

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: 823,360,099
Options: 84,500,000

FIRST SPENDAPAY CUSTOMERS LIVE

Cirralto Limited (ASX: **CRO** or the **Company**) is pleased to provide the market with the following update on its business.

- First SpendaPay digital payments customers onboarded, live and transacting.
- The EFTPOS services will be targeted at small businesses and franchise groups with card sales of between \$500,000 and \$2,000,000.
- The Company will cross sell and market its payment solutions to both its own and Appstablishment's existing merchant base of over 20,000 businesses.
- The Company will recommence targeted customer acquisition marketing campaigns through focused digital marketing campaigns centred around digital payments.
- Customers can apply for the payment service and perform Anti Money Laundering (AML) / Know Your Clients (KYC) compliance online.

The Board of Cirralto Limited (ASX: CRO) ("CRO" or the "Company") is pleased to provide the market with the following update on its business.

SpendaPay Merchant Payments Service

The Company and Appstablishment are pleased to announce that the first SpendaPay customers are live and transacting.

Specifically, the Company has launched its SpendaPay payment platform with the following solutions for customers:

SpendaPay

- an integrated EFTPOS offering bundled with SpendaPOS;
- a Virtual Pin Pad service for processing online payments via phone or eCommerce.

The payments services enable Cirralto to charge customers merchant fees on a sliding scale, with the base blended merchant fee being 1.5% and invoice value.

With the COVID-19 pandemic disrupting aspects of the retail payments system, merchants and consumers have changed their payment preferences and their mode of interaction.

The decline of cash and a rapid uptake of digital, contactless payments has been evidenced with many merchants making it clear that contactless payment is the preferred mode of transacting, even for low-value payments. Further, with conventional retail closed during central government enforced social distancing measures, there was a significant shift to online shopping and digital payments.

Fortunately, the Company's technology suite and payment capabilities are well positioned to cater to current customer needs and more importantly, provide cost savings for customers when they acquire the Company's merchant service payment product, SpendaPay.

The Company's development initiatives aimed at providing direct-to-consumer technology services, enabling businesses that were not eCommerce ready to transact with retail consumers direct continues to yield results with the Company currently implementing a number of eCommerce business initiatives with customers in the pool industry vertical.

As business conditions start to improve, the Company intends to recommence targeted marketing campaigns to acquire customers from industry verticals that would readily adopt the Company's integrated Spenda capabilities, including SpendaPay. The Company will focus on marketing SpendaPay to its existing customer base and Fast-Moving Consumable Goods (FMCG's) and the Automotive Industry.

Customer Case Study:

An analysis of 10 of the Company's customers one month (May 2020) sales totalled ~\$1,400,000.

Applying the base merchant fee rate range of 1.5%, total revenue on merchant fee income is \$21,000 for the month (or ~\$252,000 annualised).

The Company expects that with the addition of the merchant payment services, gross customer revenue will grow by ~85% (low case) to up to ~400% (high case) based on customers with total card transaction value between \$500,000 to \$2,000,000.

The company will make further announcements about its new products and service offerings in relation to payment solutions in the near term.



Authorised by the Board of the Company.

18 June, 2020

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For Shareholder contact:

Please email: shareholders@cirralto.com.au

Or

Stuart Craigie at Canary Capital: sraigie@canarycapital.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 standardised technology solution, such as Spendapool. Cirralto has licensing agreements with third party software vendors that enable it to provide integrated SOE solutions to its customers.

For investors seeking information on the Company's activities that relate to marketing, customer events and other acknowledgement of customer activities, this information will be posted to the Company's news section of the website and on social media channels with the handle #getSpenda, active on Twitter, LinkedIn, Instagram and FaceBook.