
- Market awareness strategies that promote the Company's solutions in various community marketplaces such as Xero;
- Continued support of new and existing customers;
- Funnelling and analysing business opportunities in new segments;
- Expanding technology partnerships; and
- Transitioning sales models from outbound sales, to digital acquisition strategies supported by inside sales and account management.

Corporate Update

Execution of Software Licence and Service Agreement

The Company executed a Software Licence and Service Agreement (the Agreement) with national retail franchise chain, Clark Rubber.

As announced in previous market releases, the Company has been negotiating with multiple large retail and franchise chains to supply a standardised set of vertical market technology solutions that enable the creation of a closed network marketplace between a franchisor / distributor and its franchisees / retailers.

The execution of the Agreement with Clark Rubber represented a significant milestone achievement for the Company in completing its first licencing agreement with a large national retail franchise group.

Discussions remain ongoing with other parties in the execution of similar style agreements as the Company further validates its technology offering and its methodology and approach in deploying vertical market solutions such as PoolBox across other vertical market segments.

Full details on the terms of the Agreement can be found on the ASX website in the Company announcements section or on the Company's website.

Finance Facility Executed

Major Shareholder Goldfire Enterprises and Intellectual Property (IP) Licensing Partner Appstablishment, have jointly agreed to provide Cirralto up to $1million via a working capital facility.

Under the facility, the Major Shareholder and Licensing Partner (Lenders) will provide debt funding of up to $1 million working capital to support the ongoing works to support the payments business and general working capital.

Full details on the terms of the facility can be found on the ASX website in the Company announcements section or on the Company's website.

Execution of Partnership and Revenue Sharing Agreement with Invigo

The Company executed a Partnership and Revenue Sharing Agreement with Sydney based fintech company, Invigo Pty Ltd (Invigo).

Invigo's fintech platform offers businesses an integrated supply chain funding solution aimed at accelerating the settlement of payments between buyers and their suppliers. Invigo's platform is targeted at customers with a similar business profile to Cirralto's customers and equally Cirralto's vertical market technology solutions are directly applicable to Invigo's customers. As such, both parties have agreed a joint approach in sharing customer acquisition channels enabling the customers of each business to access an integrated platform utilising Cirralto's vertical market technology solutions, and access to Invigo's early payment facility or extended payment of invoices financing facility.

Board Changes

Mr Marcus L'Estrange resigned as a Non-Executive Director during the quarter, replaced by Mr Howard Digby appointed as Non-Executive Director.

Mr Digby is a professional business leader with wide ranging international experience across a variety of industries and markets and has a proven track record in starting and growing businesses. Howard's recent director experience includes exposure to disruptive early stage technology, Israeli based provision of high security and bandwidth data voice and video communications technology, IT services, including cloud migration and cybersecurity, cloud-based application software in the healthcare sector, and a Silicon Valley based next generation memory technology. Howard holds a Bachelor of Engineering (Hons), Mechanical Major from the University of W.A.

Cash Position

Cash receipts for the quarter totalled A$215,000 and total cash at the end of the quarter was A$84,000. Work in progress (WIP) continues to average between A$150,000 – A$200,000.

Available funds at the end of the quarter via undrawn facilities total ~$750,000.

The deferment of Board and executive management fees and salaries continued during the quarter and will be reviewed by year end.

Event Subsequent to Quarter Close

Appointment of Canary Capital as Advisor to the Company

The Company is pleased to announce it has appointed Canary Capital as an Advisor to the Company. Canary Capital is a boutique investment management and corporate advisory firm based in Sydney and prides itself on creating value for clients by identifying outstanding investment opportunities in micro and small cap companies.

Canary adopts a long term investment approach when partnering with companies and works closely with its corporate clients to help achieve their strategic goals as well as providing access to capital to fund future growth.

The Company and Canary will work closely to re-articulate the Company's value proposition and the understanding of the Company's service offering to Canary's investor base and the broader investment community.

Finance Facility Commitment

The Company has entered into a finance facility with Canary (Lender) to provide access to funding for working capital purposes. The facility is for a committed amount of A$500,000 with a further proposal for

A$500,000 and is repayable in full on maturity. Subject to drawdown requirements, the facility is repayable in 12 months from the drawdown date, unless mutually extended by both parties. Interest of 10.0% p.a. is payable on a monthly basis, capitalised to the outstanding principal amount.

The Lender may elect to receive repayment of the outstanding loan amount in cash or shares in the Company, subject to any shareholder approval. No early repayment penalties apply.

If the Company undertakes an equity or debt raising at any time prior to the repayment date, then the Company must repay any amount payable from such funds raised in priority to any other utilisation of those funds. The lender may elect to receive repayment in the form of either cash or through the issue of fully paid ordinary shares in the capital of the Company (or a combination of both). If an equity raising occurs funds payable may be converted at the deemed issue price per share of the prevailing placement price per placement share. Otherwise, funds may be converted at the deemed issue price per share of 80% of the lowest daily volume weighted average price (VWAP) in the 10 trading days prior.

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For Shareholder contact:

Please email: shareholders@cirralto.com.au

About Cirralto:

Cirralto Limited (ASX: CRO) is an ASX listed company that owns and licenses 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.

Cirralto supplies its customers a recipe of integrated software to create a vertical market standard operating environment (SOE) that enable the effective and seamless transfer of data from multiple, disparate software systems in one “boxed” technology solution, such as PoolBox. Cirralto has licensing agreements with third party software vendors that enable it to provide integrated boxed style solutions to its customers.