

13 June 2023

ASX ANNOUNCEMENT

Gratificii completes capital raise and signs material contract.

Key Highlights

- Gratificii has signed a new agreement with key client Royal Automobile Club of Victoria Limited (RACV). The 3-year agreement with the option to extend for a further 3 years will deliver up to \$360k in contracted annual licence fees post planned phase 2 go live in November 2023, together with the potential to earn additional rewards and marketing services revenue. It is Gratificii's largest SaaS contract to-date.
- Expected initial 12 months inflows of approximately \$8.8 million expected to be generated from this contract an approx. 42% increase in operating cash inflows compared to Gratificii's last twelve-month results ended March 2023 of \$21 million.
- Gratificii have received confirmations to raise approx. \$2.75 million via a two-tranche placement. The capital raising comprises of Tranche 1 for \$1.84 million and Tranche 2 of approximately \$905k subject to shareholder approval at an EGM expected in August 2023.

RACV Contract

Gratificii Limited (ASX: GTI) (**Gratificii** or **the Company**) is pleased to announce that it has signed a 3-year contract with key client RACV to deploy its SaaS platform with an expanded range of rewards. The contract contains options to renew for a further 2 terms of 3 years.

Neat Ideas, Gratificii's rewards business, has been an existing rewards platform provider to RACV's 2.1 million members for more than 10 years.

Under the new contract, Gratificii expects to receive an annual licence fee of up to \$360,000 with an expected 12-month inflow of \$6 million from RACV and its affiliates (estimates based on prior 12 month's volumes provided by RACV) and \$2.5 million in cross-sell revenue. With this additional revenue the Company is confident it will deliver positive cashflows within FY24 from the expanded rewards and services products offered.

Commenting on the transaction, Gratificii's CEO and Managing Director, Iain Dunstan said: "We are pleased to have renewed this important contract with RACV, and to further expand this relationship."

Capital Raise

To accelerate further growth and the deployment of Gratificii's SaaS platform, as well as other initiatives, the Company is undertaking an equity raising.

Commenting on the capital raise, Iain Dunstan said: "The funds will be used to accelerate Gratificii's roadmap, bringing additional SaaS revenue and making it easier for Gratificii to convert existing rewards clients into higher margin platform clients. The build-out will also clearly differentiate Gratificii from other SaaS platform suppliers and further highlights the value of the integrated loyalty

solutions built by Gratificii. Pleasingly, the Company is on track to record its 10th record quarter of top line growth."

The Company is today announcing a \$1.84 million unconditional placement to institutional, investors of 115.3 million new fully paid ordinary shares (**New Shares**) (**Tranche 1**) at an issue price \$0.016 per share, being the closing share price on 7th June 2023.

The Company has also entered into a binding agreement (subject to shareholder approval) to raise a further \$905k to institutional, professional and sophisticated investors of which Bombora Special Investments Growth Fund, Gratificii's largest shareholder has committed for \$250k (**Tranche 2**). Tranche 2 will also be priced at \$0.016 per share. Tranche 1 and Tranche 2 are together the (**Placement**).

Use of Funds

Funds from the equity raising will be used to:

1. Fund additional investment in capitalised technology development	~\$0.75 million
2. Fund additional inventory purchases to support forecast demand	~\$0.75 million
3. Acquire the business assets of Spendless Buying Advisory Service Pty Ltd (Spendless), as announced on 9 May 2023	~\$0.20 million
4. Refresh working capital	\$0.85 million
5. Transaction costs	~\$0.20 million
Total funds raised	\$2.75 million

Commenting on the capital raising, Gratificii's CEO and Managing Director, Iain Dunstan said: "We are very pleased with the strong support received for the Placement from our existing investors. Further, with the support of MST Financial Services Pty Ltd (MST) and Candour Advisory (Candour), we have grown our shareholder base through this transaction.

The additional funds received from the raising will accelerate our organic growth by funding the resources and scale required to facilitate recent contract wins and target our strong sales pipeline. The Board and Management are excited by our increasing profile in the Australian loyalty market and the demand for our full spectrum loyalty solution."

Placement Details

Tranche 1 will result in the issue of 115,299,858 New Shares utilising the Company's existing placement capacity under Listing Rule 7.1 and 7.1A. Settlement of Tranche 1 is expected to occur on Monday 19th, June 2023.

The Company has also received binding commitments of \$905k for the issue of 56,575,143 New Shares in Tranche 2. The issue of New Shares under Tranche 2 is subject to shareholder approval at

an EGM expected to occur in August 2023. Shares issued under the Placement rank equally with existing shares in the Company.

Compliance with ASX Listing Rules

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

Ben Newling
Company Secretary

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About Gratificii Limited

Gratificii 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 Gratificii for their loyalty and rewards across Australia, New Zealand, Singapore and UAE.

To learn more, visit: www.gratificii.com.