CIRRALTO MARKET UPDATE

Cirralto Limited (ASX:CRO) ("CRO" or the "Company") is pleased to provide an update on the Company's activities.

Marketing – Feature Article

The Company was featured in the APAC CIO Outlook magazine as one of the "Top 10 Retail Solution Providers – 2019". The link to the article can be found here: https://retail.apacciooutlook.com/vendors/top-10-retail-solution-providers-2019-rid-236.html

Successful Migration to PoolBox v2.0

Since launching its updated PoolBox v2.0 platform in March 2019, 85% of existing customers have been migrated to the new platform.

The success of the migration is particularly pleasing as it confirmed that PoolBox v2.0 has reduced implementation time by over 50%, enabling the Company to better utilise its existing resources to increase the rate of customer acquisition. Continuing development on PoolBox v2.0 is expected to improve on and further reduce implementation timeframes with new customers as ongoing in-development functionality is released.

Further, the upgrades have yielded two clear benefits:

1) a reduction in ongoing support and platform operating costs; and

2) an increase in average revenue per user / customer (**ARPU**) as customers adopt new paid features, i.e. the consolidated billing feature (batch billing).

PoolBox Growth

The June Quarter has started positively as the selling season for the pool industry moves into high gear.

The Company's ambition to achieve 80+ PoolBox implementations for the quarter has got off to a strong start with 12 new customer contracts written in April and more than 20 new contracts in the final stages of finalisation as at 15 May 2019. Several of these transactions are retail businesses that operate in multiple locations.

Additionally, discussions with several major franchise groups remain ongoing.

PoolBox Feature Release: Batch Billing & Batch Payment

The introduction of the batch billing feature reinforced the Company's confidence that customers are willing to pay for value added services that

provide substantial productivity gains and reduce administration overheads. ARPU is expected to increase by 20% for customers that adopt the batch billing feature.

The batch billing feature allows PoolBox customers to consolidate multiple invoices in one consolidated "batch" that can be automatically scheduled to run at periodic intervals and sent to the customer. This functionality is highly applicable to PoolBox customers that manage multiple sites for business customers, namely real estate and property management customers. This feature saves the PoolBox customer substantial time managing the manual invoicing process associated with multiple monthly recurring customers with the ease of a click of a button and direct debit the customer from their preferred account.

During the coming months, the Company expects to transition batch payments (currently in the pilot phase) to an additional value added feature, enabling our PoolBox customers to automatically bill and debit their customers for services rendered.

The Company expects a high adoption rate for the batch billing and batch payment features as the two features are logical, in-step processes undertaken by the vast majority of businesses operating in the pool service industry. Cirralto's PoolBox solution integrates the two processes seamlessly, saving hours of processing and administration time and a highly competitive rate for transaction processing.

The release of the batch payments feature will be the first of the Company's payment services product, with subsequent releases expanding into mobile and in-field payment services, and which can be rolled out across other verticals.

Payment Product Progress

The Company is in the final stages of selecting its affiliate partners to develop its own payment service offering. The executive management team is currently reviewing proposals from vendors that provide transaction and network switching capabilities that meet the Company's current requirements to deploy an infield payment service with the least lead time and minimal capital outlay.

Insights on transactional revenue across the Company's customer confirms the business case metrics to establish a payments solution for the Company's customers. Total transaction volume since the start of the year is in excess of $30m. The Company believes it can offer its customers a transactional merchant rate that is not only highly competitive, but also provides an integrated financial and cash management solution that saves the customer transaction fees and provides the Company with an additional revenue stream.

The Company is targeting a full commercial release of its own integrated payment services in 2H 2019 and will provide further updates as these solutions are developed, certified and rolled out in market.

Paddock to Plate

The Company continues to secure customers in the food production vertical (with a focus on modernisation in the supply of paddock to plate technologies) under a Government endorsed regional co-funding incentive scheme.

These custom projects enabled the Company to adapt its specific "box" type software solutions within the specific paddock to plate vertical market. The delivery of three custom projects, with a high degree of success, has provided the Company with a base of reference sites upon which a broader digitisation strategy in the food supply chain can be launched. The Company anticipates greater growth in this segment for the remainder of the year and is currently scoping an additional five high value projects for delivery in the quarter.

For Shareholder contact:

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About Cirralto:

Cirralto Limited (ASX: CRO) listed company that 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.