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CIRRALTO SIGNS FIRST GLOBAL TRADE CUSTOMER FACILITATING BUY-NOW-PAY-LATER BETWEEN AUSTRALIA AND CHINA

Key Highlights

- Cirralto has signed a term sheet to provide A$2m in Business Buy-Now-Pay-Later (BNPL) funding in the Fresh Food Distribution sector, through its referral agreements with Mastercard and Fresh Supply Co.
- James Tyler, a sales and logistics solution exporting fresh food into the Chinese retail sector, has been contracted and is expected to be commercialised in November FY22.
- Cirralto will provide an enhanced BNPL facility with a limit of up to A$2m per month suitable for cross-border trade including produce and international air and sea freight.
- This will enable James Tyler to accelerate its supply-side payments for early settlement discounts and provide improved credit terms to its buyers for improved pricing flexibility. The product is the first of its kind to use the BNPL framework for business-to-business cross-border trade.
- James Tyler is an innovative solution to international trade that aggregates Chinese demand and gives certainty to the Australian producer. Their model flips the supply chain by providing a ready-made off-take market for Australian goods to well established Chinese retail networks, including some of China's largest retailers – Aldi, Costa Coffee, Costco Wholesale, Starbucks and City Shop.
- The parties expect to increase the payment flow and extend the facility in the coming months as dictated by demand.
- The implementation of this contract will be achieved through integration between Cirralto and the Mastercard Provenance Solution, leveraging blockchain technology to enable secure early payment triggers on good-

to-pay invoices for standard commerce and inventory sourcing under the parties' trade finance and payment service licensing agreements (including all relevant compliance and regulatory approvals).

Cirralto Limited (**ASX: CRO, "Cirralto" or "the Company"**) is pleased to announce that it has signed an international BNPL funding agreement (**"Agreement"**) with Tyler James Pty Ltd (**"James Tyler"**).

The Agreement has been entered into through the Referral Agreements with Mastercard Asia/Pacific Pte. Ltd, a wholly-owned subsidiary of Mastercard Incorporated (**"Mastercard", NYSE:MA**) and Fresh Supply Co Pty Ltd (**"Fresh Supply Co"**), as announced by the Company on 7 July 2021 and 8 July 2021 respectively.

Under the terms of the Agreement, James Tyler, a sales and logistics solution for importing and delivering fresh produce into China, will access BNPL funding with an initial limit of A$2m.

The Agreement will be provided on a rolling term subject to a 6-month minimum, that can be terminated thereafter, subject to a 3-month termination notice. A condition precedent is the execution of final full agreement documentation expected to occur this week.

The exact quantum of revenue from this Agreement is not known at this time as the revenue is dependent on utilisation. It is anticipated that this funding product will enable James Tyler to significantly increase its export volumes in the near term and this is likely to result in a material impact on Cirralto's revenue.

Cirralto will earn ongoing facility fees which include a drawdown fee and a monthly line fee. The Agreement will also contain industry-standard security, at both a corporate and personal level, with the borrowing parties.

The BNPL funding will be provided by Cirralto's wholly owned subsidiary, Invigo Pty Ltd (**"Invigo"**). All payments and collection services will be processed and provided by the Spenda network.

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Cirralto will also integrate with Mastercard's Provenance Solution, to trigger irrevocable payments on good-to-pay invoices, for standard commerce and inventory sourcing under the BNPL licensing agreement with James Tyler.

Furthermore, by embedding operational data from the Fresh Supply Co's product tracking data network into the Mastercard Provenance Solution, this facilitates greater transparency and traceability across the product journeys.

Through enhanced supply chain insight, the Company can make data-driven credit decisions to ultimately drive lending confidence in cross border finance opportunities for James Tyler's buyers and Australian producers and local wholesalers. With early payment triggers provided by Cirralto, enhanced liquidity across the agricultural value chain is facilitated.

Commenting on the initiative, Adrian Floate, CEO of Cirralto, said *"The addition of James Tyler as a lending customer further strengthens our relationships with Mastercard and Fresh Supply Co. We are extremely excited by the potential of these types of opportunities to drive improvements in food distribution and cross-border trade whilst also generating sustainable revenue.*

"We have a strategic focus on the agricultural segment in Australia, not only because it is a great market opportunity for us as a Company, but because we recognise the importance of the industry to Australia and want to facilitate improvements in trade so that Aussie farmers can get paid quicker."

Commenting on the agreement, James Hutchinson, Cofounder of James Tyler, said "*Working with Cirralto to provide extended BNPL to the Australian export market will provide certainty to the whole supply chain. Because of our unique demand and supply aggregation business structure, we can aggregate demand in China for Australian produce and help Australian producers achieve a better price for their product, providing greater transparency and certainty to both Australian producers and Chinese buyers."*

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About James Tyler, www.jamestyler.com.au

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Founded in 2015 by the majority shareholders Tyler Ye and James Hutchinson, James Tyler Pty Ltd is a sales and logistics provider of fresh produce into China. They work with both Australian farmers and distributors to provide a gateway for trade direct to the Chinese consumer. China is now the second-largest market for purchasing imported food, a total of roughly A$150B (https://www.statista.com/topics/1471/imports-to-china/#topicHeader__wrapper). James Tyler provides Australian businesses with access to this market by navigating complex customs systems, providing guidance on 'middlemen' in the Chinese supply chain and providing contacts to high-quality warehousing and logistics services. These services enable them to deliver product and brand integrity to Australian producers when distributing in China.

They offer three key services;

1. Product Activation - registering products in China
2. Logistics Activation - setting up end to end cold chain solution
3. Sales Activation - working as a sales partner to develop a strategy and enable sales in China

About Fresh Supply Co

Fresh Supply acts as a data layer specialising in capturing operational data and making it consumable by the financial sector. Ongoing data flows allow for continuous credit risk assessment, minimisation of exposure, and automated triggering of payments based on the meeting of specific milestones or criteria.

Operational data is captured, and shaped through a proprietary FSCo technology stack and written to the Mastercard Provenance Blockchain. This data natively links to the FSCo Payments infrastructure to provide liquidity on B2B invoices. Fresh Supply Co works with leading banks and non-bank lenders to facilitate better access to capital than traditional offerings in the market.

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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 enables 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/

This announcement has been authorised by Adrian Floate, CEO.

Investor Enquiries

Please email: shareholders@cirralto.com.au