

CORPORATE DIRECTORY

Chairman

Peter Richards

Managing Director

Adrian Floate

Non-Exec Directors

Stephen Dale
Marcus L'Estrange

Company Secretary

Justyn Stedwell

Registered office

Level 13, 333 George
Street, Sydney
NSW 2000

Telephone

+1300 682 108

Email

shareholder@cirralto.com.au

ASX Code

CRO

Issued Capital

Shares: 387,844,223
Options: 54.8M

COMPLETION AND NOTIFICATION OF SHORTFALL

Cirralto Limited (ASX:CRO or the Company) is pleased to announce the non-renounceable entitlement offer detailed in the Company's Offer Document dated 24th August 2018 has closed. The Entitlement Offer allowed eligible shareholders registered on the record date the ability to subscribe for new shares at an issue price of \$0.031 each on the basis of one (1) fully paid ordinary share for every eight (8) shares held (total shares 48,481,003) to raise approximately \$1,502,911 before costs.

The Company has accepted applications from its shareholders subscribing for 5,806,416 shares pursuant to their entitlements and additional shares, totalling approximately \$179,999 and resulting in a shortfall of 42,674,587 shares for a further approximately \$1,322,912. The securities to be issued pursuant to the Entitlement Offer are expected to be allotted and issued on or before 5 November 2018 with holding statements dispatched shortly after.

Funds raised under the Entitlements Offer, together with funds raised under the securities placement completed on 23rd August 2018, are being utilised to execute the Company's go to market strategy involving a direct customer engagement model which provides the Company with an opportunity to complement its existing PoolBox software as a service (SaaS) solution bundled with hardware and other services for sale to customers, potentially increasing the value of each customer contract.

In addition to the execution of the Company's go to market strategy, proceeds from the issue will be used to fund:

- further product development to enhance the Company's software solution set; and
- the initial testing and development of the Company's payments solution with WestPay AB, as announced on 7th September 2018.

Further to the Chairman and Managing Director subscribing for shares to the value of \$100,000 in the Placement (subject to receipt of shareholder approval at the Company's annual general meeting in November), the Chairman and Managing Director subscribed for their entitlements under the offer, being approximately \$4,000 and \$148,000 respectively.

The Lead Managers, in consultation with the Company, will offer the shortfall of securities under the Entitlement Offer to new investors unrelated to the Company on the same terms and conditions as the securities offered under the Entitlement Offer.

As announced in the Company's September Quarterly Activities Report, the Company continues to focus on reducing its monthly cash burn rate – currently forecast to be \$285k per month.

Managing Director Adrian Floate commented:

The team and I continue to work diligently to rebuild cashflows in light of our recent challenges. Currently we are in the US exhibiting our PoolBox solution at America's largest International Pool, Spa and Patio Expo. I am pleased to say initial feedback has been fantastic and the market has been very responsive to our unique PoolBox solution. Demand for PoolBox is high and registration for our early adopter program has exceeded our expectations. We expect to launch our early adopter program in the North American market early in the new year with a view to commencing commercial roll out of PoolBox in H2 2019.

We are continuing to rebuild our revenue and expect to improve on our recently reported September quarterly results in the December quarter, with further acceleration from April 2019 as the Australian Pool season winds down and we begin higher volume implementations at home. I am confident we can continue to build on our solid foundations and demonstrate success to the market both domestically and abroad.

In respect of the recent rights issue, I have subscribed for my entitlements in addition to the placement stock I subscribed for. I am a firm believer in the Company's future, the products we are building and the success we will achieve in 2019 and beyond.

I will continue to report back to shareholders on how the Company is progressing with achieving its key goal to ***Grow customer acquisition across a range of market sectors and grow average revenue per customer whilst focusing on rationalising and controlling delivery and implementation costs*** and would like to thank all shareholders for continuing to support the Company.

Regards, Adrian.

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.