CORPORATE DIRECTORY

Chairman

Peter Richards

Managing Director

Adrian Floate

Non-Exec Directors

Stephen Dale

Company Secretary

Justyn Stedwell

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ASX Code

CRO

Issued Capital

Shares: 660,257,705
Options: 91,796,713

CIRRALTO MARKET UPDATE

Poolbox Rollout

- Company contracting customers at a rate of 20 per month by the end of the quarter.
- Customer Transaction Volumes up 400% in six months to June 30.

Product Development

- Product feature – Batch Billing – released.
- PoolBoxv2.0 product and feature enhancements are gaining traction with customers.
- Migration of existing legacy customers to the v2.0 platform complete.
- Payments development progressing on track towards 2019 launch.

Marketing and Business Development

- Company sponsored 6 SPASA industry events, 3 in June and the balance forthcoming in July and August.
- Discussions with US distributors to establish partnering opportunities progressing.
- Software supply contract negotiations to supply PoolBox to franchise pool stores across Australia and New Zealand in 2019 are in final stages of completion.

Corporate Update

- Less than marketable parcel sale facility complete.

Cash Position

- Cash receipts up 31% to $309k recorded in the quarter.
- Cash balance of $101k as at June 30.
- See ASX Announcement of 31 July regarding working capital update.

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

Operational Update

1. Poolbox Rollout Update

Since launching its updated PoolBox v2.0 platform in March 2019, all existing customers are now active. Further, the new platform has enabled a reduction in implementation time by over 50%, allowing the Company to better utilise its existing resources to increase the rate of customer implementation.

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.

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.

The June Quarter closed positively with consistent sales coming through the quarter. Major franchise pilots are now complete with formal arrangements now in negotiations that are expected to close with sufficient time to deliver before the season.

2. 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.

This 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 at a highly competitive rate for transaction processing.

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

3. New Customer Product Development

The Company engaged with and scoped three custom projects to adapt a specific "box" type software solution within the specific paddock to plate vertical market. The implementation and delivery of these custom projects is expected to be completed in the second half of the calendar year.

Growth in customer engagement within this segment for the quarter has been subdued as budget allocation via a regional development fund was delayed.

4. Payments Update

The Company is in the final stages of works with its affiliate partners to develop its own payment service offering. The management team has completed its review of proposals from vendors that provide transaction and network switching capabilities that are capable of meeting the Company's current requirements to deploy an infield payment service with the greatest compatibility with current solutions, least lead time and minimal capital outlay.

Whilst the Company's customer base has grown in the past quarter there has been significant growth in total customer transaction revenues managed by Cirralto systems. Cirralto measures cumulative customer revenue and between December 31 2018 and June 30 2019 customer transactions grew from $10M to in excess of $40M. This is a key marker, given Cirralto's payments products will attract merchant fees that are calculated as percentage of customers revenue through the service. Cirralto expects to earn a minimum 0.5% in merchant fee income when the payment services launch.

The Company believes its offering to its customers is not only highly competitive on merchant rates, but also provides the added value of integrated financial and cash management capabilities that save 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.

5. Marketing and Business Development

The Company was featured in the APAC CIO Outlook magazine as one of the "Top 10 Retail Solution Providers – 2019".

The Company sponsored six Swimming Pool and Spa Association (SPASA) award nights to promote the PoolBox platform across the major states. Three award nights were held during June with the remaining to be held in July and August. Interest from these events has generated significant inbound enquires for PoolBox.

The Company continued discussions with major distributors in the US with a view to establishing partnering opportunities for the distribution of PoolBox in the US. The Company is in the final stages of selecting a partner ahead of the launch in the US during the "low" season in October / November and which coincides with the 2019 US Pool, Spa and Patio Expo.

6. Quarter in Review

Operations have been working at capacity:

- Implementations and support focus on delivery of upgrades and new customers
- Support has been delivering customer assistance 7 days a week.

- Business Development efforts have centred on major franchise groups and growth with independent customers.
- Major releases to PoolBox V2.0 have been delivered making it the most well rounding platform in market for the operation of a service retail business.
- The executive team has been focused on strategic initiatives that expand our addressable market both domestically and abroad. We expect these activities will lay a foundation for growth in the future.

The Company is also pleased with the development in paddock to plate and food service market segments and expects to continue business development initiatives in this area in conjunction with developing regional Food & Fibre programs.

Corporate Update

Less that Marketable Parcel Sale Facility

The Company announced a sale facility for holders of less than marketable parcels of the Company's shares.

This facility was open to shareholders who (at 7pm AEDT on 13 March 2019 - Record Date) held 49,999 fully-paid ordinary shares or less with a value of less than $500 based on the closing price of $0.01 on the Record Date. This represented 6,617,282 ordinary shares held by 1,212 shareholders.

This sale process is now complete and shareholders who participated can expect to be in receipt of funds early in August.

Resourcing

The Company added an additional senior sales resource to service the eastern seaboard. The Sales Manager has over 10 years sales experience, specifically within the technology / start-up sector with specific experience in dealing with service and services related businesses; highly applicable to the Company's platform technologies and target vertical markets.

The Company is planning to add new resources to its sales, project, support and implementations teams in line with expected customer growth and the launch of the payments business.

Cash Position

Cash receipts were up 31% for the quarter totalling $309,000 – its highest cash receipt quarter to date. Total cash at the end of the quarter was $101,000. As sales growth continues the Company is operating an accounts receivable ledger of between $150-200,000. Cash receipts in the last 30 days have totalled in excess of $200,000 and the Board feels this is a strong positive trend that will continue well into the next quarter.

The deferment of Board and executive management fees and salaries will continue until the Company moves into a cash flow positive position.

For Shareholder contact:

Please email: shareholders@cirralto.com.au

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.