

BIG UNLIMITED

FY18 Q1 4C UPDATE | OCT 2017



BIG (ASX: BIG) is the parent company of Big Review TV Ltd. Big Review TV are innovative disruptors in the online video space. They are a video driven social media platform and video content creators. BIG deliver video SaaS technology products and marketing services to business.

The Company has operations across Australia and in New Zealand, the United States, the United Kingdom, Hong Kong, Singapore and Vancouver and was listed on the ASX in December 2014.

THREE PILLAR REVENUE MODEL

| 1. VIDEO CREATION | 2. ADVERTISING/SPONSORSHIP | 3. VIDEO REVIEW PLATFORM |
|--|--|---|
| High quality affordable videos for SMEs | Video content re-purposed to create TV shows for sector specific audiences | Free mobile app for customers to search and review businesses |
| | Wholly owned video content library | |
| Video is hosted on BRTV and licenced to customer | Large corporates feature as sponsors of TV shows | Ability to share content via social channels |
| 12 month subscription revenue | Ability to sell branded content and advertising slots | Consumer and merchant reviews draw eyeballs and validate services |
| | Monetisation of video library | Completing the BIG Ecosystem |
| Now | In progress | Medium-term |

Cash Revenue

\$15.0m

↑ 488% YoY

Operating & Investing Cash Flow

\$5.6m

↑ 506% YoY

Pipeline Members & Subscribers

~128,700

↑ 544% YoY

ARPU¹

\$7.5k

↑ 147% YoY

Paying Subscribers

~4,900

↑ 114% YoY

Video Content Views

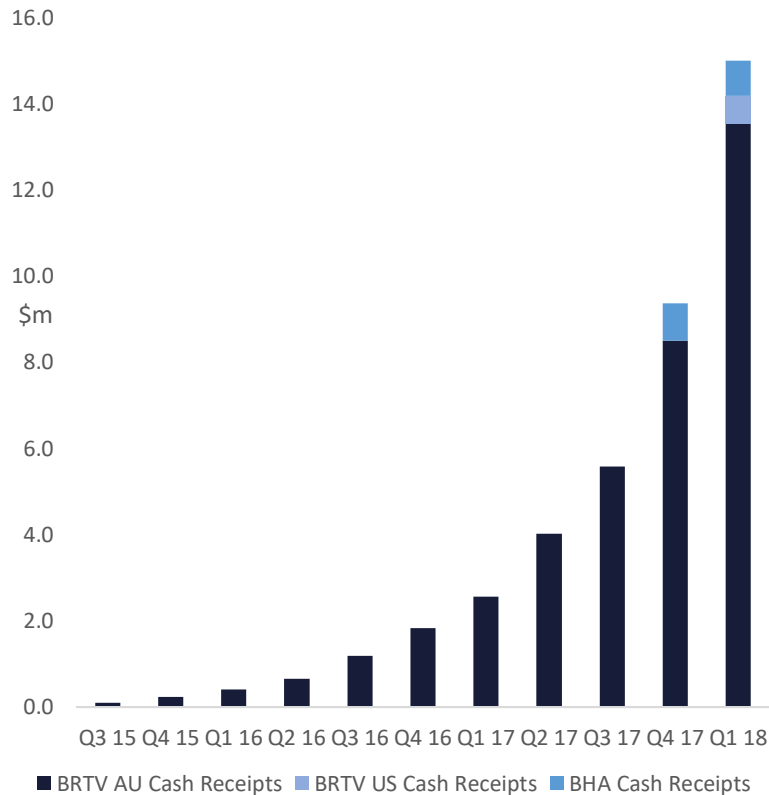
44.2m

↑ 170% YoY

1. ARPU is Average Revenue Per User per annum excluding one-off application fees.

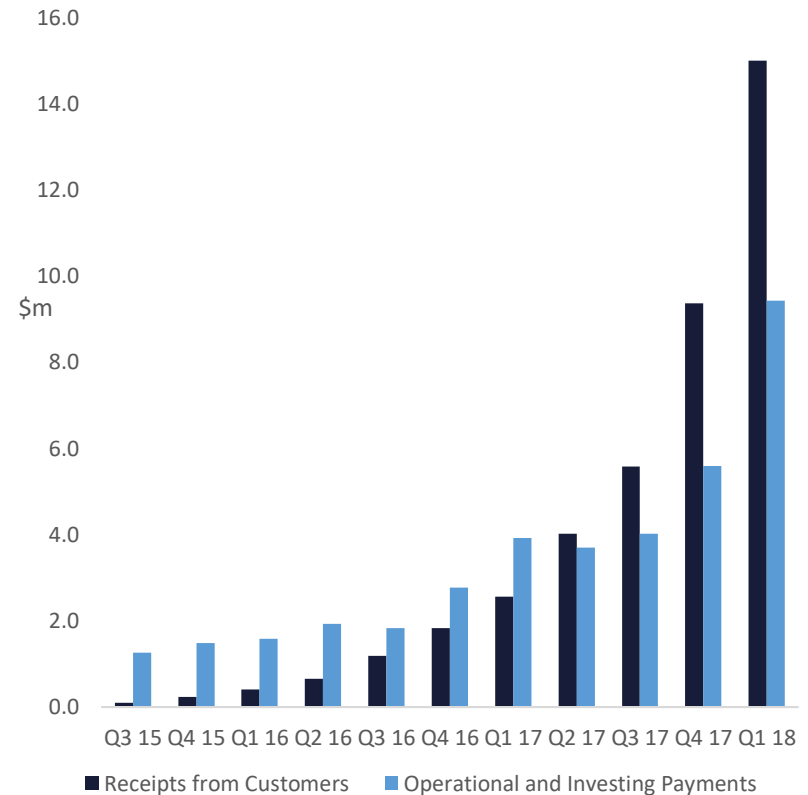
US Cash Revenues Come Online

Cash Revenue up 60% on Prior Quarter

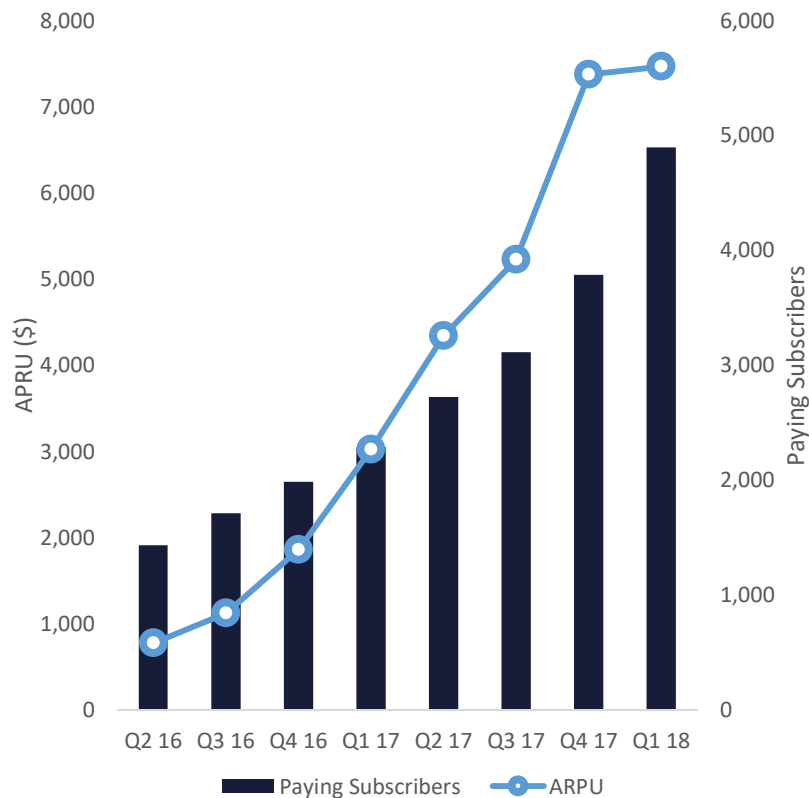


Globally Cash Flow Positive

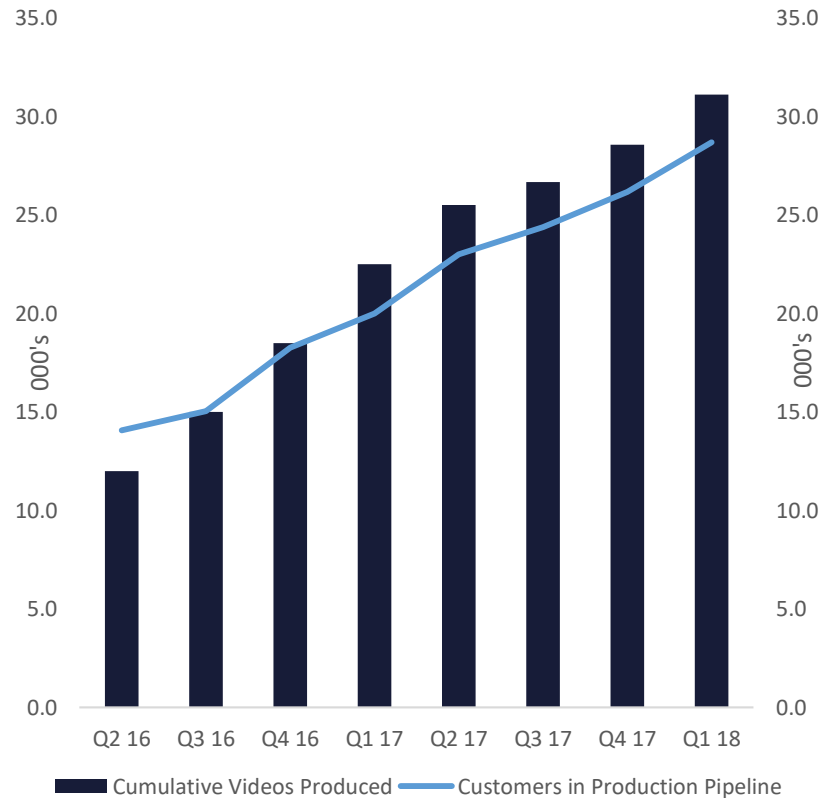
\$5.6m Operating Cash Surplus for Q1



Rising Subscriber Base and ARPU

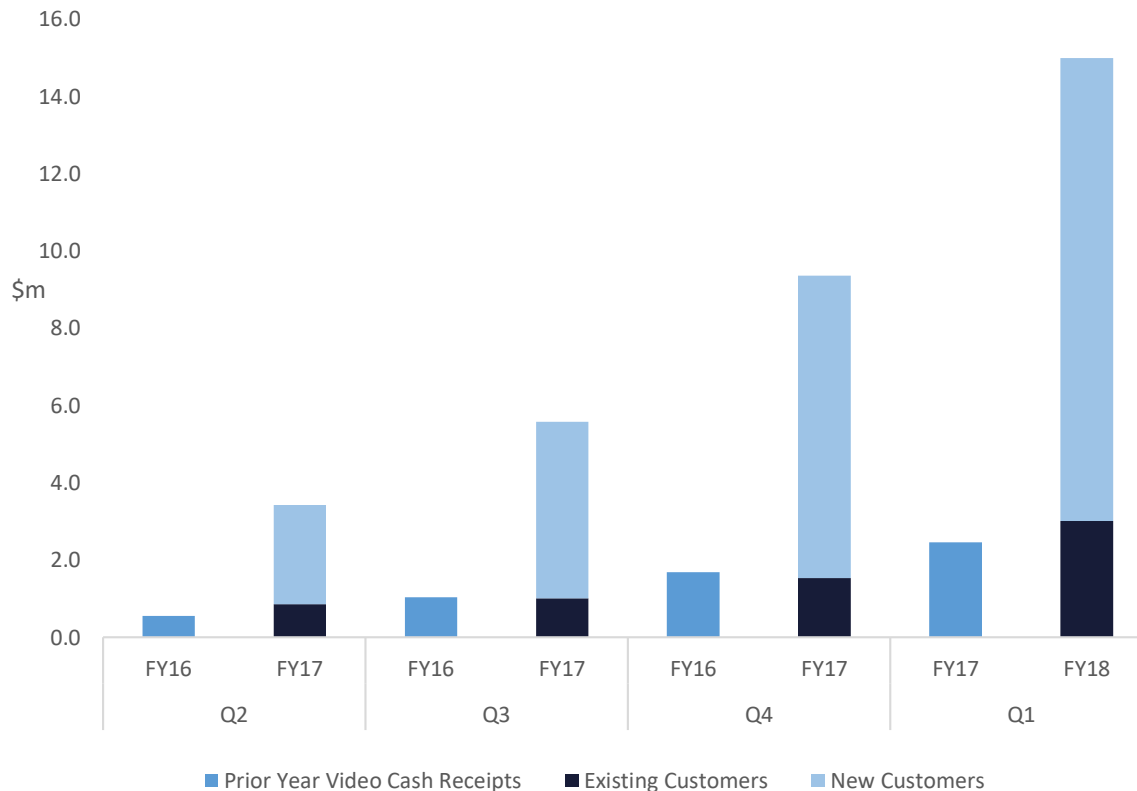


Expanding Video Library and Global Video Production Pipeline



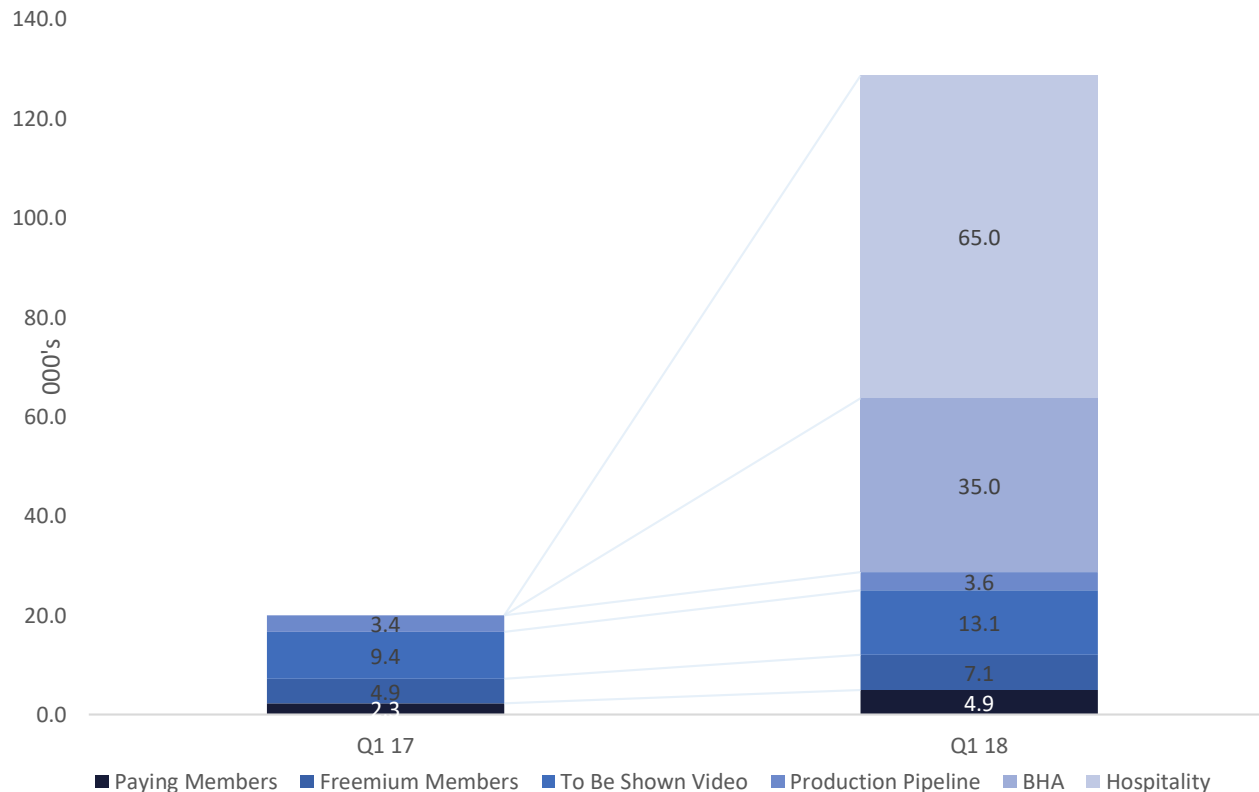
Big Retention Strategy

BIG has been approaching existing customers over the past 12 months to offer them renewals and upgrades to new products



- The Company focussed resources on approaching larger SMEs within the customer database and presenting higher value video products to realise the most efficient and effective outcome.
- Cash revenue for Q1 FY17 totalled \$15.0m of which \$3.0m was from existing customers. This compares with a total video cash revenue for the same period in the prior year Q1 FY17 of \$2.45m or a revenue renewal rate of 122% from the same period in the prior year i.e. revenue from existing customers increased 22% from the corresponding quarter in the prior year.

Acquisitions Results in Significant Growth in Members ready for AUTOGEN

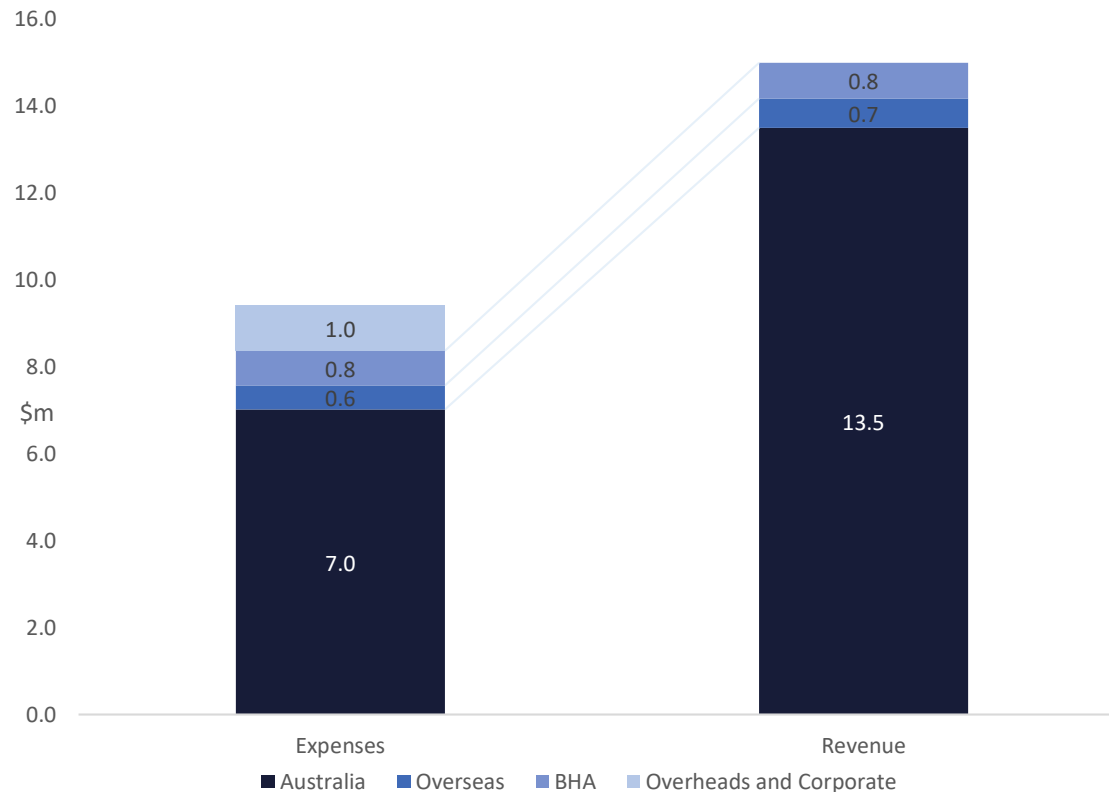


- Hospitality acquisition introduced 65k customers to the BIG Network and BHA subscribers are now entering production pipeline
- 12,000 customers have now made a purchasing decision¹ and 4,900 have taken up a paid product resulting in a conversion rate of over 40%
- BIG has produced 13,100 videos to be presented to the customer and 3,600 customers are in the production pipeline with a further network of 100,000 Hair, Beauty and Hospitality subscribers to monetise
- BIG will now deploy propriety auto-generation technology²

1. Historically, BIG produced a video for no upfront fees. Only paying subscribers can use the video for social media, website and other channels for 1 year.

2. Customers waiting in line will receive an auto-generated video using BIG's video database. BIG will then only deploy its production team for members that elect to subscribe.

Controlled Growth in Cash Expenses Delivers Exceptional Revenue Result and Overseas Growth



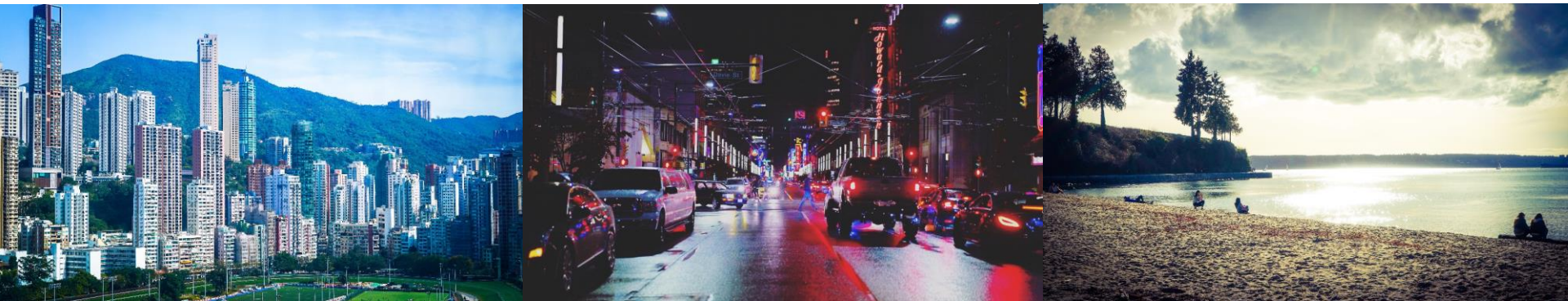
- BIG delivered a cash gross margin in Australia of 48%
- Global cash gross margin achieved of 44%, well ahead of global target of 35%
- Corporate expenses and fixed/overhead costs consistent at \$1m
- Overseas operations cashflow positive generating a cashflow gross margin of 18% as the initial investment in operations starts to deliver results
- BIG intends to reinvest revenues to support further growth
- **Management is committed to balancing growth, margin and value to the customer while maintaining cashflow positivity**

Financials for FY17

| \$m | FY17 | FY16 | Change | % |
|---------------------------------|-------------|-------------|--------------|-------------|
| Video Revenue | 12.8 | 1.8 | +11.0 | 618% |
| Sponsorship & Other Revenue | 1.2 | 0.9 | +0.3 | 35% |
| Total Statutory Revenue | 14.0 | 2.6 | +11.3 | 429% |
| Direct Cost of Sales | -10.1 | -3.5 | -6.6 | 188% |
| Gross Profit | 3.8 | -0.9 | +4.7 | |
| Operating Expenses | -8.1 | -6.9 | -1.1 | 17% |
| Profit/(Loss) Before Tax | -4.2 | -7.8 | +3.6 | -46% |
| Cash Revenue | 21.5 | 4.1 | +17.4 | 429% |
| Operating Cash Flow | 4.2 | -3.6 | +7.8 | |

Highlights

- Video Revenues up 618%
- Gross Margin up to 27% compared to prior year negative margin of -33%
- Only small increase in operating expenses reflects controlled international expansion and growth
- Cash Revenue up 429%
- Cash Surplus for the year of \$4.2m up from prior year loss of -\$3.6m



Summary Cash Flow Statement

| \$m | FY17 | FY16 | Change | % |
|------------------------------|------------|-------------|-------------|------|
| Receipts from Customers | 21.5 | 4.1 | +17.4 | 429% |
| Operational Payments | -17.3 | -7.7 | -9.6 | 125% |
| Operating Cash Flow | 4.2 | -3.6 | +7.8 | |
| Investing Cash Flows | -0.1 | -0.4 | +0.3 | -78% |
| Financing Cash Flows | 1.2 | 6.6 | -5.4 | -82% |
| Net Change in Cash | 5.4 | 2.5 | +2.8 | 111% |
| Cash at End of Period | 9.2 | 3.8 | +5.4 | 139% |

Highlights

- Receipts from Customers up 429%
- Cashflow positive with Operating Surplus of \$4.2m
- Financing Cash Flows the result of share options exercised
- Business growth can be self funded



Balance Sheet Summary

| \$m | FY17 | FY16 | Change | % |
|----------------------------------|-------------|------------|--------------|-------------|
| Cash | 9.2 | 3.8 | +5.4 | 139% |
| Intangibles (BIG Platform & App) | 1.9 | 0.6 | +1.2 | 195% |
| Other Assets | 3.8 | 1.0 | +2.8 | 272% |
| Total Assets | 14.8 | 5.5 | +9.3 | 170% |
| Deferred Revenue | 9.4 | 1.7 | +7.7 | 456% |
| Other Liabilities | 4.5 | 1.9 | +2.6 | 139% |
| Total Liabilities | 13.8 | 3.5 | +10.3 | 290% |
| Net Assets | 1.0 | 1.9 | -0.9 | -48% |

Highlights

- Cash and cash equivalents of \$9.2m
- Debt free – no external loans or borrowings
- Intangibles include BIG Technology Platform and App development
- Deferred Revenue reflects sales made where delivery of video occurs throughout the 12 month subscription and therefore revenue is recognised over the period. Minimal additional production costs required for the ongoing delivery



Q1 Conclusion

- Strong cash revenue growth as overseas operations come online
- BIG cash flow positive globally generating net cash flow surplus of \$5.6m in operating and investing activities

Q2 and Beyond

- Solid growth in Australia set to continue
- Increasing contribution from international operations
- Rising contribution from advertising revenues
- Annualisation of BHA acquisition and introduction of Hospitality results

OUR OPERATIONAL PRIORITIES NEXT 12 MONTHS

- 1 TIG Health & Beauty (BHA) and Hospitality (FAB)
- 2 US expansion
- 3 Global Enterprise JVs
- 4 Corporate-sponsored content and Not For Profit customers
- 5 Enhanced BRTV platform and mobile app
- 6 Customer retention and value-add services
- 7 Monetise international business

APPENDIX

Core capability

- Cost-effective video creation and licensing for SMEs
- Video based social media marketing platform
- IP around video library and auto-generated content

History

- Listed on ASX in December 2014
- Co-founded by Brandon Evertz in 2013
- Cash flow positive from Q2 FY17

Business model

- Video subscription SaaS revenue
- Added sponsorship, advertising and branded content revenue
- BIG video network effect drives stickiness

Capital Structure

| | |
|------------------------|------------------|
| ASX Code | BIG |
| Share Price (30/10/17) | \$2.60 |
| 12m range | \$0.125 – \$2.68 |
| Market cap (undiluted) | \$368m |
| Directors & management | 15% |
| Top 20 | 52% |

Board & Management

| | |
|-----------------------------|-------------------------|
| Richard Evertz (co-Founder) | Chief Executive Officer |
| Brandon Evertz (co-Founder) | Executive Director |
| Hugh Massie | Non-Executive Chairman |
| Sonia Thurston | Executive Director |
| Andy Corner | Chief Financial Officer |

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