ASX RELEASE **9 MARCH 2021**

BUSINESS PAYMENTS LAUNCH

Key Highlights

- Phase 2 testing of the BPA / BPSP functionality is now complete.
- The launch date for this new functionality has been confirmed as 1 May 2021.
- The Company will target specific customer segments with the Spenda Business Payments Services.
- The Company will release buy-now, pay-later, pay by instalment, pay by account and pay by favourite with this launch.
- The Company will offer its business payments as an alternative to existing bill payment systems.

Cirralto Limited (**ASX: CRO, "Cirralto"** or **"the Company"**) is pleased to announce the successful implementation and launch of its Business Payments Service utilising the MasterCard Business Payment Aggregator ("BPA") and the Visa Business Payment Solution Provider ("BPSP") agreements with Fiserv previously announced on 7 December 2020 and 14 December 2020 respectively.

The Company completed phase 2 testing of the BPA / BPSA functionality with multiple Customer & Supplier scenarios being utilised to process live accounts / receivable payments of up to $100,000 per transaction. Phase 1 of the testing was completed and announced on 22 February 2021 in the Software Release & BPSP / BPA Testing Update.

When the BPSP and BPA enabled Business Payment stack is launched on May 1 2021, the Company will initially focus on serving customers in the following addressable markets:

1. Fashion - where we connect retailer to manufacturer;
2. Education - where connect parent to school and school to suppliers;
3. Food & Food Service - where we connect food producers to suppliers and food retailers to food producers;
4. Home Furnishings and Specialist Retail - where connect retailers to manufacturers; and
5. Automotive - where we connect vehicle owners to service providers.

With the successful implementation of the BPA / BPSP functionality into Spenda's Payment Services, the Company is able to roll out its product more rapidly and deliver on its vision to change the way businesses trade and pay each other.

	Traditional Business Payments	Spenda's Payment Services
Conducted via	Multiple platforms depending on payment method: ● ABA file transfers ● Credit Card Transactions ● Internet Banking	One connected platform that accepts: ● Credit Card transactions ● Bank transfers
Identification of buyer and seller	Verified manually through: ● Invoice numbers ● Customer identification numbers ● BSB and Account numbers	Automatic identification of the buyer and seller as linked accounts.
Payment type	Invoiced based payments, focused on the payment of each invoice individually.	Statement based payments focused on the total amount a business owes their trading partner with options to pay one, all or a selected number of invoices in one transaction.
Integration	Deposits to the merchant's account is made as a lump sum, invoice allocation is automated for the merchant but not for the customer.	Supports ledger to ledger integration linking the payment event to the reconciliation event for both parties. Including itemised invoice references matched to discrete payments into the financials.
Settlement Time	Transaction date plus two days.	Offers customers immediate settlement, for a fee.
Security	Accounts and cards are not validated in the payment process and therefore subject to fraud.	Both buyers and sellers are verified prior to payments being processed. Customers must demonstrate they own their card and the linked bank account prior to processing.
Pricing Advantages	Direct debit and bill payment services charge up to 2.8% per transaction.	Spenda delivers a flat rate on card payments and a capped fee on integrated account payments. Reconciliation and integration automation lowers the total cost of business payments and delivers a compelling ROI for both the merchant and their customer.

Through the BPA / BPSP agreements, the Company is also able to incorporate a strategic merchant rate that will increase Cirralto's margins on digital payments by up to 40 per cent.

The increased functionality offered by the BPSP / BPA agreements will roll out along two of the Company's existing business payment channels, the Manufacturer to Wholesaler and Wholesaler to Retailer relationships. We expect to implement expanded payment services into the retail base that leverages our POS and eCommerce capabilities enabling us to capture retail wallet share from consumers.

Additionally, the Company will benefit from:

- An increase in Average Revenue Per User (ARPU) due to the increased margin on digital payments.
- The ability to acquire customers more efficiently due to the changes in how we authenticate the user relationship under the BPA and BPSP agreements.
- An expected increase in the number of customers processing payments through the card networks due to increased functionality and line of business features.

Customers will benefit from:

- The ability to make and process batch payments in one transaction.
- True collaboration on accounts receivables and accounts payable between two businesses.
- Improved settlement times.
- Improved bill presentment.

The next phase of the BPA / BPSP roll out will focus on bringing business to business (B2B) payments in line with the services currently offered in the business to consumer (B2C) trading relationship. Including the launch of pay later, pay by instalment and pay via third party finance.

About Spenda

The Spenda solution is a family of products designed to support businesses in all their day-to-day activities. Unlike other software platforms that offer part of the solution, the Spenda suite improves efficiency and productivity in every area of business and has payments and finance baked into its core functionalities.

The Spenda suite is built on a framework of strong integrations at its core. The backend powerhouse that drives Spenda is an open-auth integration platform that enables customers to sync data across their cloud app ecosystem into their accounting and ERP software. This engine can push and pull business data such as debtors, creditors, inventory and transactions (purchase orders, invoices, credit notes etc) in real-time or based on user-driven events. With Spenda businesses can connect to their customers and their catalogues to quickly and easily share data.

The Spenda product suite includes software to support; Point of sale, Inventory management, Procurement, Service management, Debt collection, Payment services, eCommerce and Catalogue sharing.

Spenda removes business inefficiencies allowing businesses to do the job once, with no double data entry and removes manual, paper-based processes that are time-consuming and prime to errors. On top of that, the product is mobile, with modules accessible on tablets and phones as well as desktop.

Authorised by the Board of Directors.

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About Cirralto

Cirralto Limited (ASX:CRO) is a transaction services business supplying industries with a broad range of B2B payment services, digital trading software and integrated solutions. Our goal is to convert eft payments to card payments utilising the BPSP engagement coupled with our payments collaboration framework. Our competitive advantages deliver customers end-to-end e-invoicing integration, rapid ordering, digital trust and automated reconciliation.

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 SpendaRetail. 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.

For more information, see https://www.cirralto.com.au/

Investor Enquiries

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