

30 April 2025

ASX ANNOUNCEMENT

3Q FY25 Quarterly Business Update and Appendix 4C Cashflow Statement

Gratifii Delivers Record Quarterly Increase in Cash Receipts

Highlights for 3Q FY25

Financial highlights

- 3Q FY25 **cash receipts of \$18.6m** (\$44.3m YTD) represents an increase of **111%** over previous corresponding quarter and **6.3%** over 2Q FY25.
- This result has been achieved in a seasonally low quarter, that was negatively impacted by Queensland's Cyclone Alfred.
- The \$3.4m operating loss for the quarter primarily reflects a material balance sheet improvement, with **~\$2.7m** of trade creditors paid down to align with revised credit terms from major suppliers.
 - Changing trading conditions and reduced credit terms with key suppliers partly impacted this result.
 - The 3Q balance sheet improvements follow an additional combined \$3.9m in repayments of pre-acquisition creditors in Club Connect, which account for the YTD net operating loss of \$5.1m.
- Cash as at 31 March 2025 was **\$1.35m**.

Corporate highlights

Key customer contract signed with BRG Holdings Pty Ltd (**The Big Red Group/Red Balloon**) that will provide significant breadth to Gratifii's experience offerings.

- **Velocity Frequent Flyer**, the loyalty program of **Virgin Australia**, has gone live, offering up movie vouchers from Gratifii in the member's rewards store, which can be purchased using Velocity points.
- Member's Mobile, Australia's first B2B2C branded mobile service in partnership with Fastter, is being rolled out with enterprise distributor, **Members Advantage**.
 - Discussions are advanced with additional enterprise distributors.
- A distribution agreement has been signed for the implementation of **Member's NBN** to offer branded broadband services, with roll out expected later this financial year.
- The Company successfully completed a placement to sophisticated and professional investors, raising \$2.5m prior to fees.

Operational highlights

- **RACV** completed the first successful migration onto the new 'Gratifii Connect' platform from the 'Neat Ideas' platform.
 - The Neat Ideas platform will be decommissioned in July when the planned migration of all clients is completed.



- Post-merger integration, including system integrations to Gratificii Connect (our proprietary rewards platform) is on track, setting the Company up to leverage cost and revenue synergies from July 2025.
- Results to date show enhanced proforma revenue run rate of **~\$84m** in FY26 is on track to be delivered.
- Cyclone Alfred significantly impacted financial results in March as Attractions and experiences are amongst our highest revenue generating categories in South-East Queensland and the impact was magnified by the school holiday period.

Operations update

Gratificii Limited (ASX:GTI) (**Gratificii**) experienced continued operational progress throughout the third quarter of FY25, highlighted by strong cash receipt growth, major client milestones, and further advancement of post-merger integration activities.

Cash receipts for the quarter were \$18.6m, up 111% on the prior corresponding period and up 6.3% on 2Q FY25, demonstrating the underlying strength of the business despite a seasonally softer trading period and the disruptive impact of Cyclone Alfred in Queensland.

Year-to-date cash receipts now total \$44.3m, positioning the Company well as it moves towards FY26. While an operating cash outflow of \$3.4m was recorded for the quarter, this primarily reflects the repayment of ~\$2.7m in trade creditors due to tighter credit terms, and an additional \$3.9m repayment of pre-acquisition liabilities associated with Club Connect. These initiatives position Gratificii for long-term sustainability, while short-term impacts are reflected in the year-to-date net operating loss of \$5.1m.

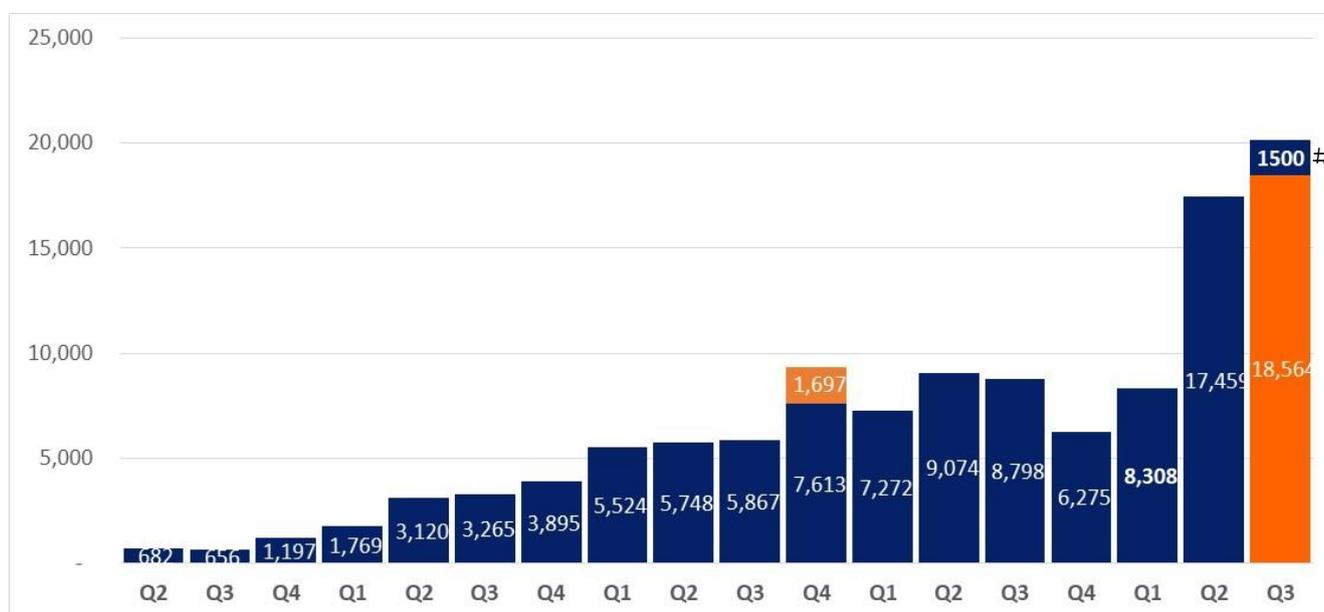
Operationally, the successful migration of one of Gratificii's largest clients, RACV, onto the 'Gratificii Connect' platform represents a major milestone. This migration has validated the platform's scalability and readiness to support large enterprise clients, with the remaining client transitions scheduled for completion by the end of July 2025. This transition is critical in enabling the Company to capture cost and revenue synergies arising from the integration of Club Connect.

Early results from the migrations and newly secured clients support the Company's expectation of delivering an enhanced proforma revenue run-rate of ~\$84m in FY26.

Gratificii also secured several new commercial agreements during the quarter, including the signing of a key contract with BRG Holdings Pty Ltd (The Big Red Group/Red Balloon), significantly expanding Gratificii's breadth of experiences available to customers. Velocity Frequent Flyer launched its Reward Store with Gratificii products available for redemption, and Member's Mobile commenced rollout through enterprise partner, Members Advantage. Distribution agreements for the upcoming launch of Member's NBN have also been signed, with rollout expected before the end of FY25.

Despite near-term challenges caused by Cyclone Alfred, Gratificii's operational momentum remains strong. The Company continues to successfully execute its strategic plan, setting a solid foundation to leverage platform scale, deliver operating margin expansion, and accelerate earnings growth in FY26.

Quarterly Cash Receipts (\$'000) show 3-year CAGR to 3Q FY25 of 79% p.a.**



Management estimate of lost revenue due to Cyclone Alfred based on prior corresponding period.

Iain Dunstan, CEO and Managing Director of Gratificii, said: "Our strong results this quarter reflect the strength of our integrated business model, and the significant progress made in integrating and scaling our recent acquisitions. This was achieved despite challenging trading conditions caused by Cyclone Alfred and tighter payment terms from key suppliers as part of a broader 'soft credit crunch.' The resilience of our operations, combined with a growing pipeline of high-quality opportunities, positions us well to drive sustained revenue growth and margin expansion in the quarters ahead."

Outlook

The continued growth in cash receipts from recent acquisitions, achieved during what is traditionally a seasonally softer quarter, provides strong momentum heading into 4Q FY25. Encouragingly, April inflows have been ahead of budget, indicating a return to more normalised trading conditions following the disruptions caused by Cyclone Alfred.

Post-merger integration remains a major strategic focus, with system consolidation and operational streamlining expected to deliver meaningful cost savings by the end of the financial year. These initiatives are critical to enhancing margins and driving scalable growth across the business.

Our expanded market position is also creating new growth avenues, both through entry into new distribution channels and by deepening engagement with our existing customer base through an enhanced product and service offering. The pipeline of opportunities continues to build, giving us confidence in our ability to deliver sustained revenue growth, profitability and operational leverage in FY26.



ASX Additional Information

During the quarter, the Company paid remuneration of \$108k to the CEO & Managing Director.

Appendix 4C

The Company's Appendix 4C cashflow report is attached.

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

Ben Newling
Company Secretary

For further information, contact:

Iain Dunstan
CEO & Managing Director
Gratificii Limited
E: iaind@gratificii.com

Alastair Murray
Investor Relations & Corporate Advisor
Candour Advisory
E: alastair@candouradvisory.com.au

About Gratificii Limited

Gratificii Limited (ASX:GTI) is an ASX listed company transforming the way that rewards and incentives are managed and delivered. Our single platform is a complete solution offering affordable, market-leading functionality and configurability. Over 80+ mid-to-top tier brands rely on Gratificii for their rewards and incentives across Australia, New Zealand, and Southeast Asia.

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

GRATIFII LIMITED

ABN

47 125 688 940

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	18,564	44,331
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(19,211)	(41,616)
(c) advertising and marketing	(33)	(52)
(d) leased assets	-	-
(e) staff costs	(1,638)	(4,334)
(f) administration and corporate costs	(1,037)	(3,355)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(23)	(78)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,378)	(5,104)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(6,438)
(b) businesses	-	-
(c) property, plant and equipment	(2)	(18)
(d) investments	-	-
(e) intellectual property	(426)	(1,140)
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (cash acquired on acquisition)	-	4,737
2.6 Net cash from / (used in) investing activities	(428)	(2,859)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	11,591
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(265)	(975)
3.5 Proceeds from borrowings	-	225
3.6 Repayment of borrowings	(494)	(1,572)
3.7 Transaction costs related to loans and borrowings	(58)	(221)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	(16)	(51)
3.10 Net cash from / (used in) financing activities	1,667	8,997

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,497	324
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,378)	(5,104)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(428)	(2,859)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,667	8,997
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,358	1,358

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,466	3,626
5.2	Call deposits		-
5.3	Bank overdrafts	(108)	(129)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,358	3,497

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,378)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,358
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,358
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.40
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer:</p> <p>No, the Company has significantly improved its balance sheet during the period by reducing trade creditors by circa \$2.7m. This will not be repeated in future periods</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer:</p> <p>The Company is always in conversations with a number of existing equity holders and potential debt funders. Based on these conversations, should the Company need to raise funds to expediate its growth trajectory, there is an expectation of support.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, Company expects to continue operations and meet its business objectives. The Company expects to see inflows normalise throughout April and May as the Queensland tourism industry returns to normal post Cyclone Alfred, as well as positive impacts from season factors in Q4

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025.....

Authorised by: Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.