

Coffee Microcaps Presentation



Presented September 2022

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WELCOME TO GRATIFICII

Delivering the best loyalty technology for a smarter, faster customer experience, combined with unique curated rewards at a remarkable value point, delivered by an experienced managed services team with proven marketing prowess. **Together, we deliver results you'll love.**



Unprecedented Market Growth

Global and local loyalty and rewards market is growing faster than ever



CAGR of
12.2%

During 2022-2026
(compared to 11.8% during 2017-2021)

Global **Loyalty Program Market** is expected to reach

\$226
BILLION

In 2026

88%

of Australians are enrolled
in at least 1 loyalty
program.

4.3 on average.

60.5% of companies have “increased” or “significantly increased” the development of their loyalty strategy since the Covid-19 crisis



Business Update

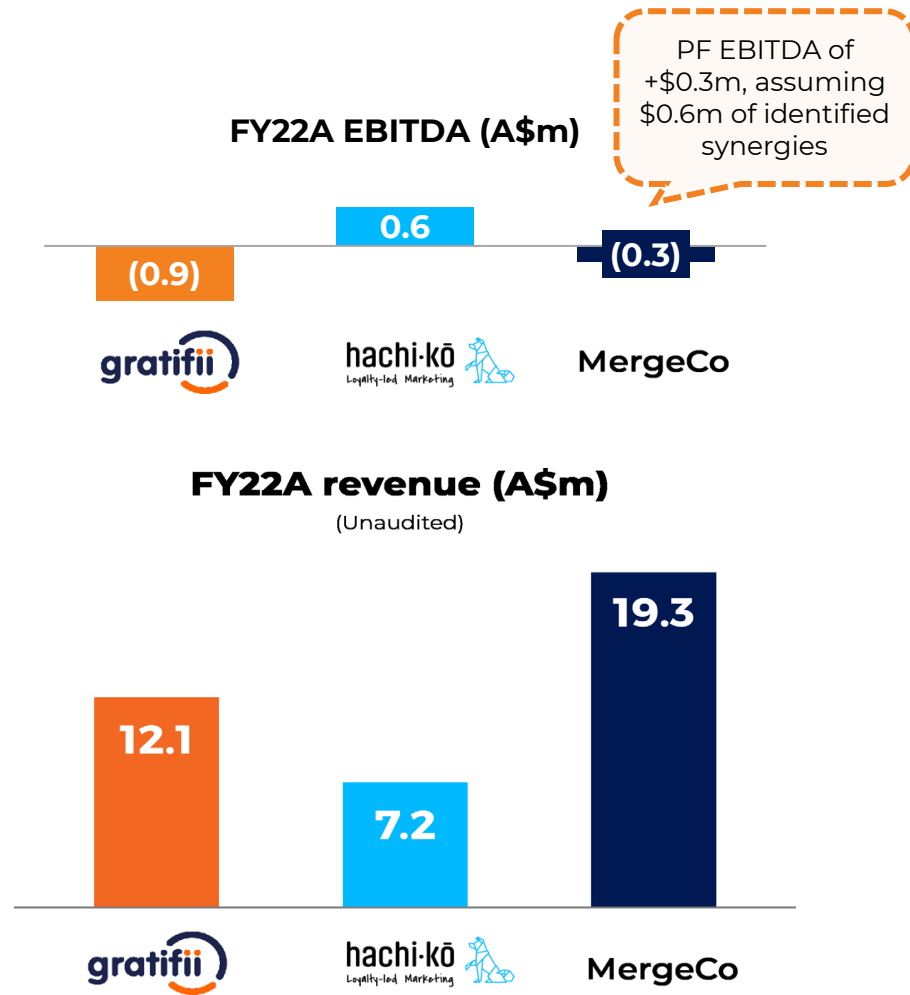


Gratificii has acquired Hachiko, a specialised loyalty and rewards marketing agency, creating an 'end-to-end' loyalty and rewards provider

Hachiko Acquisition

In August 2022, Gratificii acquired Hachiko, a leading specialised loyalty and rewards marketing agency with staff and operations in Australia & New Zealand.

- ✓ Hachiko acquired for **\$2.14m upfront cash and \$1.45m scrip**
- ✓ Front end design services complements Gratificii's back-end software and rewards solutions
- ✓ Delivers **revenue of A\$7.2m** and **EBITDA of A\$0.6m**, with growth anticipated
- ✓ Integrated **20 staff, highly experienced in loyalty and rewards**, required to efficiently **execute Gratificii's growing pipeline**
- ✓ Hachiko founder Patrina Kerr has joined as a Non-executive Director
- ✓ Begun **implementing estimated \$600,000 of forecast synergies** to make Gratificii, **cashflow breakeven on operations**
- ✓ **Cross selling opportunities to all 80+ enterprise clients**



Why Acquire Hachiko?



Opportunity to **disrupt the Loyalty space** with a unique blend of loyalty, rewards and engagement

To respond to increasing market demands for personalised customer experiences, Gratificii has an opportunity to differentiate with **stronger focus on customer engagement**. Options include building out a strong team of marketing & engagement specialists or acquire a company who can bring this capacity as well as other benefits.

This is the value **Hachiko** can bring to Gratificii.



Personalised Engagement

Tailored engagement solutions to connect with a defined audience



[Acquisition]



Sophisticated Technology

Fully API based, modern loyalty and rewards engine



Differentiated Rewards

450+ content partners who offer above average value



Business Model



Gratificii charges clients a combination of retainer, SaaS fees and a margin on rewards

Front End

Web Development / Member Engagement / Marketing

Hachiko charges its ~35 Enterprise clients a monthly retainer (which includes the licence fee)

hachi-kō

Loyalty-led Marketing

Loyalty Engine

Suite of SaaS API modules that power loyalty and rewards programs

A high margin broad-based revenue model comprising:

- ✓ SaaS license fees (paid monthly)
- ✓ Implementation and integration service fees
- ✓ Enterprise specific usage based (volume) fee (users, % of online ordering etc.)

Revenue per customer is uncapped: Engagement = Revenue

gratificii

Rewards

Source and supply of market leading rewards

Gratificii earns a margin on the rewards delivered clients

Rewards are purchased either outright or on consignment:

- The Company combines these two options to maximise margin, whilst limiting capital expenditure and risk
- Rewards are combined (i.e. Movie tickets and meal discount) to enhance Gratificii's margin

neat ideas

A GRATIFICII LIMITED COMPANY

AS ONE GROUP WE ARE:



56
Talented
people



6
Offices around
the World



85
Enterprise
customers



\$19M+
FY22 Annual
turnover (unaudited)

A blend of best-in-class loyalty brands



Share Price	\$0.018
Shares on Issue	957m
Market Capitalisation	\$17.2m

Gratifii

The solution for mid-to-top tier enterprises



Market leading functionality and configurability



Affordable compared to leading top-tier enterprise platforms



Faces limited competition in its target markets

A Complete Solution



		SME Platforms	Top-tier Enterprise Platforms	Gratifii Ltd (GTI.ASX)
Target Market	Suitable for top-tier enterprises	X	✓	✓
	Suitable for mid-tier enterprises	X	X	✓
	Suitable for SME	✓	X	✓*
Functionality	Fast Integrations	✓	X	✓
	Extensive Functionality	X	✓	✓
	Easily Configurable	✓	X	✓
	Front-end web development	X	X	✓ (Hachiko)
	Extensive third-party rewards	X	X	✓ (Neat Ideas)
SaaS Fee		\$1,000 - \$10,000 p.a.	\$1.5m+ p.a.	\$0.2m - \$1.0m p.a.

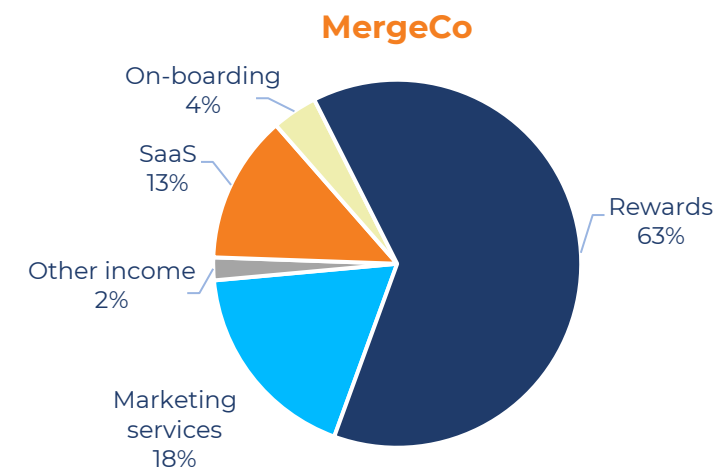
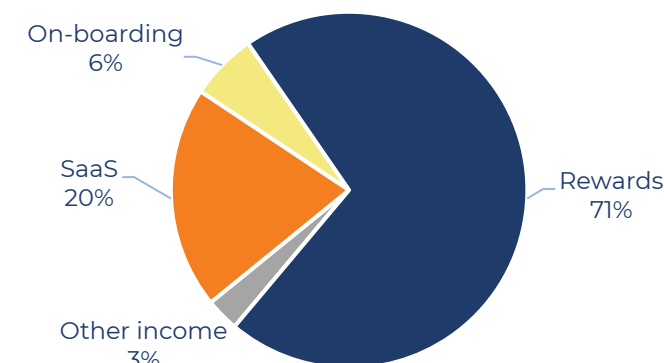
Pro-forma Financials



This acquisition will increase Gratificii's scale, with combined pro-forma FY22A (unaudited) revenue of ~\$19m and EBITDA of ~(\$0.3m)

	Gratificii	Hachiko	MergeCo
A\$'000	FY22A	FY22A	FY22A
SaaS	2,255	-	2,255
On-boarding	174	150	324
Rewards	8,741	3,739	12,480
Marketing services	-	3,268	3,268
Other income	925	-	925
Total income	12,095	7,157	19,252
Total cost of sales	(8,537)	(4,370)	(12,907)
Gross profit	3,558	2,787	6,345
<i>Gross profit margin</i>	29.4%	38.9%	33.0%
Operating expenses	(4,431)	(2,174) ⁽¹⁾	(6,605) ⁽¹⁾
EBITDA	(872)	613	(260)
<i>EBITDA margin</i>	<i>n.a.</i>	8.6%	<i>n.a.</i>
Potential synergies	-	-	600
EBITDA post-synergies	(872)	613	340

FY22A revenue breakdown
Gratificii - Pre-acquisition



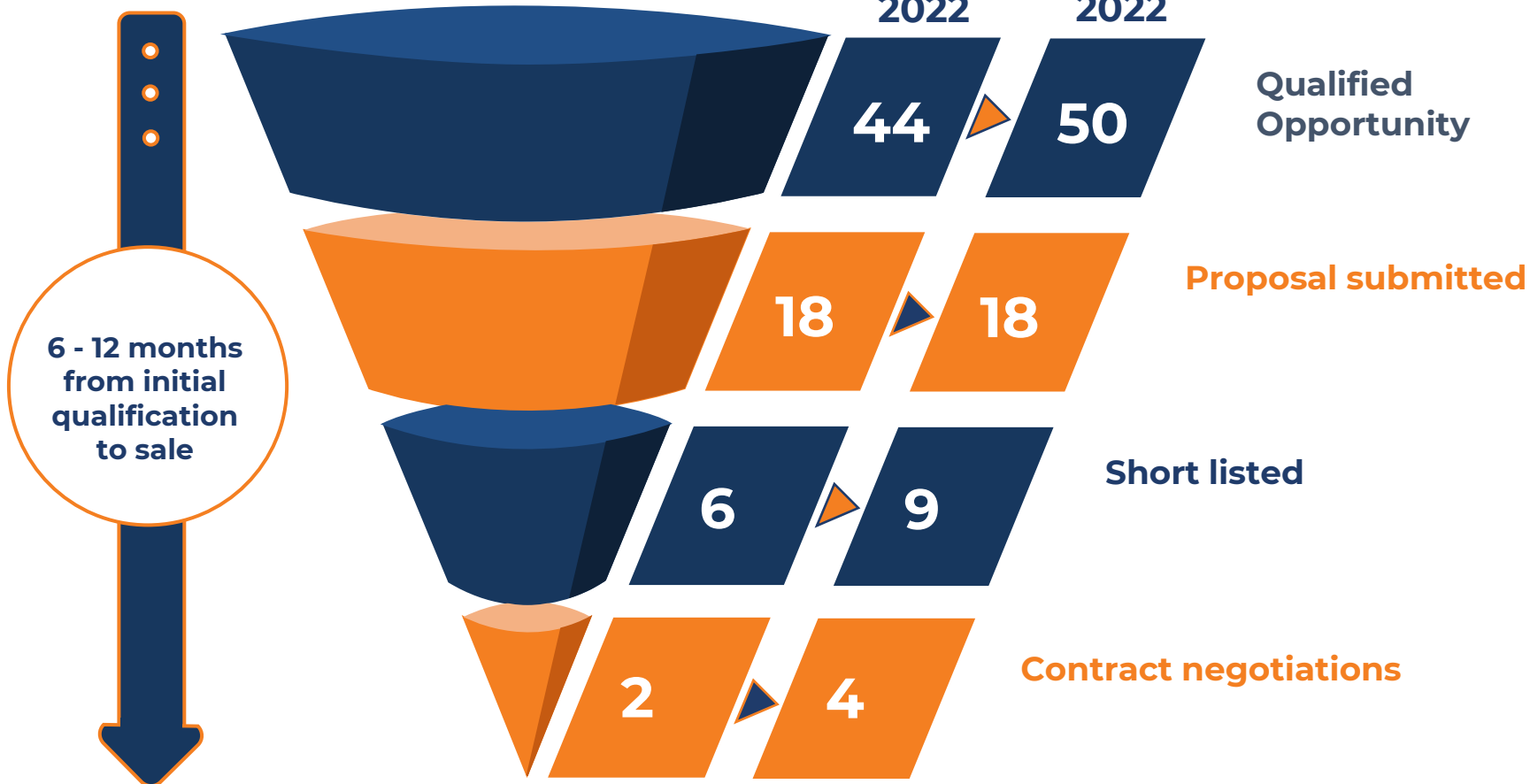
Unaudited financials. Notes: (1) Operating expenses include all staff costs, including revenue generating roles. (2) ~\$600k of potential synergies to be achieved over FY23 including finance, hosting, shared services, migration of rewards content to Neat Ideas etc.

Global Deal Pipeline

Gratificii's deal pipeline has undergone a period of significant growth since the launch the Mosaic SaaS Platform in October 2021. **The acquisition of Hachiko will further accelerate this growth.**

+400%

Since
October 2021



Pipeline does not include Hachiko's 35 clients

POWERFUL BENEFITS



**Better
Innovation**



**Stronger
Engagement**



**Greater
Rewards**

Our union allows us to **blend the best-in-class** people, programs, technology and rewards to better serve our clients, staff and shareholders as **one end-to-end loyalty provider**.

Whilst we'll retain our individual names and each offer our business-as-usual services, we will work together as one Gratifii company to **magnify our many combined strengths**.

The sum of the partners is indeed greater....

RESULTS YOU'LL LOVE

WELCOME TO THE GRATIFII GROUP!

The best technology for a smarter, faster customer experience, is combined with exciting curated rewards at a remarkable value point, and delivered by an experienced managed services team with proven marketing prowess. **Together, we deliver results you'll love.**

Iain Dunstan – CEO & Managing Director
Coffee Microcaps Presentation, September 2022

