



H1 FY24 RESULTS PRESENTATION

Gratificii Limited (ASX: GTI)
February 2024

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POWERING LOYALTY SUCCESS

WELCOME TO THE GRATIFICII GROUP!

Best-in-class loyalty platform for a smarter, faster customer experience, combined with exciting curated rewards at best in market pricing, and delivered by an experienced team with proven marketing prowess.

Together, we deliver results you'll love.

Significant platform growth opportunity



- ✓ **Leading domestic B2B loyalty management platform in ANZ**
 - 17 million user accounts; trusted by over 70 major brands
- ✓ **Strong existing customer revenue growth and zero churn**
 - Australian Software revenue CAGR 23% and Rewards CAGR 38% since 1H FY22
- ✓ **Strengthening financial profile, continuing operations will become self-funded**
 - Highly scalable 'no code' low-touch platform: able to support 2x – 3x revenue growth
- ✓ **Large (\$5bn¹) and fragmented market (over 100 players) growing at 13%**
 - 13% market CAGR² strengthened by prevailing cost-of-living pressures
- ✓ **Significant value opportunity from further penetration of existing user base**
 - ~20% penetration today vs. RACV penetration of over 50%²
- ✓ **Significant value opportunity from new pricing model and low cost to serve**
 - Significant revenue opportunity and low cost to serve



#1 domestic B2B loyalty management platform in ANZ



Complete loyalty and rewards management solution

'No code' platform delivers significant competitive advantage

ISO/IEC 27001 certified



SECURITY
ISO/IEC 27001 certified

Customer

17+
million
users

70+
enterprise clients



Browse products

Movie tickets

Travel

Experiences

Attractions

Gift cards



Place order

Fees earned on marketplace sales

SaaS and service fees also earned



Trusted to serve over 17 million accounts by over 70 major brands



70+ enterprise clients...

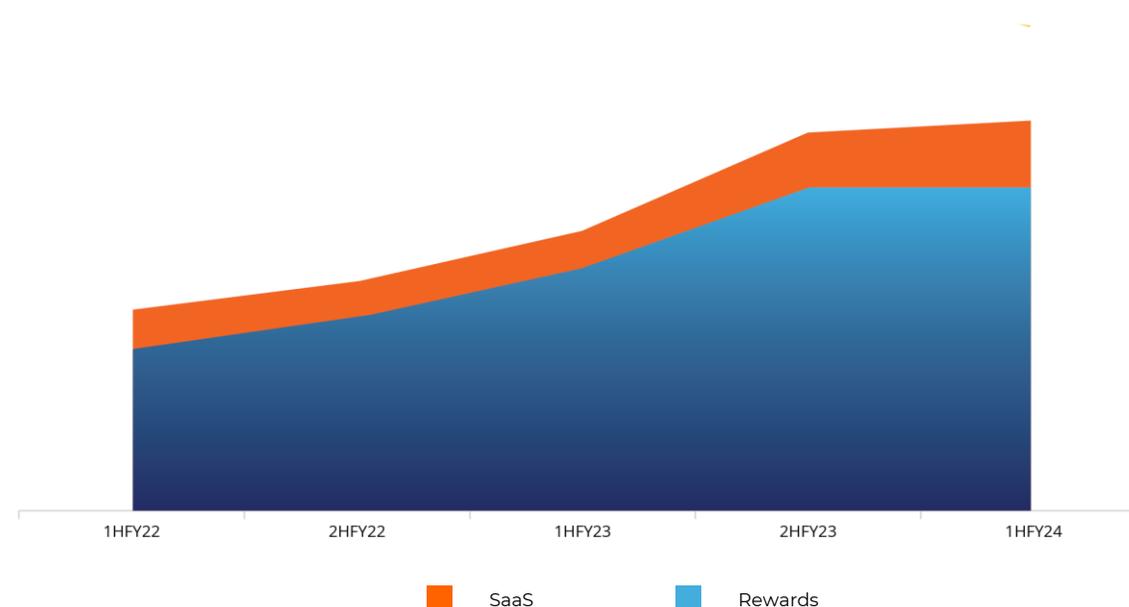
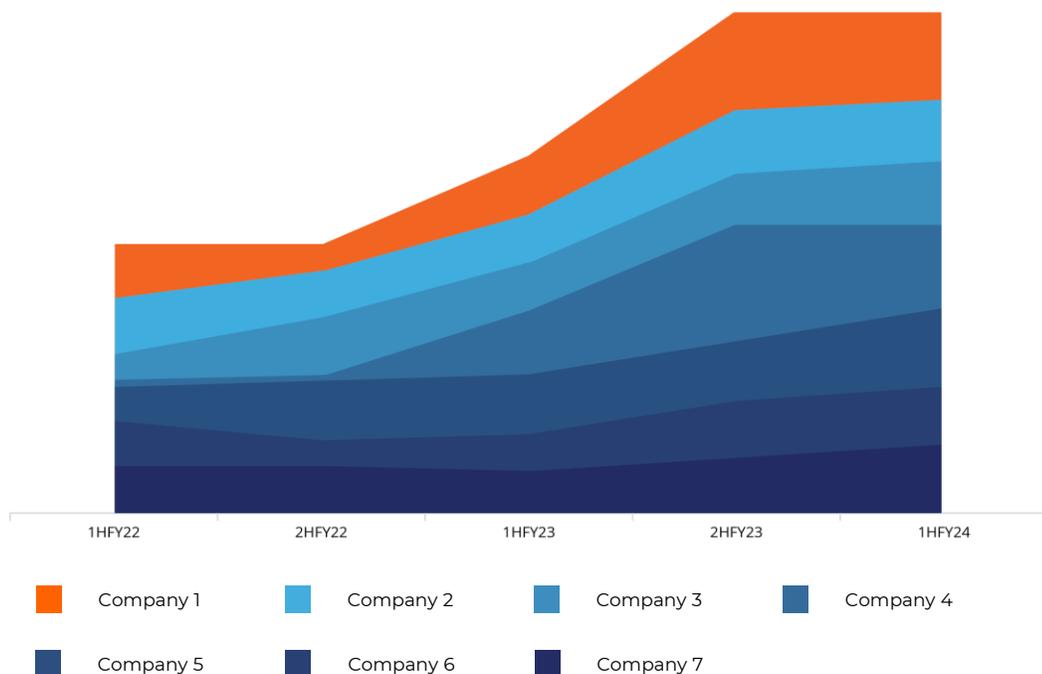


Strong existing customer growth and zero churn



Largest clients' revenue grown at 36% CAGR¹

SaaS and Services revenue 23% CAGR
Rewards 42% CAGR¹



Note: (1) Calculated on a pro-forma basis since H1 FY22, ignoring the impact of company acquisitions

Strengthening financial profile



CONTINUING OPERATIONS WILL BECOME SELF-FUNDED

Highly scalable platform able to support 2x – 3x revenue growth



Revenue

- Growth from existing clients
- New clients



Margin

- Clients taking whole solution
- Economies of scale
- Marginal cost base increase



Clients & Users

- Currently integrating significant contracts
- Numerous late-stage negotiations to be converted
- Pipeline of paid projects with existing clients building



R&D Expenditure

- Substantial build for RACV able to be leveraged for new customers

Large and fragmented market growing at 13% CAGR



Gratifi serves a wide range of industries seeking to create a stronger connection with their customer base.

Demand is strengthened by cost-of-living pressures.



Retail



Energy



Tourism



Sports & Recreation



Automotive



Tech & I.T



Health



Financial Services



Hospitality

\$5B

Australian loyalty management market¹

13%

Market growth CAGR 2017 - 2027¹

>100

Australian loyalty management market participants¹

\$27B

forecast size of global loyalty management market by 2026²

Note: (1) Ellipsis research report, February 2024; (2) USD 18.2 billion converted to AUD 27.0 billion at 1.4861. Market and Markets Loyalty Management Market research report, January 2022.

Significant value opportunity from new pricing model and low cost to serve

	Loyalty Platform 	Rewards 
Typical onboarding costs:	Low	
Fees earned:	SaaS & Service fees	Margin on rewards
Typical revenue per client:	\$150k - \$750k p.a.	~\$1.0m - \$5m p.a.
Typical margin:	50%+	15-17%

New pricing model presents significant revenue opportunity

- SaaS fees
- Service fees
- Margin on rewards

Target average margin of 20-22%

Every dollar of SaaS revenue currently generates on average over 5x revenue in Rewards



H1 FY24 RESULTS

Gratificii Limited (ASX: GTI)
February 2024

H1 FY24 OPERATIONAL HIGHLIGHTS



Transformational 3-year contract with RACV

- Contract expected to generate **~\$8.8m** in additional revenue during calendar 2024* and represents Gratifii's largest SaaS contract to date. Contract **anticipated to deliver ~\$13.0m** revenue in calendar 2025*

Record client integrations delivered

- Multiple client projects successfully delivered during the year namely, Meat & Wine Co, Italian Street Kitchen, Cornerstone Health, Niterra, FAB Group, Spark, Datacom, Synergy.

Closure of South African operations

- Closure due to legislative changes affecting operating conditions. Although it has had some impact in 1HFY24, it will have a minimal impact on Gratifii's future revenue/earnings.

* Based on RACV volumes in the prior 12 months.

H1 FY24: Continued momentum



**Delivering
on strategic
objectives**



Added over 400,000 active users to platform during the half



RACV phases 1&2 built and delivered

- Member access to Neat Ideas content completed



Key client projects supported:

- Niterra
- FAB Group
- Mitsubishi Heavy Industries
- Cornerstone Health
- Seagrass Boutique Hospitality Group



Zero client churn



Invested in robust infrastructure and attained ISO 27001

FINANCIAL SUMMARY

H1 FY24



Growth and investment were the focus in H1 FY24

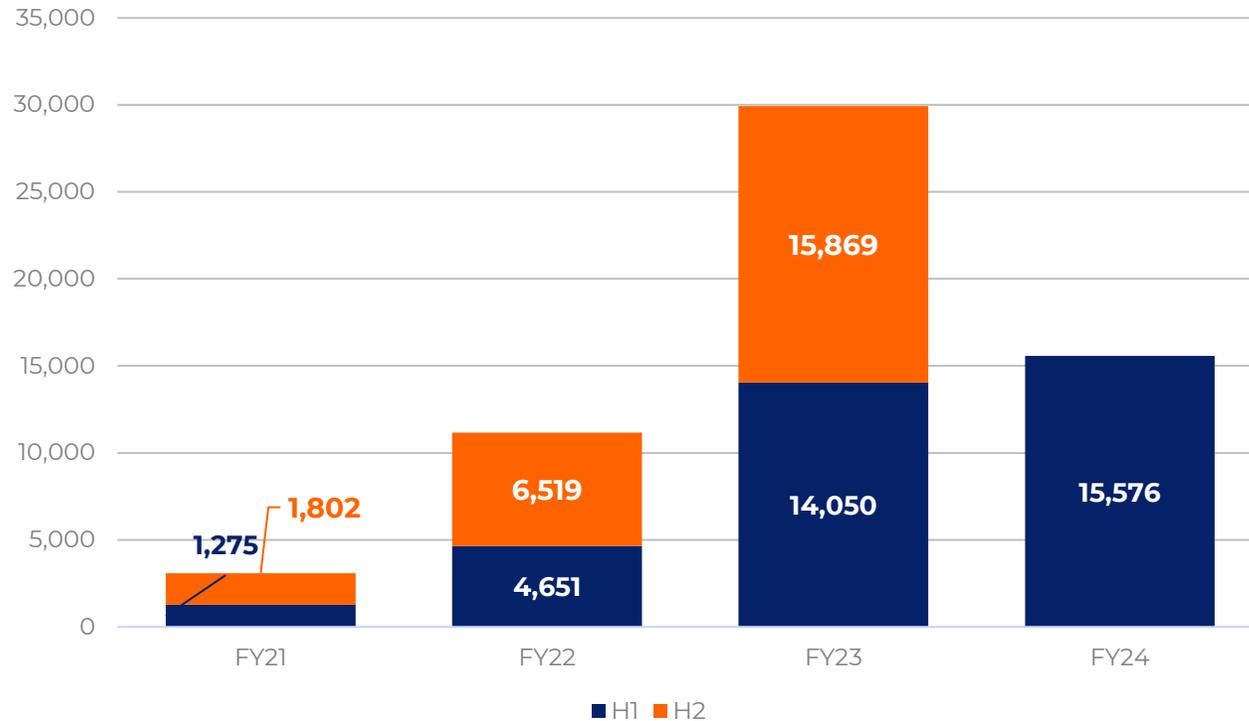
H1 FY24 Revenue	Gross Profit	Cash at end of H1	Individual Client Accounts	New Enterprise Client Accounts Added	Shares On Issue
\$15.6m	\$2.4m	\$693,000	↑ +5%	700,000+	1,37M
+11% v H1 FY23	-8% v H1 FY23		> 17m		Share Price \$0.008¹
					Market Cap \$10.95M¹

1. As at 26 February 2024.



HALF YEAR REVENUE (\$'000)

- H1 growth impacted by planned closure of South African Operations
- H2 expected to be stronger with RACV and RAA getting to scale



**H1 FY24
RECORD
1H REVENUE**



- **Revenue growth** and **Gross Profit** were driven by revenue mix and new enterprise contracts offset by the planned closure of South African operations
- **Operating costs** increased due to higher depreciation, amortisation and employment costs following Hachiko acquisition and continued SaaS platform development

H1 FY24 Financial Highlights

	H1 FY24	H1 FY23	Change
Ordinary Revenue	\$15.58m	\$14.05m	▲ 11%
Gross Profit	\$2.41m	\$2.62m	▼ 8%
Employments Costs	(\$2.00m)	(\$2.34m)	▲ 14%
Corporate Admin	(\$1.32m)	(\$1.39m)	▲ 5%
Other	\$0.09m	\$0.10m	▼ 15%
EBITDA*	(\$0.82m)	(\$1.01m)	▲ 18%

*Includes other and non-operating revenue



H1 FY24 RESULTS

OUTLOOK

Gratificii Limited (ASX: GTI)
February 2024

Outlook – H2FY24 & Beyond

Operating Cashflow Positive in 1QFY25

- Delivery of phase 3 of RACV contract H2FY24
- Increased scale from Club Connect contract in H2FY24
- Increased customer penetration and new logo wins

Whilst some delays have occurred with the RACV project, both Gratificii and RACV are still confident of achieving \$8.8m of incremental annualised revenue from the launch date.

Reducing operating expenses ~\$600k p.a.

- **Technology efficiencies:** Moving all parts of the business to Mosaic will reduce 3rd party licence and support fees by approx. ~\$600k (annualised)

Reducing recurring Capex spend ~\$1.5m.

- **R&D milestones:** Investment to reduce outsourced development from \$3.0m to \$1.5m p.a. in FY25 upon delivery of final core Mosaic module for RACV

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H1 FY24 RESULTS

APPENDICIES

Gratificii Limited (ASX: GTI)
February 2024



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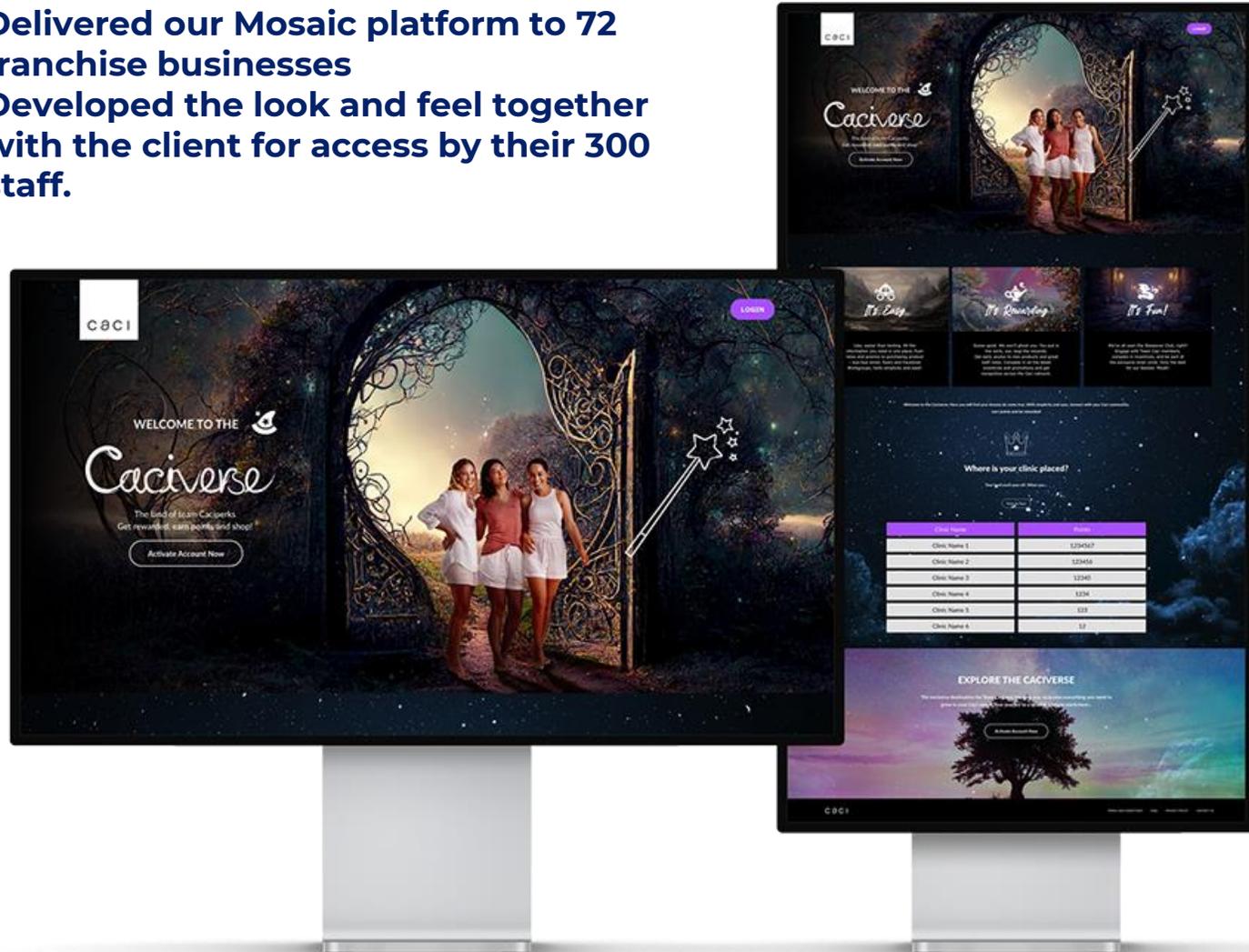
The flexibility and ongoing development of the Mosaic platform was one of the reasons we went with Gratificii. We've looked at other systems for other projects and you feel like you're having to compromise on things, but I feel we haven't had to do that here.

”

Emily, Product and Customer Strategy Manager
FAB Group
(Jan 2024)

Successful H1FY24 client implementation

- Delivered our Mosaic platform to 72 franchise businesses
- Developed the look and feel together with the client for access by their 300 staff.



During H1 FY24 we delivered for our clients:

Client	Sector	Members	Deliverable
 ClubConnect	Auto clubs	Up to 3.7 million potential additional auto club members*	<ul style="list-style-type: none"> ✓ Platform API ✓ Rewards content
 RAA	Auto club	800,000 members	<ul style="list-style-type: none"> ✓ Rewards platform ✓ Rewards
 RACV	Auto club	Added 300,000 affiliate members	<ul style="list-style-type: none"> ✓ Enterprise software ✓ Design services ✓ Rewards

1. Source: Australian Automobile Association: <https://www.aaa.asn.au/pages/who-we-are/>.

**H1 FY24
CLIENT
HIGH-
LIGHTS**



During H1 FY24 we delivered for our clients:

Client	Sector	Members	Deliverable
 SEAGRASS BOUTIQUE HOSPITALITY GROUP	Hospitality	15,000	<ul style="list-style-type: none">✓ Enterprise Software✓ Design Services
	Health & wellness	325,000	<ul style="list-style-type: none">✓ Enterprise Software✓ App design
	Health & wellness	250,000	<ul style="list-style-type: none">✓ Rewards Platform✓ Rewards
	Health & wellness	72 franchises 300 employees 3 separate brands	<ul style="list-style-type: none">✓ Enterprise Software✓ Design Services

H1 FY24
CLIENT
HIGH-
LIGHTS

H1 FY24 AWARDS AND CERTIFICATIONS



AFR Fast 100 list
3rd place in 2023



Deloitte Tech Fast 50
2023 Finalist



SECURITY
ISO/IEC 27001 certified



Carbon neutral
certified business
operations