



(Formerly Mobecom Limited)



# ANNUAL REPORT

# 2021

FOR THE YEAR ENDED  
30 JUNE 2021

ABN 47 125 688 940

**Gratific (ASX:GTI) is an ASX-listed technology company that enables businesses within the retail, hospitality, telecommunications, banking, insurance, health and wellbeing, and financial services industries to deliver great customer experiences, drive engagement and encourage repeat business with loyalty and rewards programs.**

Gratific's Software as a Services (SaaS) solution, Mosaic, is a cloud-based platform that is modular, scalable, and globally portable. Designed and built with the enterprise brand in mind, it allows organisations to customise, operate, and quickly deliver easy and innovative customer loyalty programs. It can track and collect customer interactions across multiple touch points, drive relevant rewards and recognition and, ultimately, brand advocacy.

With mobile payment, ordering, booking and local offer capability, Mosaic is the gateway to delivering a new digital lifestyle loyalty and rewards program.

Gratific has offices in Australia, Singapore, South Africa, and Dubai, and employs over 35 people including our off-shore developers.





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## FY2021 HIGHLIGHTS



**REVENUE GROWTH  
SAAS & REWARDS  
REVENUE**



**SAAS  
REVENUE**



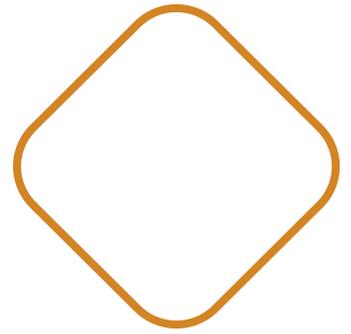
**CLIENT  
CHURN**

**ACQUISITION OF  
NEAT IDEAS**

**AGREEMENT WITH OPENSARKZ  
TO ACCESS VISA, MASTERCARD  
& EFTPOS**



# EXECUTIVE CHAIRMAN'S REPORT



Dear Shareholders,

On behalf of the Board of Directors of Gratifii, and as your Executive Chairman, I am pleased to present you with the 2021 Annual Report. The past financial year has been one of enormous business change and turnaround.

The organisation has evolved significantly, and moved forward in several key areas, particularly with our recent acquisition of Neat Ideas that adds rewards content and a front-end application to complete our turnkey end-to-end service offering and strengthen our core proposition. It provides us with the ability to attract new business from SME's to enterprise, enables cross-sell opportunities, and delivers access to over four million end users. The loyalty management market in which we operate has grown stronger, and the demand for loyalty and reward solutions has risen. Simultaneously, we have been forced to manage widespread and unexpected macroeconomic disruption from COVID-19 that continues.

We exited several non-core and unprofitable businesses, undertook a restructure and recapitalisation, expanded our Board and senior leadership team with the appointment of a COO, CRO, Head of Product, and Country Head, signed new client contracts, engaged with new partners, and refocused our development to rebuild our legacy technology as a new enterprise platform called Mosaic. The name reflects the intricate pieces which it comprises.

This next generation software incorporates leading microservices architecture, and new feature sets. With its simple integration practices, and the use of events, the system can be quickly and easily customised for engagements without needing to invest in further development costs. It takes the entire stakeholder ecosystem into account, including customers, suppliers, partners, employees, and other businesses. Mosaic's simple self-service system helps transform engagement with the ability to monitor and measure more simply and affordably.

We also introduced a new broad based revenue model comprising a monthly Rewards as a Service (RaaS) licence fee, an implementation and integration service fee, and an enterprise specific use-based fee. This was in line with our intention to pivot to the Business to Business (B2B) model that gained traction in FY2020. It delivered both an increase in recurring SaaS revenue, and a way to take advantage of new opportunities in the loyalty and rewards space.

To reflect all these business improvements, the Company underwent a rebranding exercise, changing its name from Mobecom to Gratifii, and with its relaunch, a change in our ticker symbol on the ASX to GTI.



### **The loyalty management market is strong**

The loyalty management market is set to double by 2025, with growth expected to increase from US\$7.6 billion in 2020 to US\$15 billion by 2025. Globally, more than one billion people belong to at least one rewards program, with the potential for further growth attributed to the fast adoption of technologies, including cloud deployment for loyalty management solutions. There is immediate and rising demand for solutions to meet this growth.

In Asia Pacific in particular, Gratifii's target industries including hospitality, retail, banking, and telcos are the major verticals driving the loyalty management market. Narrowing our focus to Australia specifically, we see loyalty on the rise.

89 percent of Australians are enrolled in at least one loyalty program, while 4.4 is the average number of programs, with 46 percent active in all the loyalty programs they are enrolled in.

Gratifii is in a strong position to take advantage of expected growth and demand both in Asia Pacific and other markets where we operate.

### **Rising demand for loyalty and reward solutions**

While there is a clear view that customers are open to loyalty programs, there is also some fatigue with current programs. In many instances, existing rewards technology is complex, hard to modify, and expensive to maintain. As customers become savvier, they drive the expectation for real-time and relevant offers and rewards. Brands now more than ever, are feeling the urgency to drive customers back into stores or online to provide experiences and encourage greater purchasing. Taking back control, retaining data within an organisation for decision making, and enabling relevant and timely customer communication is key.

### **Restructure and recapitalisation**

In August 2020, we announced the appointment of financial advisors, Novus Capital, to assist with our debt restructure and raising of capital for acquisitions and working capital purposes.

In September 2020, the Company entered into a Share Sale and Purchase Plan Agreement with Lakeba to reduce its shareholder position in the Company and settle all outstanding loans and invoices. In October 2020, it executed a Binding Deed of Settlement and Release, that was subsequently finalised in January 2021 with completion of the Deed of Settlement and Release.

In January 2021, the Company also completed a fully subscribed \$4 million capital raise, corner stoned by Bombora Investments Growth Fund. We subsequently entered into a secured loan agreement and a convertible note agreement for an additional \$1.5 million with Bombora. The funding has been used to improve operations, sales, and account management for go-to-market purposes, retire debt, strengthen our balance sheet, and invest in Mosaic to accelerate the development of new modules, and fast track recurring RaaS revenue.

### **Acquisition**

In May 2021, we signed a share purchase agreement to acquire 100 percent of Neat Tickets Pty Ltd, (trading as Neat Ideas) for up to \$2.04 million cash, plus up to 1.5 million shares in the Company, subject to milestones being met. Neat Ideas is an Australia-wide rewards platform, providing customer and employee benefits to over 50 existing clients, their customers, and employees from a network of over 150 merchants. They include well-known brands such as RACV, Coles, Bunnings, Officeworks, Kmart, hbf, and Alinta Energy.

This acquisition extends us from the provision of software only to the execution and delivery of complete loyalty reward schemes through the procurement and delivery of specific reward and recognition services on behalf of the client.

Prior to the acquisition, if a client wanted to offer a catalogue of consumer products and services it would need to source content deals and outsource the scheme management to a third party such as Neat Ideas to directly cultivate relationships with retailers to fulfil client requests. Acquiring Neat Ideas has accelerated the compilation of the technology stack, incorporated card linked offers for frictionless, real-time, and personalised payments, and added exclusive, curated offers. It offers employees and loyalty members the ability to easily use their accrued points for consumer products and services.

It has extended Gratifii's client base in the industries with the highest projected loyalty growth, provided an extensive catalogue of personalised, best in class offers to overlay with Gratifii's Mosaic platform, and added a customer facing front-end module to provide an end-to-end solution for Gratifii's existing,

innovative, fast, and highly configurable SaaS loyalty and rewards engine.

The acquisition of Neat Ideas has allowed us to take advantage of key synergies only available through vertical integration, to perfectly complement the Mosaic software engine.

### **New partner**

We welcomed a new partner to our network. In July, we signed an agreement with OpenSparkz to provide access to Visa, MasterCard and Eftpos rails, enabling Card Linked Offer (CLO) services for Gratifii's clients. The agreement is for a five-year period with options to extend, and initially covers Australia, New Zealand, South Africa, and the UAE.

The solution will see Gratifii's Mosaic platform fully integrated with OpenSparkz's API driven platform, allowing customers to access real-time transaction data from all major credit card schemes. It will also provide users with access to their preferred loyalty program via a single front-end application without the need for separate membership cards, coupons, or vouchers.

Employers and members can now register a credit card with a loyalty program once and earn rewards every time they transact with the brand, without the need for individual branded program cards. This makes earning points automatic and frictionless, allowing Gratifii to introduce 'instant cashback' as a rewards category.

### **New deals**

Over the past 12 months, we have signed three new client contracts. Each of these new relationships further validate the early adoption of our next generation digital enterprise loyalty, rewards, and engagement platform, Mosaic.

In March this year, we signed a two-year Platform as a Service (PaaS) license agreement on a rolling 12-month renewal, with British American Tobacco (BAT) South Africa to expand a loyalty program for its extensive merchant base. In February this year, we signed a 12-month contract with rolling 12-month renewals with Flash Mobile, who built Africa's largest informal retail network, processing millions of daily transactions through over 190,000 merchants. Under a PaaS based model, revenue is based on transaction volumes, which we expect to grow steadily over time. In December 2020, we signed a three-year PaaS license agreement with The Unlimited, a South African financial services business specialising in insurance, with approximately 700,000 customers. The first two clients went live during the second half of FY2021 and The Unlimited is scheduled to go live in the first half of FY2022.

During the financial year, we also went live with a feature set of Mosaic for BAT, allowing it to interface its corporate Salesforce application to over 170,000 Point Of Sale terminals in South Africa. We are also on track to roll out our new modules to existing client, Nedbank.

We are focused on securing additional new enterprise clients and migrating existing clients to the new Mosaic platform by the end of the 2021 calendar year.

### **New leaders**

We welcomed three new Non-Executive Directors to Gratifii's Board over the past financial year, to increase the number of independent directors. Mr Bryan Zekulich and Mr Mike Hill were appointed in December 2020, and Mr Stephen Borness was appointed in May 2021. We are delighted to have people of this calibre to help us drive Gratifii forward.

Mr Alberto Basile resigned from the Board in January 2021 in line with the terms of the Binding Deed of Settlement signed with Lakeba Ventures, and Mr Chris Joseph retired in May 2021 after ten years of service. We wish them well for the future and note that Chris will continue to provide on-going consulting services as needed.

We also welcomed Mr Justin Jefferies as our new Chief Operations Officer, Mr Renier Meintjes as Head of Operations for Africa and the Middle East, and Ms Alexa Hien as our Head of Product.

### **Outlook**

The acquisition of Neat Ideas, coupled with our OpenSpark partnership, completes the Mosaic platform, and provides flexible and ubiquitous access to customer preferred loyalty programs to grow engagement and improve loyalty for customers and employees across the four markets where Gratifii operates.

It opens new potential revenue opportunities to complement our existing Mosaic platform and represents the final piece of our loyalty and rewards offering. It provides us with the ability to deliver a merchant funded loyalty and rewards platform that is scheme, bank, and Point of Sale (POS) vendor agnostic. This is strategically significant to Gratifii, materially adding to its service offering.

By positioning ourselves as an enterprise SaaS enabler in the loyalty and rewards space, we expect to continue to develop a strong pipeline of new corporate opportunities that we can deliver over the coming quarters. These opportunities include enterprises across our target sectors of retail, telecommunications, insurance, financial services, hospitality, and health and wellbeing.

We are focused on three specific areas of growth: Firstly, land and expand which consists of increasing volume-based use, additional third party content and the roll-out of the new Mosaic module; Secondly, acquisitions, including content providers, employee engagement companies and the delivery of end-to-end solutions; and, thirdly, new direct customers, including expanding our business development function, new potential customers who are well engaged in the markets in which we already operate, new software validated by large enterprise, and an international pipeline of opportunities to deliver improved growth rates in annual recurring revenue in the short to medium term, as new clients go-live and new modules are rolled out.

We believe the Company is now positioned to deliver on the opportunities we find before us. We have strengthened our balance sheet, restructured the Board, added experience to our senior management teams, are delivering the next generation of platform services to our growing customer base, begun generating a growing stream of SaaS revenue, and have a strong pipeline of new opportunities in Australia, South Africa, and the Middle East.

It continues to be difficult to forecast client revenue as circumstances relating to COVID-19 and lockdowns change in each of the jurisdictions in which we operate. However, we do expect to see average monthly revenues growing with increased activity on the platform (and easing of COVID-19 restrictions), and greater penetration with Mosaic across the client base.

On behalf of the Board, I would like to thank our shareholders, our clients and our employees for their support and contribution.



**IAIN DUNSTAN**  
**EXECUTIVE CHAIRMAN**

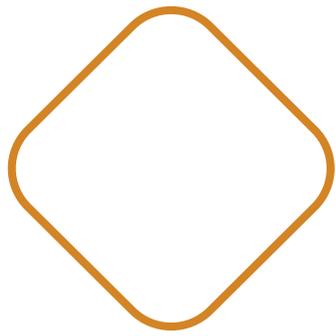
# MAJOR CORPORATES TRUST GRATIFII



# EXCLUSIVE OFFERS FROM 250+ PARTNERS



# FINANCIAL REVIEW



## FINANCIAL REVIEW

Revenue from continuing operations for FY2021 was \$3.077 million, profit before tax from continuing operations for FY2021 was \$106,935, and net cash used in operating activities was \$537,165. Australian sales revenue accounted for \$1.122 million, or 36 percent (FY2020: \$780,000), South African revenue accounted for \$1.878 million, or 61 per cent (FY2020: \$1.221 million), and Singaporean revenue accounted for \$76,880, or 3 percent (FY2020: \$69,642).

While the Company's revenue was impacted by the COVID-19 pandemic, the Company is satisfied with its cost-reduction efforts implemented to mitigate the impact, which included reducing employee expenses by expanding offshore development capability and outsourcing several corporate functions.

The Company is now structured to deal with the rapidly changing environment and is well-positioned to continue with its growth strategy and investment.

### GROSS REVENUE

Overall revenue for FY2021 was \$3.077 million compared to \$2.070 million in FY2020. This represents a 48 percent increase, despite revenue from hospitality and retail clients being impacted by COVID-19 restrictions, with restaurant and retail store closures. The increase came from greater transaction revenue from existing clients, predominantly recurring SaaS revenue growth from telco, financial services and hospitality clients using online ordering functionality. The increase is also attributed to \$845,606 of recognised revenue in the financial year from the acquisition of Neat Tickets Pty Ltd (trading as Neat Ideas).

Furthermore, the Company is pleased to report it experienced zero churn during FY2021 from its loyalty and rewards customers.

Research and Development (R&D) grants provided during the calendar year were \$493,858 (compared to \$210,177 R&D grants received in the previous corresponding period). Additionally, the Company received \$359,953 in COVID-19 related government assistance (compared to \$201,132 COVID-19 related payments received in the previous corresponding period).

### PROFIT BEFORE TAX

Profit before tax from continuing operations in FY2021 was \$106,935 compared to a net loss before tax in FY2020 of \$2.514 million. The change was predominantly attributed to a 48 percent increase in higher margin SaaS revenue and a reduced cost base.

Share-based payments totalled \$411,502 for FY2021 (FY2020:\$Nil). Equity-settled and cash-settled share-based compensation benefits are provided to all senior employees.

The Company invested \$2.3 million in the continued development of Mosaic platform. This investment generated a \$667,235 Research & Development grant to assist in accelerating the delivery of the platform.

### TRANSACTION COSTS

#### *Acquisition of Neat Tickets*

On 4 May 2021, the Company acquired 100% of the shares in Neat Tickets Pty Ltd (trading as Neat Ideas), a loyalty and rewards as a service enterprise. The acquisition extends the ability for the Company to not only offer blue chip enterprise customers its agile loyalty software application, but to also manage the effective use of these loyalty schemes by procuring and delivering the rewards and recognition services on behalf of the client. This vertically extends the Company from the provision of software to execution and delivery of the loyalty rewards scheme.

The Company acquired Neat Ideas for \$1,340,035 plus up to another \$700,000 and 1,500,000 shares in Gratifii, contingent on certain milestones being achieved.

### DISCONTINUED OPERATIONS AND IMPAIRMENTS

During FY2020, the Company reviewed its operations and decided to cease its Paid by Coins Pty Ltd operations, a subsidiary of Gratifii. As such, the full investment was impaired during the 2020 calendar year and the entity wound up. The Company viewed this strategic move favourably, to streamline operations and focus on profitable operations.

There are no observable factors, internal or external to the Company, that indicate the Mosaic platform is required to be impaired.

## **DIVIDENDS**

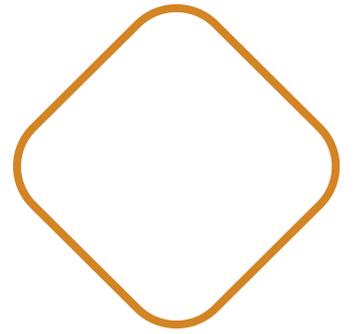
No dividend has been declared in relation to the FY2021 results. The Board of Directors of Gratifii do not expect to declare any dividends from the Company at this stage.

## **LISTING RULE BREACHES AND RECTIFICATION**

On 8 October 2020, Gratifii (at the time Mobecom Limited) received correspondence from the ASX regarding alleged breaches of the ASX Listing Rules by Gratifii. As a result of the ASX correspondence and the subsequent review of Gratifii conducted by the ASX, Gratifii is subject to the following to rectify the ASX Listing Rule breaches:

1. Gratifii will not issue any Equity Securities without shareholder approval until 13 December 2021, unless the issue of Equity Securities falls within an exception set out in ASX Listing Rule 7.2.
2. Gratifii is ineligible to seek shareholder approval pursuant to ASX Listing Rule 7.1A to issue Equity Securities under the additional 10 percent placement capacity until at least its Annual General Meeting held after 13 December 2021.

# THE BOARD OF DIRECTORS



## BOARD OF DIRECTORS

### MEET GRATIFII's BOARD OF DIRECTORS - A GROUP OF KNOWLEDGEABLE BUSINESS EXECUTIVES WITH A TRACK RECORD OF GROWING AND BUILDING BUSINESSES.



#### **IAIN DUNSTAN** EXECUTIVE CHAIRMAN

Iain Dunstan has over 35 years' experience in leading global financial services, technology and ASX listed companies.

Prior to his current role, Iain was the Chief Commercialisation Officer at Lakeba Group. Iain's recent turnaround role was as the CEO of Rubik Financial Limited, a listed software company that developed and implemented banking, wealth management and mortgage broking solutions, primarily in Australia. He managed the sale of the business to Temenos, a Swiss company (Market Cap of US\$9 billion) at a 72% premium to WVAP. He was also the founder of financial services technology company, Bravura Solutions where he developed technology for a client base of banks and superannuation organisations. He was involved in its ASX listing.

He is a Member of the Australian Institute of Company Directors and holds a Master of Commercial Law, an MBA, and is a graduate Member of the Australian Institute of Company Directors.



#### **STEPHEN BORNESS** NON-EXECUTIVE DIRECTOR

Stephen Borness has more than 30 years' experience in leading and developing technology implementation focused organisations, digitisation, and business improvement technologies.

In 1999, he launched and developed a company which used technology and analytics to revolutionise customer relationship management in Australia. Prior to his work in the technology sector, Stephen worked as an investment banker across the Australian, European and US markets.

Stephen is also a Non-Executive Director of publicly listed Beamtree Holding Limited (ASX:BMT).

He is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting), MBA, and CPA.



#### **MIKE HILL** NON-EXECUTIVE DIRECTOR

Mike Hill has more than 20 years' experience working with management teams and Boards across several industries and companies.

Mike is a founder of Bombora Group, a pre-IPO and listed equities boutique growth investor based in Sydney. He was a former Operational Partner of Ironbridge from 2004 to 2014, a private equity firm with \$1.5 billion in funds under management, where he led and was involved in several transactions across a variety of industries.

Prior to this, he was a Partner at Ernst & Young. His current ASX board experience includes Chairman of Janison Education Group, PKS Group and AHAlife Holdings Limited. He was previously on the Boards of Rhipe Limited, Livetiles Ltd, Acrow Formwork and Construction Services Limited.

Mike is a member of the Australian Institute of Chartered Accountants and holds a Bachelor of Arts (Accountancy).



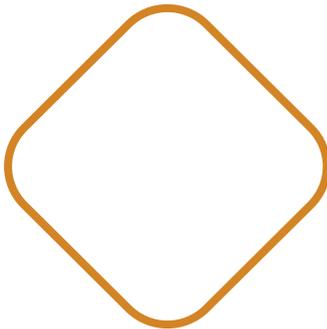
#### **BRYAN ZEKULICH** NON-EXECUTIVE DIRECTOR

Bryan Zekulich has over 20 years' experience in the Australian M&A market, including divestments, strategic finance, capital raisings and advising on ASX listing requirements.

Bryan was the Managing Partner of EY's Private Equity division and is also a Board member, Treasurer and Company Secretary of the Australian Investment Council (formerly the Australian Private Equity and Venture Capital Association "AVCAL"). He is also a Director of Hockey Australia Limited.

Bryan has a Bachelor of Commerce, Fellow of the Institute of Chartered Accountants of Australia (FCA), and Fellow of the Financial Services Institute of Australia (FINSIA), F. Fin.

# BUSINESS RISKS



## BUSINESS RISKS

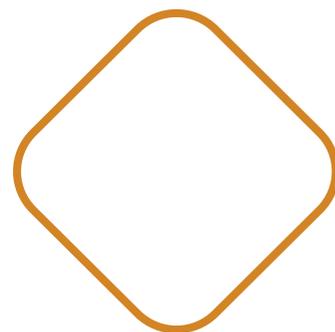
**Gratifii faces a number of company-specific risk factors that may impact its ability to achieve its strategic objectives and create shareholder value.**

RISK	NATURE OF RISK
<b>COMPETITION</b>	<p>The Company has developed a range of software platforms and mobile applications that can be utilised as customer relationship management platforms. The Company competes with other companies in a mature marketplace. Some of these competitors have greater financial and human resource capability than the Company, and as a result may be in a better position to compete and provide services. Although Gratifii has developed a comprehensive and proprietary technology portfolio, there is no guarantee that this value proposition will provide the Company with a competitive advantage over its competitors. There is no assurance that the activities of existing competitors or the entrance of new competitors will not adversely affect the Company's operating results and financial performance, or that Gratifii will be able to keep up with technological developments or fluctuating market conditions as effectively as their competitors. Any adverse impact to Gratifii's operating results and financial performance is likely to have a similarly adverse effect to the financial performance and operating results of the Company.</p>
	<p><b>Mitigation</b></p> <p>Gratifii continues to research and develop cutting edge technology and functionality to keep us ahead of the market, positioning ourselves as a market innovator rather than a market follower.</p>
<b>NEW ENTRANTS AND EXISTING COMPETITORS REPLICATE THE COMPANY PLATFORM</b>	<p>Gratifii's business model requires extensive merchant networks and consumer adoption to be successful. While Gratifii aims to be a dominant supplier of consumer engagement technologies in the three regions in which it presently operates, there is no assurance that a competitor with significant financial resources cannot copy what Gratifii has done or bring an alternative product to the market. If new entrants or existing competitors replicate Gratifii platforms, the financial performance of the Company is likely to be adversely affected.</p>
	<p><b>Mitigation</b></p> <p>Gratifii offers more than just a state-of-the-art platform. We provide expertise in the loyalty environment where we partner with our clients to provide best of class service and service offerings.</p>
<b>PRIVACY REGULATIONS</b>	<p>Gratifii takes consumer privacy seriously and has strategies and protections in place to minimise security breaches and to protect data. However, there is no guarantee that these security measures could not be breached. If consumer privacy is breached, the Company may suffer reputational damage or be subject to an action from consumers or regulatory authorities, which is likely to impact the Company's financial results.</p>
	<p><b>Mitigation</b></p> <p>Mosaic complies with best practises globally for data in general. HTTPS and TLS is used for data in transit and any PII data is encrypted with CLE and TDE. The databases themselves are encrypted.</p>

RISK	NATURE OF RISK
<b>DATA SECURITY</b>	<p>Gratifii has strategies and protections in place to minimise security breaches and to protect data. However, there is no guarantee that these security measures could not be breached. If Gratifii's security measures are breached or the programs are subject to any form of cyber-attacks, then consumers may stop using the products, and the Company may suffer significant reputational damage.</p>
	<p><b>Mitigation</b></p> <p>Gratifii applies a depth in defence strategy across its technology platform as well securing all data through encryption.</p>
<b>MANAGEMENT AND STAFF</b>	<p>Gratifii's operational success depends on the continuing efforts and retention of its management team and staff. If Gratifii is not able to attract and retain new team members, the business may be adversely affected.</p>
	<p><b>Mitigation</b></p> <p>The Board reviews the incentive structures of key personnel and senior management to ensure their remuneration is in line with the market. All members of the senior management team participate in the Company's Employee Share Option Plan which vests the options over a three-year period.</p>
<b>INTELLECTUAL PROPERTY</b>	<p>Gratifii has developed and owns all its products and software. The Company has copyright protection over its products and software, but none of these are patentable. These products are complex and work across a number of internet, smart phone platforms and software operating systems and so are difficult to recreate; but this will not prevent others from copying the Company's solutions. If the Company's intellectual property rights cannot be protected, have not been protected adequately or are not protected, competitors may utilise the Company's intellectual property, which may adversely affect the Company's ability to compete effectively in the market and the Company's financial performance. While the Company has not, to the best of its knowledge, infringed any third parties' intellectual property rights, the Company may, in the future, face intellectual property infringement claims or litigation. If third parties claim involvement in developing the technology used in the Company's products, or if the Company infringes third party intellectual property, the Company's operations and financial performance may be adversely affected.</p>
	<p><b>Mitigation</b></p> <p>The Company continues to invest in its intellectual property to stay ahead of its competitors. The unique product features of our intellectual property acts as an on-going mitigant to this risk.</p>

RISK	NATURE OF RISK
<b>THIRD PARTY PLATFORMS</b>	<p>Gratifii's products are reliant on stable internet and 3G, 4G and 5G mobile services. The Company's performance is therefore dependent on the ability of its staff and products to continue to develop and operate on these platforms. Any changes in these platforms and operating systems may adversely affect the Company's ability to deliver services.</p>
	<p><b>Mitigation</b></p> <p>Gratifii has health end point checks across all of its infrastructure as well as insights and monitoring on all third-party applications and integrations, allowing us to be proactive in monitoring and supporting our third-party applications.</p>
<b>FOREIGN EXCHANGE RISK</b>	<p>As a globally focused Company, Gratifii will be exposed to currency price fluctuations between Australia and Singapore, UAE, and South Africa. The Company's potential exposure relates to foreign exchange rate fluctuations and foreign exchange charges which may result in the price of the Company's securities to fluctuate for reasons unrelated to the Company's financial condition or performance.</p>
	<p><b>Mitigation</b></p> <p>The Company has moved the majority of expenses into the jurisdiction in which they are incurred, excluding head office expenses. This acts as a natural hedge.</p>
<b>RISK OF SOFTWARE ERRORS</b>	<p>If the Company fails to identify bugs, operating errors or other defects in software products, these products may not perform properly, causing reputational damage. If the Company identifies errors in its software products, the Company may need to provide updates or software patches to correct these errors, which may be costly and time consuming.</p>
	<p><b>Mitigation</b></p> <p>Mosaic has a robust development and testing cycle using both manual and automation testing across three environments. This allows us to mitigate the development risks as well as systematic risks. An RFC is performed as well as regression testing is completed before and after every release.</p>

# DIRECTORS' REPORT



## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2021

The Directors of Gratifii Limited (“Gratifii” and/or “the Company”) present their Report together with the financial statements of the consolidated entity, being Gratifii Limited and its controlled entities (the “Gratifii Group” or “the Group”), for the year ended 30 June 2021.

#### DIRECTORS

The following persons held office as Directors of Gratifii Limited during or since the end of the reporting period and up to the date of this report:

##### Iain Dunstan

Executive Chairman and Chief Executive Officer

Date of appointment as Executive Chairman: 17 April 2020

Date of appointment as Chief Executive Officer: 13 February 2020

##### Expertise and experience

Iain Dunstan has held senior management positions in technology companies for over 30 years, including an extensive listed company and M&A background. Iain was appointed to the role of Executive Chairman in April 2020. Iain was previously the CEO of ASX-listed companies IncentiaPay Limited and Rubik Financial Limited. Prior to that he was the founder and CEO of ASX listed Bravura Solutions where he grew the business from 0 to 700 employees operating in nine countries. He is a former Ernst & Young Entrepreneur of the Year winner in the Technology, Communications, e-Commerce, and Life Sciences Category. He has a Masters degree in Commercial Law from Macquarie University and an MBA from Macquarie Graduate School of Management. He is also a Graduate Member of the Australian Institute of Company Directors.

##### Special responsibilities

Chief Executive Officer

##### Other current directorships in listed entities

Nil

##### Former directorships in listed entities in the last 3 years

IncentiaPay Limited

##### Interest in shares and options

5,787,491 fully paid ordinary shares and 24,811,299 options under the following conditions:

Grant date	Expiry date	Exercise price	Number under option
03 September 2019	10 July 2022	\$0.05	2,947,135
13 February 2020	13 February 2023	\$0.0336	4,983,776
12 February 2020	12 February 2024	\$0.05	5,325,284
29 January 2021	17 April 2023	\$Nil	6,000,000
13 February 2021	13 February 2024	\$0.03	5,555,104

### **Stephen Borness**

Non-Executive Director

Date of appointment: 6 May 2021

#### **Expertise and experience**

Stephen Borness has founded and directed strategy for several technology and customer experience related private companies and was Board Chair and Finance Director of Pavilion Health before it merged with PKS (now Beamtree Holdings Limited). He has led projects and has expertise in implementation of digital technologies, customer engagement and data analytics. Prior to focusing on technology, Stephen worked as an investment banker across the Australian, European and US markets. Stephen is a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting), MBA and CPA.

#### **Special responsibilities**

Nil

#### **Other current directorships in listed entities**

Beamtree Holdings Limited (ASX:BMT)

#### **Former directorships in listed entities in the last 3 years**

Nil

#### **Interest in shares and options**

2,000,000 fully paid ordinary shares

### **Mike Hill**

Non-Executive Director

Date of appointment: 29 December 2020

#### **Expertise and experience**

Formerly a Partner of Ernst & Young, Mike Hill has been involved in working with management teams and boards across a number of companies and industries for more than 20 years. He is the MD, CIO and Founder of the Bombora Special Investments Fund. Prior to Bombora, he was an investment partner with Ironbridge, a private equity investment fund which invested \$1.5 billion. Mike has served on multiple ASX-listed companies over the past seven years. He is a Member of the Institute of Chartered Accountants in Australia.

#### **Special responsibilities**

Nil

### **Other current directorships in listed entities**

Non-Executive Chairman of Design Milk Co Limited (ASX:DMC), Pacific Knowledge Systems Limited (ASX:PKS) and Janison Education Ltd (ASX: JAN). Non-Executive Director of Madpaws Limited (ASX:MPA)

#### **Former directorships in listed entities in the last 3 years**

Non-Executive Director of LiveTiles Limited (ASX:LVT) (resigned on 5 September 2018), LawFinance Limited (ASX:LAW) (resigned on 27 November 2018) and Acrow Formwork and Construction Limited (ASX:ACF) (resigned 19 September 2019). Non-Executive Chairman of Rhipex Limited (ASX:RHP) (resigned 26 March 2019).

#### **Interest in shares and options**

2,500,000 fully paid ordinary shares, and 1,500,000 options exercisable at \$0.03 by 13 February 2024. The vesting is subject to the achievement of annual revenue targets.

### **Bryan Zekulich**

Non-Executive Director

Date of appointment: 29 December 2020

#### **Expertise and experience**

Bryan Zekulich was the Managing Partner of EY's Private Equity division and is also a Board member, Treasurer and Company Secretary of the Australian Investment Council (formerly the Australian Private Equity and Venture Capital Association "AVCAL"). He is also a Director of Hockey Australia Limited. Bryan has a Bachelor of Commerce from The University of Western Australia, Fellow of the Institute of Chartered Accountants of Australia (FCA) and Fellow of the Financial Services Institute of Australia (FINSIA), F. Fin.

#### **Special responsibilities**

Nil

#### **Other current directorships in listed entities**

Non-Executive Director of BikeExchange Limited (ASX:BEX)

#### **Former directorships in listed entities in the last 3 years**

Nil

## Interest in shares and options

5,000,000 fully paid ordinary shares, and 1,500,000 options exercisable at \$0.03 by 13 February 2024. The vesting is subject to the achievement of annual revenue targets.

### Dr Alberto Basile

Non-Executive Director

Date of appointment: 9 April 2020

Date of resignation: 8 January 2021

### Christopher Joseph

Non-Executive Director

Date of appointment: 6 April 2020

Date of resignation: 6 May 2021

## COMPANY SECRETARIES

### David Hwang

Date of appointment: 29 December 2020

David is a Principal of Automic Legal and Chief Compliance Officer of Automic Group. He is an experienced executive, corporate lawyer and company secretary specialising in listings on ASX (IPOs and reverse listings), equity capital markets, and providing advice on corporate governance and compliance issues. David currently serves as outsourced company secretary and non-executive director to a number of ASX listed entities. David holds a Bachelor of Law from UNSW.

### Jarrold White

Date of appointment: 31 January 2020

Date of resignation: 29 December 2020

## DIRECTORS' SKILL MATRIX

### SKILLS, EXPERIENCE & EXPERTISE

Name	Position	Independent	INDUSTRY									FINANCE			DIVERSITY		
			Strategy	Corporate Governance	Risk & Compliance	Legal	Health/ Safety/ Environment	Investor/Public Relations	Technical	Product Development	Commercial/Operational	Financial/Accounting	Capital Markets	Mergers & Acquisitions	Ethnicity	Age	Gender
<b>Iain Dunstan</b>	Executive Chairman	No	3	2	2	3	2	2	2	3	3	2	2	3	Aust	59	M
<b>Bryan Zekulich</b>	Non-Executive Director	Yes	3	3	3	1	1	2	0	0	1	3	3	3	Aust	58	M
<b>Mike Hill</b>	Non-Executive Director	Yes	3	2	2	2	2	3	3	3	3	2	3	3	Aust	49	M
<b>Stephen Borness</b>	Non-Executive Director	Yes	3	3	3	3	3	2	3	3	3	3	3	3	Aust	59	M

Skill ratings:

- 3 High level of skill, professional experience of expertise
- 2 Competent level of skill, professional experience of expertise
- 1 Developing level of skill, professional experience of expertise
- 0 No skill, professional experience of expertise

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the reporting period were:

- (i) providing customer engagement technology that delivers end-to-end solutions and curated reward content for businesses to engage with their customers. Its primary offering, Mosaic, is a cloud-based digital loyalty and rewards platform and is Gratifii's business to business application offering. With mobile payment, ordering, booking and local offer capability, the Mosaic platform will be the gateway to new digital lifestyle rewards programs.
- (ii) supplying B2B technology solutions to clients, built on its Mosaic proprietary technology, to deliver a complete end-to-end set of customer engagement technology requirements, including both back-end (databases) and front-end technology (design, mobile applications, and websites).

## DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## REVIEW OF OPERATIONS AND FINANCIAL RESULTS

### Corporate activities

#### *Acquisition of Neat Tickets*

On 4 May 2021, the Company acquired 100% of the shares in Neat Tickets Pty Ltd (trading as Neat Ideas), a loyalty and Rewards as a Service (Raas) enterprise. The acquisition extends the ability for the Company to not only offer blue chip enterprise customers its agile loyalty software application, but to also manage the effective use of these loyalty schemes by procuring and delivering the rewards and recognition services on behalf of the client. This vertically extends the Company from the provision of software to execution and delivery of the loyalty rewards scheme.

## COVID-19 impact

The Company has been impacted by the COVID-19 pandemic. While there has been a revenue impact, the Company is satisfied with its cost-reduction efforts to mitigate the impact. The Company is now structured to deal with the rapidly changing environment and is well-positioned to continue with its growth strategy and investment.

## COPORATE GOVERNANCE STATEMENT

The objective of the Board of Gratifii Limited is to create and deliver long-term shareholder value. While each area of the Company's business activities holds significant value and makes a substantial contribution towards achieving the Board's objective, management of the synergies arising from the interrelations between the various business activities is critical to achieving the objective of creating and delivering long-term shareholder value.

The Board considers there to be an unambiguous and positive relationship between the creation and delivery of long-term shareholder value and high-quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness among and between board members, management, employees, customers and suppliers.

Gratifii Limited and its subsidiaries operate as a single economic entity with a unified board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic Group.

## Financial review

Summary of the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<b>Year ended 30 June 2021</b>	<b>Year ended 30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Revenue from continuing operations	3,077,377	2,070,111
Profit/(loss) before income taxation from continuing operations	106,935	(2,514,471)
Share-based payments	411,502	-
Profit/(loss) from continuing operations before taxation, non-recurring expenditure & share-based payments	518,437	(2,514,471)
Profit/(loss) from discontinued operations	-	(6,374,528)

Revenue from continuing operations for the year ended 30 June 2021 was \$3,077,377 (30 June 2020: \$2,070,111) representing a 48% increase over the prior comparative period.

The profit for the Group from continuing operations before providing for income tax amounted to \$106,935 (2020: loss \$2,514,471). There was no non-recurring expenditure in the current reporting period. Share-based payments for the year ended 30 June 2021 totalled \$411,502 (2020: \$Nil).

Trade and other receivables for the year ended 30 June 2021 amounted to \$986,841 (2020: \$730,640).

Set out below is a summary of the pro-forma results of the Company, to include the impact of Neat Ideas (acquired in May 2021) as if it had been owned from 1 July 2020.

	CURRENT PERIOD	ADD NEAT IDEAS FULL YEAR PRO-FORMA <sup>(i)</sup>	COMBINED PRO-FORMA FULL YEAR	PREVIOUS PERIOD
	30 JUN 2021	30 JUN 2021	30 JUN 2021	30 JUN 2020
	\$	\$	\$	\$
<b>Pro-forma results</b>				
<b>Total revenue</b>				
Revenue SaaS software sales	2,231,771	-	2,231,771	2,070,111
Revenue reward offers	845,606	5,959,473	6,805,079	-
Other revenue - R&D and grants	1,025,746	192,915	1,218,661	419,522
Total revenue <sup>i</sup>	4,103,123	6,152,388	10,255,511	2,489,633
<b>Cost of sales</b>				
Cost Sales - Rewards offers	(263,601)	-	(263,601)	(264,052)
Cost Sales - Rewards offers	(758,499)	(5,311,233)	(6,069,732)	-
Cost of sales	(1,022,100)	(5,311,233)	(6,333,333)	(264,052)
<b>Operating expenditure</b>				
Administration and corporate costs	(1,728,910)	(316,039)	(2,044,949)	(2,135,192)
Employee benefits expense	(1,497,751)	(318,703)	(1,816,454)	(2,252,608)
Foreign exchange losses	-	-	-	(58,449)
Operating expenditure	(3,226,661)	(634,742)	(3,861,403)	(4,446,249)
<b>Operating EBITDA</b>	(145,638)	206,413	60,775	(2,220,668)
<b>Other non-recurring and non-cash items</b>				
Depreciation and amortisation	(352,980)	(53,156)	(406,136)	(59,967)
Impairment of intangibles	-	(2,497)	(2,497)	(6,203,995)
Finance costs	(300,635)	(18,156)	(318,791)	(441,477)
Employee benefits expense - share based payments	(411,502)	-	(411,502)	-
Restructuring costs	(401,720)	-	(401,720)	-
Gain loan forgiveness	1,719,410	-	1,719,410	-
Other non recurring and non cash items	252,573	(73,809)	178,764	(6,705,439)
<b>Closed operations <sup>i</sup></b>				
Revenue	-	-	-	1,368,600
Cost of sales	-	-	-	(1,331,492)
Profit/(loss) before income tax	106,935	132,604	239,539	(8,888,999)

(i) Paid by Coins Pty Ltd exited FY2020A.

(ii) Pro-forma adjustments are for the 11 months trading to June 2021 (acquired May 2021) adjusted to account for June 2021 gross margin result but excludes operational cost base for June 2021, as it is not practical to estimate.

The above sets out the results of the Company, together with a pro-forma adjustment to include the FY2021A results of Neat Ideas (acquired May 2021), as if it had been a subsidiary of the Company for the 12-month period ended 30 June 2021. The table also sets out the results considered to represent the operations of the Company to provide a clear view of the Operating EBITDA for FY2021A and FY2020A. Total pro-forma FY2021 revenue is \$10.2 million, or a growth of 312% compared to FY2020A. Operating EBITDA has improved markedly from the FY2020A result, with a break-even result, compared to FY2020A at a loss of \$2.2 million.

### **CHANGES IN STATE OF AFFAIRS**

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

### **FUTURE DEVELOPMENTS AND BUSINESS STRATEGIES**

Gratifii's existing business model comprises three major revenue streams:

- (i) a one-off license, setup and implementation fee (for highly bespoke solutions, a development and customisation fee is also charged);
- (ii) annuity/recurring/SaaS fees – these include number of options, such as group monthly management fees, transaction fees, membership fees, and/or a fee per outlet; and
- (iii) revenue streams from curated rewards content, which includes voucher issue or redemption commission, rentals, program administration and services fees.

Gratifii's strategy is to grow its business and revenues by engaging in 'B2B2C' relationships with selected strategic partners in the Direct to Consumer (D2C) market. This transition will seek to exploit the potential growth prospects available from the development of mobile applications, namely Mosaic, that allow Gratifii to communicate and transact with businesses which deal directly with consumers.

### **ASX LISTING RULE BREACHES AND RECTIFICATION**

On 8 October 2020, Gratifii Limited (at the time Mobecom Limited) received correspondence from the ASX in regard to alleged breaches of the ASX Listing Rules by Gratifii Limited. As a result of the ASX Correspondence and the subsequent review of Gratifii conducted by the ASX, Gratifii is subject to the following to rectify the ASX Listing Rule breaches:

1. Gratifii will not issue any Equity Securities without shareholder approval until 13 December 2021, unless the issue of Equity Securities falls within an exception set out in ASX Listing Rule 7.2.
2. Gratifii is ineligible to seek shareholder approval pursuant to ASX Listing Rule 7.1A to issue Equity Securities under the additional 10% placement capacity until at least its Annual General Meeting held after 13 December 2021.

### **EVENTS AFTER THE REPORTING PERIOD**

Since the end of the reporting period, the following events occurred:

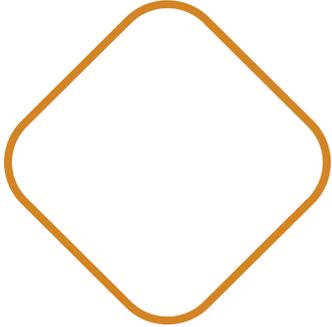
- On 1 July 2021, the Group announced the signing of a Platform Agreement with OpenSparkz Pty Ltd to provide access to Visa, MasterCard and Eftpos rails, enabling Card Linking services to the Group's clients.
- On 1 July 2021, the Group announced a change of its registered office to Level 2, 25 Cooper Street, Surry Hills NSW 2010.
- On 20 July 2021, the Group announced the expiration of 2,411,641 options.
- On 26 August 2021, the Group announced the expiration of 1,333,332 options with a cessation date effective 30 June 2021.

The impact of the COVID-19 pandemic is on-going and while it has had some impact on retail and hospitality clients, the Company is seeing a recovery from the pandemic and is well-positioned to continue with its growth strategy and investment.

### **ENVIRONMENTAL REGULATION**

The Group is not subject to any significant environmental regulation under the Australian Commonwealth or State law or in any other jurisdiction where it operates.

# REMUNERATION REPORT



## REMUNERATION REPORT

This report details the nature and amount of each element of the emoluments of the key management personnel of the Group.

### REMUNERATION POLICY

The remuneration policy of the Group has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.
- The Board will review key management personnel packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors.

Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

Options may be issued to Directors to provide a mechanism to participate in the future development of the Group and an incentive for their future involvement with and commitment to the Group.

Key management personnel receive a superannuation guarantee contribution (where applicable) as required if applicable and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the Group and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in the Employee Option Plan.

### NAMES AND POSITIONS HELD BY KEY MANAGEMENT PERSONNEL IN OFFICE AT ANY TIME DURING THE FINANCIAL YEAR ARE:

DIRECTORS	
I Dunstan	Executive Chairman (appointed 17 April 2020)
S Borness	Non-Executive Director (appointed 6 May 2021)
M Hill	Non-Executive Director (appointed 29 December 2020)
B Zekulich	Non-Executive Director (appointed 29 December 2020)
A Basile	Non-Executive Director (resigned 8 January 2021)
C Joseph	Non-Executive Director (resigned 6 May 2021)

## A. KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the year ended 30 June 2021 are set out in the following table:

	SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		TOTAL
	CASH SALARY AND FEES	SUPERANNUATION	EQUITY-SETTLED SHARES	EQUITY-SETTLED OPTIONS	
	\$	\$	\$	\$	\$
I Dunstan	234,290	22,317	-	336,149 <sup>(iii)</sup>	592,756
S Borness <sup>(i)</sup>	10,950	-	-	-	10,950
M Hill	30,476	2,895	-	5,062	38,433
B Zekulich	30,476	2,895	-	5,062	38,433
A Basile	-	-	30,000	-	30,000
C Joseph	207,414	-	-	-	207,414
D Hwang <sup>(ii)</sup>	94,687	-	-	-	94,687
	<b>608,293</b>	<b>28,107</b>	<b>30,000</b>	<b>346,273</b>	<b>1,012,673</b>

(i) Amounts paid to Celerity Associated Pty Ltd, an entity related to Mr Borness.

(ii) Amounts paid to Automic Legal Pty Ltd, an entity related to Mr Hwang.

(iii) Amounts include equity-settled options from prior year, presented in year ended 30 June 2021 as a result of timing differences.

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group for the year ended 30 June 2020 are set out in the following table:

		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		TOTAL
		SUPERANNUATION	EQUITY-SETTLED SHARES	EQUITY-SETTLED OPTIONS	
		\$	\$	\$	\$
I Dunstan	36,511	3,469	-	-	39,980
A Basile	11,067	-	-	-	11,067
C Joseph	230,998	-	-	-	230,998
A Berger	28,500	-	-	-	28,500
F Kempson	5,000	-	-	-	5,000
R Walker	58,064	5,516	-	-	63,580
N Joseph	76,487	4,130	-	-	80,617
D Fisher	45,500	4,323	-	-	49,823
T Ruppert	44,322	-	-	-	44,322
G Porcelli	123,710	11,752	-	-	135,462
P Pitcher	127,014	-	-	-	127,014
S Smith	220,000	20,900	-	-	240,900
	<b>1,007,173</b>	<b>50,090</b>	<b>-</b>	<b>-</b>	<b>1,057,263</b>

## PERFORMANCE INCOME AS A PROPORTION OF TOTAL INCOME

No bonuses were paid to key management personnel during the 2021 or 2020 financial years.

## B. OPTIONS ISSUED AS PART OF REMUNERATION

The number of options over ordinary shares granted as compensation to key management personnel during the reporting period and during the 2020 comparative period are set out below:

	BALANCE AT 1 JULY 2020 \$	GRANTED AS REMUNERATION \$	BALANCE AT 30 JUNE 2021 \$
I Dunstan	-	24,811,299	24,811,299
M Hill	-	1,500,000	1,500,000
B Zekulich	-	1,500,000	1,500,000
	-	<b>27,811,299</b>	<b>27,811,299</b>

The options listed above have the following terms attached:

HOLDER	GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
Iain Dunstan	03 September 2019	10 July 2022	\$0.05	2,947,135
Iain Dunstan	13 February 2020	13 February 2023	\$0.0336	4,983,776
Iain Dunstan	12 February 2020	12 February 2024	\$0.05	5,325,284
Iain Dunstan	29 January 2021	17 April 2023	\$Nil	6,000,000
Iain Dunstan	13 February 2021	13 February 2024	\$0.05	5,555,104
Mike Hill	13 February 2021	13 February 2024	\$0.03	1,500,000
Bryan Zekulich	13 February 2021	13 February 2024	\$0.03	1,500,000

There were no options exercised during the year or the comparative period that were granted as compensation in prior periods.

## C. SHARE HOLDINGS

The number of securities in the Company held by each of the key management personnel, including their related parties for the year ended 30 June 2021 are set out in the following table:

	BALANCE AT START OF THE PERIOD No.	RECEIVED AS PART OF REMUNERATION No.	ADDITIONS No.	DISPOSALS No.	BALANCE AT END OF THE PERIOD No.
I Dunstan	-	-	5,787,491	-	5,787,491
S Borness	-	-	2,000,000	-	2,000,000
M Hill	-	-	2,500,000	-	2,500,000
B Zekulich	-	-	5,000,000	-	5,000,000

The number of securities in the Company held by each of the key management personnel, including their related parties for the year ended 30 June 2020 are set out in the following table:

	<b>BALANCE AT START OF THE PERIOD No.</b>	<b>RECEIVED AS PART OF REMUNERATION No.</b>	<b>ADDITIONS No.</b>	<b>DISPOSALS No.</b>	<b>BALANCE AT END OF THE PERIOD No.</b>
I Dunstan	-	-	-	-	-
A Basile	-	-	-	-	-
C Joseph	9,669,763	-	-	-	9,669,763
R Walker	2,241,118	-	-	-	2,241,118
N Joseph	27,773,834	-	-	-	27,773,834
D Fisher	624,621	-	624,621	-	1,249,242
T Ruppert	2,500,000	-	-	-	2,500,000
G Porcelli	45,353,596	113,828	-	-	45,467,424
P Pitcher	6,081,986	-	-	-	6,081,986
S Smith	3,502,992	-	-	-	3,502,992
	<b>97,747,910</b>	<b>113,828</b>	<b>624,621</b>	<b>-</b>	<b>98,486,359</b>

## MEETINGS OF DIRECTORS

The number of meetings of directors held during the year and the number of meetings attended by each Director were as follows:

<b>DIRECTOR</b>	<b>NUMBER ELIGIBLE TO ATTEND</b>	<b>NUMBER ATTENDED</b>
I Dunstan	6	6
S Borness	2	2
M Hill	4	3
B Zekulich	4	4
A Basile	2	2
C Joseph	4	4

## INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the reporting period from 1 July 2020 to 30 June 2021, the Company paid an insurance premium to insure the Directors and Officers of the Group. The Officers of the Company covered by the insurance policy include all Directors and the Company Secretary. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company. Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

## SHARE OPTIONS

Details of unissued shares or interests of Gratifii under option at the date of this report are:

GRANT DATE	NUMBER UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE	EXPIRY DATE
03 September 2019	2,947,135	Ordinary	\$0.05	10 July 2022
13 February 2020	4,983,776	Ordinary	\$0.0336	13 February 2023
12 February 2020	7,100,379	Ordinary	\$0.05	12 February 2024
29 January 2021	6,000,000	Ordinary	\$Nil	17 April 2023
11 March 2021	5,555,104	Ordinary	\$0.03	11 March 2026
13 February 2021	8,555,104	Ordinary	\$0.05	13 February 2024
<b>TOTAL</b>	<b>35,141,498</b>			

## NON-AUDIT SERVICES

There were no non-audit services provided in the year.

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 33 of the Annual Report and forms part of the Directors' report.

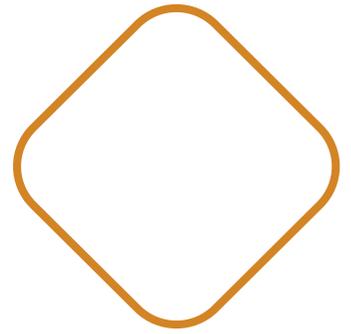
Signed in accordance with a resolution of the Board of Directors.



**IAIN DUNSTAN**  
**EXECUTIVE CHAIRMAN**

Date: 7 September 2021

# AUDITOR'S INDEPENDENCE DECLARATION





**GRATIFII LIMITED  
AND CONTROLLED ENTITIES  
ABN: 47 125 688 940**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE  
CORPORATIONS ACT 2001  
TO THE DIRECTORS OF GRATIFII LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

MNSA Pty Ltd

**MNSA Pty Ltd**

**Mark Schiliro**  
Director

Sydney

Dated this 7<sup>th</sup> of September 2021

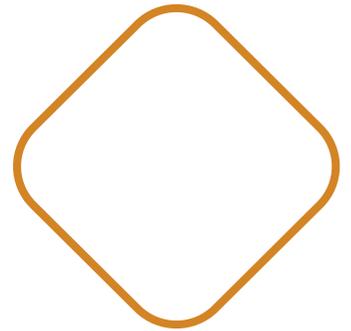
MNSA Pty Ltd  
ABN 59 133 605 400

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GPO Box 2943 Sydney 2001

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Email [admin@mnsa.com.au](mailto:admin@mnsa.com.au)

Liability limited by the  
Accountants Scheme,  
approved under the  
Professional Standards  
Act 1994 (NSW)

# FINANCIAL STATEMENTS



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
Revenue from continuing operations	3	3,077,377	2,070,111
Costs of sales	4	(1,022,100)	(264,052)
<b>Gross profit</b>		<b>2,055,277</b>	<b>1,806,059</b>
Other revenue	5	2,746,106	420,826
Operational expenditure		(72,559)	-
Depreciation and amortisation		(352,980)	(59,967)
Impairment of intangibles		-	(6,934)
Administrative and other corporate costs	6	(1,656,430)	(1,956,396)
Finance costs	7	(301,585)	(410,817)
Marketing costs		-	(1,699)
Restructuring costs		(401,641)	-
Employee benefits expense	7	(1,497,751)	(2,247,208)
Employee benefits expense - share-based payments	7	(411,502)	-
Foreign exchange losses		-	(58,335)
<b>Profit/(loss) before income tax from continuing operations</b>		<b>106,935</b>	<b>(2,514,471)</b>
Income tax expense	23	(47,654)	-
<b>Profit/(loss) after income tax from continuing operations</b>		<b>59,281</b>	<b>(2,514,471)</b>
Profit/(loss) after income tax from discontinued operations	36	-	(6,374,528)
<b>Profit/(loss) after income tax for the year</b>		<b>59,281</b>	<b>(8,888,999)</b>
Foreign exchange movement including on intercompany loans		(386,766)	124,978
Gain on derecognition of subsidiaries		317,477	929,479
Gain on derecognition of non-controlling interest liability		99,502	-
<b>Total comprehensive profit/(loss)</b>		<b>89,494</b>	<b>(7,834,542)</b>
<b>Profit/(loss) for the year is attributable to:</b>			
Non-controlling interest		-	(35,493)
Owners of Gratifii Limited		-	-
<b>Total comprehensive profit/(loss) for the year</b>		<b>89,494</b>	<b>(7,870,035)</b>
<b>PROFIT/(LOSS) PER SHARE:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share from continuing operations	22	0.01	(0.93)
Diluted earnings/(loss) per share from continuing operations	22	0.01	(0.93)
Basic earnings/(loss) per share from discontinued operations	22	-	(2.36)
Diluted earnings/(loss) per share from discontinued operations	22	-	(2.36)
Basic earnings/(loss) per share attributed to owners of Gratifii Limited	22	0.01	(3.29)
Diluted earnings/(loss) per share attributed to owners of Gratifii Limited	22	0.01	(3.29)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	2,227,915	69,118
Trade and other receivables	10	986,841	730,640
Inventory	11	1,256,838	-
Other assets	12	174,358	54,899
<b>TOTAL CURRENT ASSETS</b>		<b>4,645,952</b>	<b>854,657</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	13	4,525,943	765,481
Plant and equipment	14	246,232	188,140
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,772,175</b>	<b>953,621</b>
<b>TOTAL ASSETS</b>		<b>9,418,127</b>	<b>1,808,278</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	3,272,271	3,246,739
Deferred revenue	16	4,333	66,959
Provisions	17	232,585	217,239
Borrowings	18	2,800,000	2,688,364
Lease liability	19	99,580	85,475
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,408,769</b>	<b>6,304,776</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	15	-	502,770
Provisions	17	3,992	66,553
Borrowings	18	1,683,426	-
Lease liability	19	8,014	63,064
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,695,432</b>	<b>632,387</b>
<b>TOTAL LIABILITIES</b>		<b>8,104,201</b>	<b>6,937,163</b>
<b>NET ASSETS/(DEFICIENCY)</b>		<b>1,313,926</b>	<b>(5,128,885)</b>
<b>EQUITY</b>			
Share capital	20	34,027,091	27,905,355
Reserves	21	(113,691)	2,905,570
Accumulated losses		(32,599,474)	(35,840,308)
<b>PARENT ENTITY NET ASSETS/(DEFICIENCY)</b>		<b>1,313,926</b>	<b>(5,029,383)</b>
Non-controlling interest		-	(99,502)
<b>EQUITY NET ASSETS/(DEFICIENCY)</b>		<b>1,313,926</b>	<b>(5,128,885)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

The accompanying notes form part of these financial statements.

<b>30 JUNE 2021</b>	<b>ISSUED CAPITAL</b>	<b>FOREIGN CURRENCY RESERVE</b>	<b>ACCUMULATED LOSSES</b>	<b>OPTION RESERVE</b>	<b>NON- CONTROLLING INTEREST</b>	<b>TOTAL</b>
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2020</b>	<b>27,905,355</b>	<b>(138,427)</b>	<b>(35,840,308)</b>	<b>3,043,997</b>	<b>(99,502)</b>	<b>(5,128,885)</b>
Profit after income tax for the year	-	-	59,281	-	-	59,281
Other comprehensive income for the year after tax	-	(386,766)	-	-	-	(386,766)
Gain on derecognition of non-controlling interest liability	-	-	-	-	99,502	99,502
Gain on derecognition of subsidiaries	-	-	317,477	-	-	317,477
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(386,766)</b>	<b>376,758</b>	<b>-</b>	<b>99,502</b>	<b>89,494</b>
Issue of shares (net of costs)	5,941,815	-	-	-	-	5,941,815
Issue of options	-	-	-	411,502	-	411,502
Lapsing of options	-	-	2,864,076	(2,864,076)	-	-
Conversion of options into shares	179,921	-	-	(179,921)	-	-
<b>Balance as at 30 June 2021</b>	<b>34,027,091</b>	<b>(525,193)</b>	<b>(32,599,474)</b>	<b>411,502</b>	<b>-</b>	<b>1,313,926</b>

<b>30 JUNE 2020</b>	<b>ISSUED CAPITAL</b>	<b>FOREIGN CURRENCY RESERVE</b>	<b>ACCUMULATED LOSSES</b>	<b>OPTION RESERVE</b>	<b>NON- CONTROLLING INTEREST</b>	<b>TOTAL</b>
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2019</b>	<b>26,162,391</b>	<b>(263,405)</b>	<b>(27,880,788)</b>	<b>3,043,997</b>	<b>(64,009)</b>	<b>998,186</b>
(Loss) after income tax for the year	-	-	(8,888,999)	-	(35,493)	(8,924,492)
Other comprehensive income for the year after tax	-	124,978	-	-	-	124,978
Gain on derecognition of subsidiaries	-	-	929,479	-	-	929,479
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>124,978</b>	<b>(7,959,520)</b>	<b>-</b>	<b>(35,493)</b>	<b>(7,870,035)</b>
Issue of shares (net of costs)	1,742,964	-	-	-	-	1,742,964
<b>Balance as at 30 June 2020</b>	<b>27,905,355</b>	<b>(138,427)</b>	<b>(35,840,308)</b>	<b>3,043,997</b>	<b>(99,502)</b>	<b>(5,128,885)</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		3,261,658	3,991,076
Payments for suppliers and employees		(4,323,158)	(6,712,382)
Proceeds from research and development rebates		323,059	-
Proceeds from COVID-19 related government amounts		359,953	-
Finance costs		(158,677)	(349,357)
<b>Net cash used in operating activities</b>	<b>27</b>	<b>(537,165)</b>	<b>(3,070,663)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		-	(3,594)
Payments for intangible assets		(2,338,248)	-
Payments for subsidiaries		(1,340,035)	-
Loss from disposal of entities		-	(334,671)
Proceeds from sale of plant and equipment		94,855	-
<b>Net cash used in investing activities</b>		<b>(3,583,428)</b>	<b>(338,265)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares and capital raising		3,832,847	1,820,404
Proceeds from borrowings		-	1,883,196
Repayment of borrowings		(855,882)	(1,216,950)
Proceeds from issue of convertible debt		4,100,000	210,000
Cost of capital raising		(779,447)	(77,440)
Payments for lease assets		(117,630)	-
Transactions with non-controlling interests		-	(35,493)
<b>Net cash from financing activities</b>		<b>6,179,888</b>	<b>2,583,717</b>
Net increase/(decrease) in cash and cash equivalents		2,059,295	(825,211)
Cash and cash equivalents at the beginning of the financial year		69,118	1,070,201
Effects of exchange rate changes on cash		99,502	(175,872)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>9</b>	<b>2,227,915</b>	<b>69,118</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 1 | STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated general-purpose financial statements and notes of Gratifii Limited ('Gratifii') and controlled entities ('Consolidated Entity' or 'Group').

The principal activities of the Group are to provide customer engagement technology that delivers end-to-end technology solutions for businesses to engage with their customers.

Gratifii Limited is a public and for-profit company, listed on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The Financial report of the Group complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS").

The Annual Report has been authorised by the Board for issue on 7 October 2021.

#### BASIS OF PREPARATION

The accounting policies set out below have been consistently applied to all years presented.

#### STATEMENT OF COMPLIANCE

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards "AASBs" (including Australian Interpretations) issued by the Australian Accounting Standard Board ("AASB") and the *Corporations Act 2001*, as appropriate for-profit oriented entities.

#### BASIS OF MEASUREMENT

The financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies set out below have been consistently applied to all years presented.

#### GOING CONCERN BASIS

For the year ended 30 June 2021, the Consolidated Entity incurred an operating profit after tax from continuing operations of \$59,281 (2020: loss of \$2,514,471), had net cash outflows from operating activities of \$537,165 (2020: \$3,070,663), and at 30 June 2021 had a deficiency of current assets

in relation to current liabilities of \$1,762,817 (2020: \$5,450,119) and net assets of \$1,313,926 (2020: deficiency \$5,128,885). Despite that the entity has generated a profit and has net assets, the net current liabilities position may cast uncertainty over the Group's ability to continue as a going concern.

Management believe that the entity will continue as a going concern on the basis that \$2,800,000 of current liabilities represent note deed liabilities (refer to Note 18). It is expected that shareholder approval will be obtained for \$2,600,00 of these at the upcoming AGM, in which case the Group will settle this through the issuance of shares at the Company's election. In addition, the existing \$200,000 convertible note can also be settled through the issuance of shares at the Company's sole discretion. Given these amounts are greater than the net liability position, management believe this does not impact its ability to continue as a going concern. Further, management cash flow forecasts indicate the business will be cash flow positive during FY2022.

If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities in order to realise assets and extinguish liabilities other than in the normal course of business and at amounts different from those stated in the 30 June 2021 Financial report.

Therefore, in the Directors opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, and that it is appropriate to prepare these accounts on a going concern basis. As a result, the accounts have been prepared on the basis that the Consolidated Entity can meet its commitments as and when they fall due and can therefore continue business activities and can realise its assets and extinguish its liabilities in the ordinary course of business. The Financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### ESTIMATES

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Annual Report, including the key sources of estimation uncertainty, were the same as those applied in the Group's last Interim Financial report and last Annual Report.

### 1.1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted all the new and revised accounting standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2020.

### NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not had a significant impact on the financial performance or position of the Consolidated Entity during the year ended 30 June 2021. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

### 1.2 FOREIGN CURRENCY

The financial statements are presented in Australian Dollars ("AUD"), which is also the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition

in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into AUD at the rate of exchange ruling at the end of the reporting period and their profits or losses are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 1.3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company, (with CSB Engage Pty Ltd as the accounting parent) and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as for the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 1.4 PROPERTY, PLANT, AND EQUIPMENT

All items of property, plant, and equipment are initially recorded at cost. Subsequent to recognition, property, plant, and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant, and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

#### *Useful lives*

---

Office equipment	3-7 years
------------------	-----------

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

### 1.5 INTANGIBLE ASSETS

Intangible assets relate to capitalised software development costs, restraint of trade and customer list, all of which are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

These intangible assets are considered to have finite useful lives and are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end.

### Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred at fair value;
- ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (*proportionate interest method*). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

### 1.6 SUBSIDIARIES

A subsidiary is an investee that is controlled by the accounting parent. The accounting parent controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 1.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank, cash on hand and fixed deposits which are subject to an insignificant risk of changes in value.

### 1.8 INVENTORIES

Inventory is valued at lower of cost and net realisable value. Net realisable value of inventory has been determined as the estimated selling price in the ordinary course of business, less estimated selling expenses.

### 1.9 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic

resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 1.10 BORROWINGS

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs, and subsequently carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within 12 months after the balance sheet date are included in current borrowings in the consolidated Statement of Financial Position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue.

### 1.11 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 1.12 EMPLOYEE BENEFITS

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date, are measured at the amounts expected to be paid when the liabilities are settled.

#### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing models, taking into consideration the terms and conditions on which the award was granted. The

cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

## 1.13 TAXES

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Goods and Services Tax "GST"

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 1.14 SHARE CAPITAL

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 1.15 LEASES

Except for short-term leases and leases of low value assets, the Group applies a single recognition and measurement approach for all leases representing the right to use the underlying asset, right-of-use assets recognised at the commencement date of the lease and corresponding lease liabilities measure at the present value of lease payments over the lease term are recognised in the Statement of Financial Position. Amortisation charges for the right-of-use assets and interest expenses on the lease liabilities replaces the straight-line operating lease expense.

### 1.16 EARNINGS PER SHARE (“EPS”)

#### Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### 1.17 IMPAIRMENT OF ASSETS

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 1.18 REVENUE

#### Revenue from Contracts with Customers

In accordance with AASB 15 Revenue from Contracts (AASB 15), the Group recognises revenue to depict the transfer of goods and services to customers, in an amount that reflects the consideration to which the Group is entitled in exchange for those goods and services. The Group provides customer engagement technology that delivers end-to-end solutions for businesses to engage with their customers. Its primary offering, Mosaic, is a cloud-based digital loyalty and rewards platform and is Gratifii's business to business application offering. With mobile payment, ordering, booking and local offer capability, the Mosaic platform will be the gateway to new digital lifestyle rewards programs. Performance obligations for Contracts with Customers are generally satisfied at a point in time, and revenue is recognised accordingly.

Where payment is received by the Group in advance of a performance obligation being satisfied, a contract liability is recognised in the Statement of Financial Position. Where a performance obligation has been satisfied and the Group is yet to issue an invoice to the customer, a contract asset is recognised in the Statement of Financial Position. Where a performance obligation has been satisfied and an invoice has been issued to a customer but not yet paid, a trade receivable is recognised in the Statement of Financial Position.

Transaction prices for provision of goods and services are agreed within Contract with Customers. The Group determines its transaction prices based on the cost of the Group in developing the technology required to provide the service, as well as the cost of supplying the good or service itself, plus a margin to cover operating costs and return requirement of the Group.

The impairment of contract assets and trade receivables for Contracts with Customers is assessed by the Group on an ongoing basis and allowed for within the Group's provision for doubtful debts calculation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### Interest income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

## NOTE 2 | SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### 2.1 KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Impairment of loans and other receivables

Management reviews its loans and other receivables for objective evidence of impairment regularly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

#### Useful lives of intangible assets

The cost of intangible assets is depreciated on a straight-line basis over their useful life. Management estimates the useful life of the intangible assets as stated in the significant accounting policies. These are common life expectations applied in the industry. Changes in the expected level of usage and technological development could impact the economic useful life of these assets, and therefore future amortisation charges could be revised. The carrying amount of the Group's intangible assets at the reporting date is disclosed in the notes to the financial statements.

### 2.2. JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

Management is of the opinion that any instance of judgments (other than those arising from the estimates described above) are not expected to have significant effect on the amounts recognised in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 3 | REVENUE

	CONSOLIDATED	
	2021 \$	2020 \$
Software as a Service (SaaS)	2,231,771	2,070,111
Rewards content	845,606	-
<b>Total revenue and income</b>	<b>3,077,377</b>	<b>2,070,111</b>

### NOTE 4 | COST OF SALES

	CONSOLIDATED	
	2021 \$	2020 \$
Software as a Service (SaaS)	(263,601)	(264,052)
Rewards	(758,499)	-
<b>Total revenue and income</b>	<b>(1,022,100)</b>	<b>(264,052)</b>

### NOTE 5 | OTHER REVENUE

	CONSOLIDATED	
	2021 \$	2020 \$
Interest income	950	1,304
Research and development rebates	493,858	210,177
Government subsidies <sup>(i)</sup>	359,953	201,132
Gain on loan forgiveness	1,719,410	-
Sundry income	171,935	8,213
<b>Total revenue and income</b>	<b>2,746,106</b>	<b>420,826</b>

(i) Amounts include JobKeeper and ATO PAYG Relief as a result of the COVID-19 pandemic.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 6 | ADMINISTRATIVE AND OTHER CORPORATE COSTS

	CONSOLIDATED	
	2021 \$	2020 \$
Bank fees	21,984	33,801
Director fees	86,831	84,274
IT	13,703	41,379
Marketing	13,317	11,550
Miscellaneous staff costs	92,487	153,988
Office expense	351,426	230,684
Professional costs	115,782	115,782
Corporate and listing costs	867,765	1,133,558
Travel costs	63,421	122,286
Other	29,714	29,094
<b>Total administrative and other corporate costs</b>	<b>1,656,430</b>	<b>1,956,396</b>

### NOTE 7 | PROFIT BEFORE INCOME TAX EXPENSE

	CONSOLIDATED	
	2021 \$	2020 \$
The result for the year includes the following specific items:		
Interest expense and other related finance costs	198,485	3,224
Transaction costs related to loans and borrowings	103,100	407,593
<b>Total finance costs</b>	<b>301,585</b>	<b>410,817</b>
Total employee benefits expense - inclusive of management fees, wages & salaries, superannuation, training costs, worker's compensation, payroll tax, provision and accrual of annual leave and long service leave accrual and other costs	1,497,751	2,247,208
Share-based payment	411,502	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 8 | ACQUISITION

On 4 May 2021, the Company acquired 100% of the shares in Neat Tickets Pty Ltd (trading as Neat Ideas), a Rewards as a Service enterprise (RaaS). The Company acquired Neat Ideas for \$1,340,035 plus up to another \$700,000 and 1,500,000 shares in Gratifii Limited, contingent on certain milestones being achieved. The acquisition extends the ability for the Company to not only offer blue chip enterprise customers its agile loyalty software application, but to also manage the effective use of these loyalty schemes by procuring and delivering the rewards and recognition services on behalf of the client. This vertically extends the Company from the provision of software to execution and delivery of the loyalty rewards scheme.

Net Assets of Neat Tickets Pty Ltd as at 4 May 2021:

	4 MAY 2021 \$
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	71,476
Trade and other receivables	80,315
Other assets	61,619
<b>TOTAL CURRENT ASSETS</b>	<b>213,410</b>
<b>NON-CURRENT ASSETS</b>	
Inventory	991,325
Plant and equipment	221,145
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,212,470</b>
<b>TOTAL ASSETS</b>	<b>1,425,880</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	1,543,488
Provision - tax	99,502
Provision - employee benefits	5,139
<b>TOTAL CURRENT LIABILITES</b>	<b>1,648,129</b>
<b>NON-CURRENT LIABILITIES</b>	
Borrowings	81,625
<b>TOTAL NON-CURRENT LIABILITES</b>	<b>81,625</b>
<b>TOTAL LIABILITIES</b>	<b>1,729,754</b>
<b>NET (DEFICIENCY)</b>	<b>(303,874)</b>
<b>CONSIDERATION PAID</b>	<b>1,340,035</b>
<b>GOODWILL FROM PURCHASE OF NEAT TICKETS PTY LTD</b>	<b>1,643,909</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 8 | ACQUISITION CONTINUED

Revenue and profit/(loss) for the period contributed by Neat Tickets Pty Ltd:

	\$
<b>Since acquisition:</b>	
Revenue	845,608
Profit/(loss)	(111,567)
<b>Full year:</b>	
Revenue	6,802,589
Government assistance payments and other revenue	195,685
Profit/(loss)	172,058

Included in the purchase terms of Neat Tickets are the possibility of additional payments made to the former owners of Neat Tickets contingent on certain revenue milestones. These are as follows:

- i) To meet the First Financial Milestone, Neat Ideas must achieve an Average Monthly Revenue ("AMR") of at least \$812,500 over any consecutive 3-month period in the period between 1 July 2021 and 31 December 2021. If the AMR is less than \$812,500 but more than \$541,666, then a lesser cash amount will be paid but no shares will be issued.
- ii) To meet the Second Financial Milestone, Neat Ideas must achieve an AMR of above \$1,083,333 over any consecutive 3-month period in the period between 1 January 2022 and 30 June 2022. If the AMR is less than \$1,083,333 but more than \$812,500, then a lesser cash amount will be paid but no shares will be issued.

The above is a contingent liability payable upon the above conditions as noted in Note 34.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 9 | CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2021 \$	2020 \$
Cash on hand	1,246	2,276
Cash at bank	2,226,669	66,842
<b>Cash and bank balances</b>	<b>2,227,915</b>	<b>69,118</b>

### NOTE 10 | TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2021 \$	2020 \$
<b>CURRENT</b>		
Trade receivables	274,119	345,929
Less: provision for doubtful debts	(26,200)	-
<b>Trade receivables balance</b>	<b>247,919</b>	<b>345,929</b>
Other receivables	245,064	41,541
Research and development rebates	493,858	343,170
<b>Trade and other receivables</b>	<b>986,841</b>	<b>730,640</b>

	CONSOLIDATED	
	2021 \$	2020 \$
<b>a) Trade receivables</b>		
Third parties	247,919	345,929
<b>Trade receivables not past due and not impaired</b>	<b>181,158</b>	<b>281,969</b>

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised and carried at their original invoice amounts which represent their values on initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 10 | TRADE AND OTHER RECEIVABLES CONTINUED

#### Receivables that are past due but not impaired

The ageing of trade receivables that are past due but not impaired at the reporting date is as follows:

	CONSOLIDATED	
	2021 \$	2020 \$
Less than 30 days overdue	52,652	18,496
31 - 60 days overdue	-	6,740
Over 60 days overdue	14,109	38,724
<b>Trade receivables past due and not impaired</b>	<b>66,761</b>	<b>63,960</b>

	CONSOLIDATED	
	2021 \$	2020 \$
<b>(b) Provision for Doubtful Debts</b>		
Opening balance	-	-
Additional provision	(26,200)	-
Write off during the year	-	-
<b>Closing balance</b>	<b>(26,200)</b>	<b>-</b>

### NOTE 11 | INVENTORY

	CONSOLIDATED	
	2021 \$	2020 \$
Inventory on hand	1,256,838	-
<b>Cash and bank balances</b>	<b>1,256,838</b>	<b>-</b>

### NOTE 12 | OTHER ASSETS

	CONSOLIDATED	
	2021 \$	2020 \$
<b>CURRENT</b>		
Prepayment and deposits	71,982	1,748
Other assets	4,138	43,087
Deposits	98,238	10,064
<b>Closing balance</b>	<b>174,358</b>	<b>54,899</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 13 | INTANGIBLE ASSETS

	CONSOLIDATED	
	2021 \$	2020 \$
Goodwill on acquisition - Paid By Coins Pty Ltd	-	6,197,061
Less: accumulated impairment - Paid By Coins Pty Ltd	-	(6,197,061)
Goodwill on acquisition - Neat Tickets Pty Ltd	1,643,909	-
Less: accumulated impairment - Neat Tickets Pty Ltd	-	-
<b>Total goodwill</b>	<b>1,643,909</b>	<b>-</b>
Capitalised development cost	3,104,271	1,772,415
Less: accumulated impairment and amortisation	(222,237)	(1,006,934)
<b>Total capitalised development cost</b>	<b>2,882,034</b>	<b>765,481</b>
Restraint of trade	569,885	569,885
Less: accumulated amortisation	(569,885)	(569,885)
<b>Total restraint of trade</b>	<b>-</b>	<b>-</b>
Customer list	300,000	300,000
Less: accumulated amortisation	(150,000)	(150,000)
Less: impairment	(150,000)	(150,000)
<b>Total customer list</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,525,943</b>	<b>765,481</b>
<b>Reconciliation of net carrying values</b>		
Opening balance	765,481	6,197,061
Additions	3,982,699	772,415
Amortisation for year	(222,237)	-
Impairment	-	(6,203,995)
<b>Net carrying value</b>	<b>4,525,943</b>	<b>765,481</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### Mosaic Enterprise Engagement Platform

#### Capitalisation policy

During the previous financial year, the Company made an investment in its Mosaic platform to better service clients. The Company has continued to add to this platform and enhance its offering to customers. The Company is of the view that due to the current nature of its investment in the platform, and the efficiency value added, that there are no indicators of impairment on this investment.

The Company has determined that during the continuous development of the platform, features developed for the platform which are either ready for customer use or are earning revenue are to be amortised over 5 years on a straight-line basis.

#### Impairment testing

There are no observable factors, internal or external to the Company, that indicate the Mosaic platform is required to be impaired.

### NOTE 14 | PROPERTY, PLANT, AND EQUIPMENT

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Property, plant, and equipment:</b>		
Office equipment at cost	179,082	133,405
Office equipment accumulated depreciation	(151,026)	(88,705)
Property under lease (right-of-use asset)	90,531	143,440
Office equipment at cost acquired through business combination	306,341	-
Office equipment accumulated depreciation acquired through business combination	(178,696)	-
<b>Total property, plant, and equipment</b>	<b>246,232</b>	<b>188,140</b>

#### Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated Group:	OFFICE EQUIPMENT \$	PROPERTY UNDER LEASE (RIGHT OF USE ASSET \$
<b>Balance at 1 July 2020</b>	<b>44,700</b>	<b>143,440</b>
Additions	266,797	44,304
Disposals	(122,266)	-
Depreciation expense	(33,530)	(97,213)
Currency translation reserve	-	-
<b>Balance as at 30 June 2021</b>	<b>155,701</b>	<b>90,531</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	OFFICE EQUIPMENT \$	PROPERTY UNDER LEASE (RIGHT OF USE ASSET \$
Balance at 1 July 2019	70,018	-
Additions	3,594	143,440
Depreciation expense	(22,220)	-
Currency translation reserve	(6,692)	-
<b>Balance as at 30 June 2020</b>	<b>44,700</b>	<b>143,440</b>

### NOTE 15 | TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2021 \$	2020 \$
<b>CURRENT</b>		
Trade creditors	2,633,105	2,532,246
Third parties - excluding trade creditors	-	117,975
Sundry payables and accrued expenses	631,158	522,597
Credit cards	8,008	73,921
<b>Total current trade and other payables balance</b>	<b>3,272,271</b>	<b>3,246,739</b>
<b>NON-CURRENT</b>		
Accrued Director's fees	-	502,770
<b>Total non-current trade and other payables balance</b>	<b>-</b>	<b>502,770</b>
<b>Closing balance</b>	<b>3,272,271</b>	<b>3,749,509</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 15 | TRADE AND OTHER PAYABLES CONTINUED

	BALANCE AT 1 JULY 2020	FOREIGN EXCHANGE	PAID TO DIRECTOR IN CASH	DEBT FORGIVEN	BALANCE 30 JUNE 2021
	\$	\$	\$	\$	\$
C Joseph	146,528	-	(117,012)	(29,516)	-
N Joseph	356,242	-	(134,660)	(221,582)	-
<b>Total</b>	<b>502,770</b>	<b>-</b>	<b>(251,672)</b>	<b>(251,098)</b>	<b>-</b>

	BALANCE AT 1 JULY 2019	FOREIGN EXCHANGE	FEES FOR THE YEAR	PAID TO DIRECTOR IN CASH	BALANCE 30 JUNE 2020
	\$	\$	\$	\$	\$
C Joseph	141,290	5,238	-	-	146,528
N Joseph	333,110	23,132	-	-	356,242
<b>Total</b>	<b>474,400</b>	<b>28,370</b>	<b>-</b>	<b>-</b>	<b>502,770</b>

### NOTE 16 | DEFERRED REVENUE

	CONSOLIDATED	
	2021 \$	2020 \$
Current	4,333	66,959
<b>Total</b>	<b>4,333</b>	<b>66,959</b>

#### Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$4,333 as at 30 June 2021 (2020: \$66,959) and is expected to be recognised as revenue in future periods as follows:

	CONSOLIDATED	
	2021 \$	2020 \$
Within 6 months	4,333	65,379
6 to 12 months	-	1,580
<b>Total</b>	<b>4,333</b>	<b>66,959</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 17 | PROVISIONS

	CONSOLIDATED	
	2021 \$	2020 \$
<b>CURRENT</b>		
Employee benefits – annual leave	89,429	217,239
Provision for taxation <sup>(i)</sup>	143,156	-
	<b>232,585</b>	<b>217,239</b>
<b>NON-CURRENT</b>		
Employee benefits – long service leave	3,992	66,553
<b>Total</b>	<b>236,577</b>	<b>283,792</b>

(i) Provision includes \$95,502 that was acquired as a part of the Neat Tickets Pty Ltd acquisition. Refer to Note 8 for more information.

### NOTE 18 | BORROWINGS

	CONSOLIDATED	
	2021 \$	2020 \$
<b>CURRENT</b>		
Loans	-	1,476,151
Amounts due to related parties	-	1,212,213
Convertible note liability	200,000	-
Loan liability <sup>(i)</sup>	2,600,000	-
	<b>2,800,000</b>	<b>2,688,364</b>
<b>NON-CURRENT</b>		
Loans	26,969	-
Amounts due to related parties <sup>(ii)</sup>	156,457	-
Convertible note liability <sup>(i)</sup>	1,500,000	-
	<b>1,683,426</b>	<b>-</b>
<b>Total</b>	<b>4,483,426</b>	<b>2,688,364</b>

i) During the period, the Company received \$4,100,000 in convertible note funding. Of the current liability amount, \$2,600,000 represents loan note deeds that have been signed, for which management expects the notes to be approved at the Annual General Meeting in November 2021 for them to turn into convertible notes. These will then be settled through the issuance of equity at the Company's election. The \$2,600,000 of the convertible note liability accrues interest at a rate of 8% per annum accruing daily on the face value of the liability that will convert into shares by dividing the face value and accrued interest by \$0.026 per share. The remaining current liability of \$200,000 is a convertible note which accrues interest at 5% per annum quarterly in arrears on the face value of the liability and will convert into shares by dividing the face value and accrued interest by \$0.04 per share and is also convertible at the sole discretion of the Company.

ii) \$100,000 of this balance has been repaid over two payments in July and August of 2021. The loan balance these relate to has been classified as non-current as there was no obligation to repay them within FY2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 19 | LEASE LIABILITIES

	CONSOLIDATED	
	2021 \$	2020 \$
Current	99,580	85,475
Non-current	8,014	63,064
<b>Total</b>	<b>107,594</b>	<b>148,539</b>

Maturity analysis of amounts and when they are payable:

	LESS THAN 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5+ YEARS	TOTAL
	\$	\$	\$	\$	\$
Lease payments	69,643	32,140	8,078	-	109,861
Finance charges	(1,753)	(450)	(64)	-	(2,267)
<b>Net present values</b>	<b>67,890</b>	<b>31,690</b>	<b>8,014</b>	<b>-</b>	<b>107,594</b>

### NOTE 20 | ISSUED CAPITAL

	2021		2020	
	NUMBER OF SHARES	\$	NUMBER OF SHARES	\$
At beginning of the period	289,034,344	27,905,355	253,118,804	26,162,319
Share placement	283,196,628	6,015,380	35,915,540	4,693,471
Settlement of debt	45,239,768	705,882	-	-
Share buy-back	(9,945,650)	-	-	-
Options converted	2,900,000	179,921	-	-
Costs of issue	-	(779,447)	-	(2,950,435)
<b>Closing balance</b>	<b>610,425,090</b>	<b>34,027,091</b>	<b>289,034,344</b>	<b>27,905,355</b>

### FULLY PAID ORDINARY SHARES

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 21 | RESERVES

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Option reserve</b>		
Opening balance	3,043,997	3,043,997
Additions	411,502	-
Converted into ordinary shares	(179,921)	-
Lapsed	(2,864,076)	-
<b>Closing balance</b>	<b>411,502</b>	<b>3,043,997</b>
<b>Foreign currency translation reserve</b>		
Opening balance	(138,427)	(263,405)
Foreign currency translation	(386,766)	124,978
<b>Closing balance</b>	<b>(525,193)</b>	<b>(138,427)</b>
<b>Total reserves</b>	<b>(113,691)</b>	<b>2,905,570</b>

The option reserve represents the fair value of options granted to employees and suppliers for services provided to the Group. The fair value of options is expensed over the vesting period or during the period in which the services are received.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 22 | EARNINGS PER SHARE

	CONSOLIDATED GROUP	
	2021 Cents	2020 Cents
Profit/(loss) after income tax from continuing operations attributed to owners of Gratifii Limited	59,281	(2,514,471)
Profit/(loss) after income tax from discontinued operations attributed to owners of Gratifii Limited	-	(6,374,528)
Basic earnings/(loss) per share (cents per share) from continuing operations	0.01	(0.93)
Diluted earnings/(loss) per share (cents per share) from continuing operations	0.01	(0.93)
Basic earnings/(loss) per share (cents per share) from discontinued operations	-	(2.36)
Diluted earnings/(loss) per share (cents per share) from discontinued operations	-	(2.36)
Basic earnings/(loss) per share (cents per share) attributed to owners of Gratifii Limited	0.01	(3.29)
Diluted earnings/(loss) per share (cents per share) attributed to owners of Gratifii Limited	0.01	(3.29)
Weighted average number of shares used for the purposes of calculating basic and diluted earnings per share:		
Basic earnings per share	452,263,539	269,633,269
Diluted earnings per share	459,682,950	269,633,269

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 23 | TAX LOSSES

	AUSTRALIA	SOUTH AFRICA	SINGAPORE	TOTAL
Profit from continuing operations before income tax expense	(1,865,370)	974,392	997,913	106,935
Tax at the local entity rate (Australia - 26%, South Africa - 28%, Singapore - 17%)	(484,996)	272,830	169,645	(42,521)
Add tax effect of:				
Other assessable items	-	-	-	-
Other non-allowable items	-	-	-	-
Less tax effect of:				
Other non-assessable items	(1,081,597)	16,695	(1,850)	(1,066,752)
Other deductible items	(77,682)	-	-	(77,682)
Carried forward tax losses offset against current tax liability	1,691,929	(289,525)	(167,795)	1,234,609
<b>Total income tax expense</b>	<b>47,654</b>	<b>-</b>	<b>-</b>	<b>47,654</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 24 | OPERATING SEGMENTS

The Group operates in one industry segment being technology development and associated content. Information is therefore shown for geographical segments.

2021	AUSTRALIA \$	SOUTH AFRICA \$	SINGAPORE \$	UNALLOCATED \$	TOTAL \$
<b>Revenue and other income from continuing operations</b>					
External sales	1,122,428	1,878,069	76,880	-	3,077,377
Other income	1,733,413	2,536	1,009,207	-	2,745,156
Interest	6	944	-	-	950
<b>Total segment revenue and other income from continuing operations</b>	<b>2,855,847</b>	<b>1,881,549</b>	<b>1,086,087</b>	<b>-</b>	<b>5,823,483</b>
Segment net (loss)/profit before tax and other items	(1,543,476)	1,004,477	998,914	-	459,915
Impairment charges	-	-	-	-	-
Depreciation and amortisation	(321,894)	(30,085)	(1,001)	-	(352,980)
Net (loss)/profit before income tax from continuing operations	(1,865,370)	974,392	997,913	-	106,935
Income tax expense	(47,654)	-	-	-	(47,654)
<b>Net (loss)/profit after income tax from continuing operations</b>	<b>(1,913,024)</b>	<b>974,392</b>	<b>997,913</b>	<b>-</b>	<b>59,281</b>
Net (loss)/profit after income tax from discontinued operations	-	-	-	-	-
<b>(Loss)/profit after tax</b>	<b>(1,913,024)</b>	<b>974,392</b>	<b>997,913</b>	<b>-</b>	<b>59,281</b>
<b>Segment assets at 30 June 2021</b>	<b>8,981,211</b>	<b>404,860</b>	<b>32,056</b>	<b>-</b>	<b>9,418,127</b>
<b>Segment liabilities at 30 June 2021</b>	<b>(7,948,770)</b>	<b>(155,431)</b>	<b>-</b>	<b>-</b>	<b>(8,104,201)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2020	AUSTRALIA \$	SOUTH AFRICA \$	SINGAPORE \$	UNALLOCATED \$	TOTAL \$
<b>Revenue and other income from continuing operations</b>					
External sales	1,052,764	1,221,425	69,642	(273,720)	2,070,111
Other income	209,840	8,015	208,120	(6,453)	419,522
Interest	136	1,168	-	-	1,304
<b>Total segment revenue and other income from continuing operations</b>	<b>1,262,740</b>	<b>1,230,608</b>	<b>277,762</b>	<b>(280,173)</b>	<b>2,490,937</b>
Segment net (loss) before tax and other items	3,898,721	(432,690)	110,764	172,696	3,749,491
Impairment charges	(6,203,995)	-	-	-	(6,203,995)
Depreciation and amortisation	(41,930)	(16,487)	(1,550)	-	(59,967)
Net (loss)/profit before income tax from continuing operations	(2,347,204)	(449,177)	109,214	172,696	(2,514,471)
Income tax expense	-	-	-	-	-
<b>Net (loss)/profit after income tax from continuing operations</b>	<b>(2,347,204)</b>	<b>(449,177)</b>	<b>109,214</b>	<b>172,696</b>	<b>(2,514,471)</b>
Net (loss)/profit after income tax from discontinued operations	(6,374,528)	-	-	-	(6,374,528)
<b>(Loss)/profit after tax</b>	<b>(8,721,732)</b>	<b>(449,177)</b>	<b>109,214</b>	<b>172,696</b>	<b>(8,888,999)</b>
<b>Segment assets at 30 June 2020</b>	<b>787,315</b>	<b>756,982</b>	<b>169,866</b>	<b>94,115</b>	<b>1,808,278</b>
<b>Segment liabilities at 30 June 2020</b>	<b>(5,765,934)</b>	<b>(199,179)</b>	<b>(972,050)</b>	<b>-</b>	<b>(6,937,163)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 25 | CONTROLLED ENTITIES

PARENT ENTITY		COUNTRY OF INCORPORATION			
Gratificii Limited		Australia			
CONTROLLED ENTITIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	PERCENTAGE OF EQUITY HELD BY THE COMPANY		
			2021 %	2020 %	
LifelQ Pte. Ltd. (formerly LifeAlly International Pte.Ltd)* wound up	Web-based health and lifestyle wellness platform	Singapore	-	100	
CSB Engage SA (Pty) Ltd	Provide loyalty and customer engagement services	South Africa	100	100	
CSB Engage (Aus) Pty Limited	Provide loyalty and customer engagement platform	Australia	100	100	
CSB Engage Asia Pte. Ltd	Loyalty consultancy and development of e-commerce applications	Singapore	100	100	
Onit Media Asia Pte Ltd * wound up	Provide loyalty and customer engagement platform	Singapore	-	100	
Waratah No.1 Pty Ltd	Dormant	Australia	100	100	
Waratah Resources Gabon S.A.	The Company is in the process of winding up Waratah Resources Gabon S.A.	Australia	100	100	
AirCrypto Pty Ltd	Development of a blockchain and cryptocurrency exchange platform called AirCrypto Platform	Australia	-	51	
Neat Tickets Pty Ltd	Web-based rewards organisation	Australia	100	-	
<b>Owned by CSB Engage (Aus) Pty Limited, a controlled entity of the Company</b>					
Onit Media Pty Ltd * in the process of being wound up	Provide loyalty and customer engagement platform	Australia	-	100	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 26 | KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation comprised:

	CONSOLIDATED	
	2021 \$	2020 \$
Short-term employment benefits	608,293	1,007,173
Post-employment benefits	28,107	50,090
Share-based payments	376,273	-
	<b>1,012,673</b>	<b>1,057,263</b>

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by *Corporations Regulation 2M.3.03* is provided in the Remuneration report section of the Directors' report.

Apart from the details disclosed in the Remuneration report section of the Directors' report, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at the year end.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 27 | CASH FLOW INFORMATION

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Reconciliation of profit/(loss) for the year to net cash provided by operating activities:</b>		
Profit/(loss) for the period	59,281	(8,888,999)
<b>Add/(deduct): non-cash items:</b>		
Finance costs	301,585	442,781
Impairment	-	6,203,995
Deferred revenue	-	(445,571)
Depreciation and amortisation	352,980	59,967
Share-based payments	411,502	-
Equity-based expenses	463,606	-
Tax expense	47,654	-
Gain on derecognition of subsidiaries and NCI	416,979	-
Rounding	2	(1)
<b>Change in assets and liabilities net of the effect of acquisitions and disposals associated with business combinations:</b>		
Trade and other receivables	(134,459)	713,018
Inventory	(265,513)	-
Other assets	(180,894)	14,886
Trade and other payables movement in deferred revenue	(1,883,351)	(1,059,404)
Provisions	(126,537)	(111,335)
<b>Net cash used in operating activities</b>	<b>(537,165)</b>	<b>(3,070,663)</b>

There were no non-cash financing and investing activities during the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 28 | FINANCIAL RISK MANAGEMENT

#### Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

##### (i) Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

##### (ii) Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are liquidity risk, credit risk and market risk.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The maximum exposure to credit risk to recognised financial assets, at reporting date is the carrying amount, net of any provisions for impairment of those assets as disclosed in the Statement of Financial Position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 28 | FINANCIAL RISK MANAGEMENT CONTINUED

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from borrowings. At the reporting date, the interest rate profile of the Group's and Company's interest-bearing financial instruments was:

	CONSOLIDATED	
	2021 \$	2020 \$
Current	2,800,000	2,688,364
Non-current	1,683,426	-
<b>Total exposure</b>	<b>4,483,426</b>	<b>2,688,364</b>

	CONSOLIDATED	
	2021 \$	2020 \$
Fixed rate instruments - borrowings including related parties	4,475,418	2,671,220
Variable rate instruments - credit cards	8,008	17,144
<b>Total exposure</b>	<b>4,483,426</b>	<b>2,688,364</b>

Interest on financial instruments at fixed rates are fixed until the maturity of the instruments and are not subject to interest rate risk.

The sensitivity analysis for interest rate risk is not disclosed as the Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

#### (ii) Foreign currency risk

The Group's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group does not have any formal policy for hedging against currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Group, primarily Singapore Dollar ("SGD") and South African Rand ("ZAR").

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 28 | FINANCIAL RISK MANAGEMENT CONTINUED

The Group's currency exposures to the USD, SGD, and ZAR at the reporting date were as follows:

2021 - Consolidated	AUD \$A	ZAR \$A	SGD \$A	TOTAL \$A
<b>Financial assets</b>				
Trade receivables	85,632	157,444	4,843	247,919
Other receivables (excluding prepayment and tax recoverable)	224,103	454	20,507	245,064
Research and development rebates	493,858	-	-	493,858
Cash and cash equivalents	2,050,038	175,380	2,497	2,227,915
	<b>2,853,631</b>	<b>333,278</b>	<b>27,847</b>	<b>3,214,756</b>
<b>Financial liabilities</b>				
Trade payables	2,087,143	59,853	-	2,146,996
Other payables	1,083,536	41,739	-	1,125,275
Borrowings	4,482,342	1,084	-	4,483,426
	<b>7,653,021</b>	<b>102,676</b>	<b>-</b>	<b>7,755,697</b>
<b>Net financial assets/(liabilities - include borrowings)</b>	<b>(4,799,390)</b>	<b>230,602</b>	<b>27,847</b>	<b>(4,540,941)</b>

2020 - Consolidated	AUD \$A	ZAR \$A	SGD \$A	TOTAL \$A
<b>Financial assets</b>				
Trade receivables	307,316	213,454	17,838	538,608
Other receivables (excluding prepayment and tax recoverable)	41,541	-	-	41,541
Research and development rebates	150,491	-	-	150,491
Cash and cash equivalents	4,170	49,549	15,399	69,118
	<b>503,518</b>	<b>263,003</b>	<b>33,237</b>	<b>799,758</b>
<b>Financial liabilities</b>				
Trade payables	1,962,441	84,634	50,141	2,097,216
Other payables	716,518	24,225	911,550	1,652,293
Borrowings - amounts due to related parties	2,458,639	-	229,725	2,688,364
	<b>5,137,598</b>	<b>108,859</b>	<b>1,191,416</b>	<b>6,437,873</b>
<b>Net financial assets/(liabilities - include borrowings)</b>	<b>(4,634,080)</b>	<b>154,144</b>	<b>(1,158,179)</b>	<b>(5,638,115)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 29 | EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the end of the reporting period, the following events occurred:

- On 1 July 2021, the Group announced the signing of a Platform Agreement with OpenSparkz Pty Ltd to provide access to Visa, MasterCard and Eftpos rails, enabling Card Linking services to the Group's clients.
- On 1 July 2021, the Group announced a change of its registered office to Level 2, 25 Cooper Street, Surry Hills NSW 2010.
- On 20 July 2021, the Group announced the expiration of 2,411,641 options.
- On 26 August 2021, the Group announced the expiration of 1,333,332 options with a cessation date effective 30 June 2021.

The impact of the COVID-19 pandemic is on-going and while it has had some impact on our retail and hospitality clients, the Company is seeing a recovery from the pandemic and is well-positioned to continue with its growth strategy and investment.

Other than as stated elsewhere in this report, the Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 30 | PARENT ENTITY DISCLOSURES

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Financial position</b>		
<b>Assets</b>		
Current assets	2,594,096	36,222
Non-current assets	40,918,795	-
<b>Total assets</b>	<b>43,512,891</b>	<b>36,222</b>
<b>Liabilities</b>		
Current liabilities	3,433,815	1,719,290
Non-current liabilities	1,444,424	-
<b>Total liabilities</b>	<b>4,878,239</b>	<b>1,719,290</b>
<b>Net assets/(net deficiency)</b>	<b>38,634,652</b>	<b>(1,683,068)</b>
<b>Equity</b>		
Issued capital	71,029,385	65,573,560
Reserves	411,502	3,057,567
Accumulated losses	(32,806,235)	(70,314,195)
<b>Total equity</b>	<b>38,634,652</b>	<b>(1,683,068)</b>
<b>Financial performance</b>		
Profit/(loss) for the year	188,702	(8,049,335)
Other comprehensive loss	-	-
<b>Total comprehensive profit/(loss)</b>	<b>188,702</b>	<b>(8,049,335)</b>

The parent company represents Gratifii Limited (the legal parent) for the year ended 30 June 2021. The comparative information also represents Gratifii Limited.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 31 | REMUNERATION OF AUDITOR

	CONSOLIDATED	
	2021 \$	2020 \$
MNSA Pty Ltd		
Audit of the financial statements	120,000	120,000

### NOTE 32 | SHARE-BASED PAYMENTS

#### Employee incentive option plan

All options granted under the Company's incentive option plan are in relation to fully paid ordinary shares in Gratifii Limited, which confer a right of one ordinary share for every option held.

A reconciliation of share-based payment arrangements that existed during the reporting period and at the end of the comparative reporting period are set out below:

Options	2021 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE	2020 NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
<b>Issued to employees</b>				
Balance at the beginning of the period	13,659,931	-	15,259,931	-
Granted	35,141,498	\$0.0271	-	-
Forfeited	(13,659,931)	-	(1,600,000)	-
Exercised	-	-	-	-
Expired - transfer to other options	-	-	-	-
Balance on resignation	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>35,141,498</b>	<b>-</b>	<b>13,659,931</b>	<b>-</b>
Exercisable at year end	13,930,911	-	4,025,049	-

The following share-based payment arrangements were in existence during the reporting period:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION	FAIR VALUE AT GRANT DATE
03 September 2019	10 July 2022	\$0.0500	2,947,135 <sup>1</sup>	\$0.0204
13 February 2020	13 February 2023	\$0.0336	4,983,776 <sup>2</sup>	\$0.0230
12 February 2020	12 February 2024	\$0.0500	7,100,379 <sup>3</sup>	\$0.0117
29 January 2021	17 April 2023	\$Nil	6,000,000 <sup>4</sup>	\$0.0200
11 March 2021	11 March 2026	\$0.03	5,555,104 <sup>5</sup>	\$0.0240
13 February 2021	13 February 2024	\$0.03	8,555,104 <sup>6</sup>	\$0.0088

- Options were issued in lieu of Chairman cash salary.
- Options to Executive Chairman, announced to market on 10 July 2019.
- Options issued to key management personnel totalling 10,650,568 options. Of these, 3,550,189 have been forfeited as a result of the employee leaving employment with the Group. Announced to market on 13 February 2020.
- Options issued to key management personnel totalling 7,500,000 options. Of these, 1,500,000 have been forfeited as a result of the employee leaving employment with the Group. Announced to market on 19 February 2021.
- Options issued to key management personnel totalling 5,555,104 options. Of these, none have been forfeited. Announced to market on 12 March 2021.
- Options issued to key management personnel totalling 9,943,880 options. Of these, 1,388,776 have been forfeited as a result of the employee leaving employment with the Group.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The following share-based payment arrangements were in existence during the comparative reporting period:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION	FAIR VALUE AT GRANT DATE
11 October 2017	11 October 2020	\$0.00	5,700,000	\$0.19
27 June 2018	31 December 2020	\$0.26	4,346,768	\$0.135
22 August 2018	31 December 2020	\$0.26	576,618	\$0.0710
22 August 2018	22 August 2020	\$Nil	2,400,000	\$0.1606
17 December 2018	17 December 2021	\$0.26	636,545	\$0.0685

### NOTE 33 | RELATED PARTY TRANSACTIONS

- a) Interests in controlled entities are disclosed in Note 25.
- b) Key management personnel remuneration details and equity holdings are disclosed in the Remuneration report in the Directors' report.
- c) Directors' fees and other payables owing to related parties are disclosed in Note 15.

### NOTE 34 | DIVIDENDS

The Board of Directors has recommended that no dividend be paid.

### NOTE 35 | CONTINGENT ASSETS, LIABILITIES, AND GUARANTEES

The Group recognises a contingent liability in relation to the acquisition of Neat Tickets Pty Ltd. Refer to Note 8 for more information.

The Group is unaware of any other contingent assets or guarantees that may have a material impact on the Group's financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 36 | DISCONTINUED OPERATIONS

During FY2020, the Company reviewed its operations and decided to cease its Paid By Coins Pty Ltd operations, a subsidiary of Gratifii Limited. As such, the full investment was impaired during FY2020 and the entity wound up. The Company views this strategic move favourably, to streamline operations and concentrate on its profitable operations.

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Financial performance</b>		
Digital currency trading revenue	-	1,368,600
Digital currency trading cost of sales	-	(1,331,492)
<b>Gross profit</b>	<b>-</b>	<b>37,108</b>
Impairment of intangibles	-	(6,197,061)
Administrative and other corporate costs	-	(5,400)
Finance costs	-	(177,097)
Employee benefits expense	-	(31,964)
Foreign exchange losses	-	(114)
<b>Profit/(loss) before income tax from discontinued operations</b>	<b>-</b>	<b>(6,374,528)</b>
Income tax expense	-	-
<b>Profit/(loss) after income tax from discontinued operations</b>	<b>-</b>	<b>(6,374,528)</b>
Profit/(loss) attributed to non-controlling interest	-	(35,493)
<b>Profit/(loss) attributed to owners of Gratifii Limited</b>	<b>-</b>	<b>(6,410,021)</b>

There were no assets or liabilities recognised at 30 June 2020.

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Statement of cash flows</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	-	1,368,600
Payments for suppliers and employees	-	(1,395,856)
Finance costs	-	(31,964)
<b>Net cash used in operating activities</b>	<b>-</b>	<b>(59,220)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

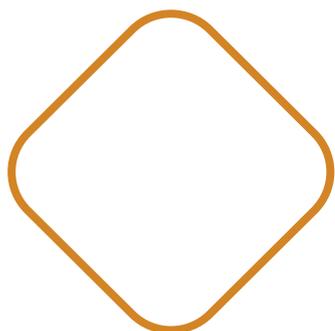
### NOTE 36 | DISCONTINUED OPERATIONS CONTINUED

	CONSOLIDATED	
	2021 \$	2020 \$
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(520,052)
<b>Net cash from financing activities</b>	<b>-</b>	<b>(520,052)</b>
Net increase/(decrease) in cash and cash equivalents	-	(579,272)
Cash and cash equivalents at the beginning of the financial year	-	690,605
Effects of exchange rate changes on cash	-	(114)
<b>Cash and cash equivalents at time of liquidation</b>	<b>-</b>	<b>111,219</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	CONSOLIDATED	
	2021 \$	2020 \$
<b>Carrying amounts of assets and liabilities disposed</b>		
Cash and cash equivalents	-	111,219
Trade and other receivables	-	5,500
Other assets	-	7,799
<b>TOTAL CURRENT ASSETS</b>	<b>-</b>	<b>124,518</b>
<b>NON-CURRENT ASSETS</b>		
Intangible assets	-	16,070
<b>TOTAL NON-CURRENT ASSETS</b>	<b>-</b>	<b>16,070</b>
<b>TOTAL ASSETS</b>	<b>-</b>	<b>140,588</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	-	362,949
<b>TOTAL CURRENT LIABILITES</b>	<b>-</b>	<b>362,949</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	-	275,390
<b>TOTAL NON-CURRENT LIABILITES</b>	<b>-</b>	<b>275,390</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>638,339</b>
<b>NET (DEFICIENCY)</b>	<b>-</b>	<b>(497,751)</b>
<b>EQUITY</b>		
Share capital	-	100
Accumulated losses	-	(398,349)
<b>PARENT ENTITY NET ASSETS/(DEFICIENCY)</b>	<b>-</b>	<b>(398,249)</b>
Non-controlling interest	-	(99,502)
<b>EQUITY NET ASSETS/(DEFICIENCY)</b>	<b>-</b>	<b>(497,751)</b>

# DIRECTORS' DECLARATION



## DIRECTORS' DECLARATION

1. In the opinion of the Board of Directors of Gratifii Limited:
  - a. the consolidated financial statements and notes of Gratifii Limited are in accordance with the *Corporations Act 2001*, including:
    - i. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
    - ii. Complying with the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. There are reasonable grounds to believe that Gratifii Limited will be able to pay its debts as and when they become payable.
2. The Directors have been given the declaration required by Section 295A of the *Corporations Act 2001* from Iain Dunstan who served as Executive Officer and Executive Chairman during the reporting period from 1 July 2020 to 30 June 2021.
3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

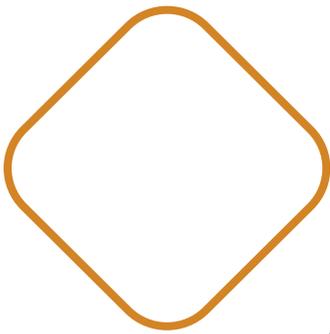
Signed in accordance with a resolution of the Board of Directors:



**IAIN DUNSTAN**  
**EXECUTIVE CHAIRMAN**

Date: 7 October 2021

# INDEPENDENT AUDITOR'S REPORT





## GRATIFII LIMITED ABN 47 125 688 940 and Controlled Entities

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRATIFII LIMITED and Controlled Entities

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Gratifii Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Emphasis of Matter on Going Concern

We draw your attention to Note 1 on going concern in the financial report, which indicates that the Group incurred an operating profit after tax from continuing operations \$59,281 (2020 loss: \$2,514,471) and net cash outflows from operating activities of \$537,165 (2020: \$3,070,663) during the year ended 30 June 2021 and, as of that date, the Group's current liabilities exceeded its current assets by \$1,762,817 (2020: \$5,450,119) and net assets of \$1,313,926 (2020: deficiency \$5,128,885). Noting that \$2,600,000 of current liabilities represent convertible note liabilities (refer to Note 18) which the group expects will be repaid through the issue of shares subject to shareholder approval in addition to \$200,000 of existing convertible notes that will also be settled through the issuance of shares. As stated in Note 1, these events and conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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ABN 59 133 605 400

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Act 1994 (NSW)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key Audit Matters</b>	<b>How Our Audit Addressed the Key Audit Matters</b>
<p><i>Capitalisation and Impairment of Software Development Costs</i></p> <p>During the year, the group incurred costs of \$2,262,188 for the development of its new Mosaic platform.</p> <p>As detailed in Note 13 to the financial statements, \$1,331,856 was capitalised as software development costs. The balance of \$930,332 was expensed during the current period.</p> <p>After impairment and amortisation, the carrying value as at 30 June 2021 was \$2,882,034.</p>	<p>We evaluated the appropriateness of capitalisation policies, performed substantive tests on costs capitalised and assessed amortisation and impairment assumptions.</p> <p>In performing these procedures, we considered the judgements made by management including:</p> <ul style="list-style-type: none"> <li>• the nature of underlying costs capitalised as part of the cost of the software development; and</li> <li>• the appropriateness of the directors' assessment for indicators of impairment.</li> </ul>
<p><i>Business Acquisitions</i></p> <p><i>During the period the group acquired Neat Tickets Pty Ltd (trading as Neat Ideas).</i></p> <p><i>As detailed in Note 8 to the financial statements, fair value of consideration was \$1,340,035 with Goodwill on acquisition being determined to be \$1,643,909.</i></p>	<p>We evaluated the purchase price allocation of the acquisition, assessed procedures to incorporate the acquisition into the group and performed audit testing on balances brought to account.</p> <p>In performing these procedures, we considered the estimates and judgements made by management including:</p> <ul style="list-style-type: none"> <li>• cost allocation of the purchase price allocation;</li> <li>• review of legal documentation on the acquisition; and</li> <li>• review of due diligence procedures.</li> </ul>

### Key Audit Matters (Continued)

<b>Key Audit Matters</b>	<b>How Our Audit Addressed the Key Audit Matters</b>
<p><i>Convertible Notes</i></p> <p>During the period the group obtained \$4,100,000 of funding by way of convertible notes.</p> <p>As detailed in Note 18 to the financial statements, \$2,600,000 has been disclosed as loan liability pending shareholder approval.</p>	<p>Our audit included analysing convertible note agreements and considering disclosure of liabilities as at 30 June 2021. This included performing audit testing and analysis on supporting calculations and questioning management assumptions within these calculations.</p>

### Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2021 but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable matters, relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 26 to 31 of the Directors' Report for the year ended 30 June 2021.

In our opinion the Remuneration Report of Gratifii Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MNSA Pty Ltd

**MNSA Pty Ltd**

**Mark Schiliro**

Director

Sydney

Dated this 7<sup>th</sup> of September 2021

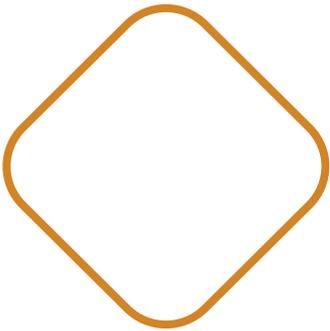
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**ASX**  
**ADDITIONAL**  
**INFORMATION**



## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information as at 31 August 2021 required by the Australian Securities Exchange and not disclosed elsewhere in this report.

In accordance with ASX listing rule 4.10.19, the Company confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of re-compliance with chapters 1 and 2 of the ASX Listing Rules in a way consistent with its business objectives.

### HOME EXCHANGE

The Company is listed on the Australian Securities Exchange. The Home Exchange is Sydney.

### ORDINARY SHARES

As at 31 August 2021, the issued capital comprised of 610,425,090 fully paid ordinary shares (ASX code: GTI) held by 1,065 holders. There were 2,528,449 shares held in unmarketable parcels of \$500 or less, by 598 individual shareholders.

### OPTIONS

As at 31 August 2021, the Company had the following unlisted options over ordinary shares on issue:

GRANT DATE	NUMBER UNDER OPTION	NUMBER OF HOLDERS	EXERCISE PRICE	EXPIRY DATE
03 September 2019	2,947,135	1	\$0.05	10 July 2022
13 February 2020	4,983,776	1	\$0.0336	13 February 2023
12 February 2020	7,100,379	2	\$0.05	12 February 2024
29 January 2021	6,000,000	1	\$Nil	17 April 2023
11 March 2021	5,555,104	2	\$0.03	11 March 2026
13 February 2021	8,555,104	3	\$0.05	13 February 2024
<b>TOTAL</b>	<b>35,141,498</b>			

### CLASS OF SHARES AND VOTING RIGHTS

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

### ON MARKET BUY-BACK

There is no on market buy-back.

### RESTRICTED SECURITIES

There were no restricted securities as at 31 August 2021.

### DISTRIBUTION OF SHAREHOLDERS

The distribution of each class of equity was as follows:

#### FULLY PAID ORDINARY SHARES

RANGE	NUMBER OF HOLDERS	NUMBER OF SHARES	PERCENTAGE
1 - 1,000	180	57,657	0.01%
1,001 - 5,000	243	597,380	0.10%
5,001 - 10,000	95	754,931	0.12%
10,001 - 100,000	287	11,108,823	1.82%
100,001 and over	260	597,906,299	97.95%
<b>TOTAL</b>	<b>1,065</b>	<b>610,425,090</b>	<b>100.00%</b>

## SUBSTANTIAL SHAREHOLDINGS

At 31 August 2021, the Register of Substantial Shareholders showed the following:

RANK	NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE
1	HSBC CUSTODY NOMINEES	53,119,098	8.70%

## TWENTY LARGEST SHAREHOLDERS

At 31 August 2021, the twenty largest shareholders held 58.70% of the fully paid ordinary shares as follows:

RANK	NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE
1	HSBC CUSTODY NOMINEES	53,119,098	8.70%
2	ALIMOLD PTY LTD	28,424,118	4.66%
3	BERNE NO 132 NOMINEES PTY LTD	28,172,424	4.62%
4	NATIONAL NOMINEES LIMITED	24,000,000	3.93%
5	ALTOR CAPITAL MANAGEMENT	22,150,000	3.63%
6	IRONFURY PTY LTD	21,502,272	3.52%
7	HOTAZEL HOLDINGS PTY LTD	20,476,832	3.35%
8	HOWARTH COMMERCIAL PTY LTD	20,400,000	3.34%
9	MR JASON DAVID BROWN	16,000,000	2.62%
10	JASON BROWN PTY LTD	15,650,000	2.56%
11	RIMOYNE PTY LTD	15,141,969	2.48%
12	MR AUBREY JOHN SONNENBERG	14,868,421	2.44%
13	LAKEBA VENTURES PTY LTD	12,729,970	2.09%
14	NOVUS CAPITAL NOMINEES PTY	12,153,341	1.99%
15	BNP PARIBAS NOMINEES PTY LTD	10,199,479	1.67%
16	LOMACOTT PTY LTD	10,000,000	1.64%
17	MARLEY HOLDINGS PTY LTD	8,751,451	1.43%
18	MR TODD RUPPERT	8,266,667	1.35%
19	WHATSNEXT PTE LTD	8,169,763	1.34%
20	MR IAN ALASTAIR LEETE	8,166,667	1.34%
<b>TOTAL SECURITIES OF TOP 20 HOLDINGS</b>		<b>358,342,472</b>	<b>58.70%</b>
<b>TOTAL NUMBER OF SECURITIES</b>		<b>610,425,090</b>	

# CORPORATE DIRECTORY

<b>Directors</b>	<b>Iain Dunstan</b> Executive Chairman – appointed 17 April 2020 <b>Stephen Borness</b> Non-Executive Director – appointed 6 May 2021 <b>Mike Hill</b> Non-Executive Director – appointed 29 December 2020 <b>Bryan Zekulich</b> Non-Executive Director – appointed 29 December 2020 <b>Alberto Basile</b> Non-Executive Director – resigned 8 January 2021 <b>Christopher Joseph</b> Non-Executive Director – resigned 6 May 2021
<b>Company Secretaries</b>	<b>David Hwang</b> – appointed 29 December 2020 <b>Jarrold White</b> – resigned 29 December 2020
<b>Registered office</b>	Level 2, 25 Cooper Street Surry Hills NSW 2010
<b>Principal place of business</b>	Level 2, 25 Cooper Street Surry Hills NSW 2010 T: +61 2 9922 6988 W: www.Gratifii.com
<b>Auditor</b>	<b>MNSA Pty Ltd</b> Level 1, 283 George Street Sydney NSW 2000 T: +61 2 9299 0901
<b>Share registry</b>	<b>Automic Registry Services Pty Ltd</b> Level 5, 126 Phillip Street Sydney NSW 2000 T: +61 2 9698 5414
<b>Securities Exchange Listing</b>	<b>Australian Securities Exchange</b> (Home Exchange: Sydney, NSW) ASX Code: GTI
<b>Banker</b>	<b>National Australia Bank Ltd</b> 255 George Street Sydney NSW 2000



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