30 August 2024 **ASX ANNOUNCEMENT**

Graffiti releases FY2024 unaudited preliminary full year results

Gratifii Limited (ASX:GTI) (**Gratifii** or **the Company**), the enterprise loyalty and rewards company, is pleased to announce its unaudited results for the year ended 30 June 2024 (**FY24**).

Gratifii has delivered a solid financial result in FY2024, with total revenue in line with the prior corresponding period. Revenues have been impacted by the continuation of negotiations with two M&A targets. This result includes strong growth in the rewards business. Revenue in the loyalty services business has also been somewhat hampered by macro-economic conditions with discretionary spending in marketing and travel down, but as recently highlighted we have experienced better trading condition post 30 June. Namely July monthly cash inflows of $2.75m, delivered as a result of a continued strong rebound in performance of existing contracts/customers. In addition, the Company has agreed over $2.0m in new client agreements, which are expected to flow into September's cash receipts, positioning the September quarter cash receipts ahead of the same period last year.

Highlights for FY24

Financial:

- **Revenue** of $30.2 million, in line with FY23
- **Revenue from ordinary activities** of $29.9 million down 0.2% on FY23
- **Gross profit** of $4.5 million, down 11% on FY23
- **Cash** as at 30 June 2024 of $324k

Operations:

- Achieved ISO27001 certification.
- Seagrass Hospitality Group, Fab Group, Niterra, Bendix and Cornerstone Health all went live on our SaaS platform.
- Executed 11 new enterprise client agreements.
- Received 'Climate Active' certification from the Australian Government.
- Went live with its two new lines of business with EML Payments Solutions Limited (EML), Gift Cards and Salary Sacrifice Rewards.
- Growing pipeline of enterprise opportunities that have the potential to sustain Gratifii's strong growth profile.
- Continued to progress previously announced potential M&A transactions that are complementary to Gratifii's existing business, one of which is material to the future of the Company and comes with the potential to generate and deliver notable shareholder value.

Financial Results

	FY24 ($m)	FY23 ($m)	% Change
Total Revenue	30.2	30.2	(0.02%)
Revenue from ordinary activities	29.9	29.9	(0.16%)
Gross Profit	4.5	5.0	(11.3%)
Underlying EBITDA[1]	(3.5)	(2.3)	(55.0%)
Total Comprehensive Profit (loss) for the year	**(10.5)**	**(3.8)**	**(176%)**

Total Revenue reached $30.2 million for the year ended 30 June 2024, broadly in line with the prior year on a segmented basis:

- $702,743 of revenue was derived from Software-as-Service (**SaaS**) fees from contracted clients (FY23: $2.5 million);
- $21.4 million of revenue was earned on rewards (FY23: $18.9 million); and
- $7.7 million of revenue was service fees earned from loyalty and rewards clients (FY23: $8.6 million).

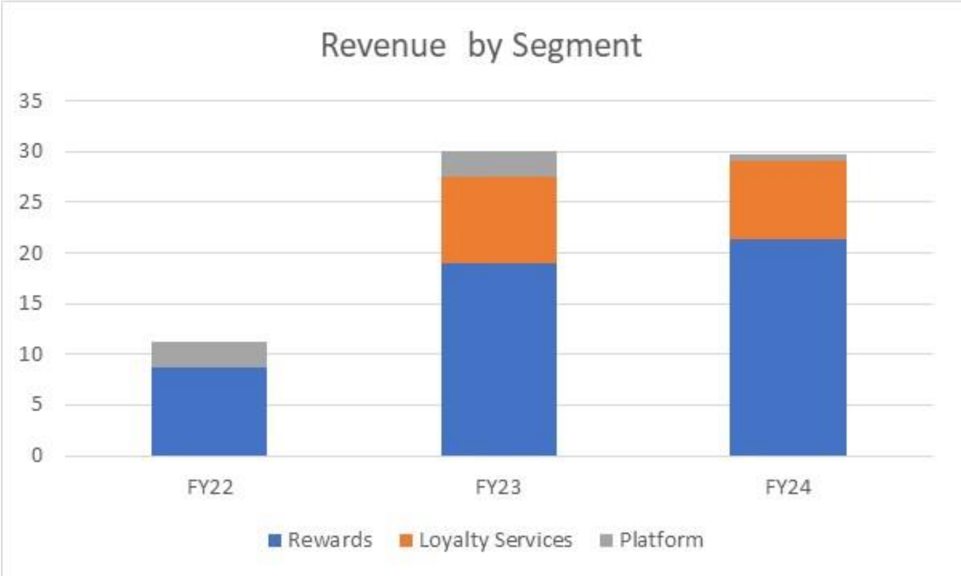
SaaS fees declined due to the full year impact of the Company's decision to exit the market in South Africa on 1 July 2023, with South African clients generating around $1.8 million in SaaS revenue in FY23.

Rewards revenue grew by 14% on the previous financial year due to increased ticket sales, a growing portfolio of customers and better engagement with existing clients. In addition, volumes through Mitsubishi continued to increase.

Loyalty Services revenue declined by 10% overall. This is due to challenging market conditions that has seen downward pressure on discretionary spending with events marketing and travel revenue in particular impacted. Pleasingly the contracted recurring revenue component from all services revenue for marketing and management services, increased as a percentage of total services revenue.

1 Earnings Before Interest, Tax, Depreciation and Amortisation and removing significant one-off items (impairment). This is a Non AIFRS item

Revenue ($'000)



Gross Profit decreased by 11% to $4.5 million (FY23: $5.0 million). Gross profit margin decreased to 14.9% during the period (FY23: 16.9% margin), due to the offsetting factors of a decline in higher margin SaaS revenue and an improvement in rewards margin.

Underlying EBITDA loss was down 55% when adjusted for the impairment taken this financial year. This result is largely due to the decline in gross profit and some increased operating expenditure in IT predominately due to the Company investing in its compliance with ISO standards.

Reported net Loss was $10.5 million for the financial year, (FY23 $3.8 million). FY24 saw increased depreciation and amortisation costs, primarily related to the Mosaic platform and the Company taking an impairment on assets of $4.6 million.

Cash was $324k as at 30 June 2024 (FY23: $1.7 million).

Corporate activity

Gratifii continues to progress two M&A transactions that are complementary to Gratifii's existing business and one of which is material to the future of the Company and comes with the potential to generate and deliver notable shareholder value.

On 25th March 2024, the Company announced a A$1.6 million capital raise through the issue of 320 million fully paid ordinary shares (New Shares) at an issue price of A$0.005 per Share (Placement). Each new share received a free attaching 1:1 Option with a strike price of $0.008. The Placement was undertaken in two tranches, with the second tranche being approved at an EGM on 3rd of June 2024. This capital was used to accelerate software development, meet ISO27001 standards and bolster working capital to accommodate anticipated growth.

Operations Update

Gratifii delivered functionality for its key enterprise contracts during the period and now has over 300,000 active users on its Mosaic SaaS platform. Projects delivered included an end-to-end loyalty solution for Niterra Australia and Bendix Group, a custom rewards and recognition platform for New Zealand based skin clinic business FAB Group, the roll-out of a Dining Rewards Program to Seagrass Hospitality Group's six restaurant brands and the implementation of a loyalty program to a large medical centre provider.

Gratifii was awarded Climate Active certification for its carbon neutral business operations during the period, reflecting the Company's commitment to sustainability.

Outlook

The Company is confident in its ability to deliver revenue growth in FY25 from its expanded rewards and services offering, as demonstrated by the number of new enterprise contracts it has already agreed in 1QFY25.

Commenting on the Company's outlook, Gratifii CEO and Managing Director, Iain Dunstan, said:

"Gratifii has entered FY25 ahead of budget, with a defined strategy to deliver transformational growth and scale. Beyond the potential M&A transactions which we have previously informed the market we are working on, Gratifii has been engaging with a range of large enterprises that have the potential to reinstate the Company's historical growth profile. We look forward to updating the market on these initiatives if and when they eventuate ".

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

Ben Newling
Company Secretary

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About Gratifii Limited

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

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