

Cirralto

16:10 31 Aug 2020

Cirralto set for next step in scaling capacity after "really pleasing" independent assessments

Cirralto (ASX:CRO) is set to take the next step in scaling capacity after undertaking two independent assessments of its systems which delivered "rather pleasing results".

These audits have allowed the company to half the costs of the transactions it processes and reduce the data exchange load by 80%, which means it can process more data faster.

The business payments products and solutions company said further external and internal audits and assessments would be conducted on technology, infrastructure and system performance as it approached scaled milestones, with recommended changes delivered in conjunction with major releases scheduled for the coming quarters.

"Far better returns"

Managing director Adrian Floate said: "Utilising capital to grow revenue and customer delivery capacity will deliver far better returns than interest payments, rent and the on-costs of a traditional office.

"We have a great foundation and now we need to build capacity across the new Cirralto business in sales, marketing, implementation, support and core development as we move into 2021.

"Our infrastructure audits have highlighted areas of great opportunity to tune our platform and we are now focused on modelling our network for ever-increasing transaction volumes.

"We want to keep getting faster and planning for upper limits in our core systems that will enable us to do justice to the market opportunity created with the Spenda suite of payment products."

Lower costs

Using insights from the two studies, and coupled with the company's own R&D activities, Cirralto is implementing scaling improvements that enable:

? Reduction in the data volume which needs integrating to an online finance system by 80%, allowing more transactions to be processed quicker;

? A 58% reduction in Azure cloud-hosted infrastructure costs; and

? Improvements in infrastructure utilisation, enabling further scaling of the system and reduction in quarterly secure transaction processing costs of 50%.

Chief technology officer Olly Speed said the infrastructure audit would help the company to cost-effectively support the

Price: 0.03

Market Cap: \$47.77 m

1 Year Share Price Graph



Share Information

Code: CRO

Listing: ASX

52 week High Low
0.055 0.00161053

Sector: Tech

Website: www.cirralto.com.au

Company Synopsis:

Cirralto Ltd (ASX:CRO) owns and licenses 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.

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high growth in transactions which it was starting to experience.

"It is imperative that we can guarantee to our customers that the core Spenda system can scale cost-effectively and securely, and these recent audits will assist us in ensuring current and future versions of our software can fully support the required levels of service quality for our customers.

"These security and infrastructure audit results are particularly relevant given the company is focused on expanding relationships with global payments acquiring networks which require the highest levels of cybersecurity and cost-effective transaction growth."

Balance sheet

Following the recent capital raise, Cirralto has completed a restructure of its balance sheet, removing \$1.4 million in debt.

This includes the redemption of all remaining Obsidian convertible notes.

This "significant clean-up" of the balance sheet leaves the company with no debt and capital to meet its immediate growth objectives.

New staff

As the company moves closer to the merger and complete the migration to a virtual business, it has started the recruitment of new east coast implementation and sale resources.

In line with the savings delivered from debt reduction and its move to virtual operations, these new hires are expected to join the team early in the fourth quarter of this year.

SpendaCollect V2 launch in fourth quarter

Its collaboration with Invigo, the Sydney-based fintech firm has been developing B2B pay later technologies that are focused on streamlining the application for and utilisation of debt facilities.

The company has been innovating in the "pay later" space to reduce the margin impact placed on sellers when utilising the services, which it believes reduces barriers to adoption and will enable more businesses to access much-needed liquidity and working capital that is locked up in their debtors.

These improvements will be released incrementally in line with the SpendaCollect V2 launch planned for early fourth quarter 2020.

Additional features for SpendaPayments

Cirralto will release additional features to SpendaCollect that will expand its addressable market.

These features targets to turn the SpendaCollect platform into a powerful credit and cash flow management tool for suppliers. It will allow them, among others, to:

- ? View the accounts receivable ledger and target debt collection for all customers with overdue invoices in one simple UI;
- ? Send out payment reminders to one or all of their customers;
- ? Enable customers to make payment of statements and / or one or many invoices; 4/5
- ? Integrate payments receipts and assist automation of reconciliation in the integrated financial management system;

? Select one customer to view complete invoice details and trade terms.

? Invite their customers to join a personal Spenda business portal and grant permission to view their accounting data.

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