

# Appendix 4D

## Half-Year Report

### Name of Entity

Cirralto Limited
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ABN or equivalent company reference	Half-Yearly (tick)	Preliminary final (tick)	Financial period ended ('current period')
A.B.N. 67 099 084 143	✓		6 months ended 31 December 2020

### Results for announcement to the market

	A \$
Revenues from ordinary activities	Up from \$269,855 to \$629,092
Net loss for the period attributable to members	Down from \$1,828,835 to \$1,264,629

### Explanation of Net Loss

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$1,264,629 (2019 December loss: \$1,828,835). The Company is a start-up technology company with low sales volumes and significant expenditure for developing its products and services.

Dividends	Amount per security	Franked amount per security
Final dividend - no dividend is proposed	N/A	N/A
Previous corresponding period - no dividend declared	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A	

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<b>Net tangible assets</b>	<b>Current reporting period</b>	<b>Previous reporting period</b>
Net tangible assets per ordinary security (in cents)	\$0.0029	(\$0.0030)

**1. Details of entity over which control has been gained or lost during the period**

Not applicable.

**2. Details of individual and total dividends or distribution payments. The details must include the date on which each dividend or distribution is payable, and if known the amount per security of foreign sourced dividend or distribution**

Not applicable - no dividends have been declared or paid.

**3. Details of any dividends or distribution reinvestment plans in operations and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

Not applicable.

**4. Details of associated joint venture entities**

Not applicable.

**This report is based on:**

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Yearly Report.



Signed: \_\_\_\_\_

Date: 26 February 2021

Justyn Stedwell  
Company Secretary

Cirralto Limited  
and its  
Controlled Entities  
ABN: 67 099 084 143

# Financial Report

Half-year ended  
31 December 2020

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# Corporate Information

## DIRECTORS

Mr Peter Richards (Non-Executive Chairman)

Mr Adrian Floate (Chief Executive Officer and Managing Director)

Mr Stephen Dale (Non-Executive Director)

Mr Howard Digby (Non-Executive Director)

## COMPANY SECRETARY

Mr Justyn Stedwell

## REGISTERED OFFICE

Suite 103, 2 Queen Street  
Melbourne, VIC 3000

## SHARE REGISTER

Automic Registry Services  
Level 3  
50 Holt Street  
Surry Hills NSW 2010  
Phone: 1300 288 664 (local)  
+61 (2) 9698 5414 (international)  
[www.automic.com.au](http://www.automic.com.au)

## AUDITORS

Nexia Perth Audit Services Pty Ltd  
Level 3  
88 William Street  
Perth WA 6000  
Phone: +61 8 9463 2463  
Fax: +61 8 9463 2499

## STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Limited, ASX Code: CRO

## PRINCIPAL PLACE OF BUSINESS

Suite 103, 2 Queen Street  
Melbourne, VIC, 3000

## BANKERS

Australian & New Zealand Banking Group Limited  
833 Collins Street  
Melbourne VIC 3000  
Phone: +61 3 9273 5555

## SOLICITORS

Nova Legal  
Level 2  
50 Kings Park Road  
Perth, WA 6005

## COMPANY WEBSITE

<https://www.cirralto.com.au/>

## Directors' Report

Your Directors present their report on the Group consisting of Cirralto Limited ("Cirralto" or the "Company") and the entities it controlled ("Cirralto Group") for the half-year ended 31 December 2020.

### Directors

The names of the Company's directors in office at any time during the half-year and until the date of this report are shown below. Directors were in office for this entire period unless otherwise stated.

Mr Peter Richards (Non-Executive Chairman)

Mr Adrian Floate (Chief Executive Officer and Managing Director)

Mr Stephen Dale (Non-Executive Director)

Mr Howard Digby (Non-Executive Director)

### Review and results of operations

The consolidated net loss for the half-year after income tax attributable to members of the Group amounted to \$1,264,629 (2019 December loss: \$1,828,835).

### Operational Update

The second half of 2020 was both productive and foundational for the Cirralto team with a significant level of activity across the Group.

During the half-year the Group and its merger partner, Appstablishment:

- Launched the SpendaCollect platform, delivering improved invoice collections by offering customers an online statement-based payment service;
- Began the transition from a pure SaaS Company to a SaaS and Business Payment Solution Provider;
- Launched the Spenda App platform into the Apple App store and Xero App Marketplace;
- Launched the Spenda Payments platform and successfully onboarded our first payments customers;
- Transitioned to a virtual workplace, which has resulted in operational saving for the Group;
- Processed the first transactions using SpendaPay;
- Completed key recruitments across the business including the appointment of a Chief Financial Officer;
- Entered into a Business Payments Solution Provider ("BPSP") Agreement with Fiserv and Visa;
- Entered into a Business Payment Aggregator ("BPA") Agreement with Fiserv and MasterCard extending the Company's business payment services;
- Finalised terms for and announced the merger with Appstablishment Software Group Pty Ltd ("Appstablishment");
- Made further technology investments into solution deliverability, scalability and performance improvement;
- Developed services with Invigo Pty Ltd ("Invigo") to launch complementary buy-now, pay-later services for business-to-business transactions; and
- Further restructured internal operations with a focus on customer acquisition, support efficiencies and project profitability.

These activities have enabled the Group to set more aggressive but realistic growth goals in 2021, including:

- Leveraging supply chain relationships to promote the Spenda product suite and payment solutions to acquire our customer's customers;
- Significant efficiency improvement in Anti-Money Laundering and Know Your Customer ("AML/KYC") compliance and approval times;
- Significant Business Model improvements for Cirralto and its customers;
- Bundling the Spenda software and payments services to create a competitive advantage across the Xero customer base and the broader small to medium business market segments; and
- Launching post pay B2B payments services with Invigo.

The outlook for the Group include the following activities:

- Test the BPSP and BPA services and process at least \$1m in transactions by value through the platform using a variety of customer scenarios to confirm end-to-end system performance and scaling;
- Advance our relationships with the global card schemes;
- Complete the Appstablishment merger and align the Company's intellectual property portfolio;
- Post-merger, announce our overall product strategy;
- Launching the BPSP / BPA services through the Spenda payments platform with the following customer solutions;
  - Payment driven Bill Presentment & Invoicing
  - Pay-By-Link
- Continue customer and Average Revenue Per User ("ARPU") growth;
- Launch the Spenda Quote-to-Pay service;
- Launch the Spenda Workflow Payments service;
- Explore new acquisition and business opportunities;
- Continue growth in our recurring income streams; and
- Further diversification of our customer types and income base.

### Significant Events after reporting date

On 5 January 2021, the Company engaged Kaai Capital as its corporate advisor to assist on a broad range of services. As consideration for this, the Company will pay a monthly fee of \$5,000 (plus GST), in addition to allocating 20,000,000 listed options (which have an exercise price of 2.5 cents and expire on 28 July 2023) based on the following criteria:

- 10,000,000 options will vest if the Company's 10 days volume weighted average share price exceeds 7 cents at any time within 18 months of signing of mandate; and
- An additional 10,000,000 options will vest if the Company's 10 days volume weighted average price exceeds 9 cents at any time within 18 months of signing of mandate.

On 12 February 2021, the Company and Appstablishment Software Group Pty Ltd entered into an agreement to convert \$693,400 in transactions between both parties into a loan receivable by the Company. This has been accounted for as an adjusting subsequent event. As at 31 December 2020, loan receivable from Appstablishment totalled \$870,791.

On 22 February 2021, the Company announced a capital raising of \$18m before costs at an issue price of \$0.09, in order to accelerate commercialisation of the Company's products, move forward with potential acquisitions and commercialisation of pilot business payments solutions. Furthermore, the Company has received \$2.6m in options exercised since the reporting date which it will use to further its ability to meet its objectives as described above.

Since 31 December 2020, 22,182,975 options have been exercised for which shares had been issued, raising \$554,574. In addition, at the date of this report, an amount of \$2,548,026 has been received in relation to further applications to exercise options, for which the shares are yet to be issued. Subsequent to the reporting date, 22,182,975 options were exercised and shares were issued, raising \$553,790 in cash. Furthermore, an additional \$2,546,390 in cash was received in relation to the application of options to be exercised as at the date of this report.

No other significant events have occurred since the end of the reporting period.

### Financial Position

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities, the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the period of \$1,264,629 (2019: loss of \$1,828,835), a cash outflow from operating activities of \$1,351,876 (2019: \$883,625) and a working capital surplus as at 31 December 2020 of \$5,009,573 (June 2020: deficit of \$2,516,006).

On 22 February 2021, the Company announced a capital raising of \$18m before costs, at an issue price of \$0.09. Further, the Company has received \$3.1m since the reporting date for the exercise of listed and unlisted options.

Based on the forecast level of revenue and expenditure and the capital funding raised since 31 December 2020, the Directors are confident that the Group will be able to continue its operations as a going concern.

**Auditor’s independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Signed in accordance with a resolution of the directors.



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**Adrian Floate**  
Chief Executive Officer and Managing Director  
Date: 26 February 2021

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**Lead auditor's independence declaration under section 307C of the Corporations Act 2001**

To the directors of Cirralto Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2020 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Nexia Perth Audit Services Pty Ltd****Muranda Janse Van Nieuwenhuizen***Director*

Perth

26 February 2021

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Revenue		629,092	269,855
Cost of services rendered		(207,505)	(184,108)
Other income		95,093	181
Employee expenses		(748,502)	(766,630)
Depreciation and amortisation		(5,892)	(362,320)
Consulting fees		(295,269)	(184,947)
Legal and other professional fees		(149,876)	(62,546)
Regulatory and listing costs		(72,366)	(19,290)
Occupancy expenses		(26,705)	(45,701)
Other expenses		(246,173)	(314,305)
Finance costs		(76,399)	(69,887)
Movement in fair value of financial liabilities		(73,712)	-
Share based payments expense		(86,415)	(89,137)
<b>Loss before income tax expense</b>	<b>3</b>	<b>(1,264,629)</b>	<b>(1,828,835)</b>
Income tax expense		-	-
Loss after income tax expense		(1,264,629)	(1,828,835)
<b>Loss for the period after income tax attributable to owners of Cirralto Limited</b>		<b>(1,264,629)</b>	<b>(1,828,835)</b>
Other comprehensive loss for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Cirralto Limited</b>		<b>(1,264,629)</b>	<b>(1,828,835)</b>
<b>Loss per share for the half-year attributable to the members of Cirralto Limited</b>			
- Basic loss per share (cents per share)		(0.0875)	(0.2747)
- Diluted loss per share (cents per share)		(0.0875)	(0.2747)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	Consolidated	
		31 December 2020 \$	30 June 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,950,798	273,628
Trade and other receivables		534,239	321,085
Loan receivable		870,791	-
Other current assets		450,633	373,852
<b>Total current assets</b>		<b>5,806,461</b>	<b>968,565</b>
<b>Non-current assets</b>			
Property, plant and equipment		9,335	7,059
Right of use assets		29,451	14,777
<b>Total non-current assets</b>		<b>38,786</b>	<b>21,836</b>
<b>TOTAL ASSETS</b>		<b>5,845,247</b>	<b>990,401</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		694,557	1,598,013
Lease liability		28,474	15,901
Provisions		73,857	48,906
Financial liabilities	4	-	1,821,751
<b>Total current liabilities</b>		<b>796,888</b>	<b>3,484,571</b>
<b>TOTAL LIABILITIES</b>		<b>796,888</b>	<b>3,484,571</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>5,048,359</b>	<b>(2,494,170)</b>
<b>EQUITY</b>			
Contributed equity	6	67,673,225	61,123,783
Share based payment reserve	8	4,641,047	2,301,954
Other reserve		-	600,000
Accumulated losses		(67,265,913)	(66,519,907)
<b>TOTAL EQUITY</b>		<b>5,048,359</b>	<b>(2,494,170)</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

	Consolidated				
	Contributed Capital \$	Accumulated Losses \$	Other Reserve \$	Share based Payment Reserve \$	Total Equity \$
<b>Balance as at 1 July 2020</b>	<b>61,123,783</b>	<b>(66,519,907)</b>	<b>600,000</b>	<b>2,301,954</b>	<b>(2,494,170)</b>
Loss for the period	-	(1,264,629)	-	-	(1,264,629)
<b>Total comprehensive loss for the period</b>	-	<b>(1,264,629)</b>	-	-	<b>(1,264,629)</b>
Transactions with owners in their capacity as owners:					
Issue of share capital	9,321,208	-	(600,000)	-	8,721,208
Options issued, net of cost	-	-	-	2,857,716	2,857,716
Transaction costs related to share issue	(2,771,766)	-	-	-	(2,771,766)
Options expired	-	518,623	-	(518,623)	-
<b>Balance as at 31 December 2020</b>	<b>67,673,225</b>	<b>(67,265,913)</b>	-	<b>4,641,047</b>	<b>5,048,359</b>
<b>Balance as at 1 July 2019</b>	<b>60,195,983</b>	<b>(59,294,056)</b>	-	<b>2,185,687</b>	<b>3,087,614</b>
Loss for the period	-	(1,828,835)	-	-	(1,828,835)
<b>Total comprehensive loss for the period</b>	-	<b>(1,828,835)</b>	-	-	<b>(1,828,835)</b>
Transactions with owners in their capacity as owners:					
Issue of share capital	582,900	-	-	-	582,900
Transaction costs related to share issue	(117,541)	-	-	49,177	(68,364)
Fully vested unexercised options	-	212,096	-	(212,096)	-
Options issued	-	-	-	89,137	89,137
<b>Balance as at 31 December 2019</b>	<b>60,661,342</b>	<b>(60,910,795)</b>	-	<b>2,111,905</b>	<b>1,862,452</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	390,166	357,548
Payments to suppliers and employees	(1,873,433)	(1,223,617)
Interest received	257	181
Government grants and tax incentives	151,000	-
Bank charges and interest paid	(19,866)	(17,737)
<b>Net cash used in operating activities</b>	<b>(1,351,876)</b>	<b>(883,625)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(5,518)	(6,106)
Payment for intangibles	-	(616,400)
Loans advanced	(632,785)	(94,682)
<b>Net cash used in investing activities</b>	<b>(638,303)</b>	<b>(717,188)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares, net of transaction costs	5,769,701	514,536
Proceeds from issue of convertible notes	-	769,988
Payment of borrowings	(463,352)	(141,443)
Proceeds from issue of options	361,000	-
Proceeds from borrowings	-	956,504
<b>Net cash provided by financing activities</b>	<b>5,667,349</b>	<b>2,099,585</b>
<b>Net increase in cash held</b>	<b>3,677,170</b>	<b>498,772</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>273,628</b>	<b>100,942</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,950,798</b>	<b>599,714</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2020

### 1. CORPORATE INFORMATION

The financial report of Cirralto Limited (“Cirralto” or the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 26 February 2021.

Cirralto is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Group are described in the directors’ report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

This general-purpose financial report for the half-year ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by Cirralto during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX listing rules.

#### (b) Accounting policies

The accounting policies have been consistently applied by the entities in the Group and are consistent with those in the 30 June 2020 annual financial report except for the adoption of new and revised Accounting Standards.

#### **New, revised or amending Accounting Standards adopted**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

#### **New Accounting Standards for Application in Future Periods**

The Group has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

## Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2020 (continued)

### (c) Financial Position

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities, the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the period \$1,264,629 (2019: loss of \$1,828,835) a cash outflow from operating activities of \$1,351,876 (2019: \$883,625) and a working capital surplus as at 31 December 2020 of \$5,009,573 (June 2020: deficit of \$2,516,006).

On 22 February 2021, the Company announced a capital raising of \$18m, before costs at an issue price of \$0.09. Further, the Company has received \$3.1m since the reporting date for the exercise of listed and unlisted options.

Based on the forecast level of revenue and expenditure and the capital funding raised since 31 December 2020, the Directors are confident that the Group will be able to continue its operations as a going concern.

### (d) Fair value of financial instruments

The Group has a number of financial instruments which are not measured at fair value in the Consolidated Statement of Financial Position. The carrying amount of the other current receivables and current payables approximates their fair value.

## 3. LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the half-year period:

	Consolidated	
	Half-year Ended 31 December 2020 \$	Half-year Ended 31 December 2019 \$
Government subsidies	94,643	-
Interest income	450	181
<b>Total other income</b>	<b>95,093</b>	<b>181</b>
Amortisation of intangible assets	-	226,326
Depreciation expense	5,892	135,994
<b>Total depreciation and amortisation</b>	<b>5,892</b>	<b>362,320</b>
Bank fees	2,795	1,214
Other interest expense	73,604	68,673
<b>Total finance costs</b>	<b>76,399</b>	<b>69,887</b>

## Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2020 (continued)

### 4. FINANCIAL LIABILITIES

	Convertible notes	Other financial liabilities	Total
	\$	\$	\$
Balance at 1 July 2020	1,490,437	331,314	1,821,751
Interest incurred	57,659	4,880	62,539
Foreign exchange movements	(26,023)	-	(26,023)
Fair value movements	73,712	-	73,712
Repaid through issue of shares	(1,423,707)	(44,920)	(1,468,627)
Repaid in cash	(172,078)	(291,274)	(463,352)
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 5. SEGMENT INFORMATION

The Group's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The Group operates predominantly in the IT industry focusing on data migration, and a single geographic segment being Australia.

At regular intervals, the CODM is provided management information at a consolidated level for the Group's cash position, the carrying values of intangible assets and a cash flow forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

### 6. CONTRIBUTED EQUITY

	Six months to 31 December 2020	
Ordinary Shares	No. of shares	\$
<b>Opening balance</b>	<b>823,360,099</b>	<b>61,123,783</b>
<b>Issues of ordinary shares during the half-year:</b>		
Rights issue and share placements	385,520,000	5,696,000
Conversion of convertible notes	348,103,452	2,023,707
Exercise of unlisted and listed options	24,460,037	611,501
Employee share option plan issued	15,200,000	332,000
Issued in lieu of fees and settlement of debt	99,750,000	658,000
Transaction costs related to share issue	-	(2,771,766)
<b>Total</b>	<b>1,696,393,588</b>	<b>67,673,225</b>
<b>Total Contributed Equity</b>	<b>1,696,393,588</b>	<b>67,673,225</b>



## Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2020 (continued)

### 7. RELATED PARTIES

The following entities have been determined to be related party entities:

Entity	Director/Key Management Personnel
CU2 Global Pty Ltd	CU2 Global Pty Ltd ("CU2G") is a related party entity. It is an associate of Cirralto Limited. Mr Stephen Dale is a director of both Cirralto Limited and CU2G.
Anthem Software Pty Ltd	Anthem Software Pty Ltd ("Anthem") is a related party entity in which Mr Adrian Floate has a beneficial interest.
Appstablishment Pty Ltd	Appstablishment Pty Ltd ("Appstablishment") is a related party entity. Mr Adrian Floate is a shareholder through his interests in Appstablishment Software Group.
Appstablishment Software Group Pty Ltd	Appstablishment Software Group Pty Ltd ("ASG") is a related party entity. Mr Adrian Floate is a shareholder through his interests in Rare Air Nominees Pty Ltd.
Floating Assets Trust	Floating Assets Trust is a related party entity in which Mr Adrian Floate has a beneficial interest.
Rare Air Nominees Pty Ltd	Rare Air Nominees Pty Ltd ("Rare Air") is a related party entity. Mr Adrian Floate is a director of both Cirralto Limited and Rare Air.

#### *Shares Issued to Related Entities*

There were shares issued to entities related to Mr Howard Digby of \$27,500 and Mr Peter Richards of \$37,500 in lieu of Director fees payable, as approved at the general meeting held on 24 July 2020.

#### *Transactions with related parties*

During the half-year period, services have been provided to Directors' related entities as follows:

Director	Entity	Nature	Half Year Ended 31 December 2020 \$	Half Year Ended 31 December 2019 \$
Adrian Floate	Appstablishment Pty Ltd	IT services	105,487	594,000
Adrian Floate	Appstablishment Software Group Pty Ltd	Loans advanced	870,791	-
Adrian Floate	Appstablishment Pty Ltd	Other receivables	185,000	-
Adrian Floate	Anthem Software Pty Ltd	IT Hardware	37,333	-

Outstanding balances at period end are unsecured, interest free and settlement occurs in cash.

## Notes to the Consolidated Financial Statements (continued)

For the half-year ended 31 December 2020 (continued)

### 8. SHARE BASED PAYMENT RESERVE

	31 December 2020		30 June 2020	
	No.	\$	No.	\$
Opening Balance	145,300,000	2,301,954	91,796,713	2,185,687
Listed / Unlisted Options granted during the half-year/year	664,970,054	2,823,623	60,800,000	208,686
Options expired during the half-year/year	(15,775,439)	(518,623)	(7,296,713)	(212,096)
Options exercised during the half year/year	(24,460,037)	-	-	-
Vesting charge on previously issued options	-	34,093	-	119,677
Converted from unlisted to listed options	(108,000,000)	-	-	-
<b>Total Reserves</b>	<b>662,034,578</b>	<b>4,641,047</b>	<b>145,300,000</b>	<b>2,301,954</b>

### 9. DIVIDENDS

No dividends have been paid, declared or proposed for the half-year period.

### 10. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2020.

### 11. SIGNIFICANT EVENTS AFTER REPORTING DATE

On 5 January 2021, the Company engaged Kaai Capital as its corporate advisor to assist on a broad range of services. As consideration for this, the Company will pay a monthly fee of \$5,000 (plus GST), in addition to allocating 20,000,000 listed options (which have an exercise price of 2.5 cents and expire on 28 July 2023) based on the following criteria:

- 10,000,000 options will vest if the Company's 10 days volume weighted average share price exceeds 7 cents at any time within 18 months of signing of mandate; and
- An additional 10,000,000 options will vest if the Company's 10 days volume weighted average price exceeds 9 cents at any time within 18 months of signing of mandate.

On 12 February 2021, the Company and Appstablishment Software Group Pty Ltd entered into an agreement to convert \$693,400 in transactions between both parties into a loan receivable by the Company. This has been accounted for as an adjusting subsequent event. As at 31 December 2020, loan receivable from Appstablishment totalled \$870,791.

On 22 February 2021, the Company announced a capital raising of \$18m before costs at an issue price of \$0.09, in order to accelerate commercialisation of the Company's products, move forward with potential acquisitions and commercialisation of pilot business payments solutions. Furthermore, the Company has received \$2.6m in options exercised since the reporting date which it will use to further its ability to meet its objectives as described above.

Since 31 December 2020, 22,182,975 options have been exercised for which shares had been issued, raising \$554,574. In addition, at the date of this report, an amount of \$2,548,026 has been received in relation to further applications to exercise options, for which the shares are yet to be issued. Subsequent to the reporting date, 22,182,975 options were exercised and shares were issued, raising \$553,790 in cash. Furthermore, an additional \$2,546,390 in cash was received in relation to the application of options to be exercised as at the date of this report.

No other significant events have occurred since the end of the reporting period.

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Cirralto Limited made pursuant section 303(5)(a) of the Corporations Act 2001, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and the performance for the half-year ended on that date;
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) subject to the commentary in note 2 (c) of the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



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**Adrian Floate**  
Chief Executive Officer and Managing Director

Date: 26 February 2021

## Independent Auditor's Review Report to the members of Cirralto Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Cirralto Limited and its controlled entities (the "Group"), which comprises the Statement of Financial Position as at 31 December 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cirralto Limited does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Groups financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

NPAS

**Nexia Perth Audit Services Pty Ltd**



**Muranda Janse Van Nieuwenhuizen**  
*Director*

Perth  
26 February 2021