18 December 2020

Dean Litis
ASX Compliance Pty Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Dean

RESPONSE TO ASX AWARE QUERY

Cirralto Limited ('Company') refers to your letter dated 15 December 2020.

Using the numbering in your letter, we respond to your questions as follows:

1. The Company considered the information that a payments product offering was being developed by the Company as information that should be communicated to the market. The Westpay agreement at the time provided an initial platform for the Company to develop and deliver payments services, hence this agreement was announced on 7 September 2018. The Company notes that the Westpay agreement announcement had no impact on the price or volume of the Company's shares on the day of the announcement or the days immediately following the announcement.

   On 24 January 2020, the Company made a further announcement that it would be utilising the services of other service providers to deliver its payments services. There are a number of merchant service providers in the market who were offering similar terms at standard market rates (materially similar to Westpay). The Company does not consider which merchant services provider it enters into an agreement with to be material price sensitive information. In March, the Company formalised a merchant services agreement with Fiserv via a relationship that was developed under the program of works undertaken in connection to the WestPay agreement. The merchant terms did not materially change, nor did the services or pricing, and as such the Company did not see this being either price sensitive or announceable (as the terms and services were materially similar to the terms and services initially intended to be delivered by Westpay).

   The Company has entered into agreements with various service providers to deliver its payments services platform as part of its ordinary course of business activities. These various services allow the Company to deliver its payment services on the terms which were announced to the market in March 2020. Such services agreements entered into include agreements for merchant services, hosting partners for cloud storage and SMS services for 2 Step Authentication. These are standard services agreements required to deliver payments services and such agreements are on ordinary commercial terms readily

available in the market and the Company does not consider these specific agreements require disclosure under the ASX Listing Rules or are price sensitive.

The Company has subsequently entered into agreements with Fiserv, Mastercard and Visa on significantly improved terms which will allow the Company to compete on service and pricing with other larger payments service providers, hence these agreements were immediately announced to ASX.

2. Yes, the agreement remains in place and has not been cancelled, however, the Company currently utilises other services providers to deliver the same or similar services. The Fiserv and WestPay agreements co-exist and are not mutually exclusive. However, Fiserv is the Company's exclusive merchant services provider under the recently announced BPSP agreement with VISA and the BPA agreement with Mastercard.

3. a) The Company is aware of ASX guidance on continuous disclosure with respect to naming counterparties to, and disclosing details of, market sensitive agreements. However, as set out above, the disclosure in January was not considered market sensitive or material. The merchant services are readily available on standard industry terms from various financial and banking services providers and such terms were not considered material. The Company had already announced it was establishing a payments platform and these agreements are for standard services required to establish such a platform.

   b) The Fiserv and WestPay agreements co-exist and are not mutually exclusive.

4. The Fiserv and Mastercard agreement was executed on 11 December (after close of business) and announced immediately pre market open on 14 December.

   The host was not aware of the Fiserv and Mastercard agreement, the reference to Mastercard was a coincidence and was a result of the hosts interpretation of a question submitted by an online attendee in relation to whether there are any potential plans to have Mastercard setup with a BPSP with Cirralto. The Company made no reference to the Fiserv and Mastercard agreement during the presentation.

   Please note that such arrangements with Mastercard and Visa are critical to allow CRO to compete with larger payments service providers and as such it would be reasonable to assume that as a payments services provider the Company would be seeking to enter into such an agreement with Mastercard.

5. As outlined in the response to question 4 above, the Company confirms that it disclosed the Fiserv and Mastercard agreement in accordance with Listing Rule 3.1 to the ASX on 14 December 2020.

6. The Company confirms that it is in compliance with Listing Rule 3.1. and that there is no information that should be given to ASX about its financial condition in accordance with that rule.

7. The Company confirms that the responses to the questions above have been authorised by its Board of Directors.

Yours sincerely

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Cirralto Limited

15 December 2020

Reference: 28842

Mr Justyn Stedwell
Company Secretary
Cirralto Limited
Suite 103, Level 1
2 Queen Street
Melbourne VIC 3000

By email

Dear Mr Stedwell

Cirralto Limited ('CRO'): Aware Query

ASX Limited ('ASX') refers to the following:

A. CRO's announcement titled 'Cirralto to Expand to Provide Payments Solution' released on the ASX Market Announcements Platform ('MAP') on 7 September 2018 ('2018 Announcement'), which included the following statements (emphasis added):

> [CRO] '*advises that it has entered into a four year agreement with a leading Swedish based provider of payment platforms, Westpay AB (Westpay), to become a distributor of Westpay's merchant payment solutions in Australia.*
>
> *The partnership with Westpay will enable Cirralto to provide payments and merchant payment solutions as part of the modernisation solution set ...*
>
> *Initial steps will be to gain full Australian certification of the Westpay solution which is requires prior to Cirralto launchings its offering to customers. Cirralto is hoping to launch the payments solution in the first quarter of 2019.'*

B. CRO's announcement titled 'Contracts Update and Investor Communication' released on MAP on 24 January 2020 ('January 2020 Announcement'), which included the following statements (emphasis added):

> ***'Westpay & Payments***
>
> *The Westpay agreement remains on foot, however with necessary amendments. These are not material to the Company but have resulted in the delayed completion of this project. To enable the Company to capitalise on the revenue potential offered through the provision of merchant payment services to its incumbent customer base, the Company has also entered into agreements with other third party merchant service providers to enable the launch of a payments product offering.'*

C. CRO's announcement titled 'Cirralto Launches Merchant Payment Service' released on MAP on 17 March 2020 ('March 2020 Announcement'), which announced the release of CRO's merchant payment service and included the following statements:

> *'Specifically, the Company will launch its payments service with the following:*
>
> 1. *An integrated EFTPOS offering bundled with SpendaPOS;*
> 2. *An eCommerce payments service;*
> 3. *An integrated statements based payments service enabling customers to pay their outstanding invoices in Xero, MYOB and Quickbooks …*

The payments services enable Cirralto to charge customers merchant fees on a sliding scale, with the base blended merchant fee being 1.5% …'

D. CRO's announcement titled 'BPSP Agreement with Fiserv and Visa' released on MAP on 7 December 2020 ('7 December 2020 Announcement'), which included the following statements:

(i) '*Cirralto has entered into a Business Payments Solution Provider Agreement with Fiserv (NASDAQ: FISV) and Visa International Limited ("Visa", NYSE:V), in which Fiserv will serve as the exclusive merchant acquirer for Cirralto under Visa's BPSP merchant services agreement.'*

(ii) ***'Complements the existing agreement** with Fiserv (our merchant acquiring partner), enabling Cirralto to offer a broad range of B2C payments via terminals and eCommerce as well as the BPSP digital payment services.'*

(iii) *'Cirralto entered a partnership with Fiserv, Inc. (NASDAQ: FISV) in March, 2020 to facilitate the release of our merchant payment services. This partnership allowed Cirralto to offer both EFTPOS and online payment services to its customers. This original agreement enabled the Company to charge customers merchant fees on a sliding scale, with the base blended merchant fee of 1.5%.'*

E. The webinar presentation by Mr Adrian Floate, CRO's Managing Director, for ShareCafe's Hidden Gems series held at around 12:30pm AEDT on 11 December 2020 in which the interviewer makes a reference to CRO's relationship with MasterCard.

F. CRO's announcement titled 'Cirralto Signs a BPA Agreement with Fiserv and MasterCard' released on MAP on 14 December 2020, which included the following statements (the 'Fiserv MasterCard Information'):

(i) *'Cirralto enters into a Business Payment Aggregator ("BPA") agreement with Fiserv and MasterCard to extend its Business Payments services offering.*

Building on the Business Payments Solution Provider agreement (BPSP) Cirralto announced on 7 December 2020 with Fiserv (NASDAQ: FISV) and Visa International Limited ("Visa", NYSE:V), the BPA agreement improves Cirralto's payments margin by 40% and enables Cirralto to process card payments as the merchant of record.'

(ii) *'Cirralto has entered into a Business Payments Aggregator ("BPA") agreement with Fiserv (NASDAQ: FISV) and MasterCard ("Mastercard", NYSE:MA US), in which Fiserv will serve as the exclusive merchant acquirer for Cirralto.'*

(iii) *'The agreement commences on December 14 for a term of 12 months.'*

G. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

H. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:

'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information.'

I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

'3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.'

J. ASX's policy position on the concept of 'confidentiality', which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

> *'Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.'*

K. Listing Rule 15.7 which states:

> *'An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgment that ASX has released information to the market.'*

Questions and Request for information

Having regard to the above, ASX asks CRO to respond separately to each of the following questions and requests for information:

1. ASX notes that:

   - The 7 December 2020 Announcement disclosed that CRO entered into an agreement with Fiserv in March 2020 ('Fiserv March Agreement').
   - The Fiserv March Agreement does not appear to have been disclosed to the market prior to the 7 December 2020 Announcement.

   In light of the above, please explain why the Fiserv March Agreement was not was not disclosed to the market at an earlier time, commenting specifically on when you believe CRO was obliged to disclose the Fiserv March Agreement under Listing Rules 3.1 and 3.1A and what steps CRO took to ensure that the Fiserv March Agreement was disclosed promptly and without delay.

2. Is the agreement with Westpay still on foot?

   If the answer to this question is:

   - 'yes', please clarify how it will operate in parallel with the agreements with Fiserv.
   - 'no', please advise when it was terminated and why this information has not been disclosed to the market.

3. ASX notes that the January 2020 Announcement disclosed that CRO had entered into agreements with third party merchant service providers other than Westpay ('January 2020 Agreements'), but it did not disclose the identities of these third party merchant service providers or details of the agreements.

    a) Please explain why CRO did not disclose the details of the January 2020 Agreements in the January 2020 Announcement.

    b) Please clarify how the January 2020 Agreements will operate in parallel with CRO's agreements with Fiserv and, if applicable, Westpay.

4. When did CRO first become aware of the Fiserv MasterCard Information? In answering this question, please address the reference by the webinar interviewer to CRO's relationship with MasterCard (see paragraph E above).

5. If CRO first became aware of the Fiserv MasterCard Information before 14 December 2020, please explain why the Fiserv MasterCard Information was not released to the market at an earlier time, commenting specifically on when you believe CRO was obliged to release the Fiserv MasterCard Information under Listing Rules 3.1 and 3.1A and what steps CRO took to ensure that the Fiserv MasterCard Information was released promptly and without delay.

6. Please confirm that CRO is complying with the Listing Rules and, in particular, Listing Rule 3.1.

7. Please confirm that CRO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CRO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30am AEDT** on **Friday, 18 December 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CRO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CRO to request a trading halt immediately.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CRO's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CRO's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CRO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CRO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence with ASX

ASX reserves the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Dean Litis
Principal Adviser, Listings Compliance (Melbourne)