



(Formerly Mobecom Limited)

ASX appendix 4D and Interim Report

Gratificii - ABN 47 125 688 940

Six months ended 31 December 2021



**GRATIFICII LIMITED (FORMERLY
MOBECOM LIMITED)**
APPENDIX 4D

1. Company Details

Name of Entity:	Gratificii Limited
ABN:	47 125 688 940
Reporting Period:	For the half-year ended 31 December 2021
Previous Period:	For the half-year ended 31 December 2020

2. Results for announcement to the market.

	Half-year ended 31 Dec 2021 \$	Half-year ended 31 Dec 2020 \$	Change \$	Change %
Revenue from ordinary activities and other income	5,087,370	2,264,367	2,823,003	125
Gain on loan forgiveness	-	1,236,035	(1,236,035)	(100)
Net profit/(loss) before tax including impairment	(1,211,189)	1,855,923	(3,067,112)	(165)
Gain attributed to non-controlling interest	-	99,502	(99,502)	(100)
Gain/(loss) on derecognition of subsidiaries	(156,423)	317,477	(473,900)	(149)
Exchange difference on translating foreign operations	148,087	(370,668)	518,755	140
Total comprehensive profit/(loss) for the half year	(1,219,525)	1,902,234	(3,121,759)	(164)
Profit/(Loss) from ordinary activities (EBITDA)	(534,880)	2,052,618	(2,587,498)	(126)

Brief explanation for any of the figures reported above necessary to enable the figures to be understood:

Financial Summary

	Half-year ended 31 Dec 2021 \$	Half-year ended 31 Dec 2020 \$
Revenue – Ordinary	4,651,585	1,275,743
Revenue – Other Income	719	8,037
R&D Grant and Government Support	435,066	980,587
Non-Cash Revenue	(156,423)	1,553,512
	<u>4,930,947</u>	<u>3,817,879</u>
Cost of Goods Sold	(3,331,240)	(244,136)
Gross Profit Trading	<u>1,320,345</u>	<u>1,031,607</u>
COGS %	28%	81%

Refer to the Review of Operations in the half year financial report for commentary on the results for the period and explanations to understand the Group's revenue and profit/(loss) from ordinary activities.

The financial statements for the half year ended 31 December 2021, represent the results of Gratificii Group for the period from 1 July 2021 to 31 December 2021.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

3. Net Tangible Assets

	As at 31 Dec 2021	As at 31 Dec 2020
Net tangible assets per security with the comparative figure for the previous corresponding period	\$(0.009)	\$0.001

4. Details of Entities over which control has been gained or lost.

There were no entities where control was gained or lost during the reporting period.

5. Details of Associates and Joint Venture Entities.

There were no associate and joint venture entities during the reporting period.

6. Audit Review

The financial statements were subject to a review by MNSA Pty Ltd and their unqualified review report is attached as part of the Interim Financial Report. The auditor's review report was issued without qualification, however, includes an Emphasis of Matter in relation to going concern.

7. Attachments

The Interim Financial Report of Gratifii Limited for the half-year ended 31 December 2021 is attached.

Signed



Iain Dunstan

Executive Director and Chairman

Sydney, 25 February 2022

GRATIFII LIMITED
AND ITS CONTROLLED ENTITIES
(FORMERLY MOBECOM LIMITED)

ABN: 47 125 688 940

FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CORPORATE DIRECTORY

Directors

Iain Dunstan
Executive Chairman

Stephen Borness
Non-Executive Director

Mike Hill
Non-Executive Director

Bryan Zekulich
Non-Executive Director

Company Secretary

David Hwang

Registered Office

Level 2, 25 Cooper Street
Surry Hills NSW 2010

Principal Place of Business

Level 2, 25 Cooper Street
Surry Hills NSW 2010
T: +61 2 9922 6988
W: www.Gratifii.com

Auditor

MNSA Pty Ltd
Level 1, 283 George Street,
Sydney NSW 2000
T: +61 2 9299 0901

Share Register

Automatic Registry Services Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
T: +61 2 9698 5414

Securities Exchange Listing

Australian Securities Exchange
(Home Exchange: Sydney, NSW)
ASX Code: GTI

Bank

National Australia Bank Ltd
255 George Street
Sydney NSW 2000

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DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Directors of Gratifii Limited ("Gratifii" and/or "the Company") present their Report together with the financial statements of the consolidated entity, being Gratifii Limited and its controlled entities, for the half year ended 31 December 2021.

DIRECTORS AND EXECUTIVES

The following persons held office as Directors and Executive positions of Gratifii Limited during or since the end of the reporting period and up to the date of this report:

Iain Dunstan	Executive Chairman and Chief Executive Officer, appointed 17 April 2020
Stephen Borness	Non-Executive Director, appointed 06 May 2021
Mike Hill	Non-Executive Director, appointed 29 December 2020
Bryan Zekulich	Non-Executive Director, appointed 29 December 2020

PRINCIPAL ACTIVITIES

The principal activities of the Group during the reporting period were:

- (i) Providing customer engagement technology that delivers end-to-end technology solutions for businesses to engage with their customers. Its primary offering, Mosaic, is a cloud-based digital loyalty and rewards platform and is Gratifii's business to business application offering. With mobile payment, ordering, booking and local offer capability, the Mosaic platform will be the gateway to new digital lifestyle rewards programs.
- (ii) Supplying B2B technology solutions to clients, built on its Mosaic proprietary technology, to deliver a complete end-to-end set of customer engagement technology requirements, including both back-end (databases) and front-end technology (design, mobile applications and websites).
- (iii) Providing enterprise client's members and employees access to an extensive catalogue of personalised rewards and offers to enable them to 'burn' loyalty and rewards points.

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Corporate activities

There were no changes to corporate activities within the financial period.

Financial Review

The financial statements for the half year ended 31 December 2021 represent the results of Gratifii Limited and its controlled entities for the period from 1 July 2021 to 31 December 2021.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CHANGES IN STATE OF AFFAIRS

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

FUTURE DEVELOPMENTS AND BUSINESS STRATEGIES

Gratifii's existing business model comprises three major revenue streams:

- (i) a one-off license, setup and implementation fee (for highly bespoke solutions, a development and customisation fee is also charged);
- (ii) annuity/recurring/SaaS fees – these include a number of options, such as group monthly management fees, transaction fees, membership fees, and/or a fee per outlet; and
- (iii) revenue streams from curated rewards content, which includes voucher issue or redemption commission, rentals, program administration and services fees.

Gratifii's strategy is to grow its business and revenues by engaging in 'B2B2C' relationships with selected strategic partners in the Direct to Consumer (D2C) market. This transition will seek to exploit the potential growth prospects available from the development of mobile applications, namely Mosaic, that allow Gratifii to communicate and transact with businesses which deal directly with consumers.

EVENTS AFTER THE REPORTING PERIOD

Since the end of the reporting period, the following events occurred:

- on 4 February 2022, Gratifii Limited requested a voluntary suspension of all securities of the Company, pending an application to the Federal Court to rectify a matter under section 1322 of the *Corporations Act 2001* (Cth). The validating orders were subsequently obtained from the Federal Court on 7 February 2022 and the Company was reinstated to quotation.

The Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

AUDITOR'S DECLARATION

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 5 of the financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors.



Iain Dunstan

Executive Director and Chairman

Date: 25 February 2022



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GRATIFII LIMITED AND CONTROLLED ENTITIES
ABN: 47 125 688 940**

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gratifii Limited.

As the lead auditor for the review of the financial report of Gratifii Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro

Director

Sydney

Dated this 25th of February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	NOTE	31 DECEMBER 2021 \$	31 DECEMBER 2020 \$
Revenue from continuing operations	5	4,651,585	1,275,743
Costs of Sales		(3,331,240)	(244,136)
Gross Profit		1,320,345	1,031,607
Other revenue	5	435,785	988,624
Gain on loan forgiveness	5	-	1,236,035
Depreciation and amortisation		(393,034)	(73,727)
Administrative and other corporate costs		(841,699)	(692,983)
Finance costs		(283,275)	(122,968)
Marketing costs		(1,898)	-
Employee benefits expense		(1,143,815)	(510,665)
Consulting expenses		(220,845)	-
Foreign exchange losses		(2,557)	-
Share based payments		(80,196)	-
Income/(loss) before income tax		(1,211,189)	1,855,923
Income tax benefit		-	-
Net income/(loss) for the period		(1,211,189)	1,855,923
Gain/(loss) attributed to non-controlling interest		-	99,502
Profit/(loss) attributed to owners of Gratifii Limited		(1,211,189)	1,955,425
(Loss)/gain on derecognition of subsidiaries		(156,423)	317,477
Other comprehensive (loss)/income, net of tax		148,087	(370,668)
Total comprehensive(Loss)/gain for the period		(1,219,525)	1,902,234
EARNINGS/(LOSS) PER SHARE:			
Basic earnings/(loss) per share (cents per share)	15	(0.20)	0.59
Diluted earnings/(loss) per share (cents per share)	15	(0.20)	0.59

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	NOTE	31 DECEMBER 2021 \$	30 JUNE 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,641,819	2,227,915
Trade and other receivables	6	1,198,455	986,841
Inventory		777,832	1,256,838
Right of Use Assets		12,112	-
Other assets		432,021	174,358
TOTAL CURRENT ASSETS		5,062,239	4,645,952
NON-CURRENT ASSETS			
Intangible assets	7	6,037,166	4,525,943
Plant and equipment		144,558	246,232
Right of Use Assets		15,686	-
TOTAL NON-CURRENT ASSETS		6,197,410	4,772,175
TOTAL ASSETS		11,259,649	9,418,127
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	4,845,185	3,272,271
Deferred revenue	9	2,333	4,333
Provisions	10	272,151	232,585
Borrowings	11	5,175,000	2,800,000
Lease Liability	12	39,007	99,580
TOTAL CURRENT LIABILITIES		10,333,676	6,408,769
NON-CURRENT LIABILITIES			
Provisions	10	5,535	3,992
Borrowings	11	414,852	1,683,426
Lease Liability	12	-	8,014
TOTAL NON-CURRENT LIABILITIES		420,387	1,695,432
TOTAL LIABILITIES		10,754,063	8,104,201
NET ASSETS		505,586	1,313,926
EQUITY			
Share capital	13	34,478,080	34,027,091
Reserves	14	(5,408)	(113,691)
Accumulated losses		(33,967,086)	(32,599,474)
TOTAL EQUITY		505,586	1,313,926

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued Capital \$	Foreign currency reserve \$	Accumulated Losses \$	Option Reserve \$	Parent Equity \$	Non- Controlling Interest \$	Total \$
Balance as at 1 July 2021	34,027,091	(525,193)	(32,599,474)	411,502	1,313,926	-	1,313,926
Profit/(loss) after income tax for the period	-	-	(1,367,612)	-	(1,367,612)	-	(1,367,612)
Other comprehensive income for the period after tax	-	148,087	-	-	148,087	-	148,087
Total comprehensive loss for the period	-	148,087	(1,367,612)	-	(1,219,525)	-	(1,219,525)
Issue of shares	330,989	-	-	-	330,989	-	330,989
Conversion of options into shares	120,000	-	-	(120,000)	-	-	-
Share based payments	-	-	-	80,196	80,196	-	80,196
Balance as at 31 December 2021	34,478,080	(377,106)	(33,967,086)	371,698	505,586	-	505,586

	Issued Capital \$	Foreign currency reserve \$	Accumulated Losses \$	Option Reserve \$	Parent Equity \$	Non- Controlling Interest \$	Total \$
Balance as at 1 July 2020	27,905,355	(138,427)	(35,840,308)	3,043,997	(5,029,383)	(99,502)	(5,128,885)
Profit/(loss) after income tax for the period	-	-	2,173,400	-	2,173,400	99,502	2,272,902
Other comprehensive loss for the period after tax	-	(370,668)	-	-	(370,668)	-	(370,668)
Total comprehensive income for the period	-	(370,668)	2,173,400	-	1,802,732	99,502	1,902,234
Issue of shares	5,615,226	-	-	-	5,615,226	-	5,615,226
Options terminated	-	-	2,059,008	(2,059,008)	-	-	-
Balance as at 31 December 2020	33,520,581	(509,095)	(31,607,900)	984,989	2,388,575	-	2,388,575

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31 DECEMBER 2021 \$	31 DECEMBER 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	4,880,115	1,352,790
Payments for suppliers and employees	(4,751,779)	(986,876)
Proceeds from research and development rebates	571,506	313,344
Interest received	513	8,044
Finance costs paid	(11,143)	(13,898)
Net cash from operating activities	689,212	673,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for intangible assets	(1,495,841)	(848,650)
Net cash (used in) investing activities	(1,495,841)	(848,650)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of costs)	-	3,899,118
Proceeds from conversion of convertible notes	1,550,000	-
Transaction costs related to borrowings	(44,248)	-
Repayment of borrowings	(216,944)	(877,640)
Lease assets	(68,275)	(50,689)
Net cash from financing activities	1,220,533	2,970,789
Net increase in cash and cash equivalents	413,904	2,795,543
Cash and cash equivalents at the beginning of the period	2,227,915	69,118
Effects of exchange rates on cash and cash equivalents	-	31,722
Cash and cash equivalents at the end of the period	2,641,819	2,896,383

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 1: NATURE OF OPERATIONS

Gratificii Limited is a listed public company incorporated and domiciled in Australia.

Registered office:

Level 2, 25 Cooper Street
Surry Hills NSW 2010

Principal Place of Business:

Level 2, 25 Cooper Street
Surry Hills NSW 2010

NOTE 2: BASIS OF PREPARATION

These interim financial statements for the half-year reporting period ended 31 December 2021 are for the consolidated entity consisting of Gratificii Limited and its controlled entities (the "Company") and have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 25 February 2022.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

New or amended Accounting Standards and Interpretations adopted

There were no new or revised Accounting Standards and Interpretations in the current half-year reporting period.

NOTE 4: GOING CONCERN

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the half year ended 31 December 2021, the Consolidated Entity incurred an Total Comprehensive Loss for the period of \$1,219,525 (2020: Total Comprehensive Gain for the period of \$1,902,234), had net cash inflows from operating activities of \$689,212 (2020: \$673,404), and at 31 December 2021 had a deficiency of current assets in relation to current liabilities of \$5,271,437 (June 2021: \$1,762,817) and net assets of \$505,586 (June 2021: \$1,313,926).

The net current liabilities position may cast uncertainty over the Group's ability to continue as a going concern. However, management believe that the entity will continue as a going concern on the basis that \$5,175,000 of current liabilities represent note deed liabilities which can all be converted at the Company's election (refer to Note 11).

The directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the future expectations of trading performance and investment in the Company, including plausible downside forecast scenarios. Key to the forecasts are the assumptions of revenue growth across SaaS and Rewards, working capital cashflows in relation to Rewards and the capital investment required in the Mosaic platform. These forecasts indicate that, taking account of reasonably possible downsides, to support the Group's liquidity over the forecast period additional capital is expected to be required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 4: GOING CONCERN (CONTINUED)

The Group is in discussions with a number of potential strategic capital partners around accelerating growth and an injection of capital. In addition, the directors expect if required to be able to raise additional capital through a pipeline of supportive existing and new financial investors based on recent market soundings. The successful outcome of any capital raise is not guaranteed and is subject to agreeing suitable commercial terms, as well as approval by the Board, and existing shareholders if required under applicable legislation / listing rules.

In the Directors opinion, based upon the forecasts and that the Group will be able to raise sufficient new capital, there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, and that it is appropriate to prepare these accounts on a going concern basis. As a result, the accounts have been prepared on the basis that the consolidated entity can meet its commitments as and when they fall due and can therefore continue business activities and can realise its assets and extinguish its liabilities in the ordinary course of business. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

NOTE 5: REVENUE AND OTHER REVENUE

	31 DECEMBER 2021	31 DECEMBER 2020
	\$	\$
Ordinary revenue from customers	4,651,585	1,275,743
Research and development rebates	357,624	667,235
JobKeeper payments	-	154,800
ATO PAYG Relief	-	158,552
Service NSW payments	77,442	-
Gain on loan forgiveness	-	1,236,035
Gain on derecognition of subsidiaries	(156,423)	317,477
Other income	719	8,037
	4,930,947	3,817,879

NOTE 6: TRADE AND OTHER RECEIVABLES

	31 DECEMBER 2021	30 JUNE 2021
	\$	\$
Current		
Trade receivables	489,183	274,119
Less: provision for doubtful debts	(26,200)	(26,200)
	462,983	247,919
Other receivables	377,848	245,064
Research and development rebates	357,624	493,858
	1,198,455	986,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 7: INTANGIBLE ASSETS

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Goodwill on acquisition – Neat Tickets Pty Ltd	1,806,949	1,643,909
Less: accumulated impairment – Neat Tickets Pty Ltd	-	-
Total Goodwill	1,806,949	1,643,909
Capitalised development cost	4,764,662	3,104,271
Less: accumulated impairment	(534,445)	(222,237)
Total capitalised development cost	4,230,217	2,882,034
Total	6,037,166	4,525,943
Reconciliation of net carrying values		
Opening balance	4,525,943	765,481
Additions	1,823,431	3,982,699
Amortisation for period	(312,208)	(222,237)
Impairment	-	-
Net carrying value	6,037,166	4,525,943

Impairment testing

Mosaic Enterprise Engagement Platform

There are no observable factors, internal or external to the Company, that indicate the Mosaic platform is required to be impaired.

NOTE 8: TRADE AND OTHER PAYABLES

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Current		
Trade creditors	3,186,543	2,633,105
Sundry payables and accrued expenses	1,650,569	631,158
Credit cards	8,073	8,008
Total	4,845,185	3,272,271

NOTE 9: DEFERRED REVENUE

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Current	2,333	4,333
Total	2,333	4,333

NOTE 10: PROVISIONS

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Current		
Employee benefits – annual leave	145,227	89,429
Provision for taxation	126,924	143,156
	272,151	232,585
Non-Current		
Employee benefits – long service leave	5,535	3,992

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 11: BORROWINGS

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Current		
<u>Term Loans</u>		
Convertible note liability	5,175,000 ⁽ⁱ⁾	200,000
Loan liabilities	-	2,600,000
	5,175,000	2,800,000
Non-Current		
Loans	414,852	26,969
Amounts due to related parties	-	156,457
Convertible note liability	-	1,500,000
	414,852	1,683,426

On 12 May 2021, the Group issued 10 convertible notes with a face value of \$150,000 each to Bombora Investment Management Pty Ltd ATF Bombora Special Investments Growth Fund ('Bombora'). The \$1,500,000 in unsecured debt is provided for a term of 24 months from the original date of the Bombora Loan Agreement, with expiry being 24 February 2023, at an interest rate of 8% p.a. In the 2021 financial year the company received an additional \$2,600,000 convertible note funding and a further \$1,500,000 was received between July and November 2021. On 15 November 2021, the Group issued 4,000,000 convertible notes with a face value of \$1.00 each. The \$4,000,000 in unsecured debt is provided by Bombora and various other sophisticated investors for a term of 12 months ending 15 November 2022, at an interest rate of 8% p.a. 325,000 convertible notes have been converted to date. All convertible notes are convertible into shares at the noteholder's option any time up to the maturity date. The convertible notes are convertible into shares at the Company's option on the maturity date.

NOTE 12: LEASE LIABILITIES

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Current		
Lease liabilities	39,007	99,580
Non-Current		
Lease liabilities	-	8,014

(a) Maturity Analysis

	Less than 6 months	6 months to 1 year	1 to 5 years	5+ years	Total
Lease payments	31,999	7,518	-	-	39,517
Finance charges	(447)	(63)	-	-	(510)
Net present values	31,552	7,455	-	-	39,007

NOTE 13: ISSUED CAPITAL

	31 DECEMBER 2021 NO.	31 DECEMBER 2021 \$	30 JUNE 2021 NO.	30 JUNE 2021 \$
Fully Paid Ordinary Shares				
At the beginning of the period	610,425,090	34,027,091	289,034,344	27,905,355
Shares issued	18,727,191	450,989	283,196,628	6,015,380
Settlement of debt	-	-	45,239,768	705,882
Share buy-back	-	-	(9,945,650)	-
Options converted	-	-	2,900,000	179,921
Costs of issue	-	-	-	(779,447)
At the end of the period	629,152,281	34,478,080	610,425,090	34,027,091

Each ordinary share carries the right to be one vote at shareholders' meetings and is entitled to participate in any dividends or other distributions of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 14: RESERVES

	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Option reserve		
Opening balance	411,502	3,043,997
Additions	-	411,502
Converted into ordinary shares	(120,000)	(179,921)
Lapsed	-	(2,864,076)
Share based payments	80,196	-
Closing balance	371,698	411,502
	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Foreign Currency translation reserve		
Opening balance	(525,193)	(138,427)
Foreign currency translation	148,087	(386,766)
Closing balance	(377,106)	(525,193)
Total reserves	(5,408)	(113,691)

NOTE 15: EARNINGS PER SHARE

	31 DECEMBER 2021 \$	31 DECEMBER 2020 \$
Profit/(loss) after income tax attributable to the owners of Gratifii Limited	(1,211,189)	1,955,425
	NO.	NO.
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	615,165,967	331,153,641
Basic and diluted profit/(loss) per share (cents per share)	(0.20)	0.59

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 16: OPERATING SEGMENTS

The Group operates in one industry segment being technology development. Information is therefore shown for geographical segments.

31 December 2021	AUSTRALIA	SOUTH AFRICA	SINGAPORE	UNALLOCATED	TOTAL
	\$	\$	\$	\$	\$
Revenue and other income					
External sales	3,692,256	925,724	33,605	-	4,651,585
Other income	435,280	505	-	-	435,785
Total segment revenue and other income	4,127,536	926,229	33,605	-	5,087,370
Segment net profit before tax and other items	(1,142,331)	344,347	(20,171)	-	(818,155)
Depreciation and amortisation	(371,851)	(20,835)	(348)	-	(393,034)
Net income before income tax	(1,514,182)	323,512	(20,519)	-	(1,211,189)
Loss on derecognition of subsidiaries	(156,423)	-	-	-	(156,423)
Other comprehensive income/(loss)	-	(54,477)	202,564	-	148,087
Net income before income tax	(1,670,605)	269,035	182,045	-	(1,219,525)
Income tax benefit	-	-	-	-	-
Net income after income tax	(1,670,605)	269,035	182,045	-	(1,219,525)
Segment assets at 31 December 2021	10,737,140	517,500	5,009	-	11,259,649
Segment liabilities at 31 December 2021	(5,874,764)	(1,762,036)	(3,117,263)	-	(10,754,063)

31 December 2020	AUSTRALIA	SOUTH AFRICA	SINGAPORE	UNALLOCATED	TOTAL
	\$	\$	\$	\$	\$
Revenue and other income					
External sales	327,744	713,760	234,239	-	1,275,743
Other income	986,787	4,287	(2,450)	-	988,624
Gain on loan forgiveness	1,050,689	(647)	185,993	-	1,236,035
Total segment revenue and other income	2,365,220	717,400	417,782	-	3,500,402
Segment net profit before tax and other items	1,274,820	312,779	342,051	-	1,929,650
Depreciation and amortisation	(60,715)	(12,444)	(568)	-	(73,727)
Net income before income tax	1,214,105	300,335	341,483	-	1,855,923
Gain on derecognition of subsidiaries	317,477	-	-	-	317,477
Profit/(loss) attributed to non-controlling interest	99,502	-	-	-	99,502
Other comprehensive income/(loss)	-	(491,407)	120,739	-	(370,668)
Net income before income tax	1,631,084	(191,072)	462,222	-	1,902,234
Income tax benefit	-	-	-	-	-
Net income after income tax	1,631,084	(191,072)	462,222	-	1,902,234
Segment assets at 31 December 2020	4,086,520	499,099	1,604,281	-	6,189,900
Segment liabilities at 31 December 2020	(2,828,225)	(422,514)	(550,586)	-	(3,801,325)

NOTE 17: CONTINGENT LIABILITIES

On May 4, 2021, The Company acquired 100% of the Shares in Neat Tickets Pty Ltd trading as (Neat Ideas), a Rewards as a Service enterprise. The Company acquired Neat Ideas for \$1.3m cash and the Share Sale Agreement included specific earn out targets for certain milestones being met post the release of the reviewed financial statements for the period to 31 December 2021 (First Financial Milestone and Bonus consideration) and audited accounts for the year to 30 June 2022 (Second Financial Milestone and Bonus consideration). The Company has provided for the First Financial Milestone and Bonus Consideration on the achievement of the specific milestones totalling a net amount of \$163,040. The Group recognises a contingent liability for the amount of \$1.45m in relation to the year to 30 June 2022. The contingent liability is based on the Second Financial Milestone and Bonus considerations provided for in the terms and conditions in the Share Sale Agreement. Any further payment is subject to the achievement of the earn out targets and fulfilment of warranties as per the Share Sale Agreement. Refer to Notes 8 and 34 in the FY2021 annual report for more information.

The Group is unaware of any other contingent assets or guarantees that may have a material impact on the Group's financial position.

NOTE 18: EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the end of the reporting period, the following events occurred:

- on 4 February 2022, Gratifii Limited requested a voluntary suspension of all securities of the Company, pending an application to the Federal Court to rectify a matter under section 1322 of the *Corporations Act 2001* (Cth). The validating orders were subsequently obtained from the Federal Court on 7 February 2022 and the Company was reinstated to quotation.

The Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Board of Directors of Gratifii Limited:

- a. the consolidated financial statements and notes of Gratifii Limited are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
 - ii. Complying with the Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- b. There are reasonable grounds to believe that Gratifii Limited will be able to pay its debts as and when they become payable.

Signed in accordance with a resolution of the Board of Directors:



Iain Dunstan
Executive Director and Chairman

Date: 25 February 2022



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GRATIFII LIMITED AND CONTROLLED ENTITIES ABN 47 125 688 940

Conclusion

We have reviewed the half-year financial report of Gratifii Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, 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 accompanying half-year financial report of Gratifii Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Gratifii Limited financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) 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 Gratifii Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 Gratifii Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter on Going Concern

We draw your attention to Note 4 on going concern in the financial report, which indicates that the Group incurred an Total Comprehensive Loss for the period of \$1,219,525 (2020: Total Comprehensive Gain for the period of \$1,902,234) and net cash inflows from operating activities of \$689,212 (2020: \$673,404) during the half year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by \$5,271,437 (June 2021: \$1,762,817) and net assets of \$505,586 (June 2021: \$1,313,926). Noting that \$5,175,000 of current liabilities represent convertible note liabilities (refer to Note 11) which the Group expects will be repaid through the issue of shares. As stated in Note 4, these events and conditions, along with other matters set forth in Note 4, indicate that a material uncertainty exists that may cast doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Responsibility of the Directors for the Financial Report

The directors of Gratifii Limited 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

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 Group's financial position as at 31 December 2021 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.

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro

Director

Sydney

Dated this 25th of February 2022