

3 February 2023

ASX ANNOUNCEMENT

Convertible Notes issued to repay loans

Issue approved at November 2022 AGM

We refer to the Gratifii Limited (ASX: GTI) ("the **Company**") notice of annual general meeting (**AGM**) announced on 10 October 2022. At that AGM:

1. resolution 3 sought shareholder approval to issue 400,000 convertible notes to Bombora in satisfaction of the Company's obligations to repay a loan made by Bombora to the Company for the purposes of Listing Rule 10.11; and
2. resolution 4 sought shareholder approval to issue 357,000 convertible notes to Novus Capital in satisfaction of the Company's obligations to repay a loan made by Novus Capital to the Company for the purposes of Listing Rule 7.1.

Details of the proposed convertible notes and the loans made by Bombora and Novus Capital to the Company are set out at item 4 of the explanatory memorandum to the notice of meeting announced on 10 October 2022.

Notwithstanding that resolutions 3 and 4 were passed at the AGM, as a result of an omission due to the Company's change of Company Secretary, the approved convertible notes were not issued to those parties. Given that the time for the issue of those convertible notes, being one (1) month from the date of the AGM, has now passed, no convertible notes (or any other securities) will be issued pursuant to those resolutions.

On 30 January 2023, the Company issued 357,000 convertible notes to Novus Capital in satisfaction of the Company's obligations to repay a loan made by Novus Capital (**Notes**). The terms of the Notes are substantially the same as set out in item 4.2 of the explanatory memorandum to the notice of meeting but are repeated below.

	Novus Capital
Number of Convertible Notes and Face Value	357,000 convertible notes with a face value of \$1.00 each.
Conversion Price	\$0.023 per share.
Interest rate	10% p.a. paid 6 monthly from the date of issue.
Maturity Date	18 months after the date of the issue of the convertible notes.
Conversion	The convertible notes are convertible into shares at the holder's option any time after the 12 months from the

	Novus Capital
	<p>issuing of the convertible notes and up to the maturity date or a takeover event occurring.</p> <p>The number of shares which the Company must issue to Novus Capital will be determined in accordance with the following formula:</p> $A = \frac{B + C}{D}$ <p>where:</p> <p>A = the number of shares to be issued to Novus Capital;</p> <p>B = the face value of the convertible notes being converted;</p> <p>C = accrued interest; and</p> <p>D = \$0.023.</p> <p>If the number of shares to be issued includes a fraction, the fraction will be rounded down to the nearest share.</p>
Redemption	<p>The Company must redeem each convertible note that has not been redeemed, converted or is not the subject of a conversion notice on the earlier of:</p> <ul style="list-style-type: none"> a) the maturity date; and b) the date of an event of default (i.e., an insolvency event or a failure to pay any money owing under the convertible notes).
Transferability and Rights	<p>The convertible notes are not transferable and do not entitle the note holder to any voting rights.</p>

The Notes were issued under the Company's existing placement capacity under Listing Rule 7.1.

In relation to the convertible notes proposed to be issued to Bombora in the notice of meeting of the AGM, the Directors have agreed with Bombora that those convertible notes will not be issued at this point in time. Rather, the existing loan from Bombora (the details of which are set out at item 4.1 of the explanatory memorandum to the notice of meeting) will continue according to its terms. It is likely that the Company and Bombora will agree in the future to repay that loan with convertible notes or other securities, in which case, the Company's shareholder approval will be required at that time.

GTI confirms that this announcement has been approved by the Directors of Gratifii.

Alicia Gill

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 customers. Its primary focus is providing liquidity for digital assets through its newly developed Mosaic Enterprise Engagement Platform. With mobile payment, curated content, 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