



17 September 2021

ASX ANNOUNCEMENT

Market update: Raising of \$1.5 million in Unsecured Debt - Proposed Issue of Convertible Notes.

Gratificii Limited (ACN 125 688 940) (**GTI** or **Company**) has entered into loan agreements with various sophisticated and professional investors (including existing shareholder and convertible note holder and Bombora Investment Management Pty Limited (as trustee for Bombora Special Investments Growth Fund) ACN 625 413 390) (**Bombora**) to raise \$1.5 million in unsecured debt (**Loans** and **Loan Agreements**) to fund the improvement of its operations and invest in its future development.

It is proposed that the Loans be repaid by way of an issue of convertible notes (**Convertible Notes** and **Convertible Note Agreements**) to be approved at GTI's 2021 Annual General Meeting in November 2021.

Loan Agreements

The Key Terms of the Loan Agreements are as follows:

Borrower	Gratificii Limited (ACN 125 688 940).
Lender	Bombora: \$500,000 Other sophisticated and professional investors: \$1,000,000
Term	12 months, being from 17 September 2021 to 16 September 2022.
Principal	A\$1,500,000.
Interest Rate	8% p. a. accruing daily
Repayment Conditions	The Loans must be repaid within the term either in cleared funds or via the issue of Convertible Notes.
Default Interest Rate	18% p.a. default interest applies upon an event of default

Material Events of Default	<p>Failure to obtain shareholder approval to issue the Convertible Notes at the 2021 AGM</p> <p>An insolvency event occurs.</p> <p>Failure to repay the Loan by the end of the Term.</p>
Security	The Loans are unsecured.

Convertible Note Agreement Summary of Key Terms

The Key Term of the Loan Agreements are as follows:

Number of Convertible Notes and Face Value	1,500,000 Convertible Notes with a face value of \$1.00 each.
Conversion Price	\$0.026 per share.
Interest rate	8% p.a. accruing daily.
Maturity Date	12 months after [the date of the issue of the Convertible Notes]
Conditions Precedent	The parties' obligations under the Convertible Note Agreement will be subject to shareholders approving the issue the proposed Convertible Notes at the 2021 AGM in November.
Conversion	<p>The Convertible Notes are convertible into Shares at the holder's option any time up to the maturity date or a takeover event occurring.</p> <p>The Convertible Notes are convertible into Shares at the Company's option on the maturity date</p>
Redemption	The Convertible Notes may only be redeemed upon an event of default (i.e., an insolvency event or a failure to pay any money owing under the Convertible Note Agreement).
Transferability and Rights	The Convertible Notes are not transferable and do not entitle the note holder to any voting rights.
Reorganisation of Capital	Upon any bonus issue or reorganisation of Share capital, the number of Shares which may be issued under the Convertible Note Agreement will be adjusted to ensure that the holder receives the same proportion of Shares as it would otherwise have received had the bonus issue or reorganisation not occurred.

The Company proposes to repay the Loans by issuing 1,500,000 Convertible Notes (including 500,000 Convertible Notes to Bombora) at a subscription price of \$1.00 per Convertible Note. The issue of these Convertibles Notes is subject to GTI shareholder approval at the 2021 AGM which will be held in November.



Assuming that the approval for the Convertible Notes is obtained, the maximum number of shares that the Convertible Notes may be converted is 57,692,308 shares.

Further Information

In addition to the Loans referred to above, the Company currently owes:

1. \$1 million to Bombora; and
2. \$1.5 million to other sophisticated and professional investors.

The Notice of Meeting for the Company's 2021 Annual General Meeting (which the directors expect to issue shortly), will include resolutions to convert these loans into convertible notes on the same terms contained above (including the conversion price of \$0.026). Assuming that the approval for these convertible notes is obtained, the maximum number of shares that the Convertible Notes may be converted is 96,153,846 shares.

Compliance with ASX Listing Rules

GTI confirms that GTI is in compliance with the Listing Rules and in particular Listing Rule 3.1.

GTI confirms that this announcement has been approved by the board of directors of GTI.

David Hwang
Company Secretary

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About Gratifii Limited

Gratifii Limited (ASX:GTI) is a full-stack customer engagement technology provider that delivers end-to-end technology solutions for businesses to engage with their employees and customers. Its primary focus is providing liquidity for digital assets through its newly developed Mosaic Enterprise Engagement Platform. With mobile payment, ordering, booking and local offer capability; the Mosaic EEP will be the gateway to delivering a new digital lifestyle rewards program.

To learn more, please visit: www.Gratifii.com