

9 May 2023

ASX ANNOUNCEMENT

## Gratifii to accelerate growth via acquisition of Spendless

### Key Highlights

- Gratifii has reached agreement to acquire the assets of Spendless Buying Advisory Service Pty Ltd (**Spendless**) for \$175,000 plus inventory
- Spendless generated \$1.8m revenue in FY2022
- The Spendless business assets are highly complementary to Gratifii's Neat Ideas subsidiary and are expected to accelerate growth

Gratifii Limited (ASX: GTI) (**Gratifii** or **the Group**) is pleased to announce that its subsidiary, Neat Tickets Pty Ltd (**Neat Ideas**), has signed a binding agreement to acquire assets from the vendors of cinema ticket and gift card reseller Spendless Buying Advisory Service Pty Ltd (**Spendless**) for \$175,000 in cash on completion, plus any usable stock at face value.

The acquisition provides scale and cross-sell opportunities to the Neat Ideas business as the majority of Spendless' existing sales are on the east coast of Australia to corporate and not for profit organisations in the medical/hospital industries.

Spendless are leading distributors of bulk gift cards and movie tickets to a range of premium employee and member benefits programs. The assets being acquired by Neat Ideas include Spendless' IP domain names (including websites and payment portals), customer lists and supplier agreements used by Spendless to conduct the business of selling gift cards and movie tickets to closed end member groups.

### Acquisition rationale

The transaction is expected to add scale and distribution to the Group's existing retail gift card and movie ticket business, Neat Ideas.

The three key strategic benefits of the acquisition are:

1. Cost effective acquisition of additional revenue streams;
2. Margin arbitrage via Spendless' distribution channels at Neat Ideas' commercial terms; and
3. Acquisition of new client relationships with premium brands.

The assets being acquired by Neat Ideas generated revenue of \$1.8 million in FY22.

Commenting on the transaction, Gratifii's Managing Director and CEO, Iain Dunstan, stated "Spendless' business is highly complementary to Gratifii and the assets we are acquiring are expected to accelerate growth of our movie ticket and gift card business. We also expect to lift margins as a result of our buying power."

## Key terms

Term	Description
<b>Proposed acquisition</b>	Assets of Spendless including goodwill, Contracts, IP rights, records and inventory of the business of selling gift cards and movie tickets to businesses and end consumers conducted at the date of the business.  Physical products distributed by Spendless (eg consumer goods) are not part of the sale.
<b>Purchase price</b>	\$175,000 in cash on completion, plus any usable stock at face value.
<b>Completion</b>	Gratifii anticipates the transaction will complete in June 2023.
<b>Source of funds</b>	The acquisition will be funded out of existing cash reserves.
<b>Conditions precedent to Completion</b>	The following key conditions precedent must be satisfied prior to completion: <ul style="list-style-type: none"> <li>• Buyer due diligence</li> <li>• Third party consent to novate any material contracts</li> <li>• Government and regulatory approvals (if required)</li> <li>• Satisfactory funding for Gratifii to complete (if required)</li> </ul>
<b>Personnel changes</b>	No staff are being acquired as the additional distribution will be managed through existing headcount. No change to the Group's Board or senior management is anticipated.

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

## For further information, contact:

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## About Gratifii Limited

Gratifii Limited (ASX:GTI) is an ASX listed company transforming the way that loyalty and rewards are managed and delivered. Our single platform is a complete solution offering affordable, market-leading functionality and configurability. Over 90 mid-to-top tier brands rely on Gratifii for their loyalty and rewards across Australia, New Zealand, Singapore, South Africa and UAE.

To learn more, visit: [www.gratifii.com](http://www.gratifii.com).

## About Spendless

Spendless has been in the Rewards and Loyalty space since 1990, working with many large Australian corporations and is considered a leader in this field. To learn more, visit [www.spendless.net.au](http://www.spendless.net.au).