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SUCCESSFUL COMMERCIAL ROLL OUT OF THE SPENDA PAYMENT SUITE

Key Highlights

- The BPSP/BPA functionality has been successfully integrated, on time and on budget, across the Spenda Payment suite.
- The improved functionality will allow the Company to onboard more customers in a shorter time at 40% increased margin.
- Customers will be onboarded to the new services via vastly improved AML/KYC deployment processes.
- Existing customers will be migrated across to the new service stack throughout the month.
- The Company will continue to build on this significant milestone with several dot releases planned for the remainder of the quarter.

Cirralto Limited (**ASX: CRO, "Cirralto"** or **"the Company"**) is pleased to announce the successful upgrade of its payment services with several new features and capabilities that enable full utilisation of the payment aggregator services. This upgrade follows several months of extensive development work since signing the Visa Business Payment Solution Provider (**BPSP**) and MasterCard Business Payment Aggregator (**BPA**) agreements with Fiserv, Inc (**Fiserv**), as previously announced on 7 December 2020 and 14 December 2020, respectively.

SpendaCollect, SpendaPay and the Spenda app have all been upgraded and utilising the BPSP and BPA functionality, will enable the Company to aggressively target the payments market across multiple industry sectors.

The new functionality within the Spenda payment stack is a significant and fundamental milestone for the Company. At this key inflection point, not only does it change the size of the customers that the Company can pursue, from small and medium businesses to distribution chains and national providers, but it also increases the speed and scale that customers can be onboarded. This is a core foundational requirement in the Company's life cycle, enabling the Company to strive towards sustainable revenue growth.

Spenda can now be deployed as a single service to replace the four most common payment services offered by businesses, being:

- Electronic Funds Transfer (EFT);
- BPAY or bill presentment;
- Credit card via the seller's website; and

- Finance or pay by month.

By securely processing payments at a lower cost than traditional merchants, the Spenda service is a very compelling payments option for businesses.

Businesses are often deterred from changing systems or software due to many factors, including disruption to their business, having to retrain staff and cost. However, the integration capabilities of Spenda enable a light touch implementation of the product suite, as it works with and complements the businesses existing systems, rather than replacing them.

Furthermore, and a key point of difference from other payment providers, is the ledger-to-ledger integration capabilities. As the technology fully integrates with both the buyers and sellers accounting systems at the time of processing a payment, the transaction is automatically posted in the respective Accounts Receivable and Accounts Payable ledgers.

This unique and powerful integration point reduces administration effort (by not having to enter the transaction manually), reduces the risk of errors (as both the buyer and seller are working off the same dataset) and reconciliation effort for both parties. In addition, the new Spenda payment suite offers users access to working capital at the point-of-activity to address common cash flow symptoms that cause late payment in commercial relationships. In essence, this allows the buyer to opt for the 'Buy-Now, Pay-Later' option, at the point of purchase, conditional upon them meeting the standard credit rating checks.

The BPSP and BPA agreements change how the Company authenticates the user relationship, giving us the ability to acquire and onboard customers more efficiently. Through these agreements, the Company can also incorporate a strategic merchant rate that increases Cirralto's margins on digital payments by up to 40 per cent, which will increase the Average Revenue Per User (**ARPU**).

With the implementation of the BPSP and BPA functionality, the software now serves as a one-stop, digital payment solution designed to replace disparate payment methods, integrate transactions end-to-end, automate reconciliation and ultimately save businesses valuable time and money.

Through the platform, customers now benefit from:

● The ability to conduct all business payments on one connected platform that accepts all major B2B payment methods; including credit card transactions, bank transfers and BPAY;
● Increase payment security and validation with automatic identification of the buyer and seller as linked accounts. This removes the need for manual verification through invoice numbers, customer identification numbers of BSB and account numbers;
● Increased clarity with statement based payments that group all outstanding debt owed to a trading partner rather than individual invoices;
● Improved payment options with the ability to pay one, all or a selected number of invoices in one transaction;

- Easier reconciliation through ledger to ledger integration that links the payment event to the reconciliation event for both parties, including itemised invoice references matched to discrete payments into the financials; and
- Competitive pricing with a flat rate on card payments and a capped fee on integrated account payments.

The Company anticipates that this additional functionality will result in an increase in the number of customers processing payments through the card networks.

As referenced in previous announcements, the Company will initially focus its efforts on serving customers in the following addressable markets:

1. Fashion - where we connect the retailer to the manufacturer;
2. Education - where we connect the parent to the school and the school to their suppliers;
3. Food & Food Service - where we connect food producers to suppliers and food retailers to food producers;
4. Home Furnishings and Specialist Retail - where we connect retailers to manufacturers; and
5. Automotive - where we connect vehicle owners to service providers.

The Company's Managing Director, Adrian Floate, stated:

"The last 12 months has been a transformational period for the Company, moving from pure development to launching and commercialising new products. We are now at the beginning of what we anticipate to be an exciting phase of sustainable revenue growth. All this has been achieved during a challenging period, not only for the Company but for the global economy, with the impact of the COVID-19 pandemic. With this in mind, I personally want to commend the entire team for what they have achieved to date.

"We have focused our development teams on crafting software that drives improvements for our customers and our customers' customer's. We have entered into new strategic relationships that expand our service capability and, in the past few months, we have developed a payment solution that bundles the most common ways businesses pay each other into a single solution. We have done all this while maintaining double-digit quarter on quarter growth.

"As we move into the next phase of business commercialisation, we do so with a clear view on continuing innovation, addressing customer needs and a belief in our vision to positively change the way businesses do business."

About Spenda

The Spenda solution is a family of products designed to support businesses in all their day-to-day activities. Unlike other software platforms that offer part of the solution, the Spenda suite improves efficiency and productivity in every area of business and has payments and finance baked into its core functionalities.

The Spenda suite is built on a framework of strong integrations at its core. The backend powerhouse that drives Spenda is an open-auth integration platform that enables customers to sync data across their cloud app ecosystem into their accounting and ERP software. This 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. With Spenda businesses can connect to their customers and their catalogues to quickly and easily share data.

The Spenda product suite includes software to support; Point of sale, Inventory management, Procurement, Service management, Debt collection, Payment services, eCommerce and Catalogue sharing.

Spenda removes business inefficiencies allowing businesses to do the job once, with no double data entry and removes manual, paper-based processes that are time-consuming and prime to errors. On top of that, the product is mobile, with modules accessible on tablets and phones as well as desktop.

Authorised by the Board of Directors.

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About Cirralto

Cirralto Limited (ASX:CRO) is a transaction services business supplying industries with a broad range of B2B payment services, digital trading software and integrated solutions. Our goal is to convert eft payments to card payments utilising the BPSP engagement coupled with our payments collaboration framework. Our competitive advantages deliver customers end-to-end e-invoicing integration, rapid ordering, digital trust and automated reconciliation.

Cirralto supplies its customers a recipe of integrated software to create a vertical market standard operating environment (SOE) that enable the effective and seamless transfer of data from multiple, disparate software systems in one standardised technology solution, such as SpendaRetail. Cirralto has licensing agreements with third party software vendors that enable it to provide integrated SOE solutions to its customers.

For investors seeking information on the Company's activities that relate to marketing, customer events and other acknowledgement of customer activities, this information will be posted to the Company's news section of the website and on social media channels with the handle #getSpenda, active on Twitter, LinkedIn, Instagram and FaceBook.

For more information, see https://www.cirralto.com.au/

Investor Enquiries

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