CIRRALTO LIMITED

ACN: 099 084 143

Notice of General Meeting

Date: 20 May 2021

Time: 11:00 am AWST

Venue: The Celtic Club

Address: 48 Ord Street, West Perth,
Western Australia 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approvals required under Resolution 1 and Resolution 2. The Independent Expert's Report opines on the fairness and reasonableness of the transactions the subject of Resolutions 1 and 2 to non-associated Shareholders. The Independent Expert has determined the transactions the subject of Resolutions 1 and 2 to be fair and reasonable to non-associated Shareholders.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Justyn Stedwell, on +61(0) 3 8395 5446.

Cirralto Limited
ABN 67 099 084 143

Notice of General Meeting

Notice is hereby given that the General Meeting of Cirralto Limited ACN 099 084 143 will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 20 May 2021 at 11:00 am AWST.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

1. Agenda for the Meeting

Resolution 1 – Approval of acquisition of shares in Appstablishment from the Related Party Vendors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, subject to each of the Acquisition Resolutions being passed, for the purpose of Listing Rule 10.1 and for all other purposes, Shareholders approve the acquisition of shares in Appstablishment Software Group Pty Ltd from the Related Party Vendors, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard votes cast in favour of this Resolution 1 (Resolution) by or on behalf of the Related Party Vendors and any other person who will obtain a material benefit as a result of the acquisition of shares in Appstablishment from the Related Party Vendors (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if it is cast by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by the Independent Expert accompanying the Explanatory Statement as Annexure A. The Independent Expert's Report opines on the fairness and reasonableness of the transactions the subject of this Resolution. The Independent Expert has determined that the transaction the subject of this Resolution is FAIR AND REASONABLE to the non-associated Shareholders.

Resolution 2 – Issue of up to 200,893,722 Shares for Appstablishment acquisition – Related Party Vendors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to each of the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for the Company to issue up to 200,893,722 Shares to the Related Party Vendors (and/or its nominee(s)) in part consideration for the acquisition of Appstablishment, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 2 (Resolution) by or on behalf of:

(a) any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Issue of up to 624,106,278 Shares for Appstablishment acquisition – Unrelated Vendors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to each of the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 624,106,278 Shares to the Unrelated Vendors (and/or their nominee(s)) in part consideration for the acquisition of Appstablishment, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 3 (Resolution) by or on behalf of:

(a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of that person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Approval of Issue of Shares and CROO Options to Related Party – Mr. Adrian Floate

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 and 2, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 74,800,000 Shares and 18,700,000 listed CROO Options to Adrian Floate, a director of the Company, in consideration of $1,870,000 payable on a loan provided to Appstablishment and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 4 (Resolution) by or on behalf of:

(a) any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5(a) and (b) – Ratification of Prior Issue of Shares under Listing Rule 7.1 and 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:
(a) 35,502,236 Shares under the Company's Listing Rule 7.1 capacity;
(b) 164,497,764 Shares under the Company's Listing Rule 7.1A capacity;
on 26 February 2021 to sophisticated or professional investors, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 5(a) and 5(b) (Resolution) by or on behalf of:

(a) any person who participated in the issue (or is a counterparty to the agreement being approved); or

(b) any Associate any person who participated in the issue (or is a counterparty to the agreement being approved).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(iii) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(iv) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – Ratification of Prior Issue of Shares to KAAI Capital under Listing Rule 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 13,200,000 Shares on 26 February 2021 to KAAI Capital (or their nominee(s)), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 6 (Resolution) by or on behalf of:

(a) any person who participated in the issue (or is a counterparty to the agreement being approved); or

(b) any Associate any person who participated in the issue (or is a counterparty to the agreement being approved).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(v) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(vi) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – Ratification of Prior Issue of Listed Options to KAAI Capital under Listing Rule 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Listed Options on 26 February 2021 to KAAI Capital (or their nominee(s)), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 7 (Resolution) by or on behalf of:

(a) any person who participated in the issue (or is a counterparty to the agreement being approved); or

(b) any Associate any person who participated in the issue (or is a counterparty to the agreement being approved).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Ratification of Prior Issue of Options to KAAI Capital under Listing Rule 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Options on 2 March 2021 to KAAI Capital (or their nominee(s)), on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 8 (Resolution) by or on behalf of:

(a) any person who participated in the issue (or is a counterparty to the agreement being approved); or

(b) any Associate any person who participated in the issue (or is a counterparty to the agreement being approved).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9 – Issue of 194,444 Shares to related party – Mr. Stephen Dale in lieu of fees payable

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 194,444 Shares to Mr. Stephen Dale (and/or his nominee) in lieu of payment of $17,500 of accrued Director's fees, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 9 (Resolution) by or on behalf of:

(a) any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not an excluded party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 10 – Issue of 250,000 Shares to related party – Mr. Howard Digby in lieu of fees payable

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Shares to Mr. Howard Digby (and/or his nominee) in lieu of payment of $22,500 of accrued Director's fees, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 10 (Resolution) by or on behalf of:

(a) any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not an excluded party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 11 – Issue of 250,000 Shares to related party – Mr. Peter Richards in lieu of fees payable

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Shares to Mr. Peter Richards (and/or his nominee) in lieu of payment of $22,500 of accrued Director's fees, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 11 (Resolution) by or on behalf of:

(a) any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or

(b) any Associate of any person who is to receive the securities (the Related Parties set out in the explanatory memorandum) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

  (i) a member of the Key Management Personnel; or

  (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not an excluded party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 12 – Adoption of Employee Incentive Plan

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given for the Company to adopt an employee incentive plan titled "Employee Incentive Plan" (**Plan**) and the issue of securities under the Plan on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution 12 (Resolution) by or on behalf of:

(a) any person who is eligible to participate in the Plan; or

(b) any Associate of any person who is eligible to participate in the Plan.

However, this does not apply to a vote case in favour of the Resolution by:

(a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to cote on the Resolution in that way;

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not an excluded party, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. Determination of voting entitlement

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognized as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00pm AWST on 18 May 2021.

3. Votes

Voting on each resolution will be by way of a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

4. Proxies

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company, by mail at Automic GPO Box 5193, Sydney NSW 2001, in person Level 5, 126 Phillip Street Sydney NSW 200, by email at meetings@automicgroup.com.au or online at https://investor.automic.com.au/#/loginsah by 11:00 am AWST on 18 May 2021.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the Resolutions by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

A form of proxy accompanies this Notice.

5. Questions and Comments by Shareholders

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

If you have any questions in regard to this Notice, please contact the Company Secretary, Justyn Stedwell, on +61(0) 3 8395 5446.

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. Background to the proposed Acquisition

1.1 Acquisition Resolutions

The Acquisition Resolutions (Resolutions 1 to 3 (inclusive)) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting.

If any of the Acquisition Resolutions are not approved at the Meeting, none of the Acquisition Resolutions will take effect and the Acquisition and Acquisition Agreement and other matters contemplated by the Acquisition Resolutions will not be completed.

1.2 Existing activities of the Company

The Company was incorporated in Australia on 18 December 2001 and was admitted to the official list of the ASX on 29 May 2002.

The Company's main business activity is data migration and management, and it owns and operates 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.

In 2018 Cirralto began building a payments business utilising Appstablishment's technologies. In 2020, the Company launched the first of its payments products with its partner Appstablishment.

Cirralto has developed its software to reach a point where its migration technologies are now mature enough to efficiently migrate a customer to the cloud. The Company has now taken the next step of investing in development software that extends its migration capabilities into core business operations. It does so by delivering technologies that enable the customer to improve technologies for sales, service, point of sales, procurement, inventory management and warehousing by licensing Appstablishment's Spenda platform for resale.

The continuous investment in future technologies will further grow its business offering – complete with a solid platform of technologies and IT resources – and generate a more diversified revenue stream for the Company.

1.3 The Acquisition

a. Background

The Company is currently the exclusive licensee of Appstablishment's Spenda software and intellectual property in Australia and New Zealand.

Given the Company's existing relationship with Appstablishment, the Company has identified that in order to advance its customer acquisition strategy in deploying vertical

market software solutions, it is solely reliant on the continued use of Appstablishment's licenced third party IP.

In order to achieve its global aspirations of deploying standardised vertical market solutions to international markets, the Board has determined that the Company should remove the risk of unfettered access and use of Appstablishment's IP.

As such, the Company and Appstablishment decided to enter into a conditional share sale and purchase agreement (as announced by the Company on 6 December 2019) for the sale by the Vendors and purchase by the Company of 100% of the shares in Appstablishment.

b. Key terms of the Acquisition Agreement

i. Consideration

The consideration for the Acquisition is the issue of 825,000,000 Shares. The consideration will be apportioned between the Appstablishment shareholders in accordance with their respective holding in Appstablishment which is set out in Annexure B to this Notice.

ii. Conditions precedent

Completion of the Acquisition is conditional upon satisfaction, or waiver, of the following conditions precedent prior to 30 June 2021:

A. completion of reasonable legal, financial, technical and operational due diligence by the Company, and the Company being satisfied in its absolute discretion with the results of that due diligence;

B. each Appstablishment shareholder accepting the offers in respect of their Appstablishment shares on or prior to the date which is 30 days after the date the Acquisition Agreement is executed by each party (or such other date as agreed to by the Company and Appstablishment Directors in writing);

C. receipt of any required Shareholder or regulatory approvals under the Corporations Act and the Listing Rules;

D. each key management personnel of Appstablishment as nominated by the Company entering into an employment contract or contractor contract with the Company (or its nominee) on terms and conditions mutually agreeable between the relevant parties.

iii. Completion

Completion of the Acquisition will take place on that date which is 5 business days after the satisfaction (or waiver) of the last of the conditions precedent in clause 1.b.ii, and is expected to occur on 27 May 2021.

iv. Escrow of Consideration Shares

The Related Party Vendors are required to enter into escrow agreements in respect of 100% of their direct and indirect holding of Consideration Shares for a period of 12 months from the date of issue of the Consideration Shares.

v. Board

The Company's Board will not change as a result of the acquisition.

vi. Capital raise

There are currently no immediate plans for the Company to raise additional capital. However, to support the continued development and expansion of the Company's combined platform technologies, the Company may raise funds via private placement within the next 12 months, however the timing, quantum and pricing of such capital raising activities have not been determined at this stage.

vii. Appstablishment Shareholder Loans

Adrian Floate and associated entities have advanced loan funds to Appstablishment and these loans amounting to AUD$1,870,000 remain repayable by Appstablishment (**Appstablishment Shareholder Loans**).

The Company has agreed that the Appstablishment Shareholder Loans will be repaid via the issue of securities in the Company, the subject of resolution 4.

viii. Warranties

The Acquisition Agreement contains additional provisions, including warranties in respect to the status of Appstablishment which are considered standard for agreements of this kind.

1.4 About Appstablishment

a. Overview

Appstablishment is a software development company that creates IP and software applications which streamline business processes. It creates new technologies that facilitate communication and transaction processing so that the sharing of information is fast and paperless.

Appstablishment was founded in 2001 and has built up close to 20 products for sale. Its focus has been to constantly improve the software and platforms used to facilitate online transactions and data sharing on mobile devices.

The Company has two predominant products which are SYNK'D and Spenda.

Appstablishment's SYNK'D integration platform is an integration software platform-as-a-service which integrates seamlessly with cloud accounting platforms such as XERO, MYOB Account Right Live and QuickBooks Online.

Comprising mobile enabled apps such as the Spenda point of sale and procurement application, SYNK'D is a multi-tenanted ecosystem that enables a customer's tenant to facilitate integration within their financial accounting software to synchronize operational and financial data and foster collaboration with their trading partners via the SYNK'D network.

Appstablishment's SYNK'D philosophy has been to create technologies that can propagate vertically within markets, connecting multiple disparate applications such as e-Commerce, e-procurement or e-sourcing technology via API on a one to many basis.

Appstablishment's capacity to play across the entire value chain is an enormous strength and it provides the Company security over key licenced IP and unfettered access to supply PoolBox to its customer base in addition to other recipes of boxed style vertical market technology solutions.

b. Current corporate structure

Appstablishment presently has approximately 54 shareholders, with Rare Air holding approximately 19.5% of Appstablishment.

Rare Air is associated with existing Company Director Adrian Floate, whose associated entities presently hold 3.08% of the Shares in the capital of the Company, (with Rare Air holding 42,866,943 Shares being 2.10% of the Shares in the capital of the Company and Adrian Floate holding 20,061,656 Shares being 0.98% of the Shares in the capital of the Company).

Additionally, another of the Appstablishment shareholders, Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund, is an entity owned and controlled by Pauline Floate, who is Adrian Floate's mother. Accordingly, pursuant to the definition of "Related Party" in Chapter 19 of the Listing Rules, Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund is a "Related Party" of the Company by virtue of being an entity controlled by Adrian Floate's mother.

The issue of the consideration Shares to Rare Air and Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund are the subject of the Listing Rule 10.11 approval pursuant to Resolution 2 of this Notice.

c. Sources of revenue and expenses

Appstablishment's primary source of income has been through the provision of software development services provided to third parties and providing the software and support services for intellectual property that serves as a transaction authorisation and payment gateway for the Capricorn Co-op Society which is installed on more than 2,500 businesses across Australia and New Zealand and income receivable from the government research and development tax incentive scheme.

Primary expenses are wages and salaries related to the development staff team.

d. Assets and Intellectual Property

Appstablishment's primary intellectual property (**IP**) are the SYNK'D and Spenda technology platforms and its payments related technologies.

1.5 Appstablishment's software platform

Appstablishment's software applications streamline business processes. Its technologies facilitate communication and transaction processing so that the sharing of information between businesses is fast and paperless. This is achieved by the use of simple applications ('App(s)') to

streamline communication channels, automate the communication process and eliminate the need for replicating the entry of data within departments and between suppliers and customers.

Its focus has been to constantly improve the software and platforms used to facilitate online transactions and data sharing on mobile devices so that collaboration can be effectively and efficiently achieved not only within the business but also between business partners. Appstablishment's products are underpinned by an integration framework that links the procure-to-pay and order-to cash processes.

1.6 Business model and development and commercialisation objectives

Appstablishment's market deployment strategy is centred around SYNK'D tying together multiple applications as a bundle within vertical markets across the entire value chain; from manufacturers right down to the end consumer, allowing real time inventory / product visibility from the point of manufacture to the point of sale to the consumer.

In deploying a market entry strategy, Appstablishment has developed "recipe" based implementations of its products as a bundle for specific vertical markets or customer types. Each recipe is designed to deliver value to a specific segment of the value chain that in turn virally pushes the suite of products up or down the value chain by targeting the customers trading partners with solution components introduced via everyday use.

1.7 Board of Directors

The Board currently comprises:

a. Peter Richards – Non-Executive Chair;

b. Adrian Floate - Managing Director;

c. Stephen Dale - Non-Executive Director;

d. Howard Digby - Non-Executive Director.

The Company's Board will not change as a result of the acquisition.

1.8 Pro-forma capital structure

The pro forma capital structure of the Company following completion of the Acquisition and assuming approval of all other resolutions under this Notice is set out below:

Details	Shares
Current Total Shares on issue	**2,041,779,220**
Consideration Shares (the subject of Resolutions 1, 2 and 3)	825,000,000
Adrian Floate Shares (the subject of Resolution 4)	74,800,000
Directors Fee Shares (the subject of Resolutions 9, 10 and 11)	694,444
Total Shares on issue assuming approval of all Resolutions under this Notice	**2,942,273,664**

Details	Options
Current Total unlisted Options on issue	98,248,354
Current Total CROO Options on issue	511,600,592
Current Total Options on issue	**609,848,946**

Adrian Floate CROO Options (the subject of Resolution 4)	18,700,000
Total Options on issue assuming approval of all Resolutions under this Notice	**628,548,946**

1.9 Voting power

Appstablishment presently has approximately 54 shareholders, with Rare Air holding approximately 19.5%. Rare Air is associated with existing Company Director Adrian Floate, whose associated entities presently hold 3.08% of the Shares in the capital of the Company, with Rare Air holding 42,866,943 Shares being 2.10% of the Shares in the capital of the Company and Adrian Floate holding 20,061,656 Shares being 0.98% of the Shares in the capital of the Company.

Following Completion, the Related Party Vendors and associated entities are expected to hold approximately 11.51% of the Company's issued share capital. Minority Appstablishment shareholders are expected to hold approximately **21.21%** of the Company's issued share capital.

1.10 Anticipated timetable

Event	Indicative Timing
Despatch of this Notice to Shareholders	**19 April 2021**
Shareholder Meeting **ASX notified whether Shareholders' approval has been granted for the Resolutions**	**20 May 2021**
Completion	**On or before 27 May 2021**

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules.

1.11 Advantages of the proposals in the Acquisition Resolutions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on the Acquisition Resolutions:

a. the value of the combined businesses of Cirralto and Appstablishment is greater than the sum of its individual parts as they are expected to benefit from cost synergies and the streamlining of processes;
b. acquiring Appstablishment would eliminate the payment of licence fees for the proprietary software the Company required to support the Spenda Platform and its other products, enabling Cirralto to maximise its revenue and profit margins;
c. the Proposed Transaction will culminate in a merged entity that will directly own the key proprietary software and intellectual property both domestically and internationally, which is fundamental to enabling the deployment of software as a service ('SaaS') solutions and the development of new intellectual property and software capabilities, providing more security in the income generating capacity of the Company's business going forward;
d. the proposed merged entity will own a combined business management application and the SYNK'D platform (a software platform which enables businesses to connect applications together to remove repetitious data entry and to automate information exchange) ('SYNK'D') that will enable small and large businesses to share data simply and easily across business-to-business ('B2B') and business-to-consumer ('B2C') channels, as well as integrate

each transaction into company financial systems to make accounting and compliance fast and accurate, offering a complete solution to bring substantial productivity and cost savings to its customers ('Spenda Platform');

e. the Proposed Transaction will provide access to Appstablishment's existing customer base and trading partners which can be a springboard from which Cirralto grows its business;
f. the acquisition of Appstablishment will provide access to a large pipeline of potential new customers for the Spenda Platform and the potential to substantially increase revenue from its existing customer base;
g. Cirralto will benefit from the organisational structure and infrastructure of Appstablishment that is capable of supporting growth and scaling operations, in addition to a team with proven success in developing, marketing, implementing and commercialising software;
h. the Proposed Transaction should make the post-acquisition Cirralto more attractive to investors as the ownership of the proprietary software and intellectual property both domestically and internationally provides more security in the income generating capacity of the Company's business and offers the potential to open up substantial markets for the development of new products and growth;
i. The license for share that the Company has negotiated with Appstablishment for the use of the Spendia IP is based on approximately 45% of specific software income. If the proposed Transaction is approved, there would be an immediate increase in the gross profit margin of circa 45% going forward. The Company considers that it will be more cost beneficial to inherit Appstablishment's entire cost structure than to pay the license fees.
j. the Proposed Transaction is expected to create a larger and stronger company with significant growth potential, quality assets, an established and proven management team, an attractive SaaS distribution model and a business with diversified revenue streams; and

1.12 Disadvantages of the proposals in the Acquisition Resolutions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on the Acquisition Resolutions:

a. Dilution of existing shareholders as a result of the issue of the Shares under Resolution 1 and 2 to the Vendors; and
b. There are various major areas of risk associated with the Acquisition, further details on these risks is set out in section 1.16.

1.13Taxation

The Acquisition may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Acquisition or the Resolutions.

1.14Plans for the Company if the Acquisition Resolutions are not passed or if the Acquisition does not proceed

If the Acquisition Resolutions (Resolutions 1-3 inclusive) are not passed or if the Acquisition is otherwise not completed, the Company will continue with its current business activities by licencing the proprietary software (and pay the required licence fees) the Company requires from Appstablishment to support the Spenda Platform and its other products.

1.15 Director's interest in the Acquisition Agreement

None of the Company's existing Directors have any interest in the Acquisition pursuant to the Acquisition Agreement, other than Mr Adrian Floate, as disclosed elsewhere in this Notice (see section 1.9 above).

1.16 Risks associated with the Acquisition

This Section identifies the major areas of risk associated with the Acquisition but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. References to the Company in this Section include Appstablishment post Completion.

a. General Risks

Dilution risk

Prior to the Acquisition the Company has 2,041,779,220 Shares and 609,848,946 Options on issue.

On a fully diluted basis, and in the unlikely event no other Shares are issued, the existing pre-Acquisition Shareholders will retain approximately 72.12% of the issued capital of the Company and the Vendors (or their nominees, including the Related Party Vendors) will hold 27.88% of the issued capital of the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raising that may be required in order to fund the future development of the Company.

Contractual and completion risk

Pursuant to the Acquisition Agreement, the Company has agreed to acquire Appstablishment subject to the fulfilment of certain conditions precedent. If any of the conditions precedent are not satisfied or waived, or the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

b. Risks to the Company's operations

There are a number of risks involved for the Company, and consequently its security holders, in the acquisition of Appstablishment, including risks specific to the business and assets of Appstablishment, which include the following non-exhaustive list.

Competition

Industries in which the Company, its subsidiaries and business partners operate are subject to technological change and competition. The Company, its subsidiaries and business partners face competition from other organisations, many of which may have significantly greater financial, technical and marketing resources than the Company. The Company, its subsidiaries and business partners have faced and are expected to

continue to face, additional competition from existing competitors and from new entrants into its markets.

Increased competition could result in margin reductions, lower customer numbers, under-utilisation of employees and/or contractors, reduced operating margins and loss of market share. Any of these occurrences could adversely affect the Company's business, operating results and financial condition.

Dependence on Key Customers and Business Partners

The Company's business is reliant on business relationships with a number of key customers and/or business partners. A material proportion of the Company's future revenues are expected to be generated from such relationships with key customers and/or business partners. Loss or termination of key customers and/or business partnerships for any reason may have a significant adverse impact on the business, revenues and profitability of the Company.

Additional requirements for capital

Additional funding will be required by the Company to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the Company's technology.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of activities. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. Failure to gain funding as and when required may result in the Company being unable to finance its operations and ultimately being unable to operate as a going concern.

Economic Risks

The Company and its subsidiaries are affected by general business cycles and general economic conditions, including but not limited to movements in interest and inflation rates, currency exchange rates, disposable income levels and consumer sentiment. These factors may have an adverse effect on the Company's earnings.

Market Conditions

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;
(c) currency fluctuations;
(d) changes in investor sentiment toward particular market sectors;
(e) the demand for, and supply of, capital; and
(f) terrorism or other hostilities.

Foreign Investment Risk

The Company may operate in foreign jurisdictions. As a result, the Company may be subject to political, economic and other uncertainties including but not limited to foreign exchange restrictions, currency fluctuation, royalty and tax increases and other risks arising out of foreign government sovereignty over the areas in which the Company's operations may be conducted.

Reliance on Key Personnel

The Company's success will depend in part on the continued services of its key contractors. The loss of services of one or more of the Company's key contractors could have a material adverse effect on the Company's business, operating results and financial condition. This risk is addressed in part by the existence of service contracts with executives and senior management. The Company does not have, nor does it intend to take out, key man insurance in respect of any of its key contractors.

Regulatory Changes

Changes in government policies in any country, in particular Australia, may affect the Company's revenues and profitability and the value of an investment in the Company.

Litigation

The Company may be exposed to litigation that may materially adversely affect the financial position of the Company and could negatively impact the Company through increased costs and payments for damages.

2. Independent Expert's Report

The Directors resolved to appoint Bentleys Corporate Finance (WA) Pty Ltd as an independent expert (**Independent Expert**) and commissioned it to prepare a report to provide an opinion as to whether or not the acquisition of shares in Appstablishment from the Related Party Vendors and the issue of the Consideration Shares to the Related Party Vendors (or its nominees) is fair and reasonable to non-associated Shareholders.

This report was prepared to satisfy the requirements of Listing Rule 10.5.

Listing Rule 10.5 requires that a report on a transaction from an independent expert is required where approval of shareholders is sought under Listing Rule 10.1. Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a related party without the approval of the holders of the entity's ordinary shares. The Company will acquire a substantial asset from the Related Party Vendors, under the Acquisition and as such Listing Rule 10.1 approval is required.

What is fair and reasonable must be judged by the Independent Expert in all the circumstances of the proposal. This requires taking into account the likely advantages to shareholders if the proposal is approved and comparing them with the disadvantages to them if the proposal is not approved.

The Independent Expert has determined the transactions the subject of Resolutions 1 and 2 to be fair and reasonable to non-associated Shareholders.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is attached at Annexure A.

3. Resolution 1 – Approval of acquisition of shares in Appstablishment from the Related Party Vendors

3.1 General

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 10.1 for the acquisition of shares in Appstablishment from the Related Party Vendors.

Rare Air is a related party of the Company by virtue of Adrian Floate, a Company Director. Adrian Floate is also a director of Rare Air. Appstablishment presently has approximately 51 shareholders, with Rare Air holding approximately 19.5%. Rare Air, together with Adrian Floate, presently hold 3.08% of the Shares in the capital of the Company.

Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund, is an entity owned and controlled by Pauline Floate, who is Adrian Floate's mother. Accordingly, pursuant to the definition of "Related Party" in Chapter 19 of the Listing Rules, Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund is a "Related Party" of the Company by virtue of being an entity controlled by Adrian Floate's mother.

Resolution 1 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 1 is an ordinary resolution.

3.2 Listing Rule 10.1

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a related party without the approval of the holders of the entity's ordinary shares.

An asset is substantial if its value, or the value of the consideration being paid or received for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

The total consideration to be paid to the Appstablishment shareholders for the acquisition of the Appstablishment shares will be satisfied through the issue of 825,000,000 fully paid ordinary shares in the capital of the Company. The Company currently has 2,041,779,220 Shares on issue. Therefore the acquisition of shares in Appstablishment from the Related Party Vendors is a transaction to which Listing Rule 10.1 applies.

3.3 Specific information required for the notice of meeting under Listing Rule 10.5

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided in relation to the acquisition of shares in Appstablishment from the Related Party Vendors:

a. the Company is acquiring 100% of the shares in Appstablishment from the Vendors, which includes the Related Party Vendors;

b. the Related Party Vendors fall under Listing Rule 10.11.1 as a Related Parties because: Rare Air is an entity controlled by Adrian Floate who is Director of the Company; and Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund is an entity controlled by Pauline Floate who is Mr Adrian Floate's mother;

c. details of Appstablishment are set out in the Section 1;

d. the consideration for the Acquisition is 825,000,000 Shares. The consideration for the acquisition of shares in Appstablishment for Rare Air is 160,898,015 Shares and for Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund is 39,995,707 Shares;

e. no cash funds are required to pay for the acquisition of shares in Appstablishment from the Related Party Vendors, as the consideration only comprises of the issue of Shares;

f. the timetable for completing the acquisition of shares in Appstablishment from the Related Party Vendors mirrors the timetable for the Acquisition, which is set out in Section 1.15;

g. the acquisition of shares in Appstablishment from the Related Party Vendors is occurring pursuant to the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Section 1.3.c;

h. a voting exclusion statement in respect of Resolution 2 is set out in the Notice; and

i. an Independent Expert's Report is included in Annexure A. The Independent Expert has determined the transactions the subject of Resolutions 2 and 3 to be fair and reasonable to non-associated Shareholders.

3.4 Additional Information

The Board (other than Mr Adrian Floate, who has a material personal interest in the outcome of Resolution 1) recommends that Shareholders vote in favour of Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

4. Resolution 2 – Approval of issue of Consideration Shares to Related Parties (and/or nominees)

4.1 General

Resolution 2 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 for the Company to issue up to:

a. 160,898,015 Shares to Rare Air (or its nominees) an entity controlled by Company Director, Mr Adrian Floate; and

b. 39,995,707 Shares to Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund (or its nominees), an entity owned and controlled by Pauline Floate, who is Adrian Floate's mother,

as consideration under the Acquisition (**Consideration Shares**). Rare Air and Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund are referred to as the "Related Party Vendors" for the purpose of this Resolution.

The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The Related Party Vendors (and/or their nominees) are required to enter into an escrow agreement in respect of 100% of its direct and indirect holding of Consideration Shares for a period of 12 months post Completion.

Refer to Section 1 for further details regarding the background to Resolution 2.

Resolution 2 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 2 is an ordinary resolution.

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

a. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

b. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors (other than Mr Adrain Floate who has a material personal interest in the outcome of Resolution 2) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Shares to the Related Party Vendors (or their nominees) because the agreement to issue the Consideration Shares reached as part of the Acquisition Agreement was negotiated on an arm's length basis.

4.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

As set out above (and in section 1.4b above), the Related Party Vendors are related parties of the Company as a result of being controlled by either Mr Adrian Floate or Mr Floate’s mother.

4.4 Technical Information required by ASX Listing Rule 10.11

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Consideration Shares to:

(i) the Consideration Shares will be issued to Related Party Vendors (or their nominees);

(ii) the Related Party Vendors fall under Listing Rule 10.11.1 as a Related Parties because: Rare Air is an entity controlled by Adrian Floate who is Director of the Company; and Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund is an entity controlled by Pauline Floate who is Mr Adrian Floate’s mother;

(iii) under this Resolution, the maximum number of Securities to be issued is 200,893,722 Shares (issued on the same terms and conditions as the Company's existing Shares) issued on the following basis:

(A) 160,898,015 Shares to Rare Air (and/or its nominees); and

(B) 39,995,707 Shares to Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund (and/or its nominees);

(iv) the Consideration Shares under this Resolution will be issued no later than 1 month after the date of the Meeting;

(v) the Consideration Shares are being issued as part consideration for the Acquisition. The Shares will be issued at a deemed issue price of $0.01 per Share;

(vi) no funds will be raised from the proposed issue of the Shares as the Shares are proposed to be issued in part consideration for the acquisition of Appstablishment;

(vii) the issue of the Consideration Shares is in accordance with terms of the Acquisition Agreement which are set out in section 1.3.b above; and

(viii) a voting exclusion statement is included in this Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Consideration Shares to the Related Party Vendors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Securities under this Resolution will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

The Directors (other than Adrian Floate who has a material personal interest in the Resolution) believe Resolution 2 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

5. Resolution 3 – Issue of up to 624,106,278 Shares for Appstablishment acquisition – Unrelated Vendors

5.1 General

Resolution 3 seeks Shareholder approval for the issue of 624,106,278 Shares to the Unrelated Vendors (or their nominee(s)) (**Unrelated Consideration Shares**) in consideration for the acquisition of the Unrelated Vendors' Appstablishment shares.

Broadly speaking, and subject to a number of exceptions which are contained in Listing Rule 7.2 (which do not apply in the circumstance of this Resolution), Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The Unrelated Consideration Shares does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

The Unrelated Consideration Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with issuing the Unrelated Consideration Shares and issue the Shares to the Unrelated Vendors in accordance with the Acquisition Agreement. In addition, the Unrelated Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Unrelated Consideration Shares and will not be able to complete the Acquisition Agreement.

5.2 Information required by ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following particulars on the allotment and issue:

The identity of the persons that will be issued the securities	Please see Annexure B
The maximum number of securities the Company will issue	624,106,278 Shares
The date by which the Company will issue the securities	The Company will issue the securities within 3 months of the date of the Meeting (or such later date if permitted by the ASX).
The issue price of the securities	The Shares are being issued as part consideration for the Acquisition. The Shares will be issued at a deemed issue price of $0.01 per Share.
The terms of the securities	The Shares to be issued will be fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.
The intended use of the funds raised	No funds will be raised from the proposed issue of the Shares as the Shares are proposed to be issued in part consideration for the acquisition of Appstablishment.
Issued under an Agreement?	The issue of the Unrelated Consideration Shares is in accordance with terms of the Acquisition Agreement which are set out in section 1.3.b above.
Reverse takeover?	The Unrelated Consideration Shares are not being issued under or to fund a reverse takeover
Voting Exclusion Statement	A voting exclusion statement is set out in the Notice

The Directors of the Company believe Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

6. Resolution 4 – Approval of Issue of Shares and CROO Options to Related Party – Mr. Adrian Floate

6.1 General

The Company has agreed to issue Company director Adrian Floate 74,800,000 Shares and 18,700,000 listed CROO 2.5 cent Options as consideration for the full repayment of a $1,870,000 loan payable, being the Appstablishment Shareholder Loan, by Appstablishment to Adrian Floate (**Floate Securities**).

In the event that Shareholders do not approve Resolution 4, the outstanding loan amount will remain a liability of the Company and be payable in cash at a future date.

6.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

a. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

b. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Floate Securities constitutes giving a financial benefit and Mr Adrian Floate is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Adrian Floate who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Floate Securities because the agreement to issue the Floate Securities was negotiated on an arm's length basis between the Company, Appstablishment and Mr Adrian Floate.

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Floate Securities involves the issue of securities to a related party of the Company. Accordingly, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

a. the Floate Securities will be issued to Mr. Adrian Floate (or his nominee). The issue of Securities is not intended to remunerate or incentivise Mr. Adrian Floate, but rather are being issued as consideration for the repayment of the existing $1,870,000 loan payable by Appstablishment to Adrian Floate.

b. Mr Adrian Floate falls under Listing Rule 10.11.1 as a Related Party because he is Director of the Company;

c. The loan was provided to Apptablishment by Mr. Floate and subject to the acquisition of Appstablishment by the Company the loan amount of $1,870,000 will be repaid from the issue of Floate Securities.

d. the maximum number Floate Securities to be issued is 74,800,000 Shares and 18,700,000 listed CROO 2.5 cent Options;

e. the Floate Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX

Listing Rules) and it is intended that issue of the Floate Securities will occur on the same date;

f. the Floate Securities are being issued in consideration for the repayment of the Appstablishment Loan. The deemed issue price of the Shares issued will be $0.025 per Share and the listed CROO 2.5 cent Options are being issued as free attaching options;

g. the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. Each Listed Option entitles the holder to subscribe for one Share in the Company and expires on 28/07/2023. The Options are exercisable at an exercise price of $0.025 at any time on or before the expiry date and were otherwise issued on the terms and conditions set out in 'Annexure C' of this Notice;

h. the Floate Securities will be issued for nil cash consideration and accordingly no funds will be raised. Should the options be exercised, funds raised will used by the Company for:

- Accelerated commercialisation plan for the Company's products;
- Potential synergistic acquisitions;
- Commercialisation of pilot Business Payments solutions; and
- Future working capital requirements;

i. a voting exclusion statement is included in this Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Floate Securities as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of shares to Mr Flaote (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

The Directors (other than Adrian Floate who has a material personal interest in the Resolution) believe Resolution 4 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

7. <u>Resolution 5(a) and 5(b) – Ratification of Prior Issue of Shares under Listing Rule 7.1 and 7.1A</u>

On 26 February 2021, the Company issued 200,000,000 Shares raising $18,000,000 (before costs) (**Placement**). The Shares were issued without the prior approval of Shareholders and in accordance with Listing Rule 7.1 and 7.1A.

Under the Placement:

a. 35,502,236 Shares were issued under Listing Rule 7.1A (the subject of Resolution 5(a)); and

b. 164,497,764 Shares were issued under Listing Rule 7.1A (the subject of Resolution 5(b)).

Resolution 5 seeks Shareholder approval to ratify the previous issue of 200,000,000 Shares for the purposes of Listing Rule 7.4 and all other purposes.

ASX Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Security comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 28 January 2021.

The issue of 200,000,000 Shares referred to in Resolution 5 does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the aggregate 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issues did not breach Listing Rule 7.1 and 7.1A). If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities under Listing Rule 7.1 or 7.1A (as applicable) without shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issued under Listing Rule 7.1 or 7.1A (as applicable). To this end, Resolution 5 seeks Shareholder approval to ratify, pursuant to Listing Rule 7.4, the previous issue of 200,000,000 Shares.

a. Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the 200,000,000 Shares issued on 26 February 2021 will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

In the event that Shareholders do not approve Resolution 5:

- the 35,502,236 Shares issued on 26 February 2021 under Listing Rule 7.1A will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.
- the 164,497,764 Shares issued on 26 February 2021 under Listing Rule 7.1A will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 164,497,764, Equity Securities until the expiry of the Listing Rule 7.1A mandate.

Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

The number of securities issued	200,000,000 Shares. a. 35,502,236 Shares were issued under Listing Rule 7.1A (the subject of Resolution 5(a)); and

	b. 164,497,764 Shares were issued under Listing Rule 7.1A (the subject of Resolution 5(b)).
Issue price per security	$0.09 per Share.
Terms of security	The Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.
Persons whom securities were issued or basis of issue	The Placement Shares were issued to clients of Kaai Capital who are sophisticated investors exempt under section 708 of the Corporations Act. None of these subscribers are Related Parties of the Company. The Shares were not issued under an agreement.
Date of Issue	26 February 2021.
Purpose of issue and use of funds raised	The Shares were issued for the purpose of raising $18,000,000 (before costs). The funds raised by the placement will be principally used by the Company for: ● Accelerated commercialisation plan for the Company's products; Potential synergistic acquisitions; ● Commercialisation of pilot Business Payments solutions; and ● Future working capital requirements.

A voting exclusion statement is contained in Resolution 5.

The Directors of the Company believe Resolution 5(a) and 5(b) is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

8. Resolution 6 – Ratification of Prior Issue of Shares to KAAI Capital under Listing Rule 7.1

On 26 February 2021, the Company issued 13,200,000 Shares in part consideration for capital raising fees payable to the lead manager for the Company's February Placement. The 13,200,000 Shares were issued without the prior approval of Shareholders and in accordance with Listing Rule 7.1 (**LM Shares**).

Resolution 6 seeks Shareholder approval to ratify the issue of 13,200,000 Shares for the purposes of Listing Rule 7.4 and all other purposes.

ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the LM Shares referred to in Resolution 6 does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made (and pursuant to Listing Rule 7.1 (and provided that the previous issues did not breach Listing Rule 7.1). If they do, the issue is taken to have been approved under Listing Rule 7.1 and consequently, does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issue under Listing Rule 7.1. To this end, Resolution 6 seeks Shareholder approval to ratify, pursuant to Listing Rule 7.4, the previous issue of LM Shares on 26 February 2021.

b. Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the LM Shares issued on 26 February 2021 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.

In the event that Shareholders do not approve Resolution 6, the issue of the LM Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.

Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 6:

The number of securities issued	13,200,000 Shares.
Date of issue	26 February 2021.
Issue price per security	The LM Shares were issued at a deemed issue price of $0.09 per Share in part satisfaction of the fees payable for capital raising services provided by KAAI Capital to the Company in respect of the Placement.
Terms of issue	The LM Shares issued rank pari passu with the other Shares on issue and are on the same terms as the other Shares on issue.

Summary of Agreement Terms	The LM Shares were issued pursuant to a Lead Manager Mandate entered into between the Company and KAAI Capital. Under the Lead Manager Mandate entered into in February 2021, KAAI Capital agreed to act as lead manager for the Company's February private placement raising $18m from the issue of 200,000,000 Shares at an issue price of $0.09 per Share. Under the Lead Manager Mandate, the Company has agreed to pay KAAI Capital a lead manager fee of 6% of the amount raised under the placement as well as 50,000,000 unlisted options. The parties have agreed that $1,188,000 of the lead manager fee would be satisfied by the issue of 13,200,000 shares at a deemed issue price of $0.09 per Share (being the same issue price as Shares issued pursuant to the February Placement).
Persons whom securities were issued or basis of issue	The LM Shares were allotted and issued to KAAI Capital (and its nominee(s)), who are not a related party of the Company.
Purpose of issue and use of funds raised	No funds were raised by the Company in respect of the issue of the LM Shares as they were issued in satisfaction of fees totalling $1,188,000 owing to the KAAI Capital pursuant to the Lead Manager Mandate.

A voting exclusion statement is contained in the Notice of Meeting for Resolution 6.

The Directors of the Company believe Resolution 6 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

9. Resolution 7 – Ratification of Prior Issue of Listed Options to KAAI Capital under Listing Rule 7.1

On 26 February 2021, the Company issued 20,000,000 Listed Options (CROO) in consideration ongoing corporate advisory services provided by KAAI Capital to the Company. The 20,000,000 Listed Options (CROO) were issued without the prior approval of Shareholders and in accordance with Listing Rule 7.1 (**Advisory Options**).

Resolution 7 seeks Shareholder approval to ratify the issue of 20,000,000 Listed Options (CROO) for the purposes of Listing Rule 7.4 and all other purposes.

ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Advisory Options referred to in Resolution 7 does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made (and pursuant to Listing Rule 7.1 (and provided that the previous issues did not breach Listing Rule 7.1). If they do, the issue is taken to have been approved under Listing

Rule 7.1 and consequently, does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issue under Listing Rule 7.1. To this end Resolution 7 seeks Shareholder approval to ratify, pursuant to Listing Rule 7.4, the previous issue of 20,000,000 Listed Options (CROO) on 26 February 2021.

c. Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Advisory Options issued on 26 February 2021 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.

In the event that Shareholders do not approve Resolution 7, the issue of the Advisory Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.

Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

The number of securities issued	20,000,000 Listed Options (CROO).
Date of issue	26 February 2021
Issue price per security	The options were issued for nil cash consideration in consideration ongoing corporate advisory services provided by KAAI Capital to the Company
Terms of issue	Each Listed Option entitles the holder to subscribe for one Share in the Company and expires on 28/07/2023. The Options are exercisable at an exercise price of $0.025 at any time on or before the expiry date and were otherwise issued on the terms and conditions set out in 'Annexure C' of this Notice.
Summary of Agreement Terms	The Listed Options were issued pursuant to a Corporate Advisory Mandate entered into between the Company and KAAI Capital. Under the Corporate Advisory Mandate entered into in January 2021, KAAI Capital agreed to provide a broad range of corporate advisory services to the Company. Under the Corporate Advisory Mandate, the Company has agreed to pay KAAI Capital a monthly fee of $5,000. The Company has also agreed to issue to KAAI Capital or its nominee(s) 20,000,000 CROO Listed Options.
Persons whom securities were issued or basis of issue	The Listed Options were allotted and issued to KAAI Capital or its nominee(s), who are not a related party of the Company.

Purpose of issue and use of funds raised	No funds were raised from the issue of the Options as the Options were issued for nil cash consideration in satisfaction of capital raising services provided to the Company. Any funds raised from the exercise of the options will be applied towards : • Accelerated commercialisation plan for the Company's products; ● Potential synergistic acquisitions; ● Commercialisation of pilot Business Payments solutions; and ● Future working capital requirements.

A voting exclusion statement is contained in the Notice of Meeting for Resolution 7.

The Directors of the Company believe Resolution 7 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

10. Resolution 8 – Ratification of Prior Issue of Options to KAAI Capital under Listing Rule 7.1

On 2 March 2021, the Company issued 50,000,000 unlisted Options in part consideration for capital raising fees payable to the lead manager for the Company's February private placement. The 50,000,000 unlisted Options were issued without the prior approval of Shareholders and in accordance with Listing Rule 7.1 (**LM Options**).

Resolution 8 seeks Shareholder approval to ratify the issue of the LM Options for the purposes of Listing Rule 7.4 and all other purposes.

ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the LM Options referred to in Resolution 8 does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of Equity Securities after it has been made or agreed to be made (and pursuant to Listing Rule 7.1 (and provided that the previous issues did not breach Listing Rule 7.1). If they do, the issue is taken to have been approved under Listing Rule 7.1 and consequently, does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval for such issue under Listing Rule 7.1. To this end, Resolution 8 seeks Shareholder approval to ratify, pursuant to Listing Rule 7.4, the previous issue of the LM Options on 2 March 2021.

d. Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the LM Options issued on 2 March 2021 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.

In the event that Shareholders do not approve Resolution 8, the issue of the LM Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval under that rule over the 12 month period following the issue date.

Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 8:

The number of securities issued	50,000,000 unlisted Options.
Date of issue	2 March 2021.
Issue price per security	The LM Options were issued at a deemed issue price of $0.0001 per Option in part satisfaction of capital raising services provided by KAAI Capital to the Company.
Terms of issue	Each LM Option entitles the holder to subscribe for one Share in the Company and expires on 02/03/2024. The LM Options are exercisable at an exercise price of $0.135 at any time on or before the expiry date and were otherwise issued on the terms and conditions set out in 'Annexure C' of this Notice.
Summary of Agreement Terms	LM Options were issued pursuant to a Lead Manager Mandate entered into between the Company and KAAI Capital. A Summary of the Agreement Terms has been provided in Resolution 6 above.
Persons whom securities were issued or basis of issue	The unlisted Options were allotted and issued to KAAI Capital or its nominee(s), who are not a related party of the Company.
Purpose of issue and use of funds raised	The funds raised by the issue of (or exercise of) the LM Options will be principally used by the Company for: • Accelerated commercialisation plan for the Company's products; Potential synergistic acquisitions; • Commercialisation of pilot Business Payments solutions; and • Future working capital requirements.

A voting exclusion statement is contained in the Notice of Meeting for Resolution 8.

The Directors of the Company believe Resolution 8 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

11. Resolution 9 - Issue of 194,444 Shares to related party – Mr. Stephen Dale in lieu of fees payable

Purpose of Resolution 9

The Company has agreed, subject to obtaining Shareholder approval, to issue 194,444 Shares to Company Director Stephen Dale or his nominee in lieu of the payment of $17,500 in Director's fees

payable accruing from 1 November 2020 until 31 May 2021 (**Dale Shares**). In order to conserve Company funds and reduce the debt payable to the Directors, Stephen Dale has agreed to accept the Dale Shares as consideration for these Director's fees.

Stephen Dale is currently entitled to be paid Director's fees of $2,500 per month. Resolution 9 seeks Shareholder approval for the issue of the Dale Shares to Stephen Dale or his nominee in lieu of the cash payment of $17,500 of accrued Director's fees.

In the event that Shareholders do not approve Resolution 9, the outstanding Director's fees will remain a liability of the Company and be payable in cash at a future date.

Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

a. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

b. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Dale Shares constitutes giving a financial benefit and Mr Stephen Dale is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Stephen Dale who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Dale Shares because the agreement to issue the Dale Shares, reached as part of the remuneration package for Mr Stephen Dale, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis. In addition, the Dale Shares are to be issued at an issue price which is similar to the issue price of Shares issued to non-related parties pursuant to the February private placement set out in other resolutions in this Notice, therefore the terms of the proposed issue are considered to be on arm's length terms and fair and reasonable remuneration.

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Dale Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 9:

a. the Dale Shares will be issued to Mr. Stephen Dale or his nominee;

b. Stephen Dale is a Director of the Company and thus falls within the category of Listing Rule 10.11.1; related party of the Company;

c. the number of Dale Shares to be issued is 194,444 Shares;

d. the Dale Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Dale Shares will occur on the same date;

e. the Dale Shares will be issued at a deemed issue price of $0.09 per share;

f. the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

g. the issue of Shares forms part of the Remuneration of Stephen Dale. Under his Director's Agreement Stephen Dale is entitled to director's fees of $2,500 per month as part of his current total remuneration package. $17,500 of these fees accruing between 1 November 2020 until 31 May 2021 will be paid to Stephen Dale by the issue of shares contemplated by Resolution 9;

h. Shares are being issued under a Director's Agreement entered into between the Company and Stephen Dale the material terms of which are for the payment of director's fees in the amount of A$2,500 per month in consideration for Stephen Dale providing the services of non-executive Director of the Company;

i. the Dale Shares will be issued for nil cash consideration and accordingly no funds will be raised. The issue of the Dale Shares will reduce the amount of director's fees payable to Stephen Dale as at 31 May 2021 by $17,500;

j. a voting exclusion statement is contained in the Notice of Meeting for Resolution 9.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Dale Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Dale Shares to Mr Stephen Dale (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

12. Resolution 10 - Issue of 250,000 Shares to related party – Mr. Howard Digby in lieu of fees payable

Purpose of Resolution 10

The Company has agreed, subject to obtaining Shareholder approval, to issue 250,000 Shares to Company Director Howard Digby or his nominee in lieu of the payment of $22,500 in Director's fees payable accruing from 1 November 2020 until 31 May 2021 (**Digby Shares**). In order to conserve Company funds and reduce the debt payable to the Directors, Howard Digby has agreed to accept the Digby Shares as consideration for these Director's fees.

Howard Digby is currently entitled to be paid Director's fees of $2,500 per month. Resolution 10 seeks Shareholder approval for the issue of the Digby Shares to Howard Digby or his nominee in lieu of the cash payment of $22,500 of accrued Director's fees.

In the event that Shareholders do not approve Resolution 10, the outstanding Director's fees will remain a liability of the Company and be payable in cash at a future date.

Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

a. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

b. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Digby Shares constitutes giving a financial benefit and Mr Howard Digby is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Howard Digby who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Digby Shares because the agreement to issue the Digby Shares, reached as part of the remuneration package for Mr Howard Digby, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis. In addition, the Digby Shares are to be issued at an issue price which is similar to the issue price of Shares issued to non-related parties pursuant to the February private placement set out in other resolutions in this Notice, therefore the terms of the proposed issue are considered to be on arm's length terms and fair and reasonable remuneration.

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Digby Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 10:

a. the Digby Shares will be issued to Mr. Howard Digby or his nominee;

b. Howard Digby is a Director of the Company and thus falls within the category of Listing Rule 10.11.1; related party of the Company;

c. the number of Digby Shares to be issued is 250,000 Shares;

d. the Digby Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Digby Shares will occur on the same date;

e. the Digby Shares will be issued at a deemed issue price of $0.09 per share;

f. the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

g. the issue of Shares forms part of the Remuneration of Howard Digby. Under his Director's Agreement Howard Digby is entitled to director's fees of $2,500 per month as part of his current

total remuneration package. $22,500 of these fees accruing between 1 November 2020 until 31 May 2021 will be paid to Howard Digby by the issue of shares contemplated by Resolution 10;

h. Shares are being issued under a Director's Agreement entered into between the Company and Howard Digby the material terms of which are for the payment of director's fees in the amount of A$2,500 per month in consideration for Howard Digby providing the services of non-executive Director of the Company;

i. the Digby Shares will be issued for nil cash consideration and accordingly no funds will be raised. The issue of the Digby Shares will reduce the amount of director's fees payable to Howard Digby as at 31 May 2021 by $22,500;

j. a voting exclusion statement is contained in the Notice of Meeting for Resolution 10.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Digby Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Digby Shares to Mr Howard Digby (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

13. Resolution 11 - Issue of 250,000 Shares to related party – Mr. Peter Richards in lieu of fees payable

Purpose of Resolution 11

The Company has agreed, subject to obtaining Shareholder approval, to issue 250,000 Shares to Company Director Peter Richards or his nominee in lieu of the payment of $22,500 in Director's fees payable accruing from 1 November 2020 until 31 May 2021 (**Richards Shares**). In order to conserve Company funds and reduce the debt payable to the Directors, Peter Richards has agreed to accept the Richards Shares as consideration for these Director's fees.

Peter Richards is currently entitled to be paid Director's fees of $2,500 per month. Resolution 11 seeks Shareholder approval for the issue of the Richards Shares to Peter Richards or his nominee in lieu of the cash payment of $22,500 of accrued Director's fees.

In the event that Shareholders do not approve Resolution 11, the outstanding Director's fees will remain a liability of the Company and be payable in cash at a future date.

Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

a. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

b. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Richards Shares constitutes giving a financial benefit and Mr Peter Richards is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Peter Richards who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Richards Shares because the agreement to issue the Richards Shares, reached as part of the remuneration package for Mr Peter Richards, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis. In addition, the Richards Shares are to be issued at an issue price which is similar to the issue price of Shares issued to non-related parties pursuant to the February private placement set out in other resolutions in this Notice, therefore the terms of the proposed issue are considered to be on arm's length terms and fair and reasonable remuneration.

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Richards Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 11:

a. the Richards Shares will be issued to Mr. Peter Richards or his nominee;

b. Peter Richards is a Director of the Company and thus falls within the category of Listing Rule 10.11.1; related party of the Company;

c. the number of Richards Shares to be issued is 250,000 Shares;

d. the Richards Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Digby Shares will occur on the same date;

e. the Richards Shares will be issued at a deemed issue price of $0.09 per share;

f. the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

g. the issue of Shares forms part of the Remuneration of Peter Richards. Under his Director's Agreement Peter Richards is entitled to director's fees of $2,500 per month as part of his current total remuneration package. $22,500 of these fees accruing between 1 November 2020 until 31 May 2021 will be paid to Peter Richards by the issue of shares contemplated by Resolution 11;

h. Shares are being issued under a Director's Agreement entered into between the Company and Peter Richards the material terms of which are for the payment of director's fees in the amount of A$2,500 per month in consideration for Peter Richards providing the services of non-executive Chair of the Company;

i. the Richards Shares will be issued for nil cash consideration and accordingly no funds will be raised. The issue of the Richards Shares will reduce the amount of director's fees payable to Peter Richards as at 31 May 2021 by $22,500;

j. a voting exclusion statement is contained in the Notice of Meeting for Resolution 11.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Richards Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Richards Shares to Mr Peter Richards (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

14. Resolution 12 – Adoption of Employee Incentive Plan

General

Resolution 12 seeks Shareholder approval for the adoption of the employee incentive plan titled the "Employee Securities Incentive Plan" (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13).

In the last 3 years 42,835,167 Shares and 3,000,000 Options have been issued by the Company under a previously adopted employee securities incentive plan.

The Plan is intended to assist the Company to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

a. enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

b. enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;

c. link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;

d. align the financial interest of participants of the Plan with those of Shareholders; and

e. provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

A summary of the key terms and conditions of the Plan is set out in Annexure D.

A copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

ASX Listing Rules 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Technical information required by ASX Listing Rule 14.1A

If Resolution 12 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Any future issues of Securities under the Plan to a related party or a person (for example Directors and their Associates) whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

If Resolution 12 is not passed, the Company will be able to proceed with the issue of Securities under the Plan to eligible participants (other than related parties), but any issues of Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Securities.

Specific Information Required by Listing Rule 7.2

In accordance with the requirements of Listing Rule 7.2, Exception 13(b), the following information is provided:

a. a summary of the key terms and conditions of the Plan is set out in Annexure D;

b. In the last 3 years 42,835,167 Shares and 3,000,000 Options have been issued by the Company under a previously adopted employee securities incentive plan;

c. the maximum number of Securities proposed to be issued under the Plan within the three year period from the date of the passing of this Resolution 12 will be that number which represents 10% of the undiluted Shares in the Company following the issue of Shares the subject of resolutions contained within this Notice, being 294,155,696.

d. The maximum number is not intended to be a prediction of the actual number of Securities to be issued under the Plan, simply a ceiling for the purposes of Listing Rule 7.2 (Exception 13(b));

e. a voting exclusion statement in respect of Resolution 12 has been included in the Notice.

The Directors of the Company believe Resolution 12 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

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

Schedule 1 - Definitions

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

Acquisition means the acquisition of Appstablishment in accordance with the Acquisition Agreement.

Acquisition Agreement means the conditional share sale and purchase agreement entered into between the Company and Appstablishment on 5 December 2019 for the sale by the Vendors and purchase by the Company of 100% of the shares in Appstablishment.

Acquisition Resolutions means Resolutions 1 to 3 (inclusive).

Appstablishment means Appstablishment Software Group Pty Ltd (ACN 602 855 167).

AWST means Australian Western Standard Time.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the listing rules of ASX.

Board means the board of directors of the Company.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Company or Cirralto means Cirralto Limited ABN 67 099 084 143.

Completion means completion of the Acquisition in accordance with the Acquisition Agreement.

Consideration Shares has the meaning given to it in Section 8.1.

Constitution means the constitution of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Equity Security means a Share or any security convertible into a Share including Convertible Notes and Options.

Explanatory Statement means the explanatory statement to this notice of general meeting.

Independent Expert has the meaning given to it in Section 5.

Independent Expert's Report means the report prepared by the Independent Expert set out in Annexure A.

Listing Rules means the listing rules of ASX.

Meeting means the General Meeting of the Shareholders of the Company to be held on 20 May 2021, to which the Notice of Meeting and Explanatory Statement relate.

Notice or **Notice of Meeting** means this notice of General Meeting of the Company dated 19 April 2021.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Rare Air means Rare Air Nominees Pty Ltd.

Related Party Vendors means Rare Air and Pauline Floate & Kylie Floate ATF Feral 55 Superannuation Fund.

Relevant Interest has the meaning given in section 608 of the Corporations Act.

Resolution means a resolution referred to in the Notice.

Section means a section of the Explanatory Statement

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Vendors means each of the shareholders of Appstablishment, as set out in Annexure B.

All references to currency are in Australian dollars

Annexure A - Independent Expert's Report

Bentleys
THINKING AHEAD

Cirralto Limited

Independent expert's report

Opinion: Fair and Reasonable

31 March 2021

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide ('FSG') provides important information to assist you, as a retail client, in making a decision as to your use of the general financial product advice provided by Bentleys Corporate Finance (WA) Pty Ltd ABN 58 627 405 350 Australian Financial Services Licence No: 512495 ('us', 'our', 'we' or 'Bentleys Corporate Finance').

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence;
- how we are remunerated;
- any relevant associations or relationships we have; and
- how complaints are being handled, our dispute resolution process and how you can access them.

Financial services we are licensed to provide

Bentleys Corporate Finance holds an Australian Financial Services Licence which authorises us to provide general financial product advice in relation to securities to retail and wholesale clients. An authorised representative is authorised by Bentleys Corporate Finance to provide general financial product advice on Bentleys Corporate Finance's behalf.

General financial product advice

We have been engaged by Cirralto Limited ('Client') to provide general financial product advice in the form of an independent expert's report ('Report') in relation to the proposed acquisition of 100% of Appstablishment Software Group Pty Ltd by way of a proposed issue of 825 million shares of Cirralto Limited ('Transaction').

We have been engaged to provide this Report in connection with a financial product of another person/entity. Our Report includes details of the nature and circumstances of our engagement and the identity of the person/entity who has engaged us. Although you have not engaged us directly, a copy of the Report is provided to you as a retail client because of your connection to the Client either as a security holder or for other reasons for which you have been provided a copy of this Report. We are not acting for any person other than the Client.

Our Report contains only general financial product advice. We do not provide personal financial product advice. Accordingly, this advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs before you act on the general financial product advice contained in our Report.

Remuneration and other benefits for our services

Bentleys Corporate Finance charges fees for preparing reports. These fees are agreed with and paid by the Client. Fees are agreed either on a fixed fee or time cost basis. This fee is not contingent upon the success or otherwise of the proposed transaction.

Other than the fees referred to above, Bentleys Corporate Finance and its directors and officers, representatives, related entities, affiliates or associates will not receive any other fee or benefit in connection with the provision of this Report. Our directors and officers, representatives and employees receive a salary, a performance bonus or profit share depending on their level of seniority.

Referrals

We do not pay commissions or provide other benefits to anyone who refers prospective opportunities or clients to us in connection with this Report.

Information about us and our relationships

Bentleys Corporate Finance is owned by Bentleys (WA) Pty Ltd, a professional firm which is an independent member of the Bentleys network of accountants and business advisers providing corporate finance and advisory, business advisory, accounting and auditing services ('Bentleys Network'). The Bentleys Network is a network of independent accounting firms located throughout Australia, New Zealand and China that trade as 'Bentleys'. All members of the Bentleys Network are affiliated only and are separate legal entities. The members are not in partnership, nor are they part of a worldwide partnership.

The members of the Bentleys Network do not accept responsibility or liability for the actions or inactions of any member firm of the Bentleys Network. This Report has been prepared by Bentleys Corporate Finance and is the responsibility of Bentleys Corporate Finance. The liability of Bentleys Corporate Finance, if any, is limited to the contents of this Report.

Entities of the Bentleys Network may have provided, and may continue to provide, a range of tax, audit and advisory services to the Client and receive fees for those services. Over the past two years, no professional fees from these entities have been previously received from the Client.

Complaints and dispute resolution

If you have any concerns regarding our report or service, please contact us. As a holder of an Australian Financial Services Licence, we are required to have a complaints handling system for persons whom we provide general financial product advice. Our complaints handling process is designed to respond to your concerns promptly and equitably.

Our contact details are:

Complaints Officer
Bentleys WA
PO Box 7775
Cloisters Square WA 6000
Phone: (08) 9226 4500

If you are not satisfied with how we respond to your complaint, you may contact the Australian Financial Complaints Authority ('AFCA'). Bentleys Corporate Finance is a member of AFCA. AFCA is an external dispute resolution scheme that provides an alternative avenue for the investigation of complaints lodged against financial services providers who provide services to retail and small business clients.

The contact details for AFCA are:

GPO Box 3, Melbourne, Victoria, 3001
Phone: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

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31 March 2021

The Independent Directors

Cirralto Limited

Level 13, 333 George Street

SYDNEY NSW 2000

Dear Directors

Independent Expert's Report

Introduction

On 6 December 2019, Cirralto Limited ('Cirralto' or 'the Company') announced that it had entered into a Heads of Agreement to acquire 100% of Appstablishment Software Group Pty Ltd ('Appstablishment') by way of a proposed issue of 825 million Cirralto shares to the existing shareholders of Appstablishment ('Proposed Transaction').

Appstablishment is a software group which creates software applications that streamline business processes. Mr Adrian Floate, Managing Director of Cirralto, is also a shareholder of Appstablishment through Rare Air Nominees Pty Ltd ('Rare Air'), which holds 19.50% of Appstablishment. Rare Air and Adrian Floate, collectively, have a 3.08% shareholding in Cirralto.

The Proposed Transaction is subject to shareholders' approval under Australian Securities Exchange ('ASX') Listing Rule 10.1 and 10.11 of Chapter 10 'Transactions with persons in a position of influence' as it involves the acquisition of a substantial asset and the issue of securities to a related party, Mr Adrian Floate and Rare Air, a major shareholder of Appstablishment.

Bentleys Corporate Finance (WA) Pty Ltd ('us', 'our', 'we' or 'Bentleys Corporate Finance') has prepared an independent expert's report ('this Report') to provide an opinion on whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of Cirralto ('Shareholders').

This Report is to be included in the notice of meeting and explanatory memorandum ('Notice of Meeting'), which will be distributed to the shareholders of the Company, to assist the non-associated shareholders of the Company in their decision whether or not to approve the Proposed Transaction.

All dollar amounts are in Australian dollars ('A$' or '$' or 'AUD') unless otherwise indicated.

A member of Bentleys, an association of independent accounting firms in Australia. The member firms of the Bentleys association are affiliated only and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation. A member of Allinial Global. A global network of independent accounting firms.

Advisors
Accountants
Auditors

Purpose of this Report

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor its child entities, acquires or agrees to acquire a substantial asset from, or disposes of or agrees to dispose of a substantial asset to a related party or a substantial holder without obtaining its shareholders' approval, unless any of the exceptions in ASX Listing Rule 10.3 apply. A substantial asset is 5% or more of the equity interests of the Company at the date of the last audited accounts.

The requirement of an independent expert to report on the transaction is stated under ASX Listing Rule 10.5.10. The report provided by the independent expert is required to state the expert's opinion as to whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not be disregarded.

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to a related party or a substantial holder without obtaining its shareholders' approval, unless any of the exceptions in ASX Listing Rule 10.12 apply.

This Report is prepared pursuant the requirements of ASX Listing Rules 10.1 and 10.11 and in accordance with the guidance of Australian Securities Investments Commission's ('ASIC') Regulatory Guide 111 Content of expert report ('RG 111'), Regulatory Guide 112 Independence of experts ('RG 112') and Regulatory Guide 76 Related party transactions ('RG 76').

Basis of assessment

RG 111 provides guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act. Whilst RG 111 focuses on reports prepared for transactions under Chapters 2E, 5, 6 and 6A of the Corporations Act, whether they are required by the Corporations Act or are commissioned voluntarily, the principles may also be relevant to independent expert reports commissioned for other purposes, including independent expert reports required under the ASX Listing Rules.

Paragraphs RG 111.52 to RG 111.63 of RG 111 provide guidance on related party transactions under Chapter 2E of the Corporations Act or for a transaction with a person in a position of influence that requires member approval under ASX Listing Rule 10.

The regulatory guide states that when analysing related party transactions, an expert needs to focus on the substance of the related party transaction rather than the legal mechanism. In analysing a related party transaction, the expert is required to express an opinion on whether the transaction is 'fair and reasonable' from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.

RG 111.56 states that, where an expert assesses whether a related party transaction is 'fair and reasonable', this should not be applied as a composite test. There should be a separate assessment of whether the transaction is 'fair' and 'reasonable'.

A proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

A proposed related party transaction is 'reasonable' if it is 'fair' but it might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for members to vote for the proposal.

Conduct of our assessment

Accordingly, we have assessed the Proposed Transaction as being:

- 'fair' if the value of a Cirralto share (on a minority basis) after the Proposed Transaction is equal to or greater than the value of a Cirralto share (on a 100% basis) before the Proposed Transaction; and
- 'reasonable' if it is fair, or despite not being fair, after considering other significant factors, we believe there are sufficient reasons for Shareholders to approve the Proposed Transaction, in the absence of any alternative offers.

This engagement is conducted in accordance with Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

Summary of opinion

In our opinion, the Proposed Transaction is **fair and reasonable** to Shareholders in the absence of any alternative offers.

Notwithstanding that we provide a summary of our conclusion below, it should be noted that our opinion should be read in conjunction with this Report in its entirety.

Fairness

We determined the value of a Cirralto share (on a 100% basis) **before** the Proposed Transaction to be in the range of $0.0278 per share to $0.0317 per share with a midpoint of $0.0298 per share.

We determined the value of one share of the merged entity (on a minority basis) **after** the Proposed Transaction to be in the range of $0.0296 per share to $0.0344 per share with a midpoint of $0.0319 per share.

Since the value of a Cirralto share (on a minority basis) after the Proposed Transaction is greater than the value of a Cirralto share (on a 100% basis) before the Proposed Transaction, we conclude that the Proposed Transaction is fair.

Reasonableness

The Proposed Transaction is reasonable because it is fair.

We summarise the following significant factors which also provide sufficient reasons for Shareholders to approve the Proposed Transaction in the absence of any alternative offers.

- The Proposed Transaction will culminate in a merged entity that will directly own the key proprietary software and intellectual property for the SYNK'D and Spenda Platform both domestically and internationally, which offers the potential to open up substantial markets for the development of new products and growth. It is also fundamental to enabling the further growth of SaaS solutions and the development of new intellectual property and software capabilities.
- The Proposed Transaction will provide Cirralto with full control over the complete intellectual property portfolio, which will provide more security in the income generating capacity of the Company's business going forward.

- The Proposed Transaction, which will result in Cirralto taking on full ownership of the complete proprietary software and intellectual property portfolio both domestically and internationally, will not only make Cirralto more attractive as a service provider to potential clients but will also make Cirralto more attractive to potential acquirers for potential buyouts in the future.
- Cirralto's ability to generate income is heavily reliant on the proprietary software developed by Appstablishment. The Proposed Transaction will remove Cirralto's dependency on the licence fee arrangement with Appstablishment, which would otherwise have a material impact on the business if the Company is in a weaker bargaining position to renegotiatiate a fair licence fee. Improving the risk return trade-off in this respect is likely to make Cirralto more attractive to investors.
- The licence fee share that Cirralto has negotiated with Appstablishment for the use of the Spenda IP is based on approximately 45% of specific software income. If the Proposed Transaction is approved, there would be an immediate increase in the gross profit margin of circa 45% going forward. The Company indicated that once 350 customers is exceeded, it would be more cost beneficial to inherit Apptablisthment's entire cost structure than to pay the licence fees.
- The Proposed Transaction will provide Cirralto with access to Appstablishment's existing customer base and trading partners which can be a springboard from which Cirralto grows its business. This provides Cirralto with a significant, immediate base for the deployment of the Spenda Platform.
- Cirralto will benefit from the organisational structure and infrastructure of Appstablishment that is capable of supporting growth and scaling operations, in addition to a team with proven success in developing, marketing, implementing and commercialising software.
- Cirralto will have access to the Australian Government's research and development tax incentive scheme given it does not currently engage in any research and development activities.

The disadvantage of the Proposed Transaction is that it will bring about a dilution in the shareholding of existing Cirralto shareholders.

The consequences of not approving the Proposed Transaction are:

- Cirralto had negotiated a licence fee share with Appstablishment for the use of the Spenda IP based on approximately 45% of specific software income. This has not been renegotiated for over two years and there is no agreement stipulating the fee share to remain constant going forward. There is also no guarantee that this percentage will remain at this level as we understand that the intention is for it to vary between 45% and 55%. Cirralto's fair value per share would reduce if the licence fee is renegotiated upwards as a larger share of the revenue would be given to Appstablishment.
- Appstablishment's development team is currently contracted by Cirralto for the implementation of the Spenda range of products. As part of our analysis, we note that Appstablishment is providing discounted contract rates to Cirralto. There is no certainty that these discounted contract rates will remain and if they are renegotiated upwards, it will impact on the value of Cirralto in a negative way.

Other matters

This Report has been prepared specifically for the non-associated shareholders of the Company, at the request of the directors of the Company, and we consent for this Report to be included in the Notice of Meeting which will be distributed to all shareholders of the Company. Apart from such use, this Report must not be used, whether wholly or in part, nor may any reference to them be included in or with, or attached to any document, statement or letter without our prior written consent which we may provide (conditionally or unconditionally) or withhold at our discretion.

This Report provides only general financial product advice and does not take into consideration the individual circumstances of Shareholders when making their decision whether or not to approve the Proposed Transaction, which is an individual matter. Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Shareholders should consult their own professional advisers (financial advisers and/or tax advisers) when considering these matters and how they relate to their own individual circumstances.

Please refer to the Financial Services Guide provided by Bentleys Corporate Finance, which is included in this Report.

Yours faithfully

BENTLEYS CORPORATE FINANCE (WA) PTY LTD



Evelyn Tan

Director



Chris Nicoloff

Authorised Representative

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1 Background

1.1 The Proposed Transaction

Cirralto entered into a Heads of Agreement in December 2019 to acquire 100% of Appstablishment by way of a proposed issue of 825 million Cirralto shares to the existing shareholders of Appstablishment. Mr Adrian Floate, the Managing Director of Cirralto, is also a shareholder of Appstablishment through the entity, Rare Air.

The Proposed Transaction is subject to the following key conditions precedent:

- completion of legal, financial, technical and operational due diligence;
- each shareholder of Appstablishment accepting the offers in respect of their shares on or prior to the date which is 30 days after the date of the executed Heads of Agreement;
- receipt of any required company shareholder or regulatory approvals under the Corporations Act and the ASX Listing Rules; and
- each key management personnel of Appstablishment as nominated by Cirralto entering into an employment contract or contractor contract with the Company or its nominee on terms and conditions mutually agreeable between the relevant parties.

Further details of the key terms of the Proposed Acquisition are provided in the Notice of Meeting.

Cirralto has also agreed to issue to Mr Adrian Floate 74,800,000 shares and 18,700,000 listed options (with an exercise price of $0.025) as consideration for a $1,870,000 loan payable by Appstablishment to Mr Adrian Floate.

Cirralto has also agreed to issue shares to directors in lieu of fees payable under Resolutions 9, 10 and 11. Further details of the issues are provided in the Notice of Meeting.

1.2 Change in shareholding

The change in shareholding for Cirralto shareholders is demonstrated in the calculations below.

Change in shareholding Under the Proposed Transaction and other resolutions	Number of shares	% shareholding
Existing Cirralto shares		
Number of shares currently on issue	2,041,062,513	69.39%
Cirralto shares to be issued under the Proposed Transaction (Resolutions 2 and 3)		
Shares to be issued to Appstablishment shareholders - related party vendors	200,893,722	6.83%
Shares to be issued to Appstablishment shareholders - unrelated party vendors	624,106,278	21.22%
	825,000,000	
Shares to be issued to Adrian Floate as consideration for related party loan (Resolution 4)	74,800,000	2.54%
Shares to be issued to directors in lieu of fees payable (Resolutions 9, 10 and 11)	694,444	0.02%
Number of shares after the Proposed Transaction and other resolutions	**2,941,556,957**	**100.00%**
Cirralto options to be issued / exercised		
Options to be issued to Adrian Floate as consideration for related party loan	18,700,000	
In-the-money options exercised by existing Cirralto shareholders	554,265,653	
Number of shares after the Proposed Transaction and other resolutions (diluted)	**3,514,522,610**	

Source: Company's share register, Bentleys Corporate Finance's analysis

1.3 Rationale for the Proposed Transaction

The Proposed Transaction is aimed to bring product and technology development capability (from Appstablishment) together with the customer facing solutions and existing data migration technology (from Cirralto). The combination of these is anticipated to modernise and integrate the way businesses transact, deliver substantial productivity gains and improve workflows.

The rationale for the Proposed Transaction from Cirralto's perspective is to secure the use of the intellectual property that is fundamental to the Company in pursuing future growth from developing new intellectual property and software capabilities. This is explained in more detail below.

Cirralto is currently the exclusive Australian licensee of Appstablishment's software and intellectual property. The Company has identified that it will be solely reliant on the continued use of Appstablishment's licenced third party intellectual property in order to advance its customer acquisition strategy in deploying vertical market software solutions. This dependency puts the Company at risk even though both Cirralto and Appstablishment are closely associated through Mr Adrian Floate, the Managing Director of Cirralto, who is also a shareholder of Appstablishment.

To enable Cirralto to advance its customer acquisition strategy in deploying vertical market software solutions, particularly to customers in international markets, the Company decided that it would be essential to obtain security over key licenced intellectual property and unfettered access and use of Appstablishment's intellectual property.

Acquiring Appstablishment would also eliminate the payment of licence fees to Appstablishment, which will enable Cirralto to maximise its revenue and profit margins.

Therefore, Cirralto and Appstablishment decided to engage in formal discussions and subsequently entered into a Heads of Agreement in August 2019 to acquire 100% of Appstablishment.

2 Cirralto Limited

2.1 The business

Cirralto was originally listed on the ASX as Premier Bionics Limited on 28 May 2002. Since then, the Company had changed its name thrice. First, to Medic Vision Limited in 2005 when it acquired the unlisted company which was then a global leader in the application and integration of virtual reality technology to a variety of surgical training situations. Then it changed its name to Motopia Limited in 2010 after it acquired mConnect Group which moved the Company's business into the Media and Mobile Marketing industry. Finally, in 2017, it changed its name to Cirralto Limited after completing its acquisition of Cirralto Business Services Pty Ltd on 7 September 2017.

Cirralto engages in data migration business in Australia. Data migration is the process of transferring data permanently between computers, storage devices, locations, systems or formats. This is usually an automated process and it is a critical element of any system implementation, upgrade or consolidation. Data migration also involves the selection, preparation, extraction and conversion of data prior to the transfer.

The Company is involved in the acquisition, development, and commercialisation of technology assets that enable upgrading of business information technology ('IT') systems through conversion, migration, and management of server-based legacy data and systems to the cloud.

In 2018 Cirralto, in partnership with Appstablishment, began building a payments business. In 2020, the company launched the first of its payments product with Appstablishment. The payments business utilises the company's data migration products to streamlines its customer onboarding services.

Cirralto has developed its software to reach a point where its migration technologies are now mature enough to efficiently migrate customers' data to the cloud.

The Company has now taken the next step of investing in development software that extends its migration capabilities into core business operations. It does so by delivering technologies that enable the customer to improve technologies for sales, service, point of sales, procurement, inventory management, warehousing and digital payments service offerings.

The continuous investment in future technologies will further grow its technology service capabilities – complete with a solid platform of technologies and IT resources – and generate a more diversified revenue stream for the Company.

2.2 History

Key milestones of the Company's history are summarised as follows.

Milestone date	Brief description
August 2013	Cirralto, then Motopia Limited, announced that it had entered into a management agreement with CU2 Global, the global distributor of ConvertU2 Technologies Pty Ltd's ('CU2T') migration software known as '2SQL'. CU2T, an Australian based company, was then the leader in the automated conversion and migration of Microsoft Access Applications and Databases to Microsoft Sequel Server.
May 2014 & May 2015	Motopia Limited acquired an initial 49% interest in CU2T in May 2014 and, a year later, proceeded to acquire 100% of CU2T to take full control of the intellectual property of the 2SQL technology and patent applications in order to better capitalise on the growing need for complex database conversion technology among its clients.
November 2016	Motopia Limited announced that it had executed a binding agreement to wholly acquire Cirralto Business Services Pty Ltd, then a technology solutions provider and owner of the Flashconvert technology solution that migrated legacy, on premise accounting data files, to cloud accounting platforms.
September 2017	Motopia Limited announced the completion of the acquisition of Cirralto Business Services Pty Ltd and is renamed to Cirralto Limited in November 2017 following shareholder approval.
February 2018	Cirralto announced that it had completed a bookbuild to raise $2.6 million through a placement of 41 million shares to institutional, sophisticated and professional investors, at an issue price of $0.063 to accelerate the roll-out of its modernisation business solution and fast track its growth opportunities. This private placement was completed on 5 March 2018.
August 2018	Cirralto announced on 16 August 2018 that it had completed a bookbuild to raise $1.5 million through a placement of approximately 48 million shares at an issue price of $0.031 to institutional and sophisticated investors to fund further growth and product development. This private placement was completed on 23 August 2018. On 24 August 2018, Cirralto issued a Rights Issue Offer Document for a non-renounceable pro rata rights issue of new shares at an issue price of $0.031 per share on the basis of a one new share for every eight shares held to raise up to approximately $1.5 million before costs. This offer closed on 29 October 2018 raising $179,999 with a shortfall of $1,322,912.
September 2018	Cirralto announced that it had entered into a four-year agreement with a Swedish Smart Payments Business, a provider of payment platforms, Westpay AB, to become a distributor of Westpay AB's merchant payment solutions in Australia.

Milestone date	Brief description
January 2019	Cirralto Limited achieved a key commercialisation milestone with its PoolBox vertical market software solution where it had executed a software supply agreement with EMBU Pty Ltd to supply the PoolBox solution to a minimum of 150 pool stores in 2019 and rolling into 2020 until saturation has been achieved.
February 2019, March 2019 & May 2019	In February 2019, Cirralto raised $942,581 through an issue of 99,219,067 shares at $0.0095 per share under tranche 1 of a private placement. In March 2019, Cirralto raised another $283,000 through an issue of 29,789,471 shares at $0.0095 per share under its share purchase plan announced to the ASX on 6 February 2019 and approved by shareholders on 4 April 2019 (Share Purchase Plan). In May 2019, Cirralto raised $665,508 through an issue of 70,053,699 shares at $0.0095 per share under tranche 2 of a private placement. Cirralto also issued 22,842,106 shares under the shortfall offer of the Company's Share Purchase Plan and 27,635,167 shares pursuant to the Company's Employee Share Plan.
July 2019	On 31 July 2019, Cirralto announced that its major shareholder, Goldfire Enterprises and licencing partner, Appstablishment, have jointly agreed to provide Cirralto up to $1 million via a working capital facility to support the payments business and to provide general working capital. The facility is payable 12 months from the drawdown date at an interest rate of 10% per annum.
August 2019	On 15 August 2019, the Company announced the execution of a Partnership and Revenue Sharing Agreement with Sydney-based fintech company, Invigo Pty Ltd (Invigo), whose integrated supply chain funding solution provides businesses with an accelerated settlement payment between buyers and their suppliers.
September 2019	On 10 September 2019, Cirralto announced the execution of a Software Licence and Service Agreement with national retail franchise chain, Clark Rubber where the Company will digitise the systems in the Clark Rubber franchise and supply the PoolBox standard operating environment to the 60-strong Clark Rubber owned and franchised network.
December 2019	On 6 December 2019, Cirralto announced the 100% acquisition of Appstablishment Software Group Pty Ltd, a SaaS company that has developed proprietary software, some of which is currently licensed exclusively to the Company. Shareholders of Appstablishment Software Group Pty Ltd will be issued 825 million shares in Cirralto as consideration for the acquisition. A placement to raise approximately $574,000, by way of an issue of 82 million new shares at an issue price of A$0.007 per share for general working capital purposes for due diligence work relating to the acquisition of Appstablishment Software Group Pty Ltd, was completed on 30 December 2019.
February 2020	On 26 February 2020, Cirralto anounced the release of the Spenda Application Platform ('Spenda') through Appstablishment in both the Apple App store and the Xero App Marketplace. It also launched an updated PoolBox platform and rebranded it as SpendaPool.
March 2020	On 17 March 2020, Cirralto announced that it had entered into a $800,000 Convertible Security funding agreement with Obsidian Global GP, LLC as well as the release of Cirralto's merchant payment service.

Milestone date	Brief description
July 2020	On 9 July 2020, Cirralto announced the launch of SpendaCollect, the core of the Company's Spenda digital payment stack. SpendaCollect platform delivers improved invoice collections by offering customers an online statement based payment service and solves the timeless business problem of debt collection with a digital platform.
December 2020	Cirralto announced that it had entered into a Business Payment Service Provider ('BPSP') agreement with Fiserve and Visa International Limited where Fiserve will serve as the exclusive merchant acquirer for Cirralto under Visa's BPSP agreement, which will enable Cirralto to commercial its Spenda product with improved transactional profit margins and streamlined processes. The Company's shares were reinstated to official quotation on the same day. Cirralto entered into a Business Payments Aggregator ('BPA') agreement with Fiserv and Mastercard where Fiserv will serve as the exclusive merchant acquirer for Cirralto.
February 2021	Cirralto announced that Phase 1 BPBP / BPA testing was completed with positive results. Phase 2 testing has now commenced and is expected to be completed by 1 March 2021. Cirralto also announced the launch of MySpenda, which Is expected to be released in third quarter for the financial year ended 30 June 2021 ('FY21'), and operates as a single portal that allows users to navigate between the functions of buying, selling and managing and collecting debt, while providing a fast, convenient and easy way to pay outstanding bills.
March 2021	Cirralto announced that Phase 2 BPBP / BPA testing was completed. The launch date for the new functionality has been confirmed as 1 May 2021.

Source: ASX announcements

2.3 Products

Products offered by Cirralto are summarised as follows:

2.3.1 Flash Convert

Flash Convert is a data migration tool that cleans and converts data before the data gets transferred to a new software programme, for example, moving from MYOB and QuickBooks / Reckon accounts to Xero. It allows the user to clean, standardise and migrate all its current and historical data.

2.3.2 SYNK'D

SYNK'D's proprietary software and intellectual property is owned by Appstablishment. Refer to section 3.2 of this Report for further details.

2.3.3 Spenda

Spenda's proprietary software and intellectual property is owned by Appstablishment. Refer to section 3.2 of this Report for further details.

2.3.4 Licencing agreement

Through a licencing agreement with Appstablishment, Cirralto is currently the exclusive licensee of Appstablishment's proprietary software and intellectual property.

Details of these solutions are further described in section 3 of this Report.

2.4 Directors and management

The board of directors of Cirralto are:

- Peter Ian Richards (Non-Executive Chairman)
- Adrian Floate (Managing Director and Executive Director)
- Stephen Dale (Non-Executive Director)
- Howard Digby (Non-Executive Director)

Mr Adrian Floate, the Managing Director, is an IT innovator who has been building software for 20 years. He has founded, built and sold several technologies businesses and has worked in supply chain management systems since 1997. Adrian has experience in manufacturing, wholesale distribution, retail and eCommerce, gained through working in Asia, Australia, the UK and US.

2.5 Shareholders and other security holders

The top twenty shareholders of Cirralto as at 12 March 2021 are set out as follows.

Shareholding as at 12 March 2021	Number of shares	% shareholding
Top 20 shareholders		
Citicorp Nominees Pty Limited	45,705,318	2.24%
Rare Air Holdings Pty Ltd	42,866,943	2.10%
Mr Keiran James Slee	26,400,000	1.29%
Mr Adrian Floate	20,061,656	0.98%
Peter Richards	14,894,737	0.73%
Mr Peter Ian Richards & Mrs Carol Richards	13,241,790	0.65%
Comsec Nominees Pty Limited	12,817,422	0.63%
Taos Pty Ltd	11,508,878	0.56%
Mr Alesandro Ljubicic	10,504,048	0.52%
Mr Chad Lemming	9,144,688	0.45%
Bnp Paribas Nominees Pty Ltd	9,082,914	0.45%
Mr Jan C Zwolinski	9,000,000	0.44%
Mrs Daliah Patel	9,000,000	0.44%
DC & PC Holdings Pty Ltd	8,675,018	0.43%
Mr Abdulkarim Abdulrazak	8,654,719	0.42%
Mr Andrew Bruce Richardson	8,250,000	0.41%
Mr Dheeraj Sharma	7,846,471	0.38%
Lamma Nominees Pty Ltd	7,700,000	0.38%
Northern Griffin Pty Ltd	7,352,108	0.36%
Mr Dean Male & Ms Nicole Player	7,140,938	0.35%
Mr Mark Leslie Thomson	7,000,000	0.34%
	296,847,648	14.55%
Other shareholders	1,737,614,865	85.13%
Total tradeable shares	2,034,462,513	99.68%
Add: Shares in Escrow	6,600,000	0.32%
Total issued capital	2,041,062,513	100.00%

Shareholding as at 12 March 2021	Number of shares	% shareholding
Shareholding concentration		
Top 5 shareholders	149,928,654	7.35%
Top 10 shareholders	207,145,480	10.15%
Top 20 shareholders	296,847,648	14.55%
Directors interest		
Mr Adrian Floate	62,928,599	3.08%
Mr Peter Richards	28,136,527	1.38%
Mr Howard Digby	10,366,666	0.51%
Mr Stephen Dale	1,500,000	0.07%
Total	102,931,792	5.04%

Source: Company's share register

The shareholding range of Cirralto shares as at 12 March 2021 (including shares in escrow) is set out as follows.

Shareholding Range as at 12 March 2021	Number of holders	Number of shares	% shareholding
Holding ranges			
1 - 1,000	105	22,255	0.00%
1,001 - 5,000	1,416	5,556,739	0.27%
5,001 - 10,000	2,535	19,863,243	0.97%
10,001 - 100,000	8,106	315,156,013	15.44%
100,001 and above	2,907	1,700,464,263	83.31%
Total	15,069	2,041,062,513	100.00%

Source: Company's share register

Other securities issued by Cirralto are set out as follows.

Other securities as at 12 March 2021	Number of holders	Exercise price	Number of options	Cash raised on conversion	Cash raised on in-the-money options
Options				$	$
Unlisted options expiring 30-Jun-22	2	$0.045	27,000,000	1,215,000	1,215,000
Unlisted options expiring 3-May-21	2	$0.082	6,300,000	516,600	-
Unlisted options expiring 28-Feb-22	1	$0.040	3,833,333	153,333	153,333
Unlisted options expiring 2-May-21	2	$0.025	6,615,021	165,376	165,376
Unlisted options expiring 28-Jul-23	1	$0.025	4,500,000	112,500	112,500
Unlisted options expiring 2-Mar-24	25	$0.135	50,000,000	6,750,000	-
Listed options expiring 28-Jul-23	2,033	$0.025	512,317,299	12,807,932	12,807,932
	2,066		610,565,653	21,720,741	14,454,141

Source: Company's options register

If all of the above unlisted and listed options are exercised, the Company is expected to receive approximately $21.7 million in cash. On a fully diluted basis (where all of the options are exercised), notwithstanding that they are out-of-the-money, the number of shares in the Company will increase by 610,565,653 to 2,651,628,166.

However, based on the current share price of Cirralto, five of the above option issues are in-the-money. If only in-the-money options are exercised, the cash raised by the Company would be approximately $14.45 million and the number of shares in the Company will increase by 554,265,653 to 2,595,328,166.

Directors' holdings of unlisted options are summarised as follows.

Other securities as at 12 March 2021	Number of options
Directors' interests	
Mr Adrian Floate	14,250,000
Mr Peter Richards	6,659,131
Mr Howard Digby	7,091,666
Mr Stephen Dale	375,000
Total	28,375,797

Source: Company's options register

2.6 Share price information

The historical share price movements and trading volumes for Cirralto for the 12-month period up to the approximate date of this Report are shown in the graph below.



Source: ASX, Capital IQ

Price sensitive announcements made to the market by Cirralto during this period are highlighted as follows.

Date	Summary of announcements
6-Dec-19	Cirralto announced the 100% acquisition of Appstablishment Software Group Pty Ltd, a SaaS company that has developed proprietary software, some of which is currently licensed exclusively to the Company. Shareholders of Appstablishment Software Group Pty Ltd will be issued 825 million shares in Cirralto as consideration for the acquisition. This announcement was made following an announcement of a trading halt on 4 December 2019.
19-Dec-19	Cirralto announced the completion of a bookbuild to raise approximately $574,000 by way of an issue of 82 million new shares at an issue price of A$0.007 per share for for due diligence work relating to the acquisition of Appstablishment Software Group Pty Ltd. This announcement was made following announcements of a trading halt and voluntary suspension from official quotation on 16 December 2019 and 18 December 2019 respectively.

Date	Summary of announcements
	Reinstatement of Cirralto's securities to official quotation occurred on 19 December 2019 following the announcement of the placement.
31-Jan-20	Release of Appendix 4C and Quarterly Activities Report on 31 January 2020 and 3 February 2020 respectively.
2-Mar-20	Release of Half Yearly Report and Accounts
17-Mar-20	Cirralto announced that it had entered into an $800,000 convertible security funding agreement with Obsidian Global GP, LLC. Cirralto also announced the release of Cirralto's merchant payment service whereby the Company can now offer both EFTPOS and online payments services to its customers.
1-May-20	Release of Appendix 4C and Quarterly Activities Report
5-Jun-20	Response to ASX price query
15-Jun-20	Cirralto announced that it had entered into a $600,000 Convertible Security Funding Agreement with key major shareholders.
31-Jul-20	Release of Appendix 4C and Quarterly Activities Report
3-Aug-20	Cirralto announced that it was targeting its customers' $225 million payments market with SpendaCollect and it is processing approximately $1.7 million directly through the Spenda platform.
14-Aug-20	Cirralto raised approximately $2.7 million (before costs) under share placement to institutional and sophisticated investors at an issue price of A$0.01 per share.
20-Aug-20	Response to ASX price query
31-Aug-20	Cirralto announced that an independent security audit performed by Asterisk Information Security Pty Ltd (a CyberCX company) highlighted a robust system protection across the core Spenda system and the Spenda App and Web applications. Cirralto also released it's preliminary report for the year ended 30 June 2020.
7-Sep-20	Cirralto announced that it intended to conduct a pro-rata non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) option for every eligible four (4) shares held being up to approximately 395,935,727 options and released the prospectus for this issue.
30-Oct-20	Release of Appendix 4C and Quarterly Activities Report
27-Nov-20	Cirralto announced a successful capital raising of $2.8 mllion via a placement.
30-Nov-20	Cirralto requested a voluntary suspension from quotation. A request to extend this voluntary suspension was made on 3 December 2020
7-Dec-20	Cirralto announced that it had entered into a BPSP agreement with Fiserve and Visa International Limited where Fiserve will serve as the exclusive merchant acquirer for Cirralto under Visa's BPSP agreement, which will enable Cirralto to commercial its Spenda product with improved transactional profit margins and streamlined processes. The Company's shares were reinstated to official quotation on the same day.
14-Dec-20	Cirralto entered into a Business Payments Aggregator ('BPA') agreement with Fiserv and Mastercard where Fiserv will serve as the exclusive merchant acquirer for Cirralto.
18-Dec-20	Response to ASX price query
12-Jan-21	Response to ASX price query

Date	Summary of announcements
28-Jan-21	Release of Appendix 4C and Quarterly Activities Report
16-Feb-21	Response to ASX price query
22-Feb-21	Cirralto announced a strong vote of confidence to raise $18 million via a placement, after going into a trading halt on 18-Feb-21
26-Feb-21	Response to ASX capital raising query Release of Half Yearly Report and Accounts Prospectus issued for the offer of placement options.

Source: ASX announcements

An analysis of the trading activity of the Company's shares for the 12-month period up to the approximate date of this Report is summarised in the table below.

Period	Volume weighted average price (VWAP)	Average number of shares outstanding (million)	Total shares traded over the period (million)	% of shares outstanding	% traded per week
1 week	$0.0776	2041.063	133.340	6.53%	6.53%
1 month	$0.0981	1861.431	1371.398	73.67%	18.42%
2 months	$0.0843	1781.362	2344.158	131.59%	14.62%
3 months	$0.0740	1753.041	3026.552	172.65%	13.28%
6 months	$0.0615	1679.023	4648.227	276.84%	10.65%
12 months	$0.0443	1323.899	8428.997	636.68%	12.24%

Source: Capital IQ, Bentleys Corporate Finance's analysis

From our analysis in the table above, we note that the percentage of the Company's shares traded per week varied over different periods. We note that the increase in trading activity and current trending share price occurred during the share placement to institutional and sophisticated investors diluting previously high shareholder concentration. Taking the percentage of shares traded per week over a 12-month timeframe as our basis, we can reasonably consider that Cirralto's share is a liquid stock.

We also note that the top five shareholders hold approximately 7.35% of the total issued capital and the top 20 shareholders hold 14.54% of the total issued capital. A relatively low shareholder concentration and a large portion of Cirralto shares being held by minority shareholders could also contribute to the liquidity of this stock.

2.7 Financial information

2.7.1 Statement of profit or loss and other comprehensive income

The table below summarises the historical audited statements of profit or loss and other comprehensive income (also referred to as 'income statement' or 'P&L') of Cirralto and its subsidiaries ('the Group') for the financial years ('FY') ended 30 June 2018 ('FY18'), 30 June 2019 ('FY19') and 30 June 2020 ('FY20') and the half-year ended 31 December 2020 ('HY21').

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Financial year ended 30-Jun-18 A$	Financial year ended 30-Jun-19 A$	Financial year ended 30-Jun-20 A$	Half-year ended 30-Dec-20 A$
Revenue				
Revenue from continuing operations	301,553	670,732	341,332	629,092
Other income	5,949	7,939	181,704	95,093
Total revenue	**307,502**	**678,671**	**523,036**	**724,185**
Cost of services rendered	(472,448)	(498,463)	(321,861)	(207,505)
Gross profit	**(164,946)**	**180,208**	**201,175**	**516,680**
Expenses				
Employee & directors' benefits expense	(1,210,910)	(1,422,798)	(1,345,337)	(748,502)
Depreciation and amortisation expense	(528,766)	(290,664)	(793,201)	(5,892)
Impairment of intangible assets and goodwill	(1,720,568)	(2,537,598)	(3,758,593)	-
Consulting fees	(311,124)	(51,575)	(280,421)	(295,269)
Legal and other professional fees	(163,684)	(119,613)	(150,434)	(149,876)
Regulatory listing fees	(97,068)	(58,546)	(48,396)	(72,366)
Occupancy expenses	(166,106)	(204,754)	(71,217)	(26,705)
Share-based payment expense	(1,503,847)	(681,840)	(135,944)	(86,415)
Other expenses	(511,800)	(837,243)	(688,215)	(246,173)
Finance costs	(61,825)	(12,614)	(349,084)	(76,399)
Movement in fair value of financial liabilities	-	-	(18,280)	(73,712)
Total expenses	(6,275,698)	(6,217,245)	(7,639,122)	(1,781,309)
Loss before income tax	**(6,440,644)**	**(6,037,037)**	**(7,437,947)**	**(1,264,629)**
Income tax expense	-	-	-	-
Loss after income tax	**(6,440,644)**	**(6,037,037)**	**(7,437,947)**	**(1,264,629)**

Source: Cirralto's audited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and half-year ended 31 December 2020.

Cirralto's auditors drew attention to notes in the financial report describing the events and/or conditions that give rise to the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the normal course of business. However, the auditors did not modify their opinion in respect of this matter.

We note the following in relation to the income statement of the Company:

- Revenue grew 122% between FY18 and FY19 reflecting significant wins within the pool services industry, the development of new business segments and an expansion of service capabilities despite a reversal of deferred revenue from Telstra as a result of a major restructure within Telstra.
- Revenue has reduced by 49% between FY20 and FY19 as a result of the COVID-19 pandemic through cancelled or suspended projects and relief provided by the Company in the form of subscription fee holidays, implementation discounts, free services and deferred payment plans.
- Revenue inceased again in HY21 from FY20 as a result of the implementation of the full range of Spenda Platform.
- Intangible assets and goodwill were fully written down in FY20 as the recoverable amount of its Cash Generating Unit ('CGU') was less than its carrying value.
- Reduction in share based payment expenses between FY18 and FY19 reflected a substantially lower value of unlisted options issued under the Company's employee share option plan for both executive directors and eligible employees during the year, their fair values determined by using the Black-Scholes model.

These expenses further reduced between FY19 and HY21 as a result of a reduced vesting charge on previously issued options.

- Finance costs have increased significantly in FY20 compared to previous years as the Company has entered into loans and convertible note liabilitites in FY20. These have reduced in HY21 as a result of conversion of loans to equity and repayment of non-convertible loans.
- Net losses increased substantially in FY20 compared to FY19 mostly as result of the non-cash impairment recognised in FY20. Net loss has reduced in HY21 reflecting an increase in revenue and no substantial non-cash impairment compared to FY20.

2.7.2 Statement of financial position

The table below summaries the historical audited statements of financial position (also referred to as 'balance sheet') of Cirralto as at 30 June 2018, 30 June 2019, 30 June 2020 and 31 December 2020.

Consolidated Statement of Financial Position	As at 30-Jun-18	As at 30-Jun-19	As at 30-Jun-20	As at 31-Dec-20
	A$	A$	A$	A$
Current assets				
Cash and cash equivalents	569,399	100,942	273,628	3,950,798
Trade and other receivables	324,536	328,312	321,085	534,239
Loan receivable	-	-	-	870,791
Other current assets	135,386	131,864	373,852	450,633
Total current assets	**1,029,321**	**561,118**	**968,565**	**5,806,461**
Non-current assets				
Property plant and equipment	7,649	4,402	7,060	9,335
Right of use assets	-	-	14,777	29,451
Intangible assets and goodwill	4,155,988	3,099,280	-	-
Total non-current assets	**4,163,637**	**3,103,682**	**21,837**	**38,786**
Total assets	**5,192,958**	**3,664,800**	**990,402**	**5,845,247**
Current liabilities				
Trade and other payables	534,287	554,260	1,598,013	694,557
Lease liability	-	-	15,900	28,474
Provisions	173,860	22,926	48,908	73,857
Financial liabilities	-	-	1,821,751	-
Total current liabilities	**708,147**	**577,186**	**3,484,572**	**796,888**
Total liabilities	**708,147**	**577,186**	**3,484,572**	**796,888**
Net assets	**4,484,811**	**3,087,614**	**(2,494,170)**	**5,048,359**
Equity				
Contributed equity	56,238,006	60,195,983	61,123,783	67,673,225
Share-based payment reserve	1,503,847	2,185,687	2,901,954	4,641,047
Accumulated losses	(53,257,042)	(59,294,056)	(66,519,907)	(67,265,913)
Total equity	**4,484,811**	**3,087,614**	**(2,494,170)**	**5,048,359**

Source: Cirralto's audited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and half-year ended 31 December 2020.

Cirralto's auditors drew attention to notes in the financial report describing the events and/or conditions that give rise to the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the normal course of business. However, the auditors did not modify their opinion in respect of this matter.

We note the following in relation to the statement of financial position of the Company:

- Cash and cash equivalents as at 31 December 2020 increased as a result of cash inflows from the issue of shares.
- Loan receivable as at 31 December 2020 reflects loan funding made to Appstablishment for the continued development of its Spenda and payments product.
- Other current assets are made up of prepayments and other assets.
- Right-of-use assets was recognised on 1 July 2019 on adoption of Australian Accounting Standards Board ('AASB') 16 to recognise lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. Lease liabilities were also correspondingly recognised.
- Intangible assets and goodwill were fully written down as at 30 June 2020.
- Trade and other payables increased substantially between 30 June 2019 and 30 June 2020, against a significantly lower increase in operating expenses in FY20, reflecting the Company's tardiness in meeting payments on its trade and other payables.
- Financial liabilities relates to the issue of convertible loans to various lenders between August and December 2019 as well as convertible loans issued to Obsidian Global GP, LLC in March 2020. These were repaid in full in HY21.
- Contributed equity increased as at 31 December 2020 compared to the position as at 30 June 2020 as a result of share placements in HY21.

2.8 Industry sector

Cirralto is involved in the acquisition, development, and commercialisation of technology assets that enable upgrading of business IT systems through conversion, migration, and management of server-based legacy data and systems to the cloud.

Cirralto offers products in conjunction with Appstablishment for its SYNK'D open authorisation integration platform, for the migration and management of server-based legacy data and systems to the cloud. Whilst the Company tailors and customises software for particular industries, like its PoolBox product, its business model is ultimately a create-and-distribute ready-made computer software.

The software publishing industry, as defined by IBISWorld, consists of businesses that develop computer software for mass production, as well as marketing and distributing computer software. This industry is characterised by software publishers that create and distribute ready-made (non-customised) computer software.

According to IBISWorld, the software publishing industry has grown strongly over the past five years on the back of increased online connectivity and cloud computing uptake, along with the upsurge in the use of smartphones and tablets. Demand for software has been boosted by the broadening consumer and business user bases and the increase in numbers of alternative platforms upon which complex software can be developed.

As demand continues to increase, local companies that publish products for domestic consumers may be able to fend off global competition to the extent that their products are tailored and customised specifically for the local / Australian market such as accounting software developed to comply with Australian accounting standards and principles.

Improved connectivity and publisher's adoption of SaaS as a preferred distribution model will continue to allow consumers to purchase a wider range of software products online and to spread their costs more evenly over time instead of having to incur several large one-off capital costs.

IBISWorld anticipates that the software publishing industry will continue to grow at an annualised rate of 9.4% over the next five years to reach $4.8 billion by the financial year 2025. Industry growth is underpinned by increased connectivity and cloud computing uptake. The adoption of SaaS distribution model has also played a vital role and the SaaS business models are expected to become even more popular over this period. Growth in the industry will result in increased employment as publishers employ more staff to meet greater demand.

According to IBISWorld, the financial services sector is a potential new growth market for the software publishing industry as firms in this sector turn to analysing customer spending behaviour and risk profiles to enable them to market more strategically. The uptake of the subscription-based SaaS business model has indicated a strong rising trend for such a business model, which benefits both consumers as well as publishers; in particular shifting a large portion of income to recurrent revenue for publishers.

Specifically for Cirralto, which does not develop its software from scratch, but licences the use of third party products (such as SKYN'D and Spenda from Appstablishment) and partners with technology companies for their platforms, technologies as well as network and infrastructure services to customise software for particular industries, the Company is in a strong position to benefit from the industry's growth.

Given the growth trends in consumer demand (including the willingness to purchase software if it enables significantly higher productivity) and a favourable SaaS business model that we expect to underpin continued strong growth in the software publishing industry, Cirralto is in a good position to penetrate the market with its existing products, with the potential to create new products and targeting new markets.

Source: IBISWorld 'J5420 Software Publishing in Australia Industry Report, June 2020'

3 Appstablishment Software Group

3.1 The business

Appstablishment is a software development company that creates intellectual property and software applications which streamline business processes. It creates new technologies that facilitate communication and transaction processing so that the sharing of information is fast and paperless. This is achieved by the use of simple applications ('App(s)') to streamline communication channels, automate the communication process and to eliminate the need for replicating the entry of data within departments and between suppliers and customers.

Appstablishment was founded in 2001 and has built up close to 20 products for sale. Its focus has been to constantly improve the software and platforms used to facilitate online transactions and data sharing on mobile devices so that collaboration can be effectively and efficiently achieved not only within the business but also between business partners. Appstablishment's products are underpinned by an integration framework that links the procure-to-pay and order-to cash processes.

The Company has two predominant products which are SYNK'D and Spenda.

3.2 Products – SYNK'D

The Company's first primary product is SYNK'D, which is driven by the philosophy to create technologies that can propagate vertically within markets, connecting multiple disparate applications (such as e-Commerce, e-Procurement or e-Sourcing technology) via Application Programming Interface ('API') on a one-to-many basis. The strategy is centred around SYNK'D binding together multiple applications within vertical markets across the entire value chain; from manufacturers to end consumers while allowing real time inventory and product visibility from the point of manufacture to the point of sale ('POS') to the consumer.

SYNK'D is a software platform which enables businesses to connect applications together to remove repetitious data entry and to automate information exchange. It is an open-authorisation integration platform that enables customers to synchronise data across their cloud application eco system into their accounting and ERP software. It is designed as an API gateway that facilitates integration and synchronisation of operational and financial data.

SYNK'D allows businesses to connect to their customers and their customers' catalogues to quickly and easily share data. When integrated with an accounting software such as 'Xero', it provides full visibility of purchase orders, invoices, credit notes, debtors, creditors and inventory and updates all relevant systems. As a result, data such as debtors, creditors and inventory as well as transactions (including but not limited to purchase orders, invoices, credit notes) can be extracted real time or on user driven events.

3.3 Products – Spenda

Appstablishment has developed a business management application that forms, records and delivers transactions between businesses and their trading partners, within a POS platform, Spenda. Together with SYNK'D, they culminate into an integrated Spenda Platform that aims to deliver to its customers' customers a satisfying buying and selling experience which is expected to deliver better sales returns for everyone in the buyer/seller chain.

SYNK'D synchronises financial and operational data between financial accounting platforms. SYNK'D complements and aligns with the Spenda application by integrating each transaction in Spenda into company financial systems to make accounting and compliance fast and accurate.

The integrated Spenda Platform enables small and large businesses to share data simply and easily across B2B and B2C channels, as well as integrate each transaction into company financial systems to make accounting and compliance fast and accurate. The integrated Spenda Platform is envisaged to provide a complete solution to bring substantial productivity and cost savings to its customers.

Typical customers will include small to medium sized retailers (multi-site, franchise and vertical specialisation), wholesale distributors, manufacturers and producers (with common retail customers). The integrated Spenda Platform's niche market will sit with the ability to deliver services from enterprise to small business that allows on-premise and cloud environments to co-exist and seamlessly share data.

The Spenda digital payments platform delivers a fully integrated digital payment and business software solution that enables businesses to transform with fast, error-free digital efficiency. The Spenda payments 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.

3.3.1 SpendaCollect and SpendaPay

SpendaCollect and SpendaPay enables any business to collect debt from any customer. In the retail setting, this involves functionality allowing customers to pay for goods or services either in-store, online or on-the-go through a virtual terminal. For suppliers and wholesalers, this means a custom portal enabling their customers to see their outstanding invoices which they can pay off using the integrated payment collection system. SpendaCollect simplifies debt collection, which helps businesses to increase revenue and reduce the need to chase customers for payments.

SpendaCollect supports B2B payments, that is, transactions between businesses. SpendaPay supports B2C payments, that is, transactions between the customer and the retailer.

In-store businesses have the option to integrate into an EFT device or use the onscreen manual entry to collect payments. In the field, the software enables outstanding invoices to be paid off through a virtual terminal.

The Spenda payments platform enables businesses to track, group, and batch-pay all of their outstanding invoices simultaneously. This saves time, money and resources between both parties and speeds up payment efficiency. The platform allows businesses to seamlessly take payments, instantly collect debt, set up pay-later plans and get access to working capital.

Spenda's payment platform operates up and down the value chain supporting manufacturers, wholesales, retailers and consumers, offering businesses more flexible options to get paid and improve cash flow so they can sell more and grow faster.

3.3.2 SpendaPOS

The POS system allows businesses to quickly and easily process a transaction while offering them complete access to an impressive data set. Inventory data and customer, sale and purchase history can be accessed directly from the tablet-based POS giving a greater insight into a business.

The Spenda software is fully integrated with small business accounting software and ERP solutions and feeds sales, stock and customer information in real-time to independent accounting applications.

SpendaPOS is also suitable for multi-site set up allowing the connection of multiple stores together in a single Spenda Solution. This interlinking provides the ability to share inventories, customers, suppliers and pricing across all locations while simplifying and centralising administrative tasks and providing data transparency across a business.

3.3.3 SpendaBuy

SpendaBuy is a procurement tool that automates the purchasing process and allows businesses to send purchase orders directly to their suppliers.

As SpendaBuy is iPad based, users can walk around their store and enter product details directly into their purchase orders using either the search functionality or by scanning items using the virtual barcode scanner.

Administration controls within SpendaBuy allow the business to customise user settings to determine who has authority to raise and approve purchase orders, providing confidence that nothing can be ordered without the correct approvals. SpendaBuys' "suggest what I need to buy" feature allows businesses to replenish stock based on predetermined minimum / maximum stock settings. Once a product reaches the minimum stock level a purchase order is raised and sent for approval to bring stock back to maximum levels.

Additionally, SpendaBuy makes the requisition process easier by flipping the purchase action. Rather than building multiple purchase orders with each supplier's inventory list, SpendaBuy allows the user to browse all their products from all their suppliers at the same time. Once the user has selected the items they need, SpendaBuy breaks the list down into separate purchase orders ready to be sent digitally to the respective suppliers.

SpendaBuy reduces administrative duties and cuts down the time and effort required to place orders while also removing unnecessary manual data-entry and human error.

3.3.4 SpendaStock

With SpendaStock businesses can manage their warehouses, whether that be a fleet of vans, shops or external warehouses from anywhere with an internet connection. The stock management feature also allows for warehouse to warehouse stock transfers and requisitions.

Because SpendaStock is fully integrated with SpendaPOS, stock levels will be automatically amended after a sale or refund to ensure businesses always know what is available. Our inventory management software can also perform stocktakes or rolling stock takes and perform stock adjustments as required. When SpendaBuy is enabled with SpendaStock, inventory levels will also increase when purchase orders are raised.

3.3.5 SpendaMarket

With SpendaMarket, a supplier or wholesaler can set up an online catalogue to share with their business customers. Once invited to the portal, customers can raise a purchase order with their supplier and create order templates to save time when reordering. Additionally, suppliers can edit their catalogue in real-time and set up

pricing bands for customer groups. Because SpendaMarket is cloud-based, businesses can take orders at any time and from anywhere in the world.

3.3.6 Spenda-eCom

Spenda-eCom can be fully integrated with other modules to create an online sales portal for business partners and trade customers. With Spenda's stock management tool enabled, the eCommerce build will show up-to-date inventory levels and update in real-time with price changes, stock levels and sales. Integrations with shipping and third party logistics providers are also available to provide better customer service and improve the turnaround time of online orders.

3.3.7 SpendaService

SpendaService helps ensure transparent communication and job tracking by coordinating business operations including customer management, scheduling, dispatching, work orders, payment collection and mobile employees. The benefits of switching to a cloud-based, automated field management solution like SpendaService allow users to send, receive and edit job information in real time, eliminating the need for paperwork and return visits. SpendaService can be purchased as a stand-alone product or integrated with the SpendaPOS software stock management tool and payments platform.

3.4 Directors and management

The board of directors of Appstablishment are:

- Michael Davy (Director and Founder)
- David Wood (Director and Founder)
- Francis DeSouza (Director and Founder)

3.5 Shareholders and other security holders

Appstablishment had approximately 51 shareholders as at 9 March 2021. The top ten shareholders are set out as follows.

Shareholding as at 9 March 2021	Number of shares	% shareholding
Top 10 shareholders		
Rare Air Nominees Pty Ltd ATF Appstablishment Unit Trust	9,878,163	19.50%
Temorex Pty Ltd ATF Nitram Family Trust	7,612,032	15.03%
Elite Sky Investment Limited	6,744,128	13.32%
Baga River Investments Pty Ltd	5,462,221	10.78%
Davy Corp ATF Davy Investment Trust	3,540,000	6.99%
Pauline & Kylie Floate ATF Feral 55 Superannuation Fund	2,455,494	4.85%
Robert Martin ATF Nitro Super Fund	1,596,071	3.15%
Mark & Jennifer Linney ATF Linney Super Fund	1,543,585	3.05%
David Matthew Wood ATF Wood Family Trust	1,227,747	2.42%
Opal Intelligence Group Pty Ltd	927,547	1.83%
	40,986,988	80.92%
Other shareholders	9,663,012	19.08%
Total issued capital	50,650,000	100.00%

Source: Appstablishment's share register

3.6 Financial information

3.6.1 Statement of financial performance

The table below summarises the historical unaudited statements of profit or loss and other comprehensive income (also referred to as 'income statement' or 'P&L') of Appstablishment. The P&L of Appstablishment as at 31 December 2020 was not available as at the date of this Report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Financial year ended 30-Jun-18 A$	Financial year ended 30-Jun-19 A$	Financial year ended 30-Jun-20 A$
Revenue			
Fees	1,793,142	2,522,450	2,334,854
Development income	784,521	849,343	1,300,000
Miscellaneous income	4,533	-	1,362
Total revenue	**2,582,196**	**3,371,793**	**3,636,216**
Cost of Sales			
Software - Purchase	(2,024)	-	-
Hardware - Purchase	(2,441)	-	-
Total Cost of Sales	**(4,465)**	**-**	**-**
Gross Profit	**2,577,731**	**3,371,793**	**3,636,216**
Other Income			
Cashflow Boost	-	-	50,000
JobKeeper subsidy	-	-	132,000
Other Income	-	-	4,778
Total other income	**-**	**-**	**186,778**
Expenses			
Contractors	(54,836)	(93,102)	(35,875)
Interest Expense	(82,827)	(60,889)	(184,722)
Professional Fees	(22,742)	(66,680)	(19,821)
Depreciation	(217,049)	(124,234)	(72,460)
Wages and Salaries	(1,812,785)	(1,917,956)	(2,815,170)
Other expenses	(212,566)	(379,733)	(369,478)
Total expenses	**(2,402,805)**	**(2,642,594)**	**(3,497,526)**
Profit before income tax	**174,926**	**729,199**	**325,468**
Income tax expense	(390,066)	(619,349)	(609,488)
Profit after income tax	**(215,140)**	**109,850**	**(284,020)**

Source: Appstablishment's unaudited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020

We note the following in relation to the statement of financial performance of the Company:

- Development income relates to the income receivable from the government research and development tax incentive scheme. There is a significant increase in other income due to the cashflow boost and JobKeeper subsidy provided by the government due to the COVID-19 pandemic.
- Interest expense relates to the interest payable on the research and development loan with an external financier. This loan was repaid fully in August 2020.
- Wages and salaries predominantly relate to the development staff team.

3.6.2 Statement of financial position

The table below summaries the historical unaudited statements of financial position (also referred to as 'balance sheet') of Appstablishment. The balance sheet of Appstablishment as at 31 December 2020 was not available as at the date of this Report.

Consolidated Statement of Financial Position	As at 30-Jun-18 A$	As at 30-Jun-19 A$	As at 30-Jun-20 A$
Current assets			
Cash and cash equivalents	(118,128)	(298,149)	(261,455)
Trade and other receivables	153,212	892,219	825,486
Total current assets	**35,084**	**594,070**	**564,031**
Non-current assets			
Software development	9,019,176	8,895,765	8,854,634
Other non-current assets	11,193	32,503	31,261
Provision for research and development refund	784,521	-	1,300,000
Total non-current assets	**9,814,890**	**8,928,268**	**10,185,895**
Total assets	**9,849,974**	**9,522,338**	**10,749,926**
Current liabilities			
Trade and other payables	1,254,764	1,050,271	1,342,919
Borrowings	-	-	832,500
Provision for income tax	856,091	1,473,612	2,083,098
Total current liabilities	**2,110,855**	**2,523,883**	**4,258,517**
Non-current liabilities			
Loans	684,148	(189,459)	772,995
Provision for annual leave	126,067	126,067	126,067
Subordinated debt	1,192,158	1,192,158	-
Superannuation clearing	48,515	78,549	85,226
Total non-current liabilities	**2,050,888**	**1,207,315**	**984,288**
Total liabilities	**4,161,743**	**3,731,198**	**5,242,805**
Net assets	**5,688,231**	**5,791,140**	**5,507,121**
Equity			
Contributed equity	2,123,868	2,123,868	2,123,868
Accumulated losses	3,779,503	3,557,422	3,667,273
Current year earnings	(215,140)	109,850	(284,020)
Total equity	**5,688,231**	**5,791,140**	**5,507,121**

Source: Appstablishment's unaudited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020.

We note the following in relation to the statement of financial position of Appstablishment:

- Trade debtors have increased significantly as products developed by Appstablishment achieve commercialisation.
- Software development relates to the time spent in developing software or products ready for commercialisation.

- Current borrowings related to a loan that was to be repaid with the funds received from the research and development tax incentive scheme. This loan was fully repaid in August 2020.
- Non-current loans mainly comprise of loans payable to Cirralto Business Services and Rare Air. The loan payable to Cirralto Business Services has been fully repaid and the loan payable to Rare Air (which is associated with Mr Adrian Floate) will be fully repaid through the issue of shares to Rare Air upon merger.

3.7 Industry sector

Appstablishment has developed proprietary intellectual property that comprise integration as a service platform. This service platform is SYNK'D. SYNK'D is front ended by mobile and web enabled Apps that connect major accounting platforms to cloud accounting platforms.

Appstablishment has also developed legacy intellectual property that serves as a transaction authorisation and payment gateway for the Capricorn Co-op Society which is installed on more than 2,500 businesses across Australia and New Zealand and authorises over 20 million transactions each year.

The computer system design services industry, as defined by IBISWorld, consists of businesses that write, modify, test or provide user support for software. It also includes companies that plan and design computer systems to integrate various forms of technologies such as hardware, software, cloud and telecommunication. This industry is characterised by customised software and services and therefore provides its clients with information technology expertise.

According to IBISWorld, the computer system design services industry has grown over the past five years on the back of improvements in technology, increased investment in software and greater dominance of mobile platforms and cloud computing. Widespread reliance on the internet has driven the expansion of this industry as households, businesses and governments continue to demand computer software, computer consultancy and design services. Businesses have been investing in developing IT infrastructure in line with increasing internet connectivity, increasing data transfer speeds, cloud storage, amongst others, driving demand for industry services over the past five years. As demand continues to increase, industry employment is projected to rise and attract more skilled computer operators to enter the industry over the next five years.

IBISWorld anticipates that the computer system design services industry to remain highly fragmented over the next five years, partly due to the low barriers of entry, but niche players may develop small groups of loyal clients.

The computer system design services industry is considered to be in the growth stage of its economic life cycle as new markets are constantly opening up for industry firms in a rapidly changing technological and online environment. However, international competition, such as offshore consultants, may have a competitive edge over Australian firms from a lower cost and pricing perspective.

The software publishing industry, as described in section 2.8 above, is also relevant to Appstablishment, particularly in its potential to develop computer software for mass production (such as the Spenda Platform), as well as to market and distribute ready-made (non-customised) computer software such as its SYNK'D Apps directly to the market.

As businesses and governments continue to seek technological improvements, strive for operational efficiencies and embrace cloud computing, we believe that integration platform as a service, as well as software that improves productivity and reduces costs, will continue to be in demand and grow, auguring well for Appstablishment.

Source: IBISWorld 'M7000 Computer System Design Services in Australia Report, November 2020' and 'J5420 Software Publishing in Australia Industry Report, June 2020'

4 Profile of the Proposed Merged Entity

4.1 The combined businesses

If the Proposed Transaction is completed successfully, Cirralto and Appstablishment will merge ('Proposed Merged Entity') to form a single entity that will own all the intellectual property and customer facing solutions technologies.

Cirralto is currently the exclusive Australian licensee of Appstablishment's software and intellectual property. The dependency on the continued use of Appstablishment's licenced third party intellectual property puts the Company at risk even though both Cirralto and Appstablishment are closely associated through Mr Adrian Floate, the Managing Director of Cirralto, who is also a shareholder of Appstablishment.

To enable Cirralto to advance its customer acquisition strategy in deploying vertical market software solutions, particularly to customers in international markets, it would be necessary to obtain security over key licenced intellectual property and unfettered access and use of Appstablishment's intellectual property.

Cirralto's proposed acquisition of Appstablishment will culminate in the Proposed Merged Entity that will directly own the SYNK'D and Spenda intellectual property (both domestically and internationally) (collectively to be referred to as 'Spenda IP'), which is fundamental and critical in enabling the deployment of SaaS solutions to develop new intellectual property and software capabilities both domestically and internationally. There will also be no more payment of licence fees for the Spenda IP and Cirralto will be able to directly benefit from the Australian Government's research and development tax incentive scheme.

4.2 Capital structure

Following the Proposed Transaction, Appstablishment shareholders (based on Resolutions 2 and 3) will hold 28.05% of Cirralto. The change in shareholding for Cirralto shareholders is demonstrated in the calculations below.

Change in shareholding Under the Proposed Transaction and other resolutions	Number of shares	% shareholding
Existing Cirralto shares		
Number of shares currently on issue	2,041,062,513	69.39%
Cirralto shares to be issued under the Proposed Transaction (Resolutions 2 and 3)		
Shares to be issued to Appstablishment shareholders - related party vendors	200,893,722	6.83%
Shares to be issued to Appstablishment shareholders - unrelated party vendors	624,106,278	21.22%
	825,000,000	
Shares to be issued to Adrian Floate as consideration for related party loan (Resolution 4)	74,800,000	2.54%
Shares to be issued to directors in lieu of fees payable (Resolutions 9, 10 and 11)	694,444	0.02%
Number of shares after the Proposed Transaction and other resolutions	**2,941,556,957**	**100.00%**
Cirralto options to be issued / exercised		
Options to be issued to Adrian Floate as consideration for related party loan	18,700,000	
In-the-money options exercised by existing Cirralto shareholders	554,265,653	
Number of shares after the Proposed Transaction and other resolutions (diluted)	**3,514,522,610**	

Source: Company's share register, Bentleys Corporate Finance's analysis

5 Valuation approach

Our valuation approach is based upon the guidance of RG 111. We considered a range of valuation methodologies in assessing the value of Cirralto before the Proposed Transaction ('Pre-Transaction') and the value of Cirralto after the Proposed Transaction ('Post-Transaction').

For the purpose of our opinion, our assessment is based on the fair value definition of 'the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'. Any special value or amount that reflects particular attributes of an asset that are only of value to a special purchaser (because of advantages arising from its ownership that would not be available to other purchasers) is not taken into account in our determination of fair value.

A summary of the various valuation methodologies is included in Appendix 3.

5.1 Pre-Transaction valuation approach

We assessed the Pre-Transaction equity value of Cirralto using the sum-of-parts approach, which is a combination of utilising the discounted cash flow ('DCF') method to value the business and the net asset value ('NAV') method to value Cirralto's other assets and liabilities ('Sum-of-Parts').

We used the DCF method to value the business in view of the growth phase that the Company is in and the irregularity of its cash flow profile until it achieves some stability from the commercialisation and roll-out of its products. We adopted the approach of mid-pointing the cash flows when discounting them to the net present value. We included a terminal value, which is common practice when valuing a going concern business on a DCF basis.

As a cross-check, we also performed a trading history analysis of the quoted market prices of Cirralto's shares prior to the announcement of the Proposed Transaction and compared it (after applying a control premium to the share price) with the Pre-Transaction equity value we obtained using the Sum-of-Parts analysis.

This comparison is made on the basis that Cirralto's share price before the announcement of the Proposed Transaction ('Pre-Announcement') may provide evidence of the fair market value of its equity (assuming an efficient and liquid market) without the Proposed Transaction.

The Pre-Transaction value of Cirralto was calculated on a controlling interest basis.

5.2 Post-Transaction valuation approach

We assessed the Post-Transaction equity value of Cirralto using the Sum-of-Parts approach, combining the DCF method (including a terminal value) to value the business after the Proposed Transaction and the NAV method to value the combined other assets and liabilities of the Proposed Merged Entity.

As a cross-check, we also performed a trading history analysis of the quoted market prices of Cirralto's shares after the announcement of the Proposed Transaction and compared it with the Post-Transaction equity value we obtained, after applying a minority discount to the value we obtained under the Sum-of-Parts analysis. This comparison is based on the rationale that Cirralto's share price after the announcement of the Proposed Transaction ('Post-Announcement') would have incorporated information about the Proposed Transaction and reflected the market's view of the prospects of the Proposed Merged Entity.

However, in view of the COVID-19 pandemic which resulted in a significant delay in the Proposed Transaction being completed, and the growth initiatives and activities that Cirralto and Appstablishment have undertaken since the resumption of normal business activities following the lifting of strict lock-down restrictions in Western Australia, we have considered Cirralto's most recent share prices instead of the time period immediately following the announcement of the Proposed Transaction.

The Post-Transaction value of Cirralto was calculated on a minority interest basis.

6 Valuation of Cirralto

6.1 Value based on Sum-of-Parts analysis

We assessed the Pre-Transaction equity value of Cirralto using the Sum-of-Parts analysis, using a combination of the DCF method to value the business and the NAV method to value the Company's other assets and liabilities. The DCF analysis is used to place a value on an asset or a business based on the future free cash flows of the business. This methodology is based on the cash flow generating ability of a company and the fair value measured by the future free cash flows discounted to their present value at an appropriate discount rate.

6.1.1 Basis of forecasts (DCF analysis)

Cirralto provided us with a financial model containing a four-year forecast of its estimated future free cash flows from the operations of the Company **without** the effect of the Proposed Transaction ('Cirralto's Forecast Cash Flows'). Cirralto's Forecast Cash Flows reflect nominal before tax cash flows on a 100% ownership basis.

Cirralto's Forecast Cash Flows were prepared based on:

- growth from existing and new customers (or buying groups);
- lead volumes based on marketing expenditure;
- actual historical lead conversion rates; and
- licence fees and salaries and wages paid to Appstablishment.

We undertook an analysis of the assumptions supporting Cirralto's Forecast Cash Flows and made adjustments to Cirralto's Forecast Cash Flows where we considered appropriate, after:

- requesting and reviewing the assumptions from Cirralto;
- evaluating actual financial information to budgets prepared by the Company; and
- enquiring and challenging the bases of material assumptions contained in Cirralto's Forecast Cash Flows.

The analysis that we undertook was limited to the extent of satisfying ourselves that Cirralto's Forecast Cash Flows were not prepared on an unreasonable basis in order for us to provide an opinion on the value of the Company for the purpose of this Report.

Any forecast information prepared by the Company is based on assumptions about events and circumstances that have not yet occurred, having regard to information available at the date of the forecast. These events and circumstances will be expected to take place, but there cannot be any assurance that they will occur as anticipated or at all given that many of the events are outside of the Company's control.

Our work does not constitute an audit or review, and accordingly, we do not express any assurance nor provide any opinion on the reasonableness of the underlying assumptions. We do not provide any assurance that the forecasts will be representative of the results that will ultimately be achieved or events that will occur. This Report cannot be relied upon to disclose irregularities, including fraud, or other illegal acts and errors that may occur.

6.1.2 Future free cash flows

Revenue

Cirralto's Forecast Cash Flows contain five key revenue streams:

- net payments income
- recurring software income
- hardware sales

- support sales
- implemetation services sales

Net Payments Income

Net payments income is derived from merchant fees earned by Cirralto and are derived as a net percentage on all transactions processed via the SpendaCollect Platform ('Payments'). As disclosed to the market on 7 December 2020, Cirralto entered into a Business Payments Solution Provider Agreement ('BPSP Agreement') with Fiserv, Inc ('Fiserv') and Visa International Limited ('Visa'). The BPSP Agreement incorporates a discounted merchant rate that will increase Cirralto's profit margins on credit and debit card payments. The discounted merchant rate reduces the Company's interchange cost price to process card transactions. Cirralto's Forecast Cash Flows includes growth assumptions gained through the BPSP Agreement.

Payments can be further split into the payments revenue growth from (i) SpendaCollect and SpendaPay services and (ii) SpendaService and SpendaPOS SaaS.

SpendaCollect and SpendaPay Services

The application of SpendaCollect and SpendaPay allows the Company to profit from transactions along the entire value chain. SpendaCollect supports B2B transactions while SpendaPay supports B2C transactions. Cirralto collects a percentage of every payment from wholesaler to manufacturer, retailer to wholesaler and customer to retailer.

The revenue growth is based on the forecasted cumulative merchant turnover which is a function of forecasted new merchants growth and the monthly merchant turnover. Cirralto's Forecast Cash Flows assumes an average B2B merchant turnover to be $500,000 per month and an average B2C merchant turnover to be $100,000 per month.

The monthly turnover has been held constant for the purposes of the forecast. The new merchants growth is a function of the marketing spend per cost per lead and the lead conversion rate.

The bases for these assumptions are summarised as follows:

- as announced, Cirralto is already processing transactions of approximately $1.7 million directly through its Spenda Platform;
- Cirralto's customer market consisting of $225 million per month, currently under the SaaS style engagement, is directly upgradable to merchant fee engagements;
- merchant payment rates per transaction based on signed agreements for both B2B and for retail customers;
- marketing spend has been based on an average of the actual marketing spend for the months of July, August and September 2020 (this is the first quarter that the full range of Spenda services were being utilised). The actual spend for October has also been used as an indicator for future spend in Cirralto's Forecast Cash Flows. Marketing spend has since decreased as the campaigning is much more focussed delivering a better customer acquisition result. However, given that the Spenda Platform is still in the growth phase, the marketing spend assumption used for the forecast is unchanged as it is still the most critical success factor at this stage of product awareness;
- actual leads generated in the months of July, August and September 2020 were in line with the leads used as the expected lead volumes in Cirralto's Forecast Cash Flows. As noted above, campaigning is becoming more focussed however, due to the early phase of development and sales of the Spenda Platform, lead generation forecasts have been forecasted based on actual leads generated from July to September 2020;
- actual lead conversion rates for the months of October and November 2020 were above the lead conversion rate used in Cirralto's Forecast Cash Flows. Actual lead conversion rates for the months of December 2020 and January 2021 were lower than the conversion rates used however, on average over

the four months, actual lead conversion rates are higher that those used in Cirralto's Forecast Cash Flows; and

- costs per lead used in Cirralto's Forecast Cash Flows are in line with the actual average costs per lead for the months of July, August and September 2020 and have increased for the months since September 2020. However, as noted above, this is due to the campaign being more focussed, hence more expensive to target, but delivering a better customer acquisition result. Given that the Spenda Platform is still in the growth phase however, the forecast assumptions have remained unchanged.

We have made adjustments to the above growth assumptions where we considered appropriate.

SpendaService and SpendaPOS SaaS

SpendaService is an SaaS that helps ensure transparent communication and job tracking by coordinating business operations. SpendaPOS enables businesses to process a transaction while allowing them to have direct access to inventory data and customer, sale and purchase history. Cirralto collects a percentage of every payment processed through SpendaService and SpendaPOS.

The revenue growth is based on the forecasted cumulative merchant turnover which is a function of forecasted new merchants growth and the monthly merchant turnover. Cirralto's Forecast Cash Flows assumes an average retail merchant turnover for the SpendaService to be $100,000 per month and an average SaaS merchant turnover for SpendaPOS to be $50,000 per month.

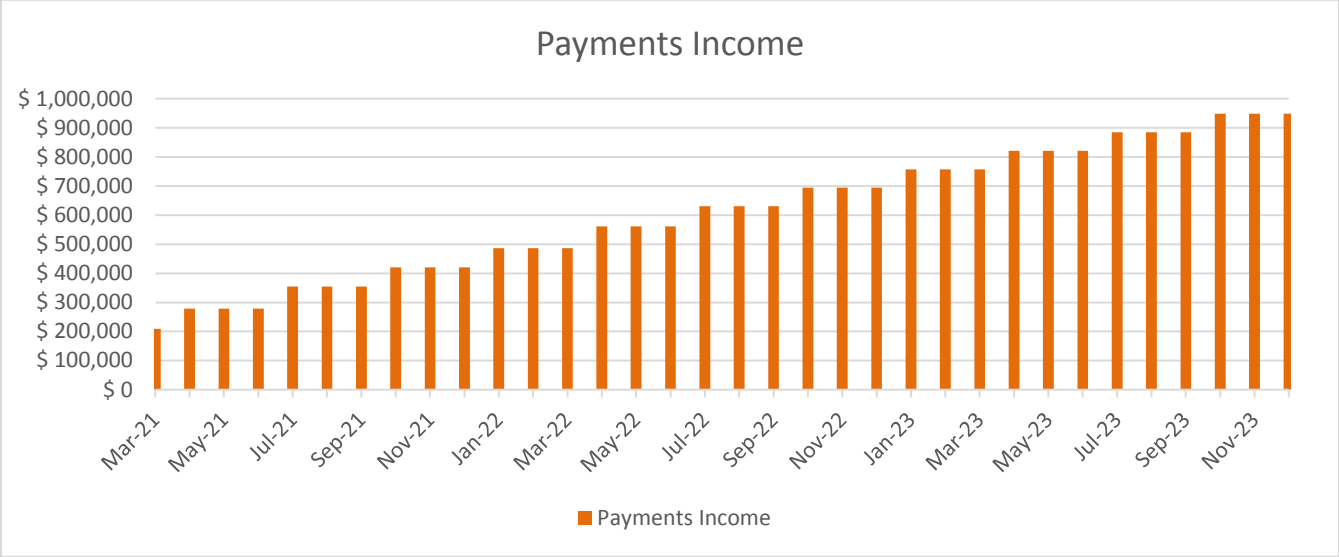
The monthly turnover has been held constant for the purposes of the forecast. The new merchants growth is a function of the marketing spend per cost per lead and the lead conversion rate.

The bases for these assumptions are summarised as follows:

- as announced recently, Cirralto is already processing transactions of approximately $1.7 million directly through its Spenda Platform;
- Cirralto's customer market consisting of $225 million per month, currently under the SaaS style engagement, is directly upgradable to merchant fee engagements;
- merchant payment rates per transaction based on signed agreements for both B2B and for retail customers;
- marketing spend is based on the marketing spend assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead generation assumptions are based on the lead generation assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead conversion rate assumptions are based on the lead conversion rate assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report; and
- costs per lead assumptions are based on the costs per lead assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report.

We have made adjustments to the above growth assumptions where we considered appropriate.

The following chart shows the forecasted Payments income.



Source: Bentleys Corporate Finance's analysis

Recurring Software Income

This income stream relates to software subscriptions paid by customers for any software licences used. Revenue can be further split into the recurring revenue from the SpendaService and SpendaPOS SaaS.

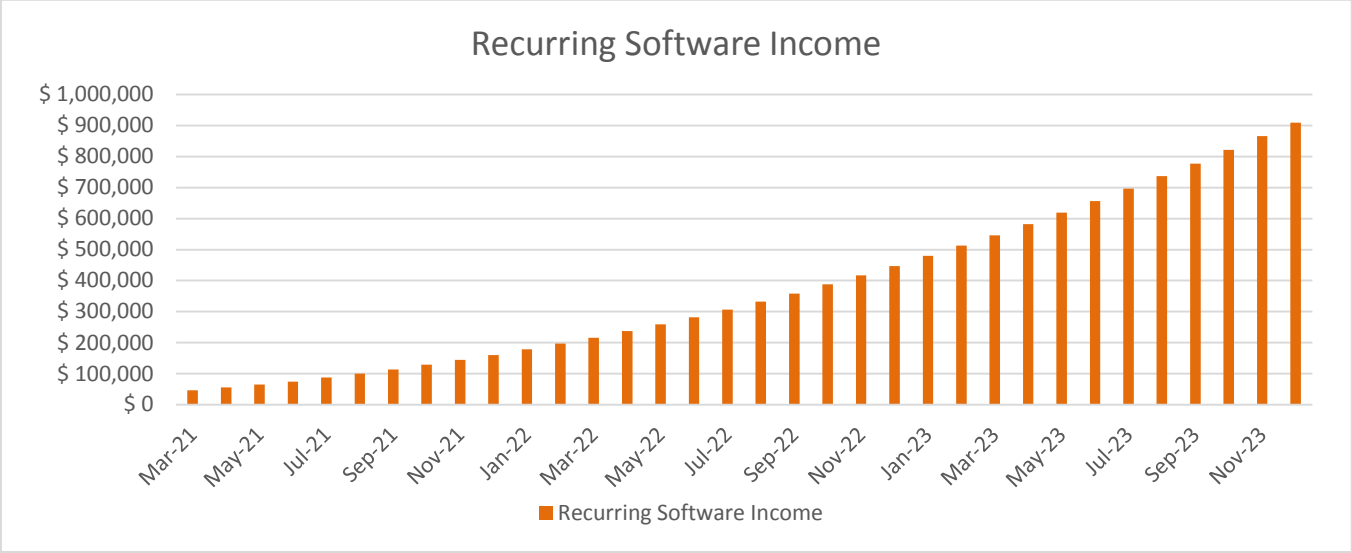
Recurring revenue for both service lines is defined as a function of new customers and the average revenue earnt per customer. The new customers growth is a function of the marketing spend per cost per lead and the lead conversion rate.

The bases for these assumptions are summarised as follows:

- average revenue is based on the actual revenue currently being charged by Cirralto;
- marketing spend is based on the marketing spend assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead generation assumptions are based on the lead generation assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead conversion rate assumptions are based on the lead conversion rate assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report; and
- costs per lead assumptions are based on the costs per lead assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report.

We have made adjustments to the above growth assumptions where we considered appropriate.

The following chart shows the forecasted Recurring software income.



Source: Bentleys Corporate Finance's analysis

Hardware Sales

The hardware sales relate to the supply of POS hardware, such as Ipads, cashdraws or scanners, to customers.

Hardware sales is a function of the new SpendaPOS merchants, the net revenue per hardware kit and the lead conversion rate. The new SpendaPOS merchants growth is a function of the marketing spend per cost per lead.

The bases for these assumptions are summarised as follows:

- net revenue per hardware kit is based on actual prices charged to customers;
- marketing spend is based on the marketing spend assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead generation assumptions are based on the lead generation assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead conversion rate assumptions are based on the lead conversion rate assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report; and
- costs per lead assumptions are based on the costs per lead assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report.

We have made adjustments to the above growth assumptions where we considered appropriate.

Support Sales

This relates to support services provided to Cirralto's customer base and is reflected in Cirralto's Forecast Cash Flows as a montly recurring revenue stream. Recurring revenue is based on the actual average support revenue earnt in the past 12 months.

Implementation Services Sales

Implementation services sales relates to the initial fee charged on-boarding every new SpendaService and SpendaPOS merchant. The one-off implementation fee charge for every new SpendaService and SpendaPOS merchant is a function of the projected new merchants and the implementation fee per service and per 'POS'. The new SpendaPOS and SpendaService merchants growth is a function of the marketing spend per cost per lead.

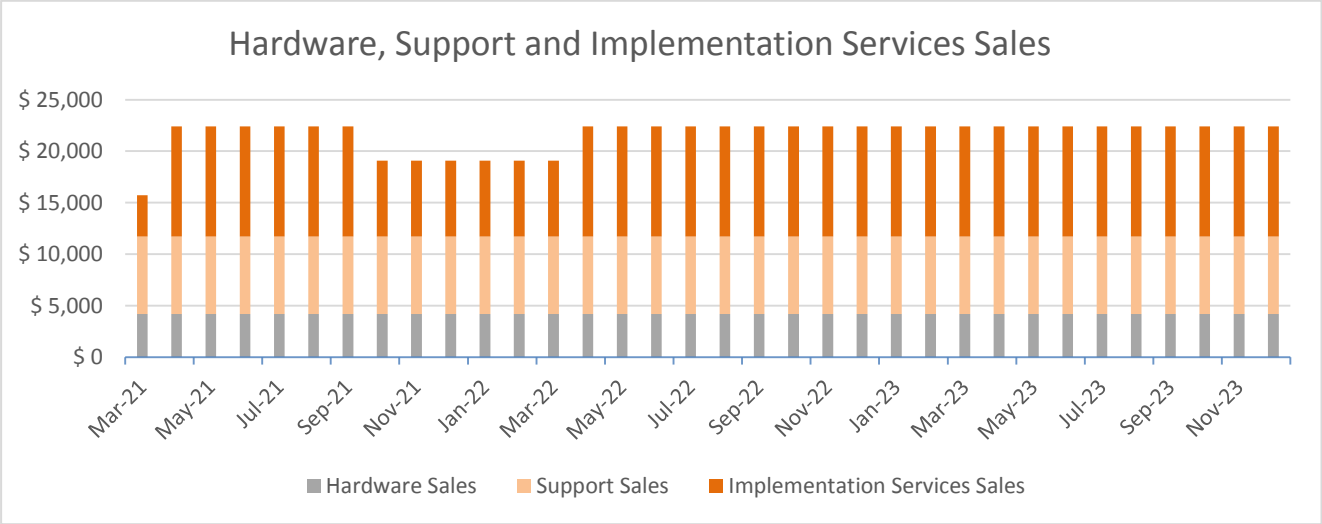
The bases for these assumptions are summarised as follows:

- the implementation fee per SpendaService and SpendaPOS new merchant is based on the actual average implementation fee charged by Cirralto to its customers over the past 12 months;

- marketing spend is based on the marketing spend assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead generation assumptions are based on the lead generation assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report;
- lead conversion rate assumptions are based on the lead conversion rate assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report; and
- costs per lead assumptions are based on the costs per lead assumptions noted under the SpendaCollect and SpendaPay services in section 6.1.2 of this Report.

We have made adjustments to the above growth assumptions where we considered appropriate.

The following chart shows the forecasted Hardware, Support and Implementation Service Sales.

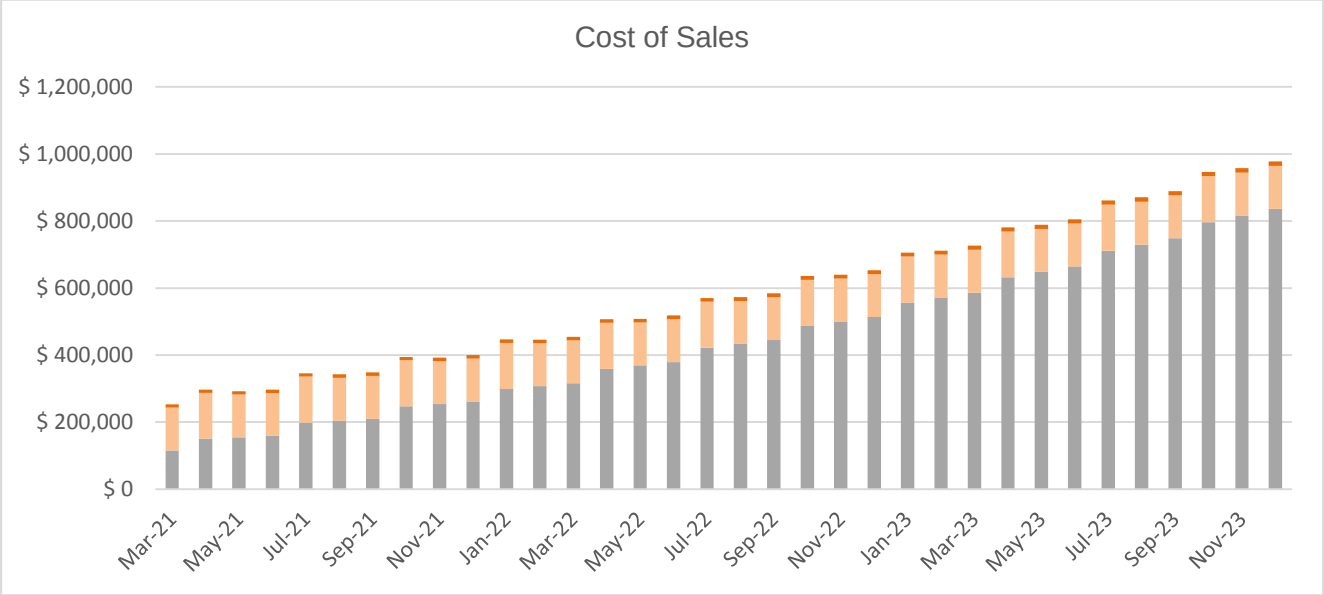


Source: Bentleys Corporate Finance's analysis

Cost of sales

There are three key components of cost of sales for Cirralto. These are summarised as follows:

- licence fee commercially to be paid to Appstablishment for the use of the Spenda IP - the licence fees are estimated to be based on approximately 45% of the Payments and SaaS recurring software income based on previously negotiated licence fee agreement;
- Appstablishment's development team contracted by Cirralto for implementation of Spenda products; and
- fees paid to Microsoft for the provision of hosting services.

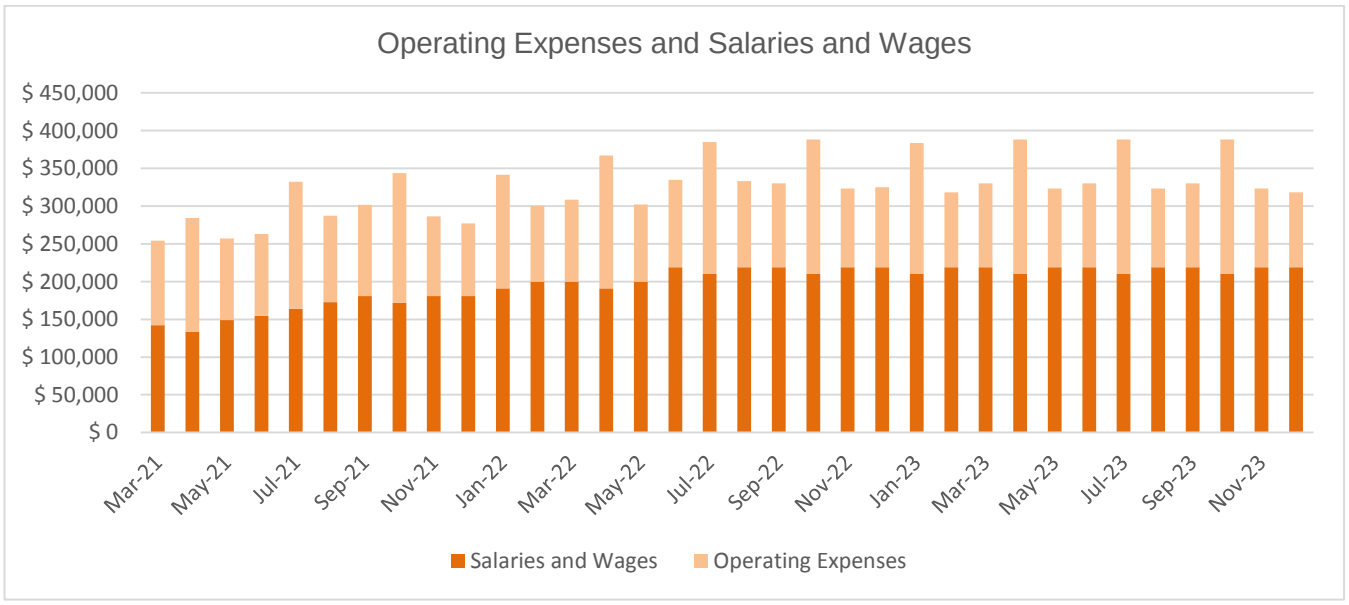


Source: Bentleys Corporate Finance's analysis

Operating expenses and salaries

Operating expenses include, but are not limited to accounting, ASX related fees, advisory fees, directors' fees, computer costs, marketing, insurance and other usual administration and operating expenses.

Wages and salaries, which are based on current headcount, account for about 70% of total operating costs.



Source: Bentleys Corporate Finance's analysis

Working capital

Working capital requirements have been calculated based on 30-day debt collection and 30-day payment terms.

Tax

A notional tax rate of 27.5% is used to calculate after tax cash flows.

6.1.3 Discount rate

We considered the earnings and cash flows on an unleveraged basis so the relevant discount rate is the weighted average cost of capital ('WACC'). We used an Australian WACC to discount Australian dollar cash flows.

In selecting our discount rate, we considered the following:

- the rate of returns for comparable software services companies listed on the ASX (using comparable betas and the capital asset pricing model);
- the risk profile of Cirralto; and
- forecasting risk given the growth profile of the Company.

We selected a nominal, post-tax discount rate of between 9% and 11% with a midpoint of 10% per annum to discount Cirralto's Forecast Cash Flows to obtain the net present value ('NPV').

Details of our discount rate calculation are set out in Appendix 4.

6.1.4 Terminal value

The business of Cirralto is to be valued on a going concern basis but Cirralto's Forecast Cash Flows only provide free cash flows over the next four years. We calculated a terminal value using the constant-growth free cash flow valuation model on the assumption that the business of Cirralto will grow at a constant rate of 2.5% from the fourth year onwards. This is consistent with Australian's average long-term rate of inflation of between 2% and 3%.

6.1.5 Sensitivities

In view of the significant uncertainty in Cirralto's Forecast Cash Flows, we conducted sensitivity analyses on our valuation by varying the inputs to these cash flows. We have broken down the sensitivity analyses as follows.

Sensitivities affecting all revenue streams include:

- discount rate by an absolute/numerical change of ± 3%;
- lead conversion rate by a relative/percentage change of ± 5%;
- marketing spend by a relative/percentage change of ± 20%; and
- operating costs, salaries and wages by a relative/percentage change of ± 20%.

Sensitivity specific to the Payments income stream includes:

- merchant turnover by a relative/percentage change of ± 20%;

Sensitivities

Change	Lead Conversion
	NPV (A$)
-5%	15,631,352
-4%	20,414,900
-3%	25,200,942
-2%	29,989,480
0%	39,574,038
2%	49,168,576
3%	53,969,587
4%	58,773,093
5%	63,577,912

Sensitivities

Change	Marketing Spend	Operating Costs	Merchant Turnover
	NPV (A$)	NPV (A$)	NPV (A$)
-20%	40,473,060	47,711,321	29,050,879
-15%	40,248,305	45,677,000	31,681,668
-10%	40,023,549	43,642,680	34,312,458
-5%	39,798,794	41,608,359	36,943,248
0%	39,574,038	39,574,038	39,574,038
5%	39,349,283	37,539,718	42,204,828
10%	39,124,527	35,505,397	44,835,618
15%	38,899,772	33,471,076	47,466,408
20%	38,675,017	31,436,756	50,097,198

Source: Bentleys Corporate Finance's analysis

Sensitivity – Discount rate							
Discount rate	-3%	-2%	-1%	0%	1%	2%	3%
NPV (A$)	70,343,382	56,333,151	46,654,428	39,574,038	34,174,439	29,924,437	26,495,217

Source: Bentleys Corporate Finance's analysis

Based on the assumptions outlined above, and the sensitivity analyses we conducted, we assessed that the Pre-Transaction enterprise value of Cirralto using the DCF analysis to be in the range of A$35 million to A$45 million with a midpoint of A$40 million.

6.1.6 Other assets and liabilities

We made adjustments to the value of other assets and liabilities of Cirralto that were not included in our DCF analysis to arrive at the Pre-Transaction equity value of the Company. We relied on the management accounts for the period ended 31 January 2021. Management has confirmed that there has not been any material change to the net other assets and liabilities position between 31 January 2021 and on or around the date of this Report except for the A$18 million strategic capital raise in February 2021.

Other assets and liabilities	Notes	As at 31-Dec-20 A$	Adjustments A$	Adjusted value A$
Current assets				
Cash and cash equivalents	1	3,950,798	(796,095)	3,154,703
Trade and other receivables	2	534,239	418,757	952,996
Loan receivable	3	870,791	208,900	1,079,691
Other current assets	3	450,633	(450,633)	-
Total current assets		**5,806,461**	**(619,071)**	**5,187,390**
Non-current assets				
Property plant and equipment	4	9,335	(9,335)	-
Right-of-use asset	5	29,451	(29,451)	-
Total non-current assets		**38,786**	**(38,786)**	**-**
Total assets		**5,845,247**	**(657,857)**	**5,187,390**
Current liabilities				
Trade and other payables	6	694,557	(407,413)	287,144
Lease liability	5	28,474	(28,474)	-
Provisions	7	73,857	14,575	88,432
Total current liabilities		**796,888**	**(421,312)**	**375,576**
Total liabilities		**796,888**	**(421,312)**	**375,576**
Net assets		**5,048,359**	**(236,545)**	**4,811,814**

Source: Management accounts of Cirralto for the period from 1 July 2020 to 31 January 2021, Bentleys Corporate Finance's analysis

Note 1

We have not included the cash balance as part of the working capital in our DCF analysis, and therefore, we have included it as part of other assets. Adjustments were made to reflect Cirralto's cash position as at 31 January 2021. Cash raised from the A$18 million strategic capital raise in February 2021 is included as a separate item in our Sum-of-Parts valuation in section 6.1.7.

Note 2

Part of these assets are implicit in our DCF analysis as working capital for the business whilst other balances (e.g. interest free loans to employees, prepayments and bond reserve) are not implicit in our DCF analysis. Adjustments were made to reflect Cirralto's debtor position (that are not already included in our DCF analysis) as at 31 January 2021.

Note 3

Adjustments were made to reflect Cirralto's increase in loan receivable from Appstablishment and other current asset position as at 31 January 2021.

Note 4

These assets are implicit in our DCF analysis as they are assets required to generate revenue and cash flows under the DCF valuation.

Note 5

Right-of-use asset and lease liability are recognised to comply with AASB 16 in relation to leases which had previously been classified as operating leases. They are assets required to generate revenue and cash flows in our DCF analysis and therefore do not need to be separately accounted for.

Note 6

Part of these liabilities are implicit in our DCF analysis as working capital for the business. Adjustments were made to reflect Cirralto's trade and other payables balance (that are not already included in our DCF analysis) as at 31 January 2021.

Note 7

Provisions relate to employee provisions. These are not implicit in our DCF analysis therefore, we have treated them as an other liability.

6.1.7 Sum-of-Parts valuation

The Pre-Transaction equity value of Cirralto (on a controlling interest basis) is assessed to be in the range of A$72.27 million to A$82.27 million with a midpoint of A$77.27 million.

Pre-Transaction Value	Section	Low A$	Mid A$	High A$
Enterprise value of Cirralto (DCF approach)	6.1.5	35,000,000	40,000,000	45,000,000
Add: Cash on exercise of in-the-money options	2.5	14,454,141	14,454,141	14,454,141
Add: Cash raised from strategic capital raise	6.1.6	18,000,000	18,000,000	18,000,000
Add: Other assets and liabilities (not included in DCF)	6.1.6	4,811,814	4,811,814	4,811,814
Equity value (controlling interest basis)		72,265,955	77,265,955	82,265,955
Number of shares on issue	2.5	2,595,328,166	2,595,328,166	2,595,328,166
Value per share, $		**0.0278**	**0.0298**	**0.0317**

Source: Bentleys Corporate Finance's analysis

Based on the number of existing shares on issue, the Pre-Transaction value per share, on a control basis, is calculated to be in the range of A$0.0278 and A$0.0317 with a midpoint of A$0.0298.

6.2 Value based on trading history analysis

Trading history analysis of quoted market price of a security provides a reliable measure of the fair market value of the securities of a company if, in an efficient and liquid market, reflects all publicly available information.

However, given that the COVID-19 pandemic had resulted in a significant delay in the Proposed Transaction being completed, and that Cirralto and Appstablishment have both undertaken significant growth initiatives and activities since the resumption of normal business activities following the lifting of strict lock-down restrictions in Western Australia, we were unable to obtain a comparable analysis, using the Pre-Announcement share trading analysis, for our Pre-Transaction value.

6.3 Summary of valuation

Our estimate of Cirralto's Pre-Transaction value based on our primary and secondary valuation methodologies are summarised in the table below.

Pre-Transaction valuation	Low	Mid	High
	A$	A$	A$
Sum-of-Parts valuation (controlling interest basis)	0.0278	0.0298	0.0317
Trading history analysis (controlling interest basis)	Not available	Not available	Not available

Source: Bentleys Corporate Finance's analysis

We have relied on the primary approach using the Sum-of-Parts analysis to conclude on Cirralto's Pre-Transaction value. Accordingly, the fair value of Cirralto's share before the Proposed Transaction is assessed to be between A$0.0278 and A$0.0317 with a midpoint of A$0.0298.

7 Valuation of the Proposed Merged Entity

In this section, we consider the value of Cirralto after the Proposed Transaction, which is equivalent to the value of the Proposed Merged Entity.

7.1 Value based on Sum-of-Parts analysis

We assessed the Post-Transaction equity value of Cirralto using the Sum-of-Parts analysis, using a combination of the DCF method to value the business and the NAV method to value the Company's other assets and liabilities. The DCF analysis is used to place a value on an asset or a business based on the future free cash flows of the business. This methodology is based on the cash flow generating ability of a company and the fair value measured by the future free cash flows discounted to their present value at an appropriate discount rate.

7.1.1 Basis of forecasts

Cirralto provided us with a financial model containing a four-year forecast of its estimated future free cash flows from the operations of the Company **with** the effect of the Proposed Transaction ('Cirralto's Forecast Cash Flows Post Merger'). Cirralto's Forecast Cash Flows Post Merger reflect nominal before tax cash flows on a 100% ownership basis.

Cirralto's Forecast Cash Flows Post Merger were prepared based on:

- growth from existing and new customers (or buying groups);
- lead volumes based on marketing expenditure;
- actual historical lead conversion rates; and

- no licence fees or salaries and wages paid to Appstablishment.

We undertook an analysis of the assumptions supporting Cirralto's Forecast Cash Flows Post Merger and made adjustments to Cirralto's Forecast Cash Flows Post Merger where we considered appropriate, after:

- requesting and reviewing the assumptions from Cirralto;
- evaluating actual financial information to budgets prepared by the Company; and
- enquiring and challenging the bases of material assumptions contained in Cirralto's Forecast Cash Flows Post Merger.

The analysis that we undertook was limited to the extent of satisfying ourselves that Cirralto's Forecast Cash Flows Post Merger were not prepared on an unreasonable basis in order for us to provide an opinion on the value of the Company for the purpose of this Report.

Any forecast information prepared by the Company is based on assumptions about events and circumstances that have not yet occurred, having regard to information available at the date of the forecast. These events and circumstances will be expected to take place, but there cannot be any assurance that they will occur as anticipated or at all given that many of the events are outside of the Company's control.

Our work does not constitute an audit or review, and accordingly, we do not express any assurance nor provide any opinion on the reasonableness of the underlying assumptions. We do not provide any assurance that the forecasts will be representative of the results that will ultimately be achieved or events that will occur. This Report cannot be relied upon to disclose irregularities, including fraud, or other illegal acts and errors that may occur.

7.1.2 Future free cash flows

Revenue

Forecast revenue based on Cirralto's Forecast Cash Flows Post Merger is expected to be the same as Cirralto's Forecast Cash Flows Pre-Transaction. This is on the basis that, at Pre-Transaction, Cirralto will be able to generate the same level of revenue through the licencing agreement with Appstablishment, being the exclusive licensee of Appstablishment's proprietary software and intellectual property.

This assumption, at Pre-Transaction, is made on the basis of actual transactions currently being processed by Cirralto directly through its Spenda Platform as well as actual leads and lead conversion rates. Whilst it is anticipated that Cirralto will have greater revenue generating opportunities Post-Transaction, we have not established sufficient reasonable basis to assume a higher forecast.

Please refer to Section 6.1.2 of this Report for further details.

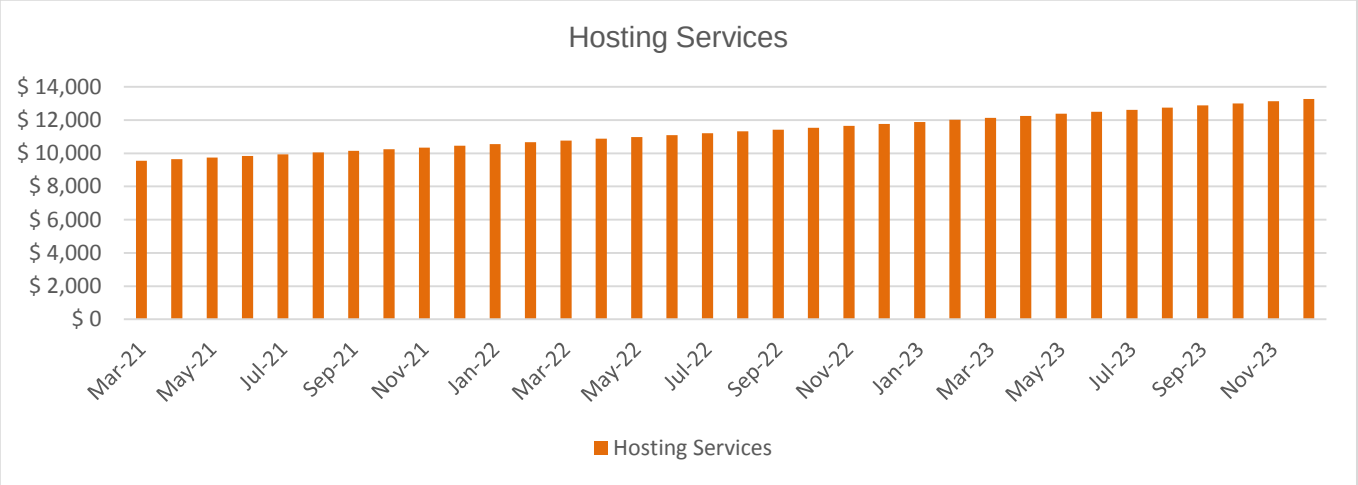
Cost of sales

Cost of sales based on Cirralto's Forecast Cash Flows Post Merger is expected to be the same as Cirralto's cost of sales (before the merger) with the exception of**:**

- no further licence fees paid to Appstablishment for the use of the Spenda IP - the licence fees account for approximately 45% of the Payments and SaaS recurring software income; and
- no further costs of Appstablishment's development team contracted by Cirralto for implementation of the Spenda range of products.

As described above, the two major components of cost of sales in Cirralto's Forecast Cash Flows are the licence fees and development team, contracted to Cirralto, payable to and by Appstablishment. These costs would not be required to be paid Post-Transaction.

Fees paid to Microsoft for the provision of hosting services are the only key component of cost of sales for Cirralto Post-Transaction. This is summarised in the chart below.



Source: Bentleys Corporate Finance's analysis

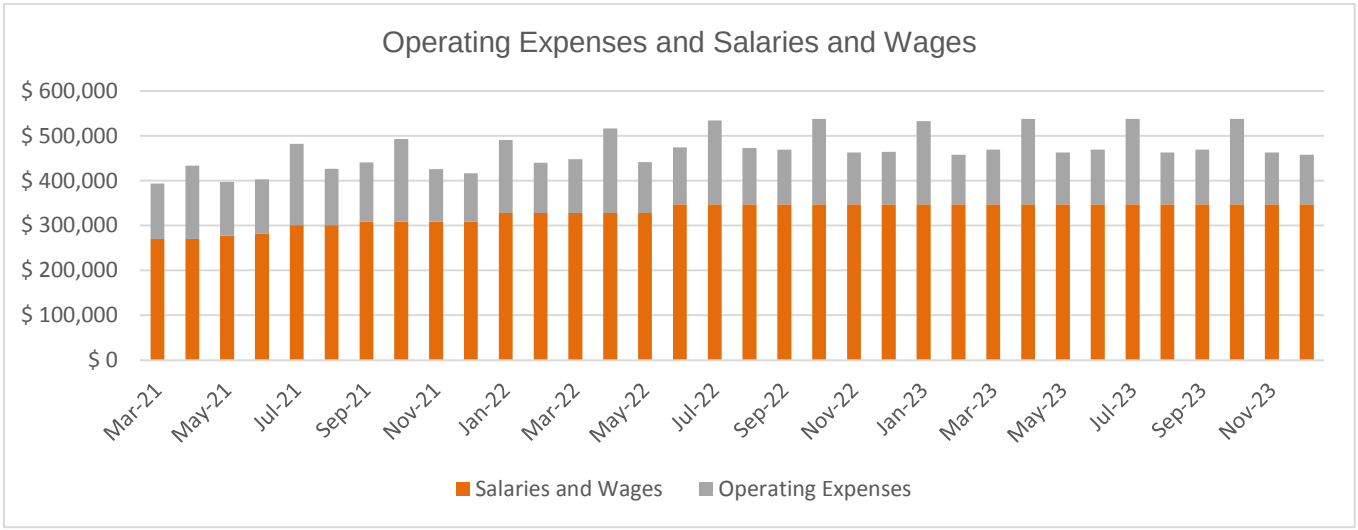
Research and development income

An amount of government research and development income has been included in Cirralto's Forecast Cash Flows Post Merger for a period of four years. This is an additional source of other income which would not have been included in Cirralto's Forecast Cash Flows Pre-Transaction.

Operating expenses and salaries

Operating expenses include, but are not limited to accounting, ASX related fees, advisory fees, directors' fees, computer costs, marketing, insurance and other usual administration and operating expenses.

Wages and salaries, which are based on current and forecast headcount, account for approximately 72% of total operating costs. Additional operating expenses and salaries have been included to reflect the human and other resources required to undertake the activites and research previously conducted by Appstablishment.



Source: Bentleys Corporate Finance's analysis

Working capital

Working capital requirements have been calculated based on 30-day debt collection and 30-day payment terms.

Tax

A notional tax rate of 27.5% is used to calculate after tax cash flows.

7.1.3 Discount rate

Refer to Section 6.1.3 of this Report for further details.

7.1.4 Terminal value

The business of Cirralto is to be valued on a going concern basis but Cirralto's Forecast Cash Flows Post Merger only provide free cash flows over the next four years. We calculated a terminal value using the constant-growth model on the assumption that the business of Cirralto will grow at a constant rate of 2.5% from the fourth year onwards. This is consistent with Australian's average long-term rate of inflation of between 2% and 3%.

7.1.5 Sensitivities

In view of the uncertainty in Cirralto's Forecast Cashflows Post Merger, we conducted sensitivity analyses on our valuation by varying the inputs to these cash flows. We have broken down the sensitivity analyses as follows.

Sensitivities affecting all revenue streams include:

- discount rate by an absolute/numerical change of ± 3%;
- lead conversion rate by a relative/percentage change of ± 5%;
- marketing spend by a relative/percentage change of ± 20%; and
- operating costs, salaries and wages by a relative/percentage change of ± 20%.

Sensitivity specific to the Payments income stream includes:

- merchant turnover by a relative/percentage change of ± 20%;

Sensitivities	Change	Lead Conversion
		NPV (A$)
	-5%	83,049,684
	-4%	87,451,591
	-3%	91,853,499
	-2%	96,255,406
	0%	105,017,036
	2%	113,693,036
	3%	118,031,036
	4%	122,369,037
	5%	126,707,037

Sensitivities	Change	Marketing Spend	Operating Costs	Merchant Turnover
		NPV (A$)	NPV (A$)	NPV (A$)
	-20%	105,892,689	122,997,391	85,476,057
	-15%	105,673,776	118,502,302	90,371,848
	-10%	105,454,863	114,007,213	95,267,639
	-5%	105,235,949	109,512,125	100,163,430
	0%	105,017,036	105,017,036	105,017,036
	5%	104,798,122	100,445,064	109,843,407
	10%	104,579,209	95,830,907	114,669,777
	15%	104,360,296	91,216,751	119,496,148
	20%	104,141,382	86,602,594	124,322,519

Source: Bentleys Corporate Finance's analysis

Sensitivity – Discount rate							
Discount rate	-3%	-2%	-1%	0%	1%	2%	3%
NPV (A$)	182,369,361	147,166,241	122,831,607	105,017,036	91,420,460	80,709,135	72,058,056

Source: Bentleys Corporate Finance's analysis

Based on the assumptions outlined above, and the sensitivity analyses we conducted, we assessed that the Post-Transaction enterprise value of Cirralto using the DCF analysis to be in the range of A$100 million to A$110 million with a midpoint of A$105 million.

7.1.6 Other assets and liabilities

As the balance sheet of Appstablishment as at 31 December 2020 was not available as at the date of this Report, we were unable to show the combined positions of Cirralto and Appstablishment as at 31 December 2020 and the adjustments made to arrive at the adjusted value. However, we received the management accounts for Cirralto and Appstablishment as at 31 January 2021 which were used as our basis for obtaining the adjusted value after considering balances that were implicit in our DCF analysis and balances that we considered would form the value of other assets and liabilities of both Cirralto and Apstablishment as a combined entity. Management has confirmed that there has not been any material change to the net other assets and liabilities position between 31 January 2021 and on or around the date of this Report except for the A$18 million strategic capital raise in February 2021.

We made adjustments to the value of other assets and liabilities of Cirralto and Appstablishment that were not included in our DCF analysis and added these to the value of their other assets and liabilities to arrive at the Post-Transaction equity value of the Company. We highlight that this is not an audited position and is only based on the analysis we have carried out to combine the net assets of Cirralto and Appstablishment, after considering any material inter-company transactions where possible.

Other assets and liabilities	Notes	Adjusted value A$
Current assets		
Cash and cash equivalents	1	3,182,238
Trade and other receivables	2	1,032,173
Other current assets	3	-
Total current assets		**4,214,410**
Non-current assets		
Software development	4	-
Property plant and equipment	4	-
Right of use assets	5	-
Other non-current assets	4	10,077
Provision for research and development refund	6	-
Total non-current assets		**10,077**
Total assets		**4,224,487**
Current liabilities		
Trade and other payables	7	293,536
Lease liability	5	-
Borrowings	8	40,341
Provisions	9	88,432
Provision for income tax	10	828,957
Total current liabilities		**1,251,266**
Non-current liabilities		
Loans	8	-
Provision for annual leave	9	126,067
Superannuation clearing	10	21,045
Total non-current liabilities		**147,112**
Total liabilities		**1,398,378**
Net assets		**2,826,109**

Source: Management accounts of Cirralto and Appstablishment for the period from 1 July 2020 to 31 January 2021, Bentleys Corporate Finance's analysis

Note 1

We have not included the cash balance as part of the working capital in our DCF analysis, and therefore, we have included it as part of other assets. Cash raised from the A$18 million strategic capital raise in February 2021 is included as a separate item in our Sum-of-Parts valuation in section 7.1.8.

Note 2

Part of these assets are implicit in our DCF analysis as working capital for the business whilst other balances (e.g. interest free loans to employees, prepayments, bond reserve, Appstablishment's receivables) are not implicit in our DCF analysis. Adjustments were made to reflect Cirralto's and Appstablishment's debtor position (that are not already included in our DCF analysis) as at 31 January 2021.

Note 3

Adjustments were made to remove Cirralto's loan receivable from Appstablishment (being an intercompany loan) and other current asset position which was nil as at 31 January 2021.

Note 4

These assets are implicit in our DCF analysis as they are assets required to generate revenue and cash flows of the Proposed Merged Entity under the DCF valuation. The only balances remaining in other non-current assets which we included in other assets and liabilities were prepayments and a loan from Appstablishment to Feral 55 Superfund (although a related party loan, we expect this to be repayable).

Note 5

Right-of-use asset and lease liability are recognised to comply with AASB 16 in relation to leases which had previously been classified as operating leases. They are assets required to generate revenue and cash flows in our DCF analysis and therefore do not need to be separately accounted for.

Note 6

Provision for research and development refund is captured as a cash inflow in our DCF valuation.

Note 7

Part of these liabilities are implicit in our DCF analysis as working capital for the business. Adjustments were made to reflect Cirralto's and Appstablishment's trade and other payables balance (that are not already included in our DCF analysis) as at 31 January 2021.

Note 8

Adjustments were made to reflect Cirralto's and Appstablishment's borrowings as at 31 January 2021. The majority of the borrowings as at 31 January 2021 were intercompany loans (non-current liabilities) which were eliminated when aggregated.

Note 9

Provisions relate to employee provisions for both Cirralto and Appstablishment. These are not included in our DCF analysis, therefore, we have included them in our value of other assets and liabilities.

Note 10

Adjustments were made to reflect Cirralto's and Appstablishment's other liabilities' balance as at 31 January 2021. Provisions for income tax and superannuation clearing liabilities have not been accounted for in our DCF analysis and therefore are included in our value of other assets and liabilities.

7.1.7 Minority Interest

If the Proposed Transaction is approved, the accepting shareholders, being Cirralto's current shareholders, will hold a minority interest in the merged entity, meaning that their individual shareholdings will not be considered significant enough to have an influence in the operations and value of the Company. In order to reflect this, we have adjusted the value to reflect a minority interest.

Minority interest discount is calculated on the inverse of the control premium. Australian studies indicate that the premiums required to obtain control of companies range from between 20% and 40%. In assessing a control premium that a potential acquirer is likely to pay for the Proposed Merged Entity, we considered the relative attractiveness of the Proposed Merged Entity as a target for a potential acquirer.

We assessed that a control premium of between 20% and 30% for Cirralto's shares would be appropriate. Accordingly, the minority interest discount was calculated on the inverse of this control premium.

7.1.8 Sum-of-Parts valuation

The Post-Transaction equity value of Cirralto (on a controlling interest basis) is assessed to be in the range of A$135.28 million to A$145.28 million with a midpoint of A$140.28 million.

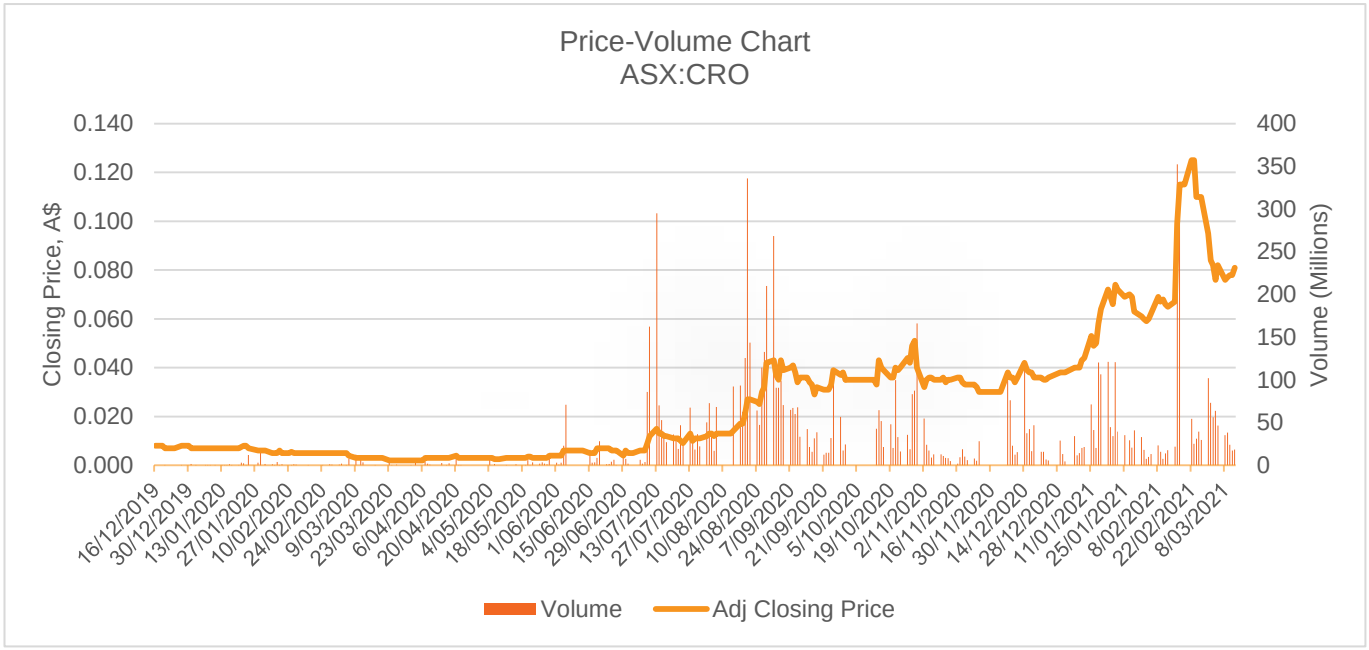
Post-Transaction Value	Section	Low A$	Mid A$	High A$
Enterprise value of Cirralto (DCF approach)	7.1.5	100,000,000	105,000,000	110,000,000
Add: Cash on exercise of in-the-money options	2.5	14,454,141	14,454,141	14,454,141
Add: Cash raised from strategic capital raise	7.1.6	18,000,000	18,000,000	18,000,000
Add: Other assets and liabilities (not included in DCF)	7.1.6	2,826,109	2,826,109	2,826,109
Equity value (controlling interest basis)		135,280,251	140,280,251	145,280,251
Number of shares on issue	1.2	3,514,522,610	3,514,522,610	3,514,522,610
Value per share (controlling interest basis), $		0.0385	0.0399	0.0413
Minority interest discount	7.1.7	23%	20%	17%
Value per share (minority interest basis), $		**0.0296**	**0.0319**	**0.0344**

Source: Bentleys Corporate Finance's analysis

Based on the number of existing shares on issue, the Post-Transaction value per share, on a control basis, is calculated to be in the range of A$0.0296 and A$0.0344 with a midpoint of A$0.0319.

7.2 Value based on trading history analysis

As a cross-check, we also performed a trading history analysis of the Post-Announcement quoted market prices of Cirralto's shares. The historical share price movements and trading volumes for Cirralto Post-Announcement up to the approximate date of this Report are shown in the graph below.



Source: ASX, Capital IQ

As explained in section 5.2, in view of the COVID-19 pandemic which resulted in a significant delay in the Proposed Transaction being completed, and the growth initiatives and activities that Cirralto and Appstablishment have undertaken since the resumption of normal business activities following the lifting of strict lock-down restrictions in Western Australia, we have considered Cirralto's most recent share prices instead of the time period immediately following the announcement of the Proposed Transaction.

The historical share price movements and trading volumes for Cirralto for the 2-month period up to the approximate date of this Report are shown in the graph below.



Source: ASX, Capital IQ

The 1-week, 1-month and 2-month VWAPs over the 2-month period up to the approximate date of this Report are analysed in the graph below.

Period	Volume weighted average price (VWAP)	Average number of shares outstanding (million)	Total shares traded over the period (million)	% of shares outstanding	% traded per week
1 week	$0.0776	2041.063	133.340	6.53%	6.53%
1 month	$0.0981	1861.431	1371.398	73.67%	18.42%
2 months	$0.0843	1781.362	2344.158	131.59%	14.62%

Source: Capital IQ, Bentleys Corporate Finance's analysis

Trading history analysis of quoted market price of a security provides a reliable measure of the fair market value of the securities of a company if, in an efficient and liquid market, reflects all publicly available information. Quoted market prices of securities used in the trading history analysis usually reflect a minority interest value of a security.

Value per share	Low	Mid	High
	A$	A$	A$
Share price (on a minority interest basis)	0.0750	0.0800	0.0850

Source: Bentleys Corporate Finance's analysis

The value of Cirralto's shares, on a minority interest basis, under our trading history analysis approach is between A$0.0750 per share and A$0.0850 per share with a midpoint of A$0.0800 per share.

7.3 Summary of valuation

Our estimate of Cirralto's Post-Transaction value based on our primary and secondary valuation methodologies are summarised in the table below.

Post-Transaction valuation	Low	Mid	High
	A$	A$	A$
Sum-of-Parts analysis	0.0296	0.0319	0.0344
Trading analysis	0.0750	0.0800	0.0850

Source: Bentleys Corporate Finance's analysis

We note that the value we obtained under the primary approach using the Sum-of-Parts analysis is substantially lower than the value we obtained under the secondary approach using the trading history analysis method.

Possible reasons for the difference in values are explained below.

- Cirralto has received and responded to a number of ASX price queries in the last nine months to February 2021 (5 June 2020, 20 August 2020, 18 December 2020, 12 January 2021 and 16 February 2021); and we noted that whilst the price movements were not explained by any specific non-disclosure of information, the Company had announced a number of agreements it had entered into in relation to its payments services platform.
- Cirralto noted (in its response to the ASX price queries) recent market and investor focus on ASX listed companies that have technologies associated with payment and merchant services, citing **several similar companies having also experienced material share price increases**; and in line with this excess demand for exposure to the digital payments sector, its digital merchant payment platform and Spenda payments have **received substantial investor interest** and media exposure.

- Cirralto also noted that peers in the innovative digital payments sector have all successfully completed capital raising initiatives with **demand exceeding supply for the issue of new shares** and that their share prices are trading substantially above the share issue price.
- In addition to the recent strong investor market sentiments generally and strong investor market sentiments on the specific industry sector that Cirralto operates in, we also note exceptionally strong expectations that the market has placed on Cirralto's business given its **exceptionally high revenue multiple** (defined as total enterprise value divided by revenue) currently.
- We conducted a high level research on over 200 ASX listed companies in various services industries, namely diversified consumer services, communication and professional services, software and services as well as our list of comparable companies used in Appendix 4. Whilst there were a few unusually high revenue multiples in each data sample, the median and mean revenue multiples ranged from 1.7 times to 6.0 times for those in the diversified consumer services, communication and professional services sectors.

  The median and mean revenue multiples in the software and services sector was 6.9 times and 18.0 times respectively. We note that about two thirds of the total number of companies in this sector had negative earnings. **Cirralto's revenue multiple was 256.6 times**, which is significantly higher than the median and mean of the industry.
- It is worth noting that the Proposed Transaction was announced and known to the market since 6 December 2019 but Cirralto's **share price continued to trade below A$0.01 (one cent) until July 2020**. Cirralto announced the BPSP agreement with Fiserve and Visa International Limited on 7 December 2020 and the BPA agreement with Fiserve and Mastercard on 14 December 2020, and its **share price consistently traded below A$0.04 (four cents)** on and around the dates of the announcements.

  It was not until January 2021 that the share price rose above A$0.06 (six cents) and sharply increased to over $0.12 at its high over the past two months. Other than the Company's A$18 million capital raising, there were no other price sensitive announcements made by Cirralto that would have accounted for the 'continuous price hike'. We did note that Cirralto's **price fell since it released its Half Yearly Report** and Accounts on 26 February 2021.
- Therefore, given the possible excess demand for digital payments stocks and strong interest in companies that have technologies associated with payment and merchant services, Cirralto's share price may be reflecting the **extremely bullish sentiments and expectations of the investor market** on Cirralto (following the Company's recent announcements) compared to the value obtained from our Sum-of-Parts approach which is based on fundamental analysis of cash flow forecasts incorporating possibly more conservative risk assumptions.

We have relied on the primary approach using the Sum-of-Parts analysis to conclude on the value of Cirralto's Post-Transaction value. Accordingly, the fair value of Cirralto per share after the Proposed Transaction is assessed to be between A$0.0296 and A$0.0344 with a midpoint of A$0.0319.

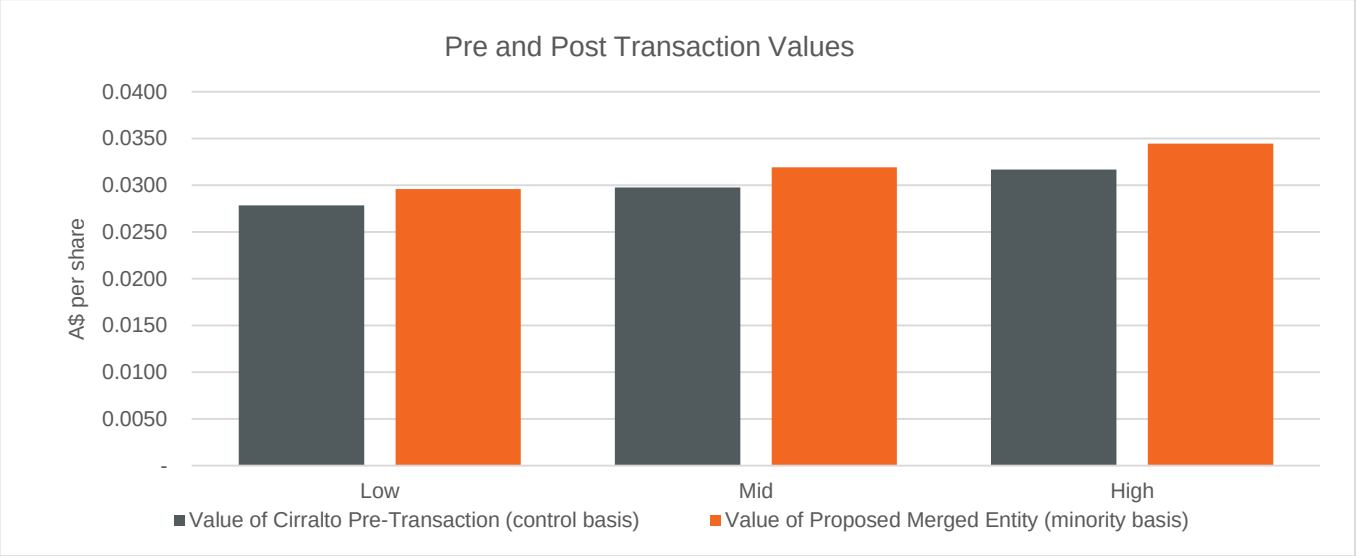
8 ‘Fair and reasonable’ assessment

8.1 Fairness assessment

In the table and chart below, we note that the fair value of a Cirralto share (on a minority basis) after the Proposed Transaction is greater than the value of a Cirralto share (on a 100% basis) before the Proposed Transaction. Therefore, we conclude that the Proposed Transaction is fair.

Fairness assessment	Low	Mid	High
	A$	A$	A$
Value of Cirralto Pre-Transaction (control basis)	0.0278	0.0298	0.0317
Value of Proposed Merged Entity (minority basis)	0.0296	0.0319	0.0344

Source: Bentleys Corporate Finance’s analysis



Source: Bentleys Corporate Finance’s analysis

8.2 Reasonableness assessment

In accordance with RG 111, an offer is reasonable if it is fair. As set out above, the Proposed Transaction is fair. Therefore, we conclude that the Proposed Transaction is reasonable.

We have also considered the advantages and disadvantages as well as the consequences of not approving the Proposed Transaction below.

8.2.1 Advantages

We consider the following advantages for Shareholders to approve the Proposed Transaction.

8.2.1.1 Significant increase in the gross profit margin

We note that Cirralto had negotiated a licence fee share with Appstablishment for the use of the Spenda IP based on approximately 45% of specific software income. If Shareholders were to approve the Proposed Transaction, there would be an immediate increase in the gross profit margin of circa 45% going forward. It is noted through conversation with management, that at anything above 350 customers, the cost of sales savings would be equal to Appstablishment’s entire cost structure excluding the research and development add back in terms of labour costs.

This would be a more cost beneficial option compared to paying licence fees to Appstablishment at a 45% rate especially if the rate is to increase in the future.

8.2.1.2 Intellectual property and ownership security

The Proposed Transaction will culminate in a merged entity that will directly own the key proprietary software and intellectual property for the SYNK'D and Spenda Platform, or the Spenda IP, both domestically and internationally, which offers the potential to open up substantial markets for the development of new products and growth. It is also fundamental to enabling the further growth of SaaS solutions and the development of new intellectual property and software capabilities.

Cirralto's ability to generate income is heavily reliant on the proprietary software developed by Appstablishment. The Proposed Transaction will provide Cirralto with full control over the complete intellectual property portfolio, which will provide more security in the income generating capacity of the Company's business going forward.

The Proposed Transaction will remove Cirralto's dependency on the licence fee arrangement with Appstablishment. This dependency can have a material impact on the business if the Company is in a weaker bargaining position to negotiate a fair licence fee.

We note that Cirralto had negotiated a licence fee share with Appstablishment for the use of the Spenda IP based on approximately 45% of specific software income. This has not been renegotiated for over two years and there is no agreement stipulating the fee share to remain constant going forward. There is also no guarantee that this percentage will remain at this level as we understand that the intention is for it to vary between 45% and 55%.

8.2.1.3 Creation of an entity that is more attractive to investors

The Proposed Transaction, which will result in Cirralto taking on full ownership of the complete proprietary software and intellectual property portfolio both domestically and internationally, will not only make Cirralto more attractive as a service provider to potential clients but will also make Cirralto more attractive to potential acquirers for potential buyouts in the future.

The Proposed Transaction will also eliminate Cirralto's dependency on the licence fee arrangement with Appstablishment which will reduce this risk to its business significantly. Improving the risk return trade-off in this respect is likey to make Cirralto more attractive to investors.

8.2.1.4 Access to existing customer base

The Proposed Transaction will provide Cirralto with access to Appstablishment's existing customer base and trading partners which can be a springboard from which Cirralto grows its business. This provides Cirralto with a significant, immediate base for the deployment of the Spenda Platform. The acquisition of Appstablishment will also provide access to a large pipeline of potential new customers for the Spenda Platform and the potential to substantially increase revenue from its existing customer base.

8.2.1.5 Leverage off strong infrastructure and proven experience

Cirralto will benefit from the organisational structure and infrastructure of Appstablishment that is capable of supporting growth and scaling operations, in addition to a team with proven success in developing, marketing, implementing and commercialising software.

8.2.1.6 Access to the research and development tax incentive scheme

Cirralto will have access to the Australian Government's research and development tax incentive scheme given it does not currently engage in any research and development activities.

8.2.2 Disadvantages

8.2.2.1 Dilution of existing shareholders

The Proposed Transaction will bring about a dilution in the shareholding of existing Cirralto shareholders. Shareholders may face a dilution in their shareholding from 100% to 69.39%.

8.2.3 Consequences of not approving the Proposed Transaction

In addition to not being able to benefit from the advantages that the Proposed Transaction may bring about (as detailed in section 8.2.1 above), there are two material consequences that Cirralto could face, which we explain as follows.

8.2.3.1 Renegotiation of Licence Fee Share

Cirralto had negotiated a licence fee share with Appstablishment for the use of the Spenda IP based on approximately 45% of specific software income. This has not been renegotiated for over two years and there is no agreement stipulating the fee share to remain constant going forward. There is also no guarantee that this percentage will remain at this level as we understand that the intention is for it to vary between 45% and 55%.

The uncertainty in the licence fee arrangement can potentially have a material impact on the business if the Company is in a weaker bargaining position to negotiate a fair licence fee.

8.2.3.2 Renegotiation of Development Team contract rates

Appstablishment's development team is currently contracted by Cirralto for implementation of the Spenda range of products. As part of our analysis, we note that Appstablishment is providing discounted contract rates to Cirralto. There is no certainty that these discounted contract rates will remain and if they are renegotiated upwards, it will impact on the value of Cirralto in a negative way.

9 Summary opinion

In our opinion, the Proposed Transaction is fair and reasonable to Shareholders in the absence of any alternative offers.

Appendices

Appendix 1: Glossary of terms

Reference	Definition
A$ or $ or AUD	Australian dollars
$m	Million dollars
%	Percent
AASB	Australian Accounting Standards Board
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
API	Application Programming Interface
Apps	Applications
Appstablishment	Appstablishment Software Group Pty Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
B2B	Business-to-business
B2C	Business-to-consumer
Balance sheet	Statement of financial position
Bentleys Corporate Finance	Bentleys Corporate Finance (WA) Pty Ltd
Bentleys Network	Bentleys network of accountants and business advisers providing corporate finance and advisory, business advisory, accounting and auditing services
BPA	Business Payments Aggregator
BPSP	Business payment service provider
BPSP Agreement	BPSP Agreement entered into by Cirralto with Fiserv and Visa
Capitalisation of Earnings	Capitalisation of maintainable earnings
CAPM	Capital asset pricing model
Cirralto	Cirralto Limited
Cirralto's Forecast Cash Flows	A financial model containing a four-year forecast of its estimated future free cash flows from the operations of the Company without the effect of the Proposed Transaction
Cirralto's Forecast Cash Flows Post Merger	A financial model containing a four-year forecast of its estimated future free cash flows from the operations of the Company with the effect of the Proposed Transaction
the Company	Cirralto Limited
Corporations Act	Corporations Act 2001 (Cth)
CU2T	ConvertU2 Technologies Pty Ltd
DCF	Discounted cash flow
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
Fiserv	Fiserv, Inc
FSG	Financial Services Guide
FY	Financial Years

Reference	Definition
FY18	Financial year ended 30 June 2018
FY19	Financial year ended 30 June 2019
FY20	Financial year ended 30 June 2020
FY21	Financial year ending 30 June 2021
HY21	Financial half-year ended 31 December 2020
Income statement	Statement of profit or loss and other comprehensive income
IT	Information technology
m	million
Notice of Meeting	Notice of meeting and explanatory memorandum to be distributed to the shareholders of Cirralto
NAV	Net Asset Value
NPV	Net present value
our	Bentleys Corporate Finance (WA) Pty Ltd
P&L	Statement of profit or loss and other comprehensive income
Payments	Payments revenue derived from merchant fees earned by Cirralto when payments are made on sales
POS	Point of Sale
PoolBox	A SYNK'D enabled vertical market integrated software solution built by Cirralto for the Pool and Spa industry which connects a company's water testing systems, service management, accounting software and point of sale system
Post-Announcement	After the announcement of the Proposed Transaction
Post-Transaction	The value of Cirralto, after the Proposed Transaction
Pre-Announcement	Before the announcement of the Proposed Transaction
Pre-Transaction	The value of Cirralto before the Proposed Transaction
Proposed Merged Entity	The proposed merged entity of of Cirralto and Appstablishment if the Proposed Transaction is completed
Proposed Transaction	The acquisition of Appstablishment Software Group Pty Ltd by Cirralto Limited under a binding Heads of Agreement executed in August 2019 by way of a proposed issue of 825 million Cirralto shares to the existing shareholders of Appstablishment
Rare Air	Rare Air Nominees Pty Ltd
this Report	This independent expert's report prepared to provide an opinion on whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of Cirralto
RG 76	ASIC Regulatory Guide 76 Related party transactions
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
SaaS	Software as a service
Shareholders	Non-associated shareholders of Cirralto
Spenda	A business management application that will form, record and deliver transactions between traders, as well as providing a point of sale platform
Spenda IP	The SYNK'D and Spenda intellectual property (both domestically and internationally)
Spenda Platform	The combined Spenda business management application and the SYNK'D platform that enables small and large businesses to share data simply and easily across B2B and B2C channels, integrating each transaction into company financial systems to make accounting and compliance fast and accurate

Reference	Definition
Sum-of-Parts	The Sum-of-Parts analysis involves different business units or assets that are modelled individually and added together; or a variant of which is used when different business units or assets require the adoption of different valuation methodologies and requires the aggregation of the fair market values of the various assets and liabilities of the company
SYNK'D	A software platform which enables businesses to connect applications together to remove repetitious data entry and to automate information exchange
Trading History	Trading history analysis of quoted market price of securities
Transaction	Proposed acquisition of 100% of Appstablishment Software Group Pty Ltd by way of a proposed issue of 825 million shares of Cirralto Limited
us	Bentleys Corporate Finance (WA) Pty Ltd
Visa	Visa International Limited
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
we	Bentleys Corporate Finance (WA) Pty Ltd

Appendix 2: Important Notice

Sources of information

This Report has been based on the following information:

- Binding Heads of Agreement between Cirralto and Appstablishment dated 5 December 2019;
- Software Licence Agreement between Cirralto and Appstablishment dated 7 September 2017 and subsequent updates in April 2018 and September 2018;
- Historical audited financial statements of Cirralto for the past three years;
- Historical unaudited financial statements of Appstablishment for the past three years;
- Management accounts to-date of Cirralto;
- Management accounts to-date of Appstablishment;
- Forecast cash flows of Cirralto assuming that the Proposed Transaction is not undertaken;
- Forecast cash flows of the Proposed Merged Entity following the Proposed Transaction;
- Shareholder register, option register, shareholder range report and disclosure of associated / beneficial shareholders;
- Subscription based information source including Capital IQ;
- Publicly available information; and
- Discussions with directors and/or management of Cirralto.

Important notice to shareholders

This Report has been prepared specifically for the non-associated shareholders of Cirralto, at the request of the directors of the Company, to assist the non-associated shareholders of Cirralto in their decision whether or not to approve the Proposed Transaction.

This Report provides only general financial product advice and does not take into consideration the individual circumstances of Shareholders when making their decision whether or not to approve the Proposed Transaction, which is an individual matter. Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Shareholders should consult their own professional advisers (financial advisers and/or tax advisers) when considering these matters and how they relate to their own individual circumstances.

The Financial Services Guide provided by Bentleys Corporate Finance is included in this Report.

Independence

Bentleys Corporate Finance (WA) Pty Ltd has considered its independence in preparing this Report in accordance with ASIC's Regulatory Guide RG 112 and is of the opinion that it is independent of Cirralto and Appstablishment and their associates.

Limitations, declarations and qualifications

Limitations

The procedures to be performed in relation to the independent expert's report is limited exclusively to those which are set out in this Report. Neither an audit nor a review has been conducted and, accordingly, no assurance has been expressed. This Report cannot be relied upon to disclose irregularities, including fraud, other illegal acts and errors that may occur.

Bentleys Corporate Finance is also not implied to have conducted any due diligence procedures on behalf of the Company or Shareholders and provides no warranty or assurance in this regard.

Use of report

This Report has been prepared specifically for the non-associated shareholders of Cirralto and we consent to the issue of this Report in the form and context to which it is included the Notice of Meeting, which will be distributed to all shareholders of Cirralto. Apart from such use, this Report must not be used, whether wholly or in part, nor may any reference to them be included in or with, or attached to any document, statement or letter without our prior written consent which we may provide (conditionally or unconditionally) or withhold at our discretion.

Bentleys Corporate Finance does not take any responsibility for the contents of the Notice of Meeting other than this Report.

Neither Bentleys Corporate Finance, Bentleys (WA) Pty Ltd, Bentleys, nor any member or employee thereof, undertakes responsibility to any person, other than to the Company and the Shareholders, in respect of this Report, including any errors or omissions howsoever caused.

Unless used for the purpose specified herein, this Report (or any part of them) must not be distributed or disclosed to any other third party without our prior written consent.

Reliance

Where our engagement requires us to form or express an opinion, provide an analysis or provide advice, the opinion, analysis or advice will relate to the information, events and circumstances at the date on which it is given, unless we expressly state otherwise.

This Report will be provided solely for the purpose set out in this document and may not be relied upon by any other third party outside of the objectives of our engagement above.

While we are responsible for forming and expressing an opinion based on information that has been prepared and provided by the management of the Company, with the oversight of those charged with governance, it does not relieve management or those charged with governance of their responsibilities.

Our engagement has been conducted on the basis that the Company's management, and those charged with governance, acknowledge and understand that they have responsibility for the completeness and accuracy of the information supplied to us, and without the intention of providing misleading information, or information that a reasonable person would consider likely to mislead, so as to influence our opinion or analysis in any way.

The statements and opinions included in this Report are provided in good faith and in the belief that they are not false, misleading or incomplete. In preparing this Report, Bentleys Corporate Finance has relied upon and considered the information provided to us after due inquiry to be reliable and accurate. We have no reason to believe that any of the information supplied to us was false or that any material information had been withheld from us.

Forecasts

Any forecast information used in the formation of our opinion, analysis are based on assumptions about events and circumstances that have not yet occurred, having regard to information available at the date of the forecast. These events and circumstances will be expected to take place, but there cannot be any assurance that they will occur as anticipated or at all given that many of the events are outside of our control.

Whilst we may have reviewed such forecast information with a reasonable level of enquiry or rigour, we do not provide any assurance that the forecasts will be representative of the results that will ultimately be achieved or events that will occur. We disclaim any possible liability in respect of any forecast information.

Qualifications

Bentleys Corporate Finance holds an Australian Financial Services Licence to issue this Report. Bentleys Corporate Finance is owned by Bentleys (WA) Pty Ltd. The persons primarily involved in preparing and reviewing this Report were Evelyn Tan, Director and Representative of Bentleys Corporate Finance, and Chris Nicoloff, Authorised Representative of Bentleys Corporate Finance, and supported by other staff within Bentleys Corporate Finance. Both Evelyn and Chris have the necessary experience and professional qualifications appropriate for the preparation of this Report.

Appendix 3: Valuation methodologies

Intrinsic value methodologies

Discounted cash flow

Intrinsic value methodologies look at the inherent value of an asset or a business on its own. The most fundamental analysis used in assessing the inherent value of an asset or business is the discounted cash flow ('DCF') analysis.

The DCF analysis is used to place a value on an asset or a business based on the future free cash flows of the business. The future free cash flows are discounted to their present value at an appropriate discount rate. This approach is particularly applicable to assets or businesses with finite lives, experiencing growth, in a start-up phase, or experiencing irregular cash flows.

Usually, a cash flow forecast is provided for a limited period of time during the period of growth and uncertainty. Often, a terminal value for the asset or business may be calculated at the end of the forecast cash flow period, and is also discounted to its present value using the appropriate discount rate.

This discount rate, which is often called the weighted average cost of capital, represents the opportunity cost of capital, reflecting the expected rate of return that investors require from investments having equivalent risks. The weighted average cost of capital ('WACC') is commonly used in determining the market rates of return to both debt and equity holders.

The value obtained directly from the DCF analysis is a controlling interest value.

Sum-of-parts

At times, a sum-of-parts ('Sum-of-Parts') analysis is necessary for larger or more complex businesses where different business units or assets are modelled individually and added together.

A variant of the Sum-of-Parts analysis is also used when different business units or assets require the adoption of different valuation methodologies (not all necessarily valued using the DCF analysis) and requires the aggregation of the fair market values of the various assets and liabilities of the company.

The value obtained directly from the Sum-of-Parts analysis is usually a controlling interest value if all individual values modelled separately and added together are also on a controlling interest basis.

Market based methodologies

Market based methodologies estimate the fair market value of an asset or a business using precedent transactions, trading history or comparable company analyses. Market based methodologies are a form of relative valuation. They include:

- Capitalisation of maintainable earnings analysis;
- Trading history analysis of quoted market price of securities; and
- Precedent transactions analysis.

Capitalisation of maintainable earnings

The capitalisation of maintainable earnings ('Capitalisation of Earnings') analysis places a value on the business by estimating the maintainable earnings of a business, capitalised at an appropriate rate or earnings multiple, which reflects the business outlook, business risk, investor expectations, future growth prospects and other entity specific factors.

The Capitalisation of Earnings methodology is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

Maintainable earnings used in the valuation can be based on net profit after tax, earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or earnings multiple is adjusted to reflect which base is used for the maintainable earnings. This approach relies on the availability and analysis of comparable market data.

The value obtained from the Capitalisation of Earnings analysis is usually a controlling interest value if based on EBITDA or EBIT maintainable earnings and multiples.

Trading history

Trading history analysis of quoted market price of securities ('Trading History') is used where there is a ready market through which securities are publicly traded in an informed and liquid market. The most recent trading history of such securities provides evidence of the fair market value of the securities of a company and, in an efficient and liquid market, reflects all publicly available information.

The quoted market prices of securities used in the Trading History analysis usually reflect a minority interest value of a security.

Precedent transactions

Precedent transactions analysis is a form or relative valuation where the sale price evidence of other businesses or assets that have been recently sold or acquired in the same industry is used to place a value on a business or asset. As the sale prices obtained under this approach tend to represent the 'en-bloc' value of a business or asset, it may not be as applicable for larger and more complex businesses or businesses and assets that are not identical. Sale price evidence from precedent transactions can also become dated and may no longer reflect the current market over time.

Sale prices used in the precedent transactions analysis usually reflect a take-over premium and a controlling interest value.

Asset based methodologies

Asset based methodologies estimate the fair market value of a company based on the realisable value of its identifiable net assets. They include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern method.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to security holders after payment of all liabilities (including realisation costs and taxation charges that may arise), assuming that the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except that the liquidation method assumes that the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate.

The 'net assets on a going concern basis' method estimates the market values of the net assets of an entity but does not take into account any realisation costs. The 'net assets on a going concern basis' approach is usually appropriate where the majority of the assets are cash, passive investments or for investment holding companies. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Appendix 4: Discount rate

The discount rate applied to forecast cash flows reflects the financial return that will be required before an investor would be prepared to acquire (or invest in) the business. The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. CAPM provides the required return on an equity investment. The weighted average cost of capital is commonly used in determining the market rates of return to both debt and equity holders.

Weighted average cost of capital (WACC)

The weighted average cost of capital represents the blended cost of each type of capital – most commonly debt and equity – weighted by each of their percentages and then added together. WACC is calculated by:

WACC	
WACC = (Ke * E/V + Kd (1-t) * D/V) where V = E + D)	
where:	
Ke = cost of equity	
Kd = cost of debt	
t = corporate tax rate	
E = market value of the firm's equity	
D = market value of the firm's debt	
V = total value of capital (equity plus debt)	
E/V = percentage of capital that is equity	
D/V = percentage of capital that is debt	

Cost of Equity (Ke)

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity as follows:

CAPM	
Ke = Rf + ßa (Rm - Rf)	
where:	
Ke = cost of equity	
Rf = risk free rate	
ß = beta of the security (geared)	
Rm = expected market return	
Rm - Rf = market risk premium	

The individual components of CAPM are discussed below.

Risk free rate (Rf)

The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received. The risk free rate is usually chosen as one that is on, or if not on, closest to but before, the Valuation Date. The 10-year government bond rate as at 12 March 2021 (on or around the date of our valuation) was 1.67%.

Market risk premium (Rm – Rf)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate which is dependent on the 10-year government bond rates. Market risk premium is typically about 6%.

Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Betas are normally either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors which make the operating risk of the company greater or less risky than comparable listed companies.

To make betas of different companies comparable we can obtain an asset beta by 'ungearing' the equity beta using the formula as follows.

$\beta a = \beta / (1+(D/E \times (1-t))$

The 2-year, 3-year and 5-year betas of comparable companies as at 12 March 2021 are set out in the tables below.

Company Name	Exchange Ticker	Mkt Cap A$m	Debt A$m	Equity A$m	2-Year Beta	R^2	Beta Un-geared
Cirralto Limited	ASX: CRO	165.326	0.000	5.048	0.872	1.07%	0.872
FINEOS Corporation Holdings plc	ASX:FCL	1212.569	0.000	221.618	0.796	12.68%	0.796
Hansen Technologies Limited	ASX:HSN	1115.199	142.811	251.075	0.544	7.02%	0.385
Integrated Research Limited	ASX:IRI	384.039	6.494	74.685	0.648	9.36%	0.610
IODM Limited	ASX:IOD	85.674	0.000	-0.289	1.251	8.44%	1.251
9 Spokes International Limited	ASX:9SP	31.360	0.000	5.621	1.332	7.51%	1.332
IXUP Limited	ASX:IXU	87.532	0.000	8.919	0.819	2.33%	0.819
Corum Group Limited	ASX:COO	54.902	0.000	22.827	1.075	7.98%	1.075
Kyckr Limited	ASX:KYK	18.912	0.000	15.803	1.104	2.62%	1.104
Knosys Limited	ASX:KNO	27.242	0.000	5.637	1.287	7.58%	1.287
Opyl Limited	ASX:OPL	6.989	0.000	0.872	1.451	2.43%	1.451
Fargo Enterprises Limited	ASX:FGO	9.486	0.000	1.007	0.186	0.04%	0.186
Openpay Group Ltd	ASX:OPY	285.149	46.230	50.368	3.103	21.24%	1.863
Zip Co Limited	ASX:Z1P	4746.391	1591.602	1126.186	2.572	25.01%	1.270
Invigor Group Limited	ASX:IVO	3.801	6.193	-18.503	0.095	0.04%	0.126

Max	1.451	1.451
Min	0.186	0.186
Median	0.974	0.974
Mean	0.947	0.931
Median (betas with higher R^2)	1.251	1.251
Mean (betas with higher R^2)	1.401	1.097

Company Name	Exchange Ticker	Mkt Cap A$m	Debt A$m	Equity A$m	3-Year Beta	R^2	Beta Un-geared
Cirralto Limited	ASX: CRO	165.326	0.000	5.048	0.547	0.42%	0.547
FINEOS Corporation Holdings plc	ASX:FCL	1212.569	0.000	221.618	0.796	12.68%	0.796
Hansen Technologies Limited	ASX:HSN	1115.199	142.811	251.075	0.513	5.05%	0.363
Integrated Research Limited	ASX:IRI	384.039	6.494	74.685	0.887	11.19%	0.834
IODM Limited	ASX:IOD	85.674	0.000	-0.289	1.075	6.60%	1.075
9 Spokes International Limited	ASX:9SP	31.360	0.000	5.621	1.454	4.38%	1.454
IXUP Limited	ASX:IXU	87.532	0.000	8.919	0.899	2.64%	0.899
Corum Group Limited	ASX:COO	54.902	0.000	22.827	0.795	3.28%	0.795
Kyckr Limited	ASX:KYK	18.912	0.000	15.803	1.080	2.61%	1.080
Knosys Limited	ASX:KNO	27.242	0.000	5.637	1.178	6.65%	1.178
Opyl Limited	ASX:OPL	6.989	0.000	0.872	1.445	2.56%	1.445
Fargo Enterprises Limited	ASX:FGO	9.486	0.000	1.007	0.302	0.11%	0.302
Openpay Group Ltd	ASX:OPY	285.149	46.230	50.368	3.103	21.24%	1.863
Zip Co Limited	ASX:Z1P	4746.391	1591.602	1126.186	2.386	23.16%	1.178
Invigor Group Limited	ASX:IVO	3.801	6.193	-18.503	0.201	0.07%	0.266

Max					1.454		1.454
Min					0.302		0.302
Median					0.893		0.866
Mean					0.914		0.897
Median (betas with higher R^2)					1.075		1.075
Mean (betas with higher R^2)					1.420		1.041

Company Name	Exchange Ticker	Mkt Cap A$m	Debt A$m	Equity A$m	5-Year Beta	R^2	Beta Un-geared
Cirralto Limited	ASX: CRO	165.326	0.000	5.048	0.576	0.48%	0.576
FINEOS Corporation Holdings plc	ASX:FCL	1212.569	0.000	221.618	0.796	12.68%	0.796
Hansen Technologies Limited	ASX:HSN	1115.199	142.811	251.075	0.492	4.15%	0.348
Integrated Research Limited	ASX:IRI	384.039	6.494	74.685	0.792	8.59%	0.745
IODM Limited	ASX:IOD	85.674	0.000	-0.289	0.835	1.69%	0.835
9 Spokes International Limited	ASX:9SP	31.360	0.000	5.621	1.287	3.40%	1.287
IXUP Limited	ASX:IXU	87.532	0.000	8.919	0.872	2.42%	0.872
Corum Group Limited	ASX:COO	54.902	0.000	22.827	0.625	1.80%	0.625
Kyckr Limited	ASX:KYK	18.912	0.000	15.803	0.911	1.77%	0.911
Knosys Limited	ASX:KNO	27.242	0.000	5.637	1.254	2.22%	1.254
Opyl Limited	ASX:OPL	6.989	0.000	0.872	1.429	2.04%	1.429
Fargo Enterprises Limited	ASX:FGO	9.486	0.000	1.007	0.330	0.12%	0.330
Openpay Group Ltd	ASX:OPY	285.149	46.230	50.368	3.103	21.24%	1.863
Zip Co Limited	ASX:Z1P	4746.391	1591.602	1126.186	2.181	18.55%	1.077
Invigor Group Limited	ASX:IVO	3.801	6.193	-18.503	0.116	0.02%	0.153

Max					1.429		1.429
Min					0.330		0.330
Median					0.815		0.815
Mean					0.850		0.834
Median (betas with higher R^2)					1.489		0.937
Mean (betas with higher R^2)					1.718		1.121

Source: CapitalIQ, Bentleys's analysis

Selected Beta (β)

In selecting an appropriate beta, we have considered the similarities and differences between the comparable companies selected above, the stability of the betas and their R-squared. R-squared is a measure of the percentage of an asset's performance as a result of a benchmark. Therefore, the R-squared of the beta measures how reliable the beta is.

After this consideration, we selected an ungeared beta in the range of 0.9 to 1.1. We note that the financial information in our beta tables above is based on publicly available financial information and therefore reflect the debt and equity positions as at the most recent reporting date. However, as at the date of this Report, the Company had repaid all its debt. As there is no long-term debt assumed in the Company, the re-geared beta selected is also between 0.9 and 1.1 with a midpoint of 1.0.

Alpha (α)

Alpha is often used to adjust for specific risk, commonly known as an undiversifiable risk, to a security or an asset. CAPM assumes that, in a highly diversified portfolio, all specific company risks are diversified away and therefore does not include an alpha. However, in a singular asset, specific risk still remains and cannot be diversified away. Alpha is a subjective measure but is commonly acceptable in the range of 2% to 5%. This can be higher if the specific risk warrants it. In this case, we used a 2.0% to 3.0% alpha range due to the forecasting risk we perceive of the forecast information provided.

Cost of Equity

We have assessed the cost of equity to be:

Cost of equity	Low	Mid	High
Risk free rate, Rf (%)	1.67%	1.67%	1.67%
Geared beta, ß	0.900	1.000	1.100
Market risk premium (Rm - Rf) (%)	6.0%	6.0%	6.0%
Specific risk, α (%)	2.0%	2.5%	3.0%
Cost of equity, Ke (%)	9.07%	10.17%	11.27%

Source: RBA, Capital IQ, Bentleys Corporate Finance's analysis

Cost of Debt (Kd)

Cirralto does not currently carry any debt on its balance sheet and is likely to remain this way in the short to medium term future.

WACC

The capital structure of Cirralto is assumed to be 100% equity as it does not currently carry any debt on its balance sheet. Therefore, the Company's WACC is also the Company's cost of equity.

Accordingly, the discount rate is assessed to be in the range of 9% to 11% with a midpoint of 10%.

Descriptions of the comparable companies are as follows.

Company Name	Business Description
FINEOS Corporation Holdings plc (ASX:FCL)	FINEOS Corporation Holdings plc provides customer-centric software to the life, accident, and health insurance industry worldwide. The company offers FINEOS Platform, a module-based core system solution that is designed and delivered through the cloud as a Software-as-a-Service solution. The FINEOS Platform comprises FINEOS AdminSuite that is designed to support an insurer's core administrative processes, including claims, payments, absence, policy administration, and billing; FINEOS Engage, which assists insurers to connect digitally in real time with customers, businesses, and technology partners outside of their organization; and FINEOS Insight that offers data analytics capabilities, which allow clients to assess and present data in useful ways. It also offers professional and customer support services. FINEOS Corporation Holdings plc was founded in 1993 and is headquartered in Dublin, Ireland.
Hansen Technologies Limited (ASX:HSN)	Hansen Technologies Limited develops, integrates, and supports customer care and billing system software for the energy, utilities, and telecommunications sectors. It offers Create-Deliver-Engage suite, a set of software applications. The company sells billing applications; and provides consulting services related to billing systems. It also offers information technology (IT) outsourcing and customer care services. In addition, the company provides architecture consulting, product implementation, cloud, and managed services. It has operations in Australia, New Zealand, North America, Central America, Latin America, Europe, the Middle East, Africa, and rest of Asia. Hansen Technologies Limited was founded in 1971 and is headquartered in Melbourne, Australia.
Integrated Research Limited (ASX:IRI)	Integrated Research Limited designs, develops, implements, and sells systems and applications management computer software for business-critical computing, unified communication networks, and payment networks in the Americas, Europe, and the Asia Pacific. The company offers Prognosis, an integrated suite of monitoring and management software designed to give an organization's management and technical personnel operational insight into the HP NonStop platform, distributed system servers, unified communications, payment environments, and the business applications that run on these platforms. It also provides testing, maintenance, and software as a service solutions, as well as professional services. The company serves stock exchanges, banks, credit card companies, telecommunications carriers, service providers, and manufacturing companies through sales offices, as well as through a distribution network. Integrated Research Limited was founded in 1988 and is based in North Sydney, Australia.
IODM Limited (ASX:IOD)	IODM Limited provides cloud based software services in Australia. The company develops an automated debtor management solution that provides accounts receivable monitoring and collection management tool through a central cloud based platform for businesses. IODM Limited was founded in 2008 and is based in South Melbourne, Australia.
9 Spokes International Limited (ASX:9SP)	9 Spokes International Limited provides a digital ecosystem that aggregates data across businesses, apps, and banks in Europe, North America, and the Asia Pacific. The company's smart dashboard collects data from business apps to provide insights and information about the business performance. It primarily serves startup, hospitality, retail, and business and professional services sectors. 9 Spokes International Limited was founded in 2011 and is based in Auckland, New Zealand.
IXUP Limited (ASX:IXU)	IXUP Limited engages in the development and commercialization of software in Australia. The company provides a secure and private data analytics and collaboration platform that offers data insights, as well as prevents loss and misuse of identifiable data. The company was founded in 2011 and is based in Parramatta, Australia.
Corum Group Limited (ASX:COO)	Corum Group Limited, together with its subsidiaries, operates as a technology and software development company in Australia. It operates through two segments, Health Services and eCommerce. The Health Services segment develops and distributes business software for the pharmacy industry, including point-of-sale and pharmaceutical dispensing software; multi-site retail management; and dispense solutions and computer hardware and support services. The eCommerce segment operates a payment gateway primarily for the real estate and pharmacy sectors. The company was formerly known as Cosmos Limited and changed its name to Corum Group Limited in November 2006. Corum Group Limited was incorporated in 1950 and is headquartered in Sydney, Australia.
Kyckr Limited (ASX:KYK)	Kyckr Limited provides data and technology solutions in Australia, Ireland, and internationally. The company offers automated technology solutions for corporate know your client (KYC) processes. Its solutions include Kyckr Perpetual KYC, a solution to automate KYC processes for future-proof compliance and verify/monitor customers; Kyckr Company Watch, which retains the accurate customer information with real-time event monitoring; Kyckr for Business that provides real-time primary source data; and verify and validate solutions. The company also offers Kyckr Registry Portal that provides real-time access to legally authoritative company information and filings. Its

Company Name	Business Description
	solutions accelerate customer acquisition, as well as protect them against money laundering, fraud, and tax evasion. The company's solutions are connected to approximately 200 regulated primary sources that provide real-time company registry information to businesses. It serves financial, investment and wealth management, and legal and accounting industries, as well as payment service providers. Kyckr Limited was incorporated in 2015 and is based in Sydney, Australia.
Knosys Limited (ASX:KNO)	Knosys Limited develops, licenses, and sells computer software in Australia and the Asia Pacific. The company also provides Software-as-a-Service KIQ Cloud product, a cloud-based omni-channel knowledge management solution that is designed to simplify and centralise the organising and sharing of knowledge; and Knowledge IQ, an enterprise solution, which provides personalised information to staff and customers that will transform business productivity and engagement. The company is based in Melbourne, Australia.
Opyl Limited (ASX:OPL)	Opyl Limited operates a SaaS platform that allows to search and source user generated content (UGC). Its UGC Discovery platform protects against unauthorized use of people's social and digital content. The company also offers social media marketing agency services, including client and account management services; a MediaConsent Clinical platform that aggregates structured and unstructured data from various sources giving consumers or patients control over their health data and to contribute their data to medical research; and consumer data and privacy compliance services. It operates in Australia and the United States. The company was formerly known as ShareRoot Limited and changed its name to Opyl Limited in December 2019. Opyl Limited was incorporated in 1994 and is based in St Kilda, Australia.
Fargo Enterprises Limited (ASX:FGO)	Fargo Enterprises Limited, an enterprise software as a service company, provides cognitive virtual assistant artificial intelligence (AI) platforms and a Knowledge Engine in Australia. The company develops Flamingo platform, an AI platform based on machine learning technology. Its AI products are used by enterprises to enhance sales, services, and internal knowledge processes. The company was formerly known as Flamingo AI Limited and changed its name to Fargo Enterprises Limited in November 2020. Fargo Enterprises Limited is based in Perth, Australia.
Openpay Group Ltd (ASX:OPY)	Openpay Group Ltd provides Buy Now Pay Later (BNPL) payment solutions in Australia, New Zealand, the United Kingdom, and the United States. The company partners with merchants to provide BNPL repayment plans to customers through in-store, in-app, and online channels, as well as facilitates increased transaction values and conversion rates for merchants at checkout. It also offers Openpay for Business, a software as a service portal that enables enterprise customers to manage trade accounts end to end, including applications, credit checks, approvals, and account management in one system. The company serves in healthcare, automotive, home improvement, and retail sectors. Openpay has strategic partnership with ezyVet to extend payment plans to fur babies. Openpay Group Ltd was founded in 2013 and is headquartered in Melbourne, Australia.
Zip Co Limited (ASX:Z1P)	Zip Co Limited provides point-of-sale credit and digital payment services to consumers and merchants in Australia, the United Kingdom, the United States, New Zealand, and South Africa. The company operates through ZIP AU, Zip Global, and Spotcap segments. It offers integrated retail finance solutions to merchants in the retail, education, health, and travel industries through online and in store. The company provides Zip Pay and Zip Money, which are digital wallets; and Pocketbook, a personal finance application to help people manage their finances, budget, and savings, as well as unsecured loans to small and medium sized businesses. In addition, it offers a Buy Now Pay Later services whereby consumers split repayments into equal instalments. The company was formerly known as ZipMoney Limited and changed its name to Zip Co Limited in December 2017. Zip Co Limited was incorporated in 2009 and is based in Sydney, Australia.
Invigor Group Limited (ASX:IVO)	Invigor Group Limited, a B2B data intelligence and solution company, provides data analytics solution to the retail and service industries primarily in Australia and Singapore. Its solutions include pricing insights, retailer insights, and dynamic pricing. The company was formerly known as Hyro Limited and changed its name to Invigor Group Limited in October 2012. Invigor Group Limited was incorporated in 1998 and is based in Sydney, Australia.

Annexure B - Vendors

The names of the Appstablishment vendors and their percentage holding in Appstablishment and the number of Cirralto consideration Shares to be issued to each Appstablishment shareholder is set out below.

Name	Appstablishment Shares	% Holding	CRO Consideration Shares
Rare Air Nominees Pty Ltd ATF Appstablishment Unit Trust	9,878,163.00	19.50%	160,898,015
Temorex Pty Ltd ATF Nitram Family Trust	7,612,032.00	15.03%	123,986,701
Elite Sky Investment Limited	6,744,128.00	13.32%	109,850,061
Baga River Investments Pty Ltd	5,462,221.00	10.78%	88,970,036
Davy Corp ATF Davy Investment Trust	3,540,000.00	6.99%	57,660,415
Pauline & Kylie Floate ATF Feral 55 Superannuation Fund	2,455,494.00	4.85%	39,995,707
Robert Martin ATF Nitro Super Fund	1,596,071.00	3.15%	25,997,208
Mark & Jennifer Linney ATF Linney Super Fund	1,543,585.00	3.05%	25,142,303
David Matthew Wood ATF Wood Family Trust	1,227,747.00	2.42%	19,997,853
Opal Intelligence Group Pty Ltd	927,547.00	1.83%	15,108,120
Elaine Fortmann ATF EYF Investment Trust	905,842.00	1.79%	14,754,583
Chris Anderson ATF C & S Anderson Super Fund	500,000.00	0.99%	8,144,126
Emruni Holdings Pty Ltd	500,000.00	0.99%	8,144,126
Hay Street Property Pty Ltd	500,000.00	0.99%	8,144,126
LJR Contructions Pty Ltd	500,000.00	0.99%	8,144,126
Lorndell Nominees Pty Ltd ATF Bowman Family Trust	500,000.00	0.99%	8,144,126
Trent Bell	400,189.00	0.79%	6,518,380
Tysat Software Pty Ltd ATF P & D Harapin Super Fund	350,000.00	0.69%	5,700,888
ALBERT VANDERPLANCKE	345,812.00	0.68%	5,632,673
TRENT BELL	321,285.00	0.63%	5,233,171
ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	306,969.00	0.61%	4,999,989
TELLARO PTY LTD <TELLARO A/C>	306,969.00	0.61%	4,999,989
Alan Francis	276,243.00	0.55%	4,499,516
Central Park Communications Pty Ltd	258,976.00	0.51%	4,218,267
Alta Corp Pty Ltd	250,000.00	0.49%	4,072,063
Brett Duncan Suann	250,000.00	0.49%	4,072,063
Jason Stephens	250,000.00	0.49%	4,072,063
Kevin & Deborah Kiely ATF Kiely Trust	250,000.00	0.49%	4,072,063
Michael Kolikias	250,000.00	0.49%	4,072,063

TAOS Pty Ltd ATF Geilings & Company Super Fund	250,000.00	0.49%	4,072,063
Jedi Online Pty Ltd ATF Bowman Family Super Fund	200,000.00	0.39%	3,257,651
GEORGE SAKALIDIS	177,017.00	0.35%	2,883,298
KFDP Pty Ltd ATF Fisher Super Fund	177,017.00	0.35%	2,883,298
Citystreet Investments Pty Ltd	142,776.00	0.28%	2,325,572
Andrew Gregor	125,000.00	0.25%	2,036,032
Bellaire Capital Pty Ltd ATF Bellaire Capital Investment Trust	125,000.00	0.25%	2,036,032
Ian McFarlane ATF McFarlane Trust	125,000.00	0.25%	2,036,032
LDP Pty Ltd ATF Grange Super Fund	125,000.00	0.25%	2,036,032
Nicholas Investments (WA) Pty Ltd	125,000.00	0.25%	2,036,032
Tilehurst Pty Ltd ATF Linney Super Fund	125,000.00	0.25%	2,036,032
Goldclaim Corporation Pty Ltd ATF Hann Super Fund	100,000.00	0.20%	1,628,825
Ryan Barker ATF Barks Trust	100,000.00	0.20%	1,628,825
Sardi Superannuation Pty Ltd	100,000.00	0.20%	1,628,825
Michele Cesari	83,110.00	0.16%	1,353,717
Durak Investment Corporation Pty Ltd	75,000.00	0.15%	1,221,619
Stephen Tomsic	75,000.00	0.15%	1,221,619
PAUL WILLIAMS	70,807.00	0.14%	1,153,322
Durak Jodet	50,000.00	0.10%	814,413
Sarah Dowse ATF Dowse Family Trust	50,000.00	0.10%	814,413
Trayburn Pty Ltd	25,000.00	0.05%	407,206
Sarantino Kaptanis	15,000.00	0.03%	244,324

Annexure C – Terms of Issue of Options

a) Each Option entitles its holder to subscribe in cash for one Share.

b) Each Option is exercisable at its exercise price at any time prior to the Expiry Date by completing an option exercise form and delivering it, together with payment for the number of Shares in respect of which the Option is exercised, to the registered office of the Company. Any Option that has not been exercised prior to the Expiry Date automatically lapses.

c) An Option automatically lapses without any claim against the Company on the occurrence of any of the following events:

   a. upon the bankruptcy, liquidation or winding up of the holder or the happening of any other event that results in the holder being deprived of the legal or beneficial ownership of the Option; or

   b. upon the liquidation or winding up of the Company for any reason other than by the way of members'' voluntary winding up.

d) The Company will not apply for official quotation by ASX of the Options, unless otherwise determined by the Board.

e) Subject to the Corporations Act, the ASX Listing Rules, and the constitution of the Company, each Option is freely transferable.

f) Shares issued upon the exercise of the Options will rank pari passu with the Company's existing Shares.

g) The Company will apply for official quotation by ASX of the Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.

h) The Options will not give any right to participate in dividends unless and until Shares are issued upon exercise of the relevant Options.

i) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the life of the Option. The Company will ensure that holders will be given at least seven business days' notice to allow for the exercise of Options prior to the record date in relation to any offers of securities made to Shareholders.

j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the rights attaching to the Options or both will be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

k) If there is any inconsistency between any of the preceding terms and conditions and the ASX Listing Rules, then the ASX Listing Rules prevail to the extent of the inconsistency.

Annexure D – Terms of Plan

A summary of the terms of the Plan is set out below:

(a) (**Eligible Participant**): Eligible Participant means a person that:

(i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and

(ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) (**Purpose**): The purpose of the Plan is to:

(i) assist in the reward, retention and motivation of Eligible Participants;

(ii) link the reward of Eligible Participants to Shareholder value creation; and

(iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(c) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(f) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(g) (**Vesting of Convertible Securities**): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(h) (**Exercise of Convertible Securities and cashless exercise**): To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(i) (**Delivery of Shares on exercise of Convertible Securities**): As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(j) (**Forfeiture of Convertible Securities**): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

(k) (**Change of control**): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(l) (**Rights attaching to Plan Shares**): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(m) (**Disposal restrictions on Plan Shares**): If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

(i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

(ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(n) (**Adjustment of Convertible Securities**): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(o) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(p) (**Amendment of Plan**): Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(q) (**Plan duration**): The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Cirralto Limited | ABN 67 099 084 143

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by 11.00am (WST) on Tuesday, 18 May 2021 being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at
https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the General Meeting of Cirralto Limited, to be held at 11.00am (WST) on Thursday, 20 May 2021 at The Celtic Club 48 Ord Street, West Perth, Western Australia 6000 hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution(s) 9 to 12 (except where I/we have indicated a different voting intention below) even though Resolution(s) 9 to 12 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2 – Your voting direction

Resolutions		For	Against	Abstain
1.	Approval of acquisition of shares in Appstablishment from the Related Party Vendors	☐	☐	☐
2.	Issue of up to 200,893,722 Shares for Appstablishment acquisition – Related Party Vendors	☐	☐	☐
3.	Issue of up to 624,106,278 Shares for Appstablishment acquisition – Unrelated Vendors	☐	☐	☐
4.	Approval of Issue of Shares and CROO Options to Related Party – Mr. Adrian Floate	☐	☐	☐
5a.	Ratification of Prior Issue of Shares under Listing Rule 7.1	☐	☐	☐
5b.	Ratification of Prior Issue of Shares under Listing Rule 7.1A	☐	☐	☐
6.	Ratification of Prior Issue of Shares to KAAI Capital under Listing Rule 7.1	☐	☐	☐
7.	Ratification of Prior Issue of Listed Options to KAAI Capital under Listing Rule 7.1	☐	☐	☐
8.	Ratification of Prior Issue of Options to KAAI Capital under Listing Rule 7.1	☐	☐	☐
9.	Issue of 194,444 Shares to related party – Mr. Stephen Dale in lieu of fees payable	☐	☐	☐
10.	Issue of 250,000 Shares to related party – Mr. Howard Digby in lieu of fees payable	☐	☐	☐
11.	Issue of 250,000 Shares to related party – Mr. Peter Richards in lieu of fees payable	☐	☐	☐
12.	Adoption of Employee Incentive Plan	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) ☐☐ / ☐☐ / ☐☐

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).