Bigtincan™

Bigtincan Holdings Limited

30 JUNE 2018

2018 ANNUAL REPORT

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BIGTINCAN HOLDINGS LIMITED

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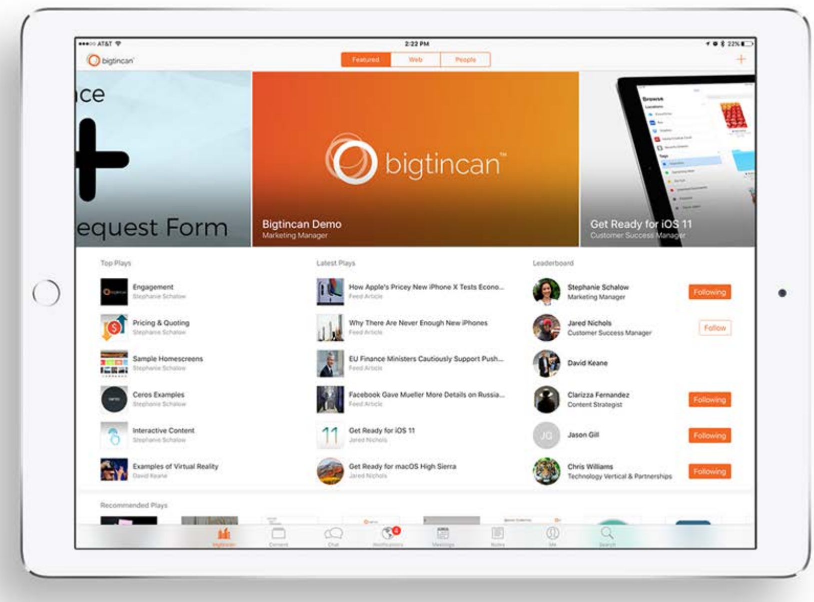

BIGTINCAN HOLDINGS LIMITED
CHAIRMAN'S REPORT
For the year ended 30 June 2018

Dear Shareholder,

On behalf of the Board of Directors, it is my pleasure to present the 2018 Annual Report for Bigtincan Holdings Limited (ASX: BTH), our first full year as an ASX listed entity. This past year has seen the company deliver strong operational and financial performance, and a substantially progressed strategy and platform which will support the next phase of growth in the maturing software as a service (SaaS) marketplace.

Since it was founded in 2011, Bigtincan has become a leader in the provision of enterprise mobility software, enabling sales and service organisations to increase field sales success, reduce expenditures and improve customer satisfaction through improved mobile worker productivity. Bigtincan now has customers in more than 50 countries across the world which operate in diverse industries and market segments.

FY18 was a successful year for BTH with strong growth in all areas of the business. Annualised Recurring Revenue (ARR) hit a record of $15.4m at June 2018, up 41% from June 2017. Total Revenue of $13.1m for FY18, was up by 42% and the net loss after tax of $6.6m was broadly in line with forecasts. The Board has not declared a dividend this year given our desire to continue investing in the business.

This is an exciting time for the Global Sales Enablement market, and for Bigtincan in particular. This year we have continued to expand our sales capability, strengthened and upskilled our support infrastructure.

Product functionality has been added both through in-house development and through acquisition. Over 125 product upgrades to the existing platforms were completed during the year. In addition we have continued to fast-track our product roadmap through our acquisitions of Contondo Inc and Zunos Technologies Pty Limited which will provide key functionality enhancements to our existing customers.

We have also continued to invest in expanding our Channel Partner program with additional resources now supporting an international network of 28 partners in 14 countries. This together with our focus on key market segments in underpinning a strong and developing pipeline of new customers.

Bigtincan had an excellent year and I would like to thank all employees, the Bigtincan management team and my fellow Board members for their hard work and commitment during what has been a very busy FY2018. Bigtincan is well positioned to take advantage of the many opportunities in the evolving Sales Enablement Software market and I am confident that the team's energy and passion for the business will enable Bigtincan to continue to execute our strategy and to deliver a strong result for our shareholders in the year ahead.

Finally, on behalf of the Board I would like to thank you, our shareholders, for your interest and for your continued support.

Tom Amos
Chairman

Chief Executive Officer's Report

I am pleased to deliver Bigtincan's first full year Operating Financial Review as an ASX listed company. In FY18 Bigtincan has been focusing on expanding our sales force, channel partner program, and product functionality.

Overview of Bigtincan

Bigtincan is a leading provider of software that continues to change the way people with customer facing sales and service jobs, prepare, present, collaborate on and share content to make them more effective when in front of a customer.
Bigtincan software helps users to win more deals and improve the productivity of sales and service using new software platforms including machine learning and AI to transform the way that sales executives work.

Bigtincan Hub is now used by some of the world's leading companies in over 50 countries and across 17 languages and our global engineering team now manages infrastructure in the USA, Germany (for the EMEA market) and Australia from their offices located in Sydney.

Bigtincan's development team leads the industry in creating a complete platform for sales enablement, and this year delivered new versions of our platform software across all major mobile operating systems, PCs, and also inside Salesforce.com to provide the most flexible solution on the market today.

FY18 Financial Performance Overview

Bigtincan delivered strong revenue growth in FY18 from new customers and expansion in product use by existing customers driving increases in annualised recurring revenue (ARR). At 30 June 2018, ARR was $15.4m up 41% over FY17. This "land and expand" approach is an important part of the company's strategy allowing for faster penetration and then growth from within existing customers.

Operating expenses grew by 33% to $19.1m reflecting our continued investment in growing our sales and support capabilities.

While Net Loss before Tax increased to $6.6m, (up 11%), this was in-line with forecast projections. Average monthly cash flow significantly improved during the year due primarily to the increase in contracted revenues.

In FY18 statutory operating revenue of $ 13.1m was up 42% on FY17 with over 90% of revenue earned outside Australia.

FY18 Operational Review

During FY18 Bigtincan expanded the US based sales and go-to-market teams and built out the structures necessary to support our increasing number of customers. We have also added to our technology base through investments in system infrastructure and expertise to create and support the Bigtincan Hub platform.

In addition to increasing the scale of the go-to-market teams, in FY18 Bigtincan continued to grow our service network to support users of our technology no matter where they are based. We continue to innovate into the Bigtincan product with over 125 releases across our product family reflecting the ongoing innovation that is driving our business. These innovations included new features to allow the quick and easy creation of materials to share with customers, remote support of content recommendations allowing sellers to work where they want to work, and investments into our core technology to provide a platform for future growth. We also released a software development kit and updated our Public application programming interface during the year. We now have over a dozen third party developers writing connections to Bigtincan Hub through these tools.

On the Channel partner front, we launched our relationship with Verizon Wireless in December 2017, and conducted over 200 channel enablement sessions during the year building skills in our go-to-market channels that we see delivering benefits for the business in future years.

As an indication of our progress in working with the world's leading organisations, during FY18 Bigtincan won a competitive tender in the USA for one of the world's largest sales enablement deals deploying Bigtincan to over 5,500 locations and tens of thousands of mobile devices. Bigtincan has now successfully delivered this solution, improving the work experience for tens of thousands of staff.

FY18 Operational Review (continued)

In addition, as part of the strategy to continue to add additional value to the Bigtincan solution for enterprise customers, the Company announced and completed the acquisition of Israel-based Contondo Inc at the end of November 2017. This acquisition has expanded our number of Data Science experts in the team.

During FY18, Bigtincan won the CODiE Award for Best Sales Enablement Platform against global competition and was also awarded a patent in the USA for our core content management system; developments that continue to demonstrate the strength of our technology platform.

In order to facilitate the company's continued growth Bigtincan successfully completed a $15 million institutional placement of new fully paid ordinary shares at $0.35 per share during the period. These additional funds are primarily to be used to enable completion of acquisitions (including the Zunos Technologies Pty Limited transaction announced prior to year end) and further product development.

These developments in FY18 have been integral to our ongoing strategy to create a substantial Sales Enablement software company and adding long term shareholder value to the business.

Outlook

As we continue to see the expansion of the Sales Enablement software market and the greater adoption of sales enablement technology, Bigtincan is well placed to expand our customer base, work with partners to add to our business, and continue to innovate in our space.

Our vision of a sales enablement platform that helps users to be more knowledgeable, more successful and more productive is driving us to continue to add more capabilities to our platform that empower customers to solve more complex business problems using our software resulting in opportunities for increased revenue from existing customers and the ability to compete and differentiate in our core markets.

We are focused on winning some of the world's largest customer deals in our space, working with the largest and best equipped channel partners, and building a market leading team which we see as being a key part of the ongoing value of Bigtincan. In FY19 we will continue to introduce new offerings that will help our customers do more with sales enablement than was possible before.

Bigtincan is well positioned to continue our strong organic growth, add strategic technologies, customers through acquisition, and take advantage of a growing international market to add value to the business during FY19.

Conclusion

In our first financial year as a listed company Bigtincan has remained focused on the execution of our strategy which has enabled us to deliver strong revenue growth and a solid foundation for growth in the years ahead. This is in no small part due to the passion, dedication and commitment of the entire team at Bigtincan and I would like to thank them all for their valued contribution.

David Keane
Chief Executive Officer

OPERATING AND FINANCIAL OVERVIEW

About Bigtincan

Bigtincan (ASX:BTH) is a software development company, which listed on the Australian Securities Exchange in March 2017. Bigtincan's software as a service (SaaS) application platform is known as "Bigtincan Hub" and has been conceived, designed and delivered with a focus on the Sales Enablement software market. Bigtincan Hub is a secure, artificial intelligence powered solution for mobile workforces that enables sales and service organisations and their employees to better engage and win with customers.

Bigtincan is an international business with its registered head office is in Sydney Australia. The global go-to-market is led from Boston, Massachusetts, USA, with sales resources throughout the USA, and in Tokyo, London and Sydney. Research and development is centred in Sydney but supported by development centres in Glasgow, Tel Aviv and Singapore. Corporate and finance functions are based in Sydney.

Bigtincan Hub is now used by some of the world's leading companies in over 50 countries and across 17 languages and our global SaaS engineering team now manages infrastructure in the USA, Germany (for the EMEA market) and Australia.

Bigtincan has in excess of 300 customers with approximately 150,000 users. Bigtincan's customers include leading brands such as AT&T, GUESS, Merck, and Telefonica.

Key Operational Metrics

Bigtincan uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). These measures are collectively referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by the Australian Securities and Investment Commission (ASIC). These include Monthly Recurring Revenue (MRR) , Annualised Recurring Revenue (ARR) and MRR Retention Rate.

MRR is a key value measure for a Software as a Service business (SaaS) such as Bigtincan and relates to product subscriptions and support services. It measures the monthly revenue that the company is earning on a repeatable basis during a single month. ARR is the value which results from extrapolating this measure over the forthcoming 12 month period.

At end FY18, Annualised Recurring Revenue (ARR) was $15.4m up 41% on the ARR as at end FY17 reflecting the growth contracted, recurring annualised revenue. This was due to more customers adopting Bigtincan's technology and the expansion of use by customers with existing deployments. This "land and expand" approach is an important part of the company's strategy allowing for faster penetration and then growth from within existing customers.

Key Operating Metrics including cash management for the 2018 financial year were:

Key Operational Metrics	June '18	June '17	Variance
Annual Recurring Revenue (ARR) end of peri	$15.4m	$10.9m	+41%
Retention rate	85%	88%	-3%
Cash	$23.8m	$11.0m	+116%
Average Monthly operating cash flow	($0.1m)	($0.4m)	+74%

As at June 30, 2018, Bigtincan generated more than $1,280,000 in Monthly Recurring Revenue which is a 41% increase year on year from $907,000 at 30 June 2017. This significant increase in MRR is consistent with our strategy of:

- Continuing the sale and deployment of Bigtincan Hub into enterprise;
- Launching new features in mobile content enablement applications to complement Bigtincan services;
- Improving and strengthening integration of the Bigtincan mobile content platforms; and
- Adding new products for guided selling, predictive content and technical innovation

In the last three years Bigtincan's MRR has achieved a Compound Annual Growth Rate (CAGR) of 40% in MRR.

The MRR retention rate for FY2018 was slightly lower than forecast due to a number of customers adopting different deployment plans within the financial year but is expected to be stable over the FY2019 period.

Financial Summary

The Key Financial Summary for Bigtincan for the 2018 Financial Year were as follows:

Financial Summary	FY18	FY17	Variance
Revenue	$13.1m	$9.2m	42%
Gross Margin	83%	84%	-1%
Operating Expenses	$19.1m	$14.2m	35%
Net loss before tax	$6.6m	$5.9m	12%

Financial Summary (30 June Year End)

Results from Core Operations	2018 $000	2017 $000
Revenue from subscription and support services	11,686	8,566
Revenue from product related professional and contract services	1,457	664
Total Operating Revenue	**13,143**	**9,230**
Cost of revenue	2,247	1,497
Operating Gross Profit	**10,896**	**7,733**
Gross margin	*83%*	*84%*
Total Operating Expenses	**19,130**	**14,191**
Percentage of total operating revenue	*146%*	*154%*
Operating Loss	***(7,076)***	***(5,303)***
Percentage of total operating revenue	*(54%)*	*(57%)*
Net Loss	**(6,641)**	**(5,984)**
Percentage of total operating revenue	*(51%)*	*(65%)*

During the period, the company grew Total Operating Revenue by 42% from $9.23m in 2017 to $13.14m with subscription operating revenue increasing by 42% increasing from $8.6m in FY17 to $11.7m in FY18, representing 89% of revenue for FY18. This represents a CAGR of 45% over the past three periods as the business continues to drive subscription growth.

Total Operating Revenue
The increase in ARR and Operating revenue reflects the good progress made in:

- Strengthening Bigtincan's market leading solutions through acquisition and expanded capabilities including releases across all platforms (IOS, Android, Web) and new functionality.
- Expanding relationships with channel partners through an enlarged network of 28 partners across 4 continents.
- Implementing third-party development programs with integrations to Microsoft Outlook, Cornerstone and over 30 external repositories, together with the launch of Bigtincan Add-ons to drive increased third party development.
- Growing sales and marketing capability to support customers on four continents and establish market presence in major verticals and new markets.

Cost of Revenue and Operating Gross Profit

Cost of revenue comprises expenses associated with hosting, providing customer support, operations personnel and related costs, contractor fees relating to project specific software activities, outsourced subscription fees and amortization expenses associated with acquired developed technology.

The cost of revenue increase from the prior period is mainly related to the revenue growth of 42% as well as ARR increasing at a rate of 41%. The slight reduction in gross profit margin from 84% in 2017 to 83% in 2018 was mainly as a result of scaling hosting costs offset partly by a temporary increase in costs from the transition off third party licenses to in-house developed functionality.

Operating Expenses

Sales and Marketing

Sales and marketing expenses increased by $3.8m or 55% from $6.8m in FY17 to $10.6m in FY18, primarily driven by:

- Investment in existing and new channels through additional sales resources, joint marketing programs and increased training and development.
- Expansion of the channel focused sales and marketing activities to promote the Bigtincan solution to a wider market

Product Development

Product and Development expenses increased by $1.2m or 22% from $5.4m in FY17 to $6.6m in FY18, primarily driven by:

- Accelerated enhancements for Bigtincan Hub including over 125 product enhancements
- Additional specialists focused on Artificial Intelligence towards the end of the financial year.
- Extended and enhanced security features

General and Administration

General and administration expenses were in line with forecast

Net Profit/ (Loss) After Tax

The Group made a loss after tax of $6.6m compared to $6.0m in 2017. The Loss is a result of the continued investment in developing the sales and support infrastructure required to grow and support the customer base. The reduction in the loss as a percentage of revenue generated is due to the natural maturing of the business model and the impact of operational efficiencies in scaling and growing the business.

Funding

The Group's operations during the year were largely funded from cash generated from operating activities, and the utilisation of funds raised through equity placements.

During the course of the year average monthly cashflow from operations improved with the net outflow reducing from $0.4m per month to $0.1m per month due to increased sale, increased prepayments and improved cash management. In March 2017 the Group successfully listed on the ASX and raised $12m aimed primarily at funding the continued investment in the business required during the 2018 year.

In addition, in order to facilitate the company's continued growth Bigtincan successfully completed a $15 million institutional placement of new fully paid ordinary shares at $0.35 per share during the period. These additional funds are primarily to be used to enable completion of acquisitions (including the Zunos transaction announced prior to year end) and further product development. As at 30 June the Group had net cash balances of $23.8m (up from $11.0m at 30 June 2017).

Risks

The Group operates in a competitive marketplace and consequently faces a number of risks. The risks identified below are considered the more significant risks and are not an exhaustive list of all risks faced by the Group.

Bigtincan operates in a competitive industry

The sales engagement and mobile content enablement industry is highly competitive, with a number of companies operating in this industry. Competition is based on factors including price, service, quality, performance standards, information security, innovation and the ability to provide customers with an appropriate range of reliable and tailored services in a timely manner. Bigtincan's competitors range from large multinational software companies to local operators in specific markets and may vary across the different countries in which it operates. Some of Bigtincan's competitors may have longer operating histories, greater market share in certain markets or greater financial and other resources, which may make them better able to withstand any downturns in the market or expand into new and developing markets more aggressively than Bigtincan. A failure by Bigtincan to effectively compete with its competitors may adversely affect the Company's future financial performance and position.

Competition from new entrants to the industry

Bigtincan operates in an increasingly competitive industry where a number of participants are, or may, target entry into the industry with new and innovative products aimed at the industry. New entrants to the industry may offer more competitive prices for products due to a range of factors, including if they have greater financial resources than Bigtincan, which may enable them to offer products at more competitive prices while they establish their business. New entrants may also compete against Bigtincan with cheaper products that have less functionality than Bigtincan's offering. Competitive pressure from new entrants to the industry may negatively affect Bigtincan's ability to sustain or increase prices and to attract new business.

Bigtincan may face competition from well-resourced, larger SaaS vendors operating in adjacent industries looking to expand their businesses by offering enterprise-wide software solutions. These companies may have greater financial or technical resources than Bigtincan, greater name recognition, more comprehensive and varied products and services or longer operating histories, which may put them in a better position to develop competitive products and to market and sell these products and may make them better able to expand into new and developing markets more aggressively than Bigtincan. Competition will intensify if established companies in other market segments expand into Bigtincan's industry. Any failure by Bigtincan to successfully compete with new industry entrants may adversely affect the Company's future financial performance.

Failure to retain existing customers and attract new customers

Bigtincan's business is dependent on its ability to retain its existing customers and attract new customers. The Company's business operates under various subscription models, all of which are exposed to the risk of cancellation, expiry and non-renewal. Customers may also reduce the number of seats or required functionality. Bigtincan is also dependent on its customers undertaking new projects that Bigtincan can seek to service.

Bigtincan may also fail to retain existing customers and attract new business for a number of reasons, such as the failure to meet customer expectations, poor customer service, technology disruptions, pricing or competition. The Company's ability to retain and renew existing contracts and win new contracts may also be impacted by broader external factors including a slowdown in economic activity, changes to law or changes to the regulation of the internet and e-commerce generally. If Bigtincan fails to retain existing customers, attract further business from existing customers and attract new customers, the Company's future operating and financial performance may be adversely affected and its reputation may be damaged.

Reliance on a single product

Bigtincan's business model is entirely reliant upon a single product, being Bigtincan Hub. Bigtincan's success depends on its ability to keep customers satisfied with Bigtincan Hub. There is a risk that Bigtincan fails to properly maintain the Bigtincan Hub product or new releases may introduce errors or performance issues which could cause customer dissatisfaction and damage to reputation. Bigtincan's reputation may also suffer as a result of real or perceived reductions in functionality, product quality, reliability, security, value and customer support or a failure to reflect developments in technology or in the commercial, compliance and regulatory environment. Any of these factors may result in reduced sales and usage, loss of customers and an inability to attract new customers and possibly legal claims by customers.

The future revenue and growth of Bigtincan also depends on its ability to develop enhancements and new features and functionality for Bigtincan Hub. If Bigtincan is unable to do so it will not be able to meet customers' needs, attract new customers and generate additional revenue from increased usage. There is a risk that the development of enhancements and new features and functionality for Bigtincan Hub by Bigtincan will be unsuccessful due to reasons such as poor performance and reliability, insufficient investment, unforeseen costs, low customer adoption, competitive products or economic conditions.

Any failure by Bigtincan to successfully develop enhancements and new features and functionality for Bigtincan Hub may result in the loss of future sales or customers and adversely affect the Company's future financial performance.

Expansion of Bigtincan's international footprint may not achieve intended goals

A significant part of Bigtincan's growth strategy is its goal to significantly grow its presence in the overseas markets in which it already operates. The Company's growth plans may be inhibited by unforeseen issues particular to a territory, including differences in local cultures, business practices and regulation. Bigtincan's ability to grow and expand its international business may be subject to various risks, including the need to invest significant resources and management attention to the expansion and the possibility that the desired level of return on its international business will not be achieved. Failure to successfully grow and expand Bigtincan's international business may result in a failure to achieve the revenue growth underpinning its future financial performance.

Reliance on third party IT suppliers

Bigtincan relies on a number of third-party suppliers to maintain and support Bigtincan Hub, its telecommunications facilities and its hosting infrastructure. If the contracts with these parties are terminated or there is a disruption for any reason in the provision of these services or software, Bigtincan's future financial performance and position may be adversely affected.

Disruption or failure of technology systems

Bigtincan and its customers are dependent on the performance, reliability and availability of the Company's technology platforms, data centres and global communications systems (including servers, the internet, data centre hosting services and the cloud environment in which Bigtincan provides its products). There is a risk that these systems may be adversely affected by disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, cyber-attacks or other disruptions including natural disasters, power outages or other similar events.

Certain events outside of Bigtincan's may lead to prolonged disruption to its IT platform, or operational or business delays and damage to our reputation. This could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers, any of which could materially adversely impact the Company's financial performance.

Security breach and data privacy

Bigtincan products involve the storage and transmission of customers' confidential and proprietary information, including intellectual property, confidential business information, information regarding their employees or suppliers, and other confidential information. Bigtincan's business could be materially impacted by security breaches of customers' data and information, either by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential customer data. There is also a risk that the measures taken may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential or proprietary information, and any of these events may cause significant disruption to the business and operations. This may also expose the Company to reputational damage, legal claims by customers, termination of contracts, regulatory scrutiny and fines, any of which could materially adversely impact financial performance and position.

In addition, any security or data issues experienced by other cloud software companies globally could adversely impact trust in cloud solutions generally and could adversely affect Bigtincan's ability to host customers on its cloud platform.

The directors present their report together with the consolidated financial statements of the Group comprising Bigtincan Holdings Limited (the Company) and its controlled entities for the financial year ended 30 June 2018 and the auditor's report thereon.

1.Board of Directors

The directors of the company during the financial year were:

- Tom Amos – Chairman – Independent Non-Executive Director
- Wayne Stevenson – Independent Non-Executive Director
- John Scull – Non-Executive Director
- David Keane- Executive Director
- Geoff Cohen- Executive Director (Ceased 2 December 2017)

2.Information on Directors

Chairman

Mr Tom Amos is an Independent Non-Executive Director of Bigtincan and Chairman of the Board. He is also Managing Director of emerging digital presence company dLook Pty Ltd and a Director of Ambertech Ltd (ASX:AMO). Mr Amos also holds the patent for the dLook cross media multichannel marketing systems. He has a BE (Electrical Engineering) from The University of Sydney.

Mr Amos actively develops private technology companies to grow and gain access to resources offered by public markets both in Australia and internationally. In this capacity Mr Amos was a founding and long-term independent director of Macquarie Bank's Macquarie Technology Ventures Pty Ltd.

Mr Amos was previously Managing Director and Partner of Amos Aked Swift Pty Ltd, FlowCom Ltd and Director of a number of public and private companies in the content, digital services, radio and telecommunications sectors. Mr Amos was also a long-term Director and Vice Chair of Australian Telecommunications User Group Ltd, the public organisation that was formed by industry to improve communication services in Australia and which led to the deregulation of telecommunication services.

Mr Amos has over thirty years of intense involvement and management in the telecommunications, publishing and related digital technology industries, through a period of unprecedented technological and regulatory change. As a company director, professional engineer, entrepreneur, businessman and strategic adviser to industry and government, Tom Amos has been at the leading edge of those changes.

Wayne Stevenson – Independent Non- Executive Director

Mr Stevenson joined the Board of Bigtincan in October 2016, bringing strong expertise in the financial services industry. He has over 35 years' experience in banking and financial services where he held a number of senior positions with ANZ Banking Group including Group General Manager, Group Strategy and various CFO roles across ANZ over a period of 15 years involving significant acquisitions, restructures and divestments.

Mr Stevenson's board credentials are primarily from financial services organisations across Australia and Asia Pacific. He is currently Independent Non-Executive Chairman of ASX listed QMS Media Limited (ASX:QMS) and an Independent Non-Executive Director at Onepath General Insurance, Onepath Life Insurance, ANZ Lenders Mortgage Insurance Ltd and Credit Union Australia Ltd.
Wayne has a BCom in Accounting, is a Chartered Accountant and Fellow of the Australian Institute of Company Directors.

John Scull –Non-Executive Director

Mr Scull, based in Palo Alto, California, is the co-founding Managing Director of Southern Cross Venture Partners, a technology focused venture capital firm. He currently serves on the board of directors of a number of privately held companies. Prior to becoming a venture capitalist, he was a marketing executive at Apple and then served as the CEO of 3 venture capital backed software companies in the San Francisco Bay area. John holds a BBA. in Economics from the University of Oklahoma, and an MBA from Harvard University.

2. Information on Directors (continued)

David Keane – Chief Executive Officer - Executive Director

David started in the networking and communications market with Utah and California-based Novell running Asian marketing for Boston-based Wellfleet Communications, Inc. then grew the business for California-based Xylan Corp. in Australia and New Zealand.

Subsequently, David founded Veritel Wireless Pty Ltd which grew within three years to be one of the largest providers of wireless internet in Australia. Veritel was then sold to BigAir Australia Pty Ltd (now Superloop Ltd) on its path to ASX-listing.

David was a pioneer in the mobile applications sector starting in 2008 with the release of the first iPhone SDK and oversaw the development, promotion and expansion of heavily downloaded apps including BuzzMe and AdFree.

Now with Bigtincan, David is taking his experience in enterprise and adding his knowledge of how mobility works to drive the mobile productivity revolution, with a goal of helping workers all over the world to make the most of their mobile device.

Geoff Cohen – Commercial Director / Chief Financial Officer – Executive Director (Ceased 2 December 2017)

Geoff was a commercial executive with extensive profit-centre management and financial experience.

Geoff was a professional small company investor and executive director across enterprise software, advanced manufacturing, systems automation, residential building and property development. He developed significant governance and IP development expertise as well as raising early-stage investment capital in both Australia and the US.

Over three decades Geoff applied organisational sociology to improve management and entity performance through a better understanding of patterns of information flow and behavioural decision-making.

Geoff started his career as a property executive, leading companies in formulating and delivering significant projects continually showcasing social, financial and physical innovation. Clients included Lend Lease Corporation, Leighton Group, Sumitomo Group, NZI, Bradcorp, CRC and State Government Agencies.

Geoff's degrees were in Computer Science and Engineering (Hons) both from the University of Sydney with a MS (management) and a PhD (behavioural information processing, behavioural decision-making, organizational structure, learning and change) both from Stanford University.

3. Directors' Meetings

The number of directors' meetings (including committees of the Directors) held while each Director was in office and the number of meetings attended by each Director:

	Board Meetings		**Audit and Risk Committee Meetings**		**Remuneration and Nominations Committee Meetings**	
	A	**B**	**A**	**B**	**A**	**B**
Director						
Tom Amos	12	12	3	3	4	4
David Keane	12	12	-	-	-	-
Geoffrey Cohen	4	5	2	2	2	2
John Scull	11	12	-	-	4	4
Wayne Stevenson	12	12	3	3	4	4

A: Number of meetings attended
B: Number of meetings held during the time the director held office during the year

4. Committee Membership

As at the date of this report, the company had the following committees:

Audit and Risk Committee

Wayne Stevenson (Chairman)
Tom Amos

Remuneration and Nominations Committee

Wayne Stevenson (Chairman)
Tom Amos
John Scull
David Keane

5. Company Secretary

Mark Ohlsson was appointed to the position of Company Secretary in January 2012. He has been a Company Secretary or Director of a number of ASX listed companies and his experience spans a wide range of industries. He has been involved in business management and venture capital for over 40 years and has advised numerous companies in corporate finance and other regulatory matters.

6. Director's Interests

The relevant interest of each director in the share capital as at the date of this report is as follows:

	Ordinary Shares
David Keane	25,585,713
John Scull	22,925,568
Wayne Stevenson	342,858
Tom Amos	317,033

7. Principal Activities

Bigtincan is a recognised global leader in the rapidly growing sales enablement market. Enterprise, mid-market and SME organisations use sales enablement technologies to help them improve the performance of their sales teams to win more deals and improve sales productivity.

The Group's principal activity is the provision of an integrated, online platform called "Bigtincan Hub", a powerful, intelligent, collaborative and secure solution that automatically delivers the most relevant content to the right users directly, across any device and any network.

There were no other significant changes in the nature of the activities of the Group during the year.

8. **Result of Operations**

A description of the company's operations, business model, material business risks, sources of funding, review of financial performance and position, and future prospects are detailed in the Operating and Financial review on pages 5-9.

Shareholder returns	2018	2017
Loss attributable to owners of the company	($6,641,000)	($5,884,000)
Basic and diluted earnings/(loss) per share	(3.74)	(9.31)
Dividend paid	nil	nil
Dividend per share	nil	nil

9. Dividends

Bigtincan Holding Limited has not paid, recommended or declared dividends for the year ended 30 June 2018 (2017: nil)

10. Significant Changes in the State of Affairs

On 18 June 2018 the Company also announced the successful completion of a $15 million institutional placement of 42,857,143 new fully paid ordinary shares at $0.35 per share to fund the acquisition. In addition it was announced that a Share Purchase Plan would be open to retail shareholders until 31 July 2018.

11. Significant Events After Reporting Period

Bigtincan announced completion of its acquisition of Zunos Technologies Pty Limited on 31 July 2018. At completion a cash payment of $3.25 million was made by Bigtincan.

In addition to the above, on 25 September 2018, the Group announced its intention to acquire FatStax, a US based SaaS entity, subject to a due diligence process.

The Share Purchase Plan Offer closed on 31 July 2018 with the Company receiving and accepting applications totalling $871,747 which resulted in the issue of 2,490,649 shares

12. Likely Developments

The Group will continue to deliver its principal activities and seek further opportunities to add product and resource capability during the next financial year. The Directors do not anticipate any particular development in the operations of the Group that will negatively affect the result in subsequent years.

There are no other circumstances or matters that will significantly affect the operations and future results of the Company other than the developments that have been outlined in this report and the Operating and Financial review.

13. Environment Regulation

The Company is subject to environmental laws and regulations, which vary depending on the jurisdiction of the location of operations. The company has policies and procedures in place to ensure compliance will all environmental laws and regulations applicable to it. The directors are not aware of any material breaches of environmental regulations during the financial year.

14. Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

15. Indemnification and Insurance of Officers

The Company, to the extent permitted by law, indemnifies each Director and Executive officer of the Company on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or of a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for a contract insuring each Director and executive officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including for negligence or for reasonable costs and expenses incurred by that person in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

No amount was paid under these indemnities during or since the financial year ended 30 June 2018.

16. Indemnification of Auditors
The company has agreed to indemnify its auditors, KPMG, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

17. Non-Audit Services
During the period KPMG, the Group's auditors, has not performed other services in addition to their statutory audit duties.

18. Auditor Independence declaration
As required under section 307C of the Corporations Act 2001, a copy of the auditor's independence declaration combined with the independent auditor's report.

19. Corporate Governance Report

The company has included its report on compliance with the principles for 30 June 2018 in the Corporate Governance section of the investor section on the Bigtincan website (http://investor.bigtincan.com/corporate-governance). This is allowed under the ASX Corporate Governance Principals and Recommendations (third edition)

20. Rounding of Amounts
Amounts in the financial statements have been rounded off to the nearest thousand dollars, in reference to instrument 2016/191 issued by Australian Securities Investment Commission (ASIC).

REMUNERATION REPORT (AUDITED)

Message from the Chair of the Remuneration and Nominations Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Bigtincan Limited Remuneration Report for the 2018 financial year.

The Company's remuneration framework is structured to link remuneration with the Company's business strategy and drivers and deliver alignment between executive remuneration and the delivery of sustainable shareholder returns.

The following key principles underpin our remuneration framework:

- Alignment of executive performance with creation of sustainable value for shareholders;
- Motivation and retention of executives through a mix of fixed and variable (at risk) pay;
- A competitive remuneration framework which will assist the Company to attract and retain talent; and
- Simple, clear and transparent processes and documentation which is easily understood by participants and stakeholders.

The Company compares its senior executive remuneration to similar sized entities and comparable companies and believes that it has a competitive framework that rewards performance and attracts the highest calibre people to the business.

This has been a busy year for the Company with significant growth in revenues through client acquisitions, further development of the Bigtincan product suite and realignment of the organisation to recognise the changing nature of the Company. An integral part of this change has been to progressively improve and modify the remuneration and performance management framework. These improved processes have been well received by staff subject to the changes.

For 2018 the Board identified the following drivers integral to delivering our business strategy:

- Financial performance – particularly growth in Annualised Recurring Revenue
- Expansion of the go-to-market sales function
- Delivery of enhancements to the Bigtincan product suite in accordance with the product roadmap

During the year the Company produced strong revenue growth, implemented significant enhancements to the product suite with over 125 product enhancements, and built out the sales capability and marketing function. This could not have been achieved without the dedication and support of our senior executive team and all employees at Bigtincan.

On behalf of the Board, I would like to thank all our employees for their dedication and efforts in achieving the outstanding result for the year.

The Board hereby recommends the Remuneration Report to shareholders for approval at the 2018 financial year Annual General Meeting. As part of its commitment to corporate governance best practice, the Board welcomes feedback from external stakeholders on its remuneration practices and disclosures

Yours Sincerely

Wayne Stevenson

Chair of the Remuneration and Nominations Committee

The Directors of Bigtincan Limited Holding present the Remuneration report in accordance with section 300A of the Corporations Act 2001.

The Directors of Bigtincan Holdings Limited present the Remuneration Report for the Company and its controlled entities (collectively referred to as the 'Group') for the year ended 30 June 2018. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the Corporations Act 2001.

The Remuneration Report outlines key elements and information on the remuneration framework for Non-Executive Directors, Executive Directors and other Key Management Personnel ("KMP").

The Remuneration Report is provided in the following format:

1. Introduction
2. Remuneration Framework Overview
3. Executive Remuneration
4. Bigtincan 2018 Performance Outcomes
5. Remuneration Details for Non-Executive Directors and Executive KMP
6. Remuneration Governance

1. Introduction

The Remuneration report has been prepared on a basis consistent with the Financial Statements and includes total remuneration details for the year ended 30 June 2018.The report refers to a range of non-IFRS financial information including Annualised Recurring Revenue (ARR). The directors consider these measures to be a better indicator of the underlying performance of the business and provide more meaningful comparisons of the operating performance of the business to other Software as a Service (SaaS) companies.

The following Key Management Personnel were identified based on their specific authority and responsibility for the strategic operation of the business, included but not limited to the planning, directing and the control of material activities of the Group during the course of 2018.

Non-Executive Directors

Tom Amos	Chairman, Non-executive Director
Wayne Stevenson	Independent Non-executive Director
John Scull	Non-executive Director

Executive Directors

David Keane	Chief Executive Officer
Geoff Cohen	Commercial Director, Chief Financial Officer (ceased 2 December 2017)

2. Remuneration Framework Overview

The Company operates in a competitive global market and thus attracting and retaining talented individuals is at the core of our success. The Board recognises that there are disparities in the compensation arrangements in place throughout the company and has been progressively implementing a consistent market competitive framework which is clear transparent and easily understood.

The remuneration framework has been strengthened to ensure alignment with the following key principles:

- Creation of sustainable value for shareholders;
- Motivation and retention of executives through a mix of fixed and variable (at risk) pay;
- Competitive market-based remuneration framework to assist the Company to attract and retain talent; and
- Simple, clear and transparent processes and documentation which are easily understood by participants and stakeholders.

The Board will be seeking appropriate independent advice throughout this process to ensure that the framework aligns with business strategies and key external stakeholder expectations.

3. Executive Remuneration

For 2018, remuneration outcomes for executives consist of a combination of Fixed Annual Remuneration, Short Term Incentives and Longer Term Incentives effected through the company's Employee Share Option Plan.

3.1 Fixed Annual Remuneration (Base Salary)

The terms of employment for senior executives contains a fixed annual remuneration component comprising Base Salary, Fixed Allowances and Superannuation (at the respective statutory rates).

Fixed remuneration is based on the responsibilities associated with, and the skills required to perform the role. Compensation levels for senior executives are reviewed annually by the Remuneration Committee through a process that considers individual and overall performance of the Company. The Committee also takes into consideration remuneration for comparative positions in other similar organisations.

3.2 Performance Linked Compensation

Short Term Incentives (STI)

Executive employment contracts allow for discretionary ("at-risk") bonuses and other benefits to be paid on the achievement of financial and non-financial targets in line with industry benchmarking. Performance against the STI targets is assessed at the end of the financial year against both individual and business performance. These bonuses consist primarily of cash payments.

Longer Term Incentives (LTI)

The Company has previously adopted rules for an Employee Share Option Plan which allows it to issue options, or such other approved securities convertible into shares to eligible persons (including directors, subject to compliance with the ASX Listing Rules) as the Board approves from time to time. Details of the scheme are on the Company website.

4. Bigtincan 2018 Performance Outcomes

The Group delivered strong operational and improved financial performance for the 2018 financial year. A detailed review of the Group's performance is contained within the Operating and Financial Review.

For the current year the Board determined that the achievement of growth MRR, ARR, MRR Retention and Cashflow were the most relevant measures for assessing performance. A summary of the FY18 financial highlights for these measures is summarised below:

Revenue	**Up 42% to $13,143,000**
Annualised Recurring Revenue	**Up 41% to $15,360,000**
Monthly Recurring Revenue	**Up 41% to $1,280,000**
MRR Retention	**Down 15 to 85%**
Cash at bank	**$23,782,000**

Other factors considered in the determination of STIs were linked to the achievement of KPIs across a range of activities including:

- Growth in the go-to-market sales and marketing capability;
- Delivery of significant product suite innovations and enhancements
- Development of a strong pipeline of potential customers;

The above achievements were an excellent outcome for the Group, enabling it to capitalise on the strong momentum in the Sales Enablement software market.

5. Remuneration Details for Non-Executive Directors

Principles used to determine the nature and amount of remuneration

The Board aims to set remuneration for non-executive directors at a level that attracts and retains non-executive directors of a high calibre and talent and periodically reviews the level of fees set.

Remuneration to non-executive directors is not linked to Company performance and is solely comprised of directors fees (including statutory superannuation), in order to maintain director independence.

The total compensation for all non-executive directors for the 2018 year did not exceed the $200,000 cap agreed to by the Company at the 2016 Annual General Meeting. The current agreed annual Non-Executive Director Fees to be paid are:

- Independent Chairman $90,000
- Independent Non-Executive Director $75,000 (including roles as Chair of the Audit Committee and Chair of the Remuneration Committee)
- Non-Executive Director's $35,000

Non-executive directors have not received performance related compensation and are not provided with retirement benefits apart from statutory superannuation.

6. Executive Remuneration

David Keane is the Chief Executive Officer and an Executive Director of the Company, based in Boston Massachusetts, USA.

Mr Keane's gross contract base salary is USD 200,000 per annum. Bigtincan contributes USD 13,100 per annum to a medical and dental program. Mr Keane also receives a relocation subsidy of USD 68,000 per annum. Mr Keane is also entitled to a performance bonus up to USD 90,000 based on the overall performance of Bigtincan as determined by the Board. Mr Keane is also entitled to be reimbursed for reasonable and pre-agreed business-related costs, travel and equipment expenses.

Geoff Cohen was, until December 2017, an Executive Director and the Chief Financial Officer of the Company. Mr Cohen's annual base salary was $210,000 exclusive of superannuation. Mr Cohen was also entitled to a performance bonus up to $70,000 based on the overall performance of Bigtincan as determined by the Board. Mr Cohen was also entitled to be reimbursed for reasonable and pre-agreed business-related costs, travel and equipment expenses.

7. Non Executive Directors and Executive KMP remuneration

Details of the nature and amount of each major element of remuneration of each non-executive director and executive KMP of the Company for the year ended 30 June 2018 are:

2018	Salary and Fees $	Cash Bonus $	Post-Employment Benefits $	Other Long-Term Incentives $	Share Based Payments $	Total $
Tom Amos	90,000	-	-	-	-	90,000
Wayne Stevenson	68,493	-	6,507	-	-	75,000
John Scull	35,000	-	-	-	-	35,000
Geoff Cohen (a)	137,790	65,000	11,638	-	-	214,428
David Keane	362,678	96,731	-	-	-	459,409
Total	**693,961**	**161,731**	**18,145**	**-**	**-**	**873,837**

2017	Salary and Fees $	Cash Bonus $	Post-Employment Benefits $	Other Long-Term Incentives $	Share Based Payments $	Total $
Tom Amos	61,362	-	-	-	-	**61,362**
Wayne Stevenson	51,370	-	4,880	-	-	**56,250**
John Scull	26,250	-	-	-	-	**26,250**
Geoff Cohen (a)	223,000	-	35,000	4,027	-	**262,027**
David Keane	348,000	-	-	-	-	**348,000**
Total	**709,982**	**-**	**39,880**	**4,027**	**-**	**753,889**

Notes
(a) Ceased 2 December 2017

Remuneration amounts disclosed for 2017 and 2018 have been calculated in accordance with Australian Accounting Standards (AASB).

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Remuneration and Nomination Committee (RNC) have regard to the following indices in respect of the current financial year and previous four financial years.

	2018	2017	2016	2015	2014
Loss attributable to owners of the company	6,610,000	6,002,000	7,906,000	9,663,000	4,709,000
Dividends paid / declared	Nil	Nil	Nil	Nil	Nil
Change in share price	$0.10	($0.03)	n/a	n/a	n/a

Loss attributable to owners of the company amounts for 2014 to 2018 have been calculated in accordance with Australian Accounting Standards (AASBs).

8. Directors' interests

The relevant interest shares and options interest if each Director as issued by companies within the Group as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Number of Ordinary Shares and options at 30 June 2018		
Director	**Ordinary Shares**	**%**	**ESOP (Options)**
David Keane[1]	25,585,714	11.67	800,717[6]
John Scull[3]	22,925,568	10.46	-
Tom Amos	317,033	0.14	-
Wayne Stevenson	342,858	0.16	-
	Number of Ordinary Shares and options at 30 June 2017		
Director	**Ordinary Shares**	**%**	**ESOP (Options)**
David Keane[1]	25,585,714	14.47	800,717[6]
Geoff Cohen[2]	18,049,326	10.24	533,811[6]
John Scull[3]	30,567,424	16.96	-
Tom Amos[4]	288,461	0.16	-
Wayne Stevenson[5]	300,000	0.17	-

Notes in relation to the table of director's remuneration

[1] Shares held by Lai Sun Keane, spouse of David Keane.
[2] Geoff Cohen held shares through Jensen/Cohen Holdings Pty Ltd atf Jensen Cohen Superannuation Fund of which he and his wife are members. Geoff Cohen was a director of Jensen/Cohen Holdings Pty Ltd.
[3] John Scull held shares indirectly through Southern Cross IIF Trusco Ptd Ltd atf the Southern Cross IIF Commonwealth Participation Trust (the Trust). John Scull is a director of Southern Cross Venture Partners Inc which manages the Trust that own the shares.
[4] Tom Amos holds shares though Wave Link Systems Pty Ltd, a company in which Tom Amos' voting power exceeds 20%
[5] Wayne Stevenson holds shares through Rangitata Nominees Pty Ltd, a company in which Wayne Stevenson's voting power exceeds 20%
[6] Options have an exercise price of $0.26 and an expiry date of 16 May 2021.
[7] Options have an exercise price of $0.02 and an expiry date of 19 March 2022.
"Ordinary Shares" mean fully paid Ordinary Shares in the capital of the Group
"Options" is the opportunity to subscribe for one Ordinary Share in the capital of the Group.

Options in equity instruments

The movement during the reporting period, by number of options and ordinary shares in Bigtincan Holdings Limited held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

Movement in shares held:

	Held at 1 July 2017	New shares acquired	Convertible notes converted into shares	Other Changes	Held at 30 June 2018
Options					
David Keane	25,585,714	-	-	-	25,585,714
John Scull	30,567,424	-	(7,641,856)	-	22,925,568
Tom Amos	288,461	28,572	-	-	317,033
Wayne Stevenson	300,000	42,858	-	-	342,858

	Held at 1 July 2016	New shares acquired	Convertible notes converted into shares	Other Changes	Held at 30 June 2017
Options					
David Keane	9,108,290	5,684	1,260,016	15,211,724	25,585,714
Geoff Cohen	6,745,212	7,622	25,641	11,270,851	18,049,326
John Scull	7,779,556	713,062	7,900,160	14,174,646	30,567,424
Tom Amos	-	288,461	-	-	288,461
Wayne Stevenson	-	300,000	-	-	300,000

Movement in share options:

	Held at 1 July 2017	Granted as Compensation	Exercised	Other Changes*	Held at 30 June 2018	Vested during the year	Vested and exercisable at 30 June 2018
Options							
David Keane	800,717	-	-	-	800,717	-	800,717
John Scull	-	-	-	-	-	-	-
Tom Amos	-	-	-	-	-	-	-
Wayne Stevenson	-	-	-	-	-	-	-

	Held at 1 July 2016	Granted as Compensation	Exercised	Other Changes*	Held at 30 June 2017	Vested during the year	Vested and exercisable at 30 June 2017
Options							
David Keane	300,000	-	-	500,717	800,717	-	800,717
Geoff Cohen	200,000	-	-	333,811	533,811	-	533,811
John Scull	-	-	-	-	-	-	-
Tom Amos	-	-	-	-	-	-	-
Wayne Stevenson	-	-	-	-	-	-	-

*Other changes represents the modification of terms of employee share options due the Initial Public Offering.

Exercise of options granted as compensation

During the reporting period nil options (2017: nil options) were issued under the employee share option plan on the exercise of options previously granted as compensation.

Share options granted as compensation

During the reporting period nil options (2017: nil options) were granted and formed part of key management personnel compensation.

Share options vested during the year

During the reporting period nil options (2017: nil options) vested and became exercisable.

Unissued shares

As at 30 June 2018, there were 17,860,499 unlisted Options under the Employer Share Option plan.

Shares escrowed

The Company has the following escrowed ordinary shares

Expiry of escrow	Number of Holders	Number of shares
16 March 2019	3	41,272,161
Total	**3**	**41,272,161**

Tom Amos
(Chairman)
28 September 2018

Wayne Stevenson
(Director)
28 September 2018

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Bigtincan Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Bigtincan Holdings Limited for the financial year ended 30 June 2018 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Malcolm Kafer
Partner
Sydney
28 September 2018

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Note	**2018 $000**	**2017 $000**
Revenue	*4(a)*	13,143	9,230
Cost of revenues	*6(a)*	(2,247)	(1,497)
Gross Profit		**10,896**	**7,733**
Other income	*4(b)*	1,158	1,155
Sales and marketing expenses	*6(b)*	(10,560)	(6,808)
Product development expenses	*6(b)*	(6,581)	(5,401)
General and administration expenses	*6(b)*	(1,989)	(1,982)
Operating loss		**(7,076)**	**(5,303)**
Finance income	*7(a)*	611	2,653
Finance expenses	*7(b)*	(94)	(3,291)
Net finance income / (costs)		**517**	**(638)**
Loss before income tax		**(6,559)**	**(5,941)**
Income tax expense	8	(82)	(43)
Loss for the year after tax		**(6,641)**	**(5,984)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		31	(18)
Total other comprehensive income / (loss), net of tax		**31**	**(18)**
Total comprehensive loss		**(6,610)**	**(6,002)**
Earnings per share (EPS)			
Basic EPS (in cents)	*9(a)*	(3.74)	(9.31)
Diluted EPS (in cents)	*9(b)*	(3.74)	(9.31)

The accompanying notes are an integral part of these consolidated financial statements.

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	**2018 $000**	**2017 $000**
Assets			
Current Assets			
Cash and cash equivalents	*10*	23,782	11,021
Trade and other receivables	*11*	2,684	2,341
Other assets	*12*	1,421	1,643
Total current assets		**27,887**	**15,005**
Non-current assets			
Property, plant and equipment	*13*	163	178
Intangible assets	*14*	633	351
Other non-current assets	*12*	541	162
Total non-current assets		**1,337**	**691**
Total assets		**29,224**	**15,696**
Liabilities			
Current liabilities			
Trade and other payables	*15(a)*	1,000	729
Deferred revenue	*16*	7,303	3,615
Provisions	*17*	380	417
Other current liabilities	*15(b)*	1,972	1,451
Total current liabilities		**10,655**	**6,212**
Non-current liabilities			
Deferred tax liabilities		1	1
Deferred revenue	*16*	1,807	875
Provisions	*17*	48	32
Total non-current liabilities	*21*	**1,856**	**908**
Total liabilities		**12,511**	**7,120**
Net Assets		**16,713**	**8,576**
Equity			
Share capital	*25*	49,770	35,560
Share-based payment reserve	*24*	3,952	3,415
Accumulated losses		(37,041)	(30,400)
Foreign currency translation reserve		32	1
Total shareholders' equity		**16,713**	**8,576**

The accompanying notes are an integral part of these consolidated financial statements.

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Share capital	Share-based payment reserve	Accumulated losses	Foreign currency translation reserve	Total
	$000	$000	$000	$000	$000
Balance at 1 July 2016	**13,161**	**3,213**	**(24,416)**	**19**	**(8,023)**
Loss for the year	-	-	(5,984)	-	(5,984)
Other comprehensive loss (net of tax)	-	-	-	(18)	(18)
Total comprehensive loss	**-**	**-**	**(5,984)**	**(18)**	**(6,002)**
<u>Transactions with owners of the Group</u>					
Issue of ordinary shares	22,399	-	-	-	22,399
Equity settled share-based payments	-	202	-	-	202
Total transactions with owners of the Group	**22,399**	**202**	**-**	**-**	**22,601**
Balance at 30 June 2017	**35,560**	**3,415**	**(30,400)**	**1**	**8,576**
Balance at 1 July 2017	**35,560**	**3,415**	**(30,400)**	**1**	**8,576**
Loss for the year	-	-	(6,641)	-	(6,641)
Other comprehensive income (net of tax)	-	-	-	31	31
Total comprehensive loss	**-**	**-**	**(6,641)**	**31**	**(6,610)**
<u>Transactions with owners of the Group</u>					
Issue of ordinary shares	14,210	-	-	-	14,210
Equity settled share-based payments	-	537	-	-	537
Total transactions with owners of the Group	**14,210**	**537**	**-**	**-**	**14,747**
Balance at 30 June 2018	**49,770**	**3,952**	**(37,041)**	**32**	**16,713**

The accompanying notes are an integral part of these consolidated financial statements.

BIGTINCAN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2018

	Note	**2018** **$000**	**2017** **$000**
Cash flows used in operating activities			
Cash receipts from customers		17,656	9,390
Cash paid to suppliers and employees		(20,004)	(16,439)
Cash used in operations		**(2,348)**	**(7,049)**
Interest received		378	73
Government grant/taxes received		1,079	1,155
Net cash used in operating activities	*10*	**(891)**	**(5,821)**
Cash flows used in investing activities			
Payments for property, plant and equipment	*13*	(77)	(201)
Payment for intangible assets		(109)	-
Acquisition of term deposits		(372)	-
Net cash used in investing activities		**(558)**	**(201)**
Cash flows used in financing activities			
Proceeds from issue of share capital		15,000	12,000
Proceeds from issue of convertible notes		-	6,189
Share issue costs		(790)	(1,453)
Net cash from financing activities		**14,210**	**16,736**
Net increase in cash and cash equivalents		12,761	**10,714**
Cash and cash equivalents at 1 July		11,021	307
Cash and cash equivalents at 30 June	*10*	**23,782**	**11,021**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations

Bigtincan Holdings Limited ("the Company") is a company domiciled in Australia. The Company's registered office is Level 20, 320 Pitt Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group entities').

The Group is a for-profit entity and primarily involved in the provision of an integrated, online platform called "Bigtincan hub", a powerful, intelligent, collaborative and secure solution that automatically delivers the most relevant content to the right users directly, using their mobile devices.

2. Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting standards and interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Group has presented the expense categories within the consolidated statement of profit and loss on a functional basis to enable users to compare to other SaaS companies. The categories used include cost of sales, product development, sales and marketing and general and administration which are descried in detail below.

The Consolidated financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 28th September 2018.

(i) Principals of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except where stated otherwise.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group entity at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit and loss. Non-monetary items that are measured based on of historical cost in a foreign currency are not translated.

2. Basis of preparation (continued)

(iii) Rounding of amounts
Amounts in the financial statements have been rounded off to the nearest thousand dollar, in reference to instrument 2016/191 issued by Australian Securities and Investment Commissions (ASIC).

(iv) Use of estimates and judgements
In preparing these consolidated financial statements in conformity with AASBs and IFRSs, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 11: Recoverability of trade receivables
- Note 13: Estimated useful lives
- Note 14: Recoverability of intangible assets

(v) Going concern basis of preparation
The financial statements have been prepared on the going concern basis of accounting, which assumes the Group and the Company will be able to continue trading and realize assets and discharge liabilities in the ordinary course of business for a period of at least one year from the date of signing these financial statements.

The Group recorded a loss for the year ended 30 June 2018 of $6,641,000 (2017: loss of $5,984,000) and cash outflows from operating activities of $891,000 (2017: cash outflows from operating activities $5,821,000). As at 30 June 2018, the Group's current assets exceeded current liabilities by $17,232,000 (2017: $8,793,000) however its total assets exceeded total liabilities by $16,713,000 (2017: $8,576,000).

Management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

3. New standards and interpretations

(i) Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual reporting periods beginning after 1 June 2017 and earlier application is permitted, however, the Group has not early adopted the following new or amended standards in preparing these consolidated statements.

AASB 15 Revenue from Contracts with Customers
AASB 15 establishes a comprehensive framework for determining, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

The core principle of AASB 15 is that it establishes a new concept of distinct services to identify performance obligations, changes the basis for deciding whether revenue is to be recognised over time or at a certain point in time. It also provides a new and more detailed guidance on pricing, rights of return, licensing, warranties and multiple arrangements.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with the Group intending to adopt from 1 July 2018. The Group has completed an initial assessment of the potential impact of the adoption of AASB 15 on its consolidated financial statements and confirms there will be limited impact on the recognition of revenue with the main impact being the deferral of commission payments and subsequent release over the contract term as opposed to the current upfront expense incurred. These deferred Commission payments will be held on the balance sheet until release.

3. New standards and interpretations (continued)

AASB 9 Financial Instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018 and the Group currently plans to apply AASB 9 from 1 July 2018.

The actual impact of adopting AASB 9 in 2019 is not known and cannot be reliably measured because it will be dependent on the financial instruments that the Group holds and economic conditions at that time as well as accounting elections and judgements that it will make in the future. The new standard will require the Group to revise its accounting processes and internal controls related to reporting financial instruments.

AASB 16 Leases

AASB 16 introduces a single, on-balance lease accounting model for lessees. A Lessee recognises a “right of use” asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

AASB 16 replaces existing leases guidance including AASB 117 *Leases*, IFRIC 4 Determining whether an Arrangement contains a lease, SIC-15 Operating Leases- Incentives and SIC-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease.

The Standard is effective for annual reporting periods beginning on or after 1 January 2019. The Group is yet to undertake a full assessment of the impact of the change in Lease policy on the financial performance or position of the Group. No significant impact is expected.

4. Revenue

(a) Operating revenue	2018 $000	2017 $000
Revenue from subscription and support services	11,686	8,566
Revenue from product related professional and contract services	1,457	664
	13,143	**9,230**

Revenue is measured at the fair value of the consideration received or receivable. The Group primarily derives its revenue through the sale of its subscription and support services that allows customers to access the cloud-based application called “Bigtincan Hub”.

Revenue Recognition Conditions: Revenue from subscriptions and professional services is only recognised when the following conditions have been met:

- There is contractual evidence of the arrangement
- The service has been provided to the customer
- Revenue is recognised as the services are provided to the customer based on the agreed subscription and support start and end dates
- Collection of payment for the services is reasonably assured
- Costs incurred or to be incurred in respect of the transaction can be measured reliably

The Group recognises revenue upon the satisfaction of the conditions stated above and generates revenue from the following sources:

(i) Subscription and support revenue: Subscription and support revenue comprises the recurring monthly fees from customers accessing Bigtincan's cloud-based application and support fees from customers purchasing support. Subscription and support agreements are generally entered into annual periods from 1-3 years.

(ii) Product related professional services: Revenue from product related professional services includes time limited or event related: education and training, data integration, data migration and client specific configuration. Revenue is recognised as the services are provided to the customers. Revenue that is not billed at year end is recognised in the consolidated statement of financial position as unbilled receivables and included in other current assets.

4. Revenue (continued)

(b) Other income

	2018 $000	2017 $000
Government grants [1]	1,158	1,155
	1,158	**1,155**

[1] Government grants are recognised at their fair value and at the time when it I determined that the grants will be received and all conditions are satisfied.

5. Segment reporting

The Group operates as a single business unit under AASB 8 Operating Segments. The Chief Operating Decision Maker assesses the financial performance of the Group as a single segment and reviews revenue as subscription, support and professional services.

	2018 $000	2017 $000
Segment revenue		
Subscription and support services	11,686	8,566
Other costs	1,457	664
	13,143	**9,230**

The amounts of revenue per region below is based billing address and location of the customer.

	2018 $000	2017 $000
Revenue by location		
Australia	804	974
United States of America	11,769	7,871
Rest of the world	570	385
	13,143	**9,230**
Non-current assets by geographic location		
Australia	1,115	461
United States of America	222	228
Rest of the world	-	2
	1,337	**691**
Segment loss before tax	**(6,559)**	**(5,941)**

6. Expenses

<u>Cost of revenue</u>

Cost of subscription, support and product related professional services revenues consists of expenses associated with hosting, providing customer support, personnel and related costs of operations, contractor fees relating to project specific software development activities, outsourced subscription fees and amortization expenses associated with acquired developed technology.

<u>Sales and marketing expenses</u>

Sales and marketing expenses primarily consist of personnel and related costs of our sales and marketing employees and executives, including salaries, benefits, bonuses, commissions, training and stock-compensation, cost of marketing programs, such as lead generation, promotional events, public relations services, webinars and other meeting costs and allocated overhead, including facility and recruitment costs.

<u>Product development expenses</u>

Product development expenses primarily consist of personnel expenses and related costs of research, feasibilities and maintenance our product. Personnel expense include development employees and executives, including salaries, stock-based compensation and employee benefits as well as expenses relating to product development consultants and allocated overheads, including facility and recruitment costs.

6. Expenses (continued)

General and administration expenses

General and administration expenses primarily consist of personnel and related costs of executive, finance and administrative personnel, stock-based compensation, legal and other professional fees, other corporate expenses and allocated overhead.

(a) Cost of sales	2018 $000	2017 $000
Employee benefits expense	867	594
Other costs	1,380	903
	2,247	**1,497**

(b) Other major operating expenses (by nature)	2018 $000	2017 $000
Professional fees	287	248
Advertising and marketing expenses	2,846	1,245
Depreciation and amortisation	92	98
Other operating expenses	2,664	2,213
	5,889	**3,804**

(c) Employee benefits expense	2018 $000	2017 $000
Wages and salaries	12,617	9,825
Post-employment benefits	426	360
Share based payment expense	198	202
	13,241	**10,387**

Employee Benefits

Short term employee benefits - Are employee benefits that fall due wholly within 12 months after the end of the period. These benefits include wages, salaries, sick and annual leave which are not discounted.

Long term employee benefits – Are benefits that are not expected to be settled wholly within 12 months after the end of the annual reporting period. These benefits include long service leave which are measured at discount amounts.

Post-employment benefits – Employee benefits that are payable after the completion of employment. One type is defined contribution- such as superannuation where the employer contributes a fixed proportion of the employee's income.

Share-based payments- Amounts of expense related to the equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

7. Finance costs

(a) Finance income	2018 $000	2017 $000
Interest income	385	73
Unrealised foreign exchange gains	226	-
Other gains – reversal of discount on convertible notes	-	2,580
	611	**2,653**

(b) Finance cost	2018 $000	2017 $000
Convertible notes – discount value	-	2,785
Other finance costs	94	506
	94	**3,291**

8. Income taxes

	2018 $000	2017 $000
Current tax expenses		
Current year	82	43
Adjustment for prior years	-	-
Total current tax expenses	**82**	**43**
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	**-**	**-**

Reconciliation of effective tax rate:	2018 $000	2017 $000
Loss before tax from continuing operations	(6,559)	(5,941)
Tax using the Company's domestic tax rate (30%: 2017:30%)	**(1,968)**	(1,782)
Tax effect of:		
- Non-deductible expenses	207	444
- Current year losses for which deferred tax asset is recognised	1,843	1,381
Income tax expense	**82**	**43**

Income tax
Income tax expense comprises current and deferred tax which are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in OCI.

Current tax expense
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax expense
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductable temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

8. Income taxes (continued)

Unrecognised Deferred tax assets
Deferred tax assets have not been recognised in respect of tax losses because it is not probable that future taxable profit will be available against the Group can use the benefits therefrom.

	2018 $000	2017 $000
Tax losses	25,754	19,286

9. Earnings per share (EPS)

(a) Basic earnings per share
The calculation of basic earnings per share has been based on the following profit/(loss) attributable to equity holders of the Group divided by the weighted average number of ordinary shares outstanding during the year.

	2018 $000	2017 $000
Loss attributable to ordinary shareholders - Basic	**(6,641)**	**(5,984)**
Issued ordinary shares at 1 July	176,340	17,175
Effect of shares issued to convertible note holders	-	13,587
Effect of new shares issued	1,057	13,657
Effect of new shares issued to existing shareholders	-	19,852
Weighted-average number of ordinary shares at 30 June	**177,397**	**64,271**
Basic earnings / (loss) per share (cents)	**(3.74)**	**(9.31)**

(b) Diluted earnings per share
The calculation of diluted earnings per share has been calculated by dividing the profit/ (loss) attributable to equity holders of the Group by weighted average number of ordinary shares outstanding during the year plus the weighted average of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2018 $000	2017 $000
Loss attributable to ordinary shareholders - Basic	**(6,641)**	**(5,984)**
Weighted average number of ordinary shares at 30 June (basic)	177,397	64,271
Dilutive effect of share options on issue	-	-
Weighted-average number of ordinary shares (diluted) at 30 June	**177,397**	**64,271**
Diluted earnings / (loss) per share (cents)	**(3.74)**	**(9.31)**

10. Cash and cash equivalents

	2018 $000	2017 $000
Cash at bank	7,782	3,021
Short term deposits [3]	16,000	8,000
	23,782	**11,021**

3 Short term deposits have original maturities ranging between 14 to 60 days (2017: 14 to 60 days) and earn interest at the rate of 2.25% p.a. (2017: 2.45% p.a.).

Reconciliation of Loss after tax to Net cash flows from Operating activities	2018 $000	2017 $000
Loss from ordinary activities after income tax	**(6,641)**	**(5,984)**
Adjustments for non- cash expense and income items		
Amortisation of intangible assets	50	51
Depreciation of property, plant and equipment	92	54
Share based payments	537	202
Bad debts written off	259	81
Unrealised foreign exchange	(198)	(16)
Operating cash flows before movements in working capital	**(5,901)**	**(5,612)**
Change in assets and liabilities		
Decrease / (increase) change in trade receivables	(343)	(1,077)
Increase / (decrease) change in trade and other payables	708	(494)
(Decrease) / Increase change in employee liabilities	(21)	116
(Decrease) / increase change in income tax payables	46	39
(Decrease) / Increase change in deferred income	4,620	1,207
Net cash flows used in operating activities	**(891)**	**(5,821)**

11. Trade and other receivables

	2018 $000	2017 $000
Trade receivables	3,108	2,529
Provision for doubtful debts	(447)	(188)
Other receivables	23	-
	2,684	**2,341**

Movement in the provision for doubtful debts during the year was as follows:

	2018 $000	2017 $000
Balance at 1 July	188	112
Created during the year	259	76
Utilised / reversed during the year	-	-
Balance at 30 June	447	188

12. Other assets

	2018 $000	2017 $000
Current		
Other receivables – Government grants	1,252	1,255
Prepayments	168	289
Other current assets	1	99
	1,421	**1,643**
Non-current		
Employee loan	169	162
Other non-current assets	372	-
	541	**162**

13. Property plant and equipment

	Computer equipment $000	Office furniture $000	Total $000
Cost			
Balance at 1 July 2016	83	6	89
Additions	116	85	201
Disposals	(3)	-	(3)
Balance at 30 June 2017	**196**	**91**	**287**
Balance at 1 July 2017	196	91	287
Additions	73	4	77
Disposals	-	-	-
Balance at 30 June 2018	**269**	**95**	**364**
Accumulated depreciation			
Balance at 1 July 2016	50	2	52
Depreciation expense	53	4	57
Disposals	-	-	-
Balance at 30 June 2017	**103**	**6**	**109**
Balance at 1 July 2017	103	6	109
Depreciation expense	79	13	92
Disposals	-	-	-
Balance at 30 June 2018	**182**	**19**	**201**
Carrying value			
At 30 June 2017	**93**	**85**	**178**
At 30 June 2018	**87**	**76**	**163**

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values, using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative period are as follows:

Class of plant and equipment	Depreciation rates
Office equipment	33%
Computer equipment	50%

The fixed assets' residual values and useful lives are reviewed and adjusted if appropriate at each financial year end.

14. Intangible assets

	Intellectual property $000	Licenses $000	Customer list $000	Total $000
Cost				
Balance at 1 July 2016	486	14	6	506
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2017	**486**	**14**	**6**	**506**
Balance at 1 July 2017	486	14	6	506
Additions	333	-	-	333
Disposals	-	-	-	-
Balance at 30 June 2018	**819**	**14**	**6**	**839**
Accumulated amortisation				
Balance at 1 July 2016	100	**3**	**2**	**105**
Amortisation expense	48	1	1	50
Disposals	-	-	-	-
Balance at 30 June 2017	**148**	**4**	**3**	**155**
Balance at 1 July 2017	148	4	3	155
Amortisation expense	49	1	1	51
Disposals	-	-	-	-
Balance at 30 June 2018	**197**	**5**	**4**	**206**
Carrying value				
At 30 June 2017	**338**	**10**	**3**	**351**
At 30 June 2018	**622**	**9**	**2**	**633**

Recognition and measurement
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangibles assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life's or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

Research and Development
Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation
Intangible assets have finite useful lives. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

14. Intangible assets (continued)

The estimated useful lives for the current and comparative periods are as follows:
- Intellectual property: 10 years
- Licenses: 10 years
- Customer list: 10 years

Amortisation (continued)
Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

15. Trade and other payables

	2018	2017
(a) Trade payables	**$000**	**$000**
Trade payables	1,000	729
	1,000	**729**

	2018	2017
(b) Other Payables	**$000**	**$000**
Accrued expenses	513	429
Other trade payables	1,459	1,022
	1,972	**1,451**

Trade and other payables represent liabilities for services that remain unpaid at 30 June 2018 and arise when the Group is obliged to make a future payment in respect to the service agreement. They are usually settled on payment terms of 30 days.

16. Deferred revenue

	2018	2017
Current	**$000**	**$000**
Subscription and support	6,984	3,591
Product related professional services	319	-
	7,303	**3,591**
Non-current		
Subscription and support	1,789	875
Product related professional services	18	-
	1,807	**875**

The Group generally invoices customers in advance of the services through either upfront fees, annual, quarterly or monthly payments.

All amounts recognised relating to deferred revenue are assessed for current or non-current classification. Current deferred revenue is revenue that will be recognised over the twelve months to 30 June 2018 and reflects the value of the advance payments.

17. Provisions

	2018 $000	2017 $000
Current		
Employee benefits	380	417
	380	**417**
Non-current		
Employee benefits	48	32
	48	**32**

Reconciliation of carrying amounts at the beginning and end of the period

	2018 $000	2017 $000
Balance at 1 July	449	333
Created during the period	131	332
Utilised / reversed during the period	(152)	(216)
Balance at 30 June	**428**	**449**

Employee benefits
Provision for employee benefits represent amounts payable for accrued annual leave and long service leave.

18. Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Non-cancellable operating leases contracted but not recognised in the statement of financial position:

	2018 $000	2017 $000
Within one year	546	261
After one year but not more than five years	418	95
More than five years	-	-
	964	**356**

18. Leases (continued)

The Group's operating leases mainly relate to office facilities with lease terms of between one and five years with an option to renew the lease at completion of the lease. Lease payments are increased every year to reflect market rentals.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Any lease incentives are recognised as a liability and amortised over the life of the lease term on a straight-line basis.

Operating lease expenses charged through the profit and loss for 2018 amounted to $493,000 (2017: $446,000).

19. Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Non-derivative financial assets and financial liabilities – Recognition and de-recognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Measurement

A financial asset is classified as at fair value through profit or loss if it is classified as held-for- trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables of the Group comprise, trade and other receivables, other assets and cash and cash equivalents.

Available for sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

19. Financial instruments (continued)

Non-derivative financial liabilities - Measurement
A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial assets
Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortised cost
The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

19. Financial instruments (continued)

Non-financial assets (continued)
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

21. Financial Instruments – Risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework
The company's Board of Directors has overall responsibility for the establishment and oversight of the Groups risk management framework.

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's Activities.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(i) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises [principally from the Groups receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management determines concentration risk by geographic region.

The risk management committee has established a credit policy under which new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of between one and three months for its customers.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

21. Financial Instruments – Risk management (continued)

As at 30 June 2018, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	2018 $000	2017 $000
USA	2,847	1,934
United Kingdom (UK)	-	18
Australia	123	230
Europe	111	205
Japan	-	110
Others	27	30
	3,108	**2,527**

As at 30 June 2018, the ageing of trade and other receivables that were not impaired was as follows:

	2018 $000	2017 $000
Neither past due nor impaired	1,063	1,507
Past due 1-30 days – not impaired	677	329
Past due 31-90 days – not impaired	405	103
Past due 91-120 days – not impaired	90	333
Past due greater than 120 days – not impaired	512	67
Past due greater than 120 days - impaired	361	188
	3,108	**2,527**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

Cash and cash equivalents
The group held cash and cash equivalents of $23,782,000 at 30 June 2018 (2017: $11,021,000). The cash and cash equivalents are held with bank and financial institutions counterparties, which are rated AA- to AA+, based on Standard and Poor's ratings.

<u>(ii) Liquidity risk</u>
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

21. Financial Instruments – Risk management (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

30 June 2018					
Non-derivative financial liabilities	**Carrying amount $000**	**3 months or less $000**	**3 to 6 months $000**	**6 to 12 months $000**	**More than 12 months $000**
Trade and other payables	1,000	1,000	-	-	-
Provisions	428	380	-	-	48
Other current liabilities	1,972	1,972	-	-	-
	3,400	**3,352**	**-**	**-**	**48**

30 June 2017					
Non-derivative financial liabilities	**Carrying amount $000**	**3 months or less $000**	**3 to 6 months $000**	**6 to 12 months $000**	**More than 12 months $000**
Trade and other payables	729	729	-	-	-
Provisions	449	417	-	-	32
Other current liabilities	1,451	1,451	-	-	-
	2,629	**2,597**	**-**	**-**	**32**

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases are denominated and the respective functional currencies of Group companies. The functional currency of the Group companies are primarily the US dollar (USD).

Exposure to currency risk

The summary quantitative data about the Groups exposure to currency risk as reported to the management of the Group is as follows:

30 June 2018	**USD $000**	**GBP $000**	**Euro $000**	**Others $000**
Cash and cash equivalents	3,141	61	-	-
Trade and other receivables	2,104	11	129	30
Trade and other payables	(2,990)	(194)	-	(8)
Net statement of financial position exposure	**2,255**	**(122)**	**129**	**22**

30 June 2017	**USD $000**	**GBP $000**	**Euro $000**	**Others $000**
Cash and cash equivalents	384	1	-	-
Trade and other receivables	1,934	18	205	140
Trade and other payables	(951)	(204)	-	-
Net statement of financial position exposure	**1,367**	**(185)**	**205**	**140**

21. Financial Instruments – Risk management (continued)

Currency risk - sensitivity analysis

The following significant exchange rate have been applied:

	Average rates		Year-end spot rate	
	2018	**2017**	**2018**	**2017**
USD	0.7753	0.7541	0.7391	0.7678
GBP	0.5762	0.5942	0.5634	0.5921
Euro	0.6500	0.6908	0.6344	0.6728

A reasonably possible strengthening (weakening) of the USD, GPB and Euro against all other currencies at 30 June would affect the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all over variables remain constant.

Effect in thousands of AUD	**Profit or loss**		**Equity, net of tax**	
30 June 2018	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	328	(269)	230	(188)
GBP	(13)	10	(9)	7
Euro	23	(19)	16	(13)
30 June 2017				
USD	152	(124)	106	(87)
GBP	(21)	17	(15)	12
Euro	23	(19)	16	(13)

Interest rate risk

Given the short term and non-interest bearing nature of the Group's financial assets and liabilities, the Group is exposed to an insignificant risk arising from interest rate fluctuations.

22. Related Parties

(i) Key Management Personnel

The Key Management Personnel are defined under AASB 124 Related Party Disclosures to include Non-Executive Directors, Executive Directors and those persons with authority and responsibility for planning, directing and controlling the activities of the Group for the year. For 2018 the KMP for the Group were as follows:

Tom Amos	Independent Non-Executive Chairman
Wayne Stevenson	Independent Non-Executive director
John Scull	Non-Executive Director
David Keane	Chief Executive Officer and Executive Director
Geoff Cohen	Chief Financial Officer and Executive Director (until 2 December 2017)

Key management personnel compensation

Key management personal compensation comprised the following:

	$000	$000
Short-term employee benefits	801	709
Post-employment benefits	19	40
Termination payment	40	4
Share based payments	-	29
	860	**782**

Short-term employee benefits
These amounts include fees paid to independent and executive Directors including salary and cash bonuses.

Post-employment benefits
Amounts of superannuation contributions during the financial year.

Share-based payments
Amounts of expense related to the equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

Loans to key management personnel (KMP)
At 30 June 2018, there are no loans outstanding to / from KMP. (2017: $Nil).

As at 30 June 2018, the Directors of the Company control 29.21% (2017: 41.71%) of the voting shares of the Company.

A number of Key management personal, or their related parties, hold positions in other companies that result in them having control or significant influence over there companies. A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personal related companies on an arm's length basis

The aggregate value of transactions and outstanding balances related to key management personal and entities over which they have control or significant influence were as follows:

	2018	2017
	$000	$000
Legal fees	-	22
	-	**22**

22. Related Parties (continued)

Parent entity and subsidiaries

The ultimate parent entity and the ultimate parent of the consolidated group is Bigtincan Holdings Limited.

Set below is a list of material subsidiaries of the Group:

Name	Principal place of business	Ownership interest 2018	Ownership interest 2017
Subsidiaries of Bigtincan Holdings Limited:			
- Bigtincan Mobile Pty Limited	AUS	100%	100%
Subsidiaries of Bigtincan Mobile Pty Limited			
- BTC Mobility LLC	USA	100%	100%
- Bigtincan UK Ltd	UK	100%	100%
- BTCHubApp#41	AUS	100%	100%

23. Equity-settled share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share option plan

On April 16, 2014 the company adopted a Share Option Plan pursuant to a resolution by the Board of Directors. The total number of Shares that may be issued under the Option Plan is 4,530,000. The number of Shares that may be issued under the Option Plan as Incentive Stock Options is 3,000,000. The Board may determine if, and the extent to which, an Eligible Employee or Advisor may participate in, or receive an offer under, the Option Plan. Each Option granted entitles the Participant to acquire or subscribe for and be allotted, credited as fully paid, one Share at the Exercise Price. Options granted under the Option Plan as incentive Stock options may only be granted to full time employees of BTC Mobility LLC. Under the terms of the Plan the Option granted is not capable of being transferred and any unvested or unexercised Options granted will automatically lapse on the cessation of the Participant's employment, except to the extent determined by the Board.

23. Equity-settled share-based payment arrangements (continued)

Grant date/employees entitled	Number of Instruments	Vesting conditions	Contractual life of options
Options granted to key management personnel			
On 12/05/2012	3,629,915	Service vesting condition	7 years
On 29/10/2012	266,906	Service vesting condition	7 years
On 18/06/2013	1,067,622	Service vesting condition	7 years
On 15/12/2013	189,503	Service vesting condition	7 years
On 16/05/2014	2,228,661	Service vesting condition	7 years
Total	**7,382,607**		
Options granted to employees/consultants			
On 12/02/2012	160,143	Service vesting condition	7 years
On 21/07/2012	162,812	Service vesting condition	7 years
On 12/08/2012	10,676	Service vesting condition	7 years
On 15/09/2012	133,453	Service vesting condition	7 years
On 15/10/2012	266,906	Service vesting condition	7 years
On 21/10/2012	26,691	Service vesting condition	7 years
On 22/10/2012	13,345	Service vesting condition	7 years
On 15/11/2012	80,072	Service vesting condition	7 years
On 23/12/2012	106,762	Service vesting condition	7 years
On 15/03/2013	1,668	Service vesting condition	7 years
On 15/04/2013	133,453	Service vesting condition	7 years
On 09/06/2013	53,381	Service vesting condition	7 years
On 15/08/2013	13,345	Service vesting condition	7 years
On 15/09/2013	13,345	Service vesting condition	7 years
On 16/05/2014	1,265,132	Service vesting condition	7 years
On 19/03/2015	907,479	Service vesting condition	7 years
On 03/05/2015	220,864	Service vesting condition	7 years
On 14/05/2015	112,100	Service vesting condition	7 years
On 16/05/2015	40,036	Service vesting condition	7 years
On 16/05/2016	13,345	Service vesting condition	7 years
On 01/07/2016	40,036	Service vesting condition	7 years
On 12/09/2016	346,977	Service vesting condition	7 years
On 16/05/2016	399,024	Service vesting condition	7 years
Total	**4,521,045**		
Total Share Options at 30 June 2017	**11,903,652**		
On 12/09/2017	5,352,345	Service vesting condition	7 years
On 20/03/2018	604,502	Service vesting condition	7 years
Total Share Options at 30 June 2018	**17,860,499**		

23. Equity-settled share-based payment arrangements (continued)

Measurement of fair values

The fair value of the employee share options (see 6 (a)) has been measured using the Black –Scholes formula and includes the following assumptions:

- expected volatility has been based on an evaluation of the historical volatility of a the company's share price
- compounded risk free interest rate was estimated based on an average rate of 10Y government bonds
- Number of years to exercise the options equals the contractual life of options
- Stock price is calculated based on the price of shares set by equity financing activities, taking into account the compound annual growth rate between the effective dates of these activities and actual grant dates of stock options

All the assumptions used are subject to annual review and adjustment to best reflect the fair value as per balance sheet date.

	Number of options 2018	Weighted average exercise price 2018 (in $)	Number of options 2017	Weighted average exercise price 2017 (in $)
Outstanding at 1 July	11,903,652	0.17	4,165,375	0.31
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Additional share options As a result of share split	-	-	7,444,277	0.17
Granted during the year	5,956,847	0.20	294,000	0.53
Outstanding at 30 June	**17,860,499**	**0.19**	**11,903,652**	**0.17**
Exercisable at 30 June	14,457,013	0.19	11,626,897	0.17

Expenses recognised in profit or loss	2018 $000	2017 $000
Share-based payments	313	202
	313	**202**

Share-based payment with non-employees
On 24 March 2016, the Group entered into a warrant agreement with a channel partner. Under the terms of the agreement, the channel partner has the right to purchase up to 5% of shares of the Company when aggregate sales to channel partner customers exceed a specific revenue target within a 5 year period. In this circumstance the warrants will vest on achieving the condition. Alternatively, the warrants may vest and may be exercised if a certain event including a sale event occurs within 5 years. In this circumstance the proportion of warrants that will vest is based on when the sale event occurs. Warrants will become exercisable once they vest. As at 30 June 2018, no warrants have vested.

As the design of the transaction is similar to a sales incentive and performance conditions are non-market performances, fair value of goods or services received from the channel partner are measured indirectly with reference to the equity instrument granted.

24. Equity and reserves

(a) Share capital

Ordinary shares	**2018**	**2017**
	Number of shares (000's)	
Shares at 1 July	**176,340**	**17,175**
Shares issued during the IPO process:		
Number of shares issued to convertible note holders	-	45,920
New Shares issued-15 March 2017	42,857	46,154
New shares issued to existing shareholders	-	67,091
Balance at 30 June	**219,197**	**176,340**

Movement in share capital – Ordinary Shares	**2018** **$000**	**2017** **$000**
Balance at 1 July	35,560	13,161
Share issue proceeds	15,000	12,000
Directly attributable issue costs	(790)	(1,453)
Conversion of convertible notes	-	11,852
Balance at 30 June	**49,770**	**35,560**

All shares rank equally with regard to Group's residential assets.

Ordinary shares
The Group does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

Incremental costs directly attributable to the issue of ordinary share, net of any tax effects, are recognised as a deduction from equity.

(b) Nature and purpose of reserves

(i) Share based payment reserve
Share-based payment reserve comprises the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital. The share-based payment reserve remains as a separate component of equity.

(ii) Foreign currency translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

25. Auditors remuneration

Fees payable or paid for services provided by KPMG as the Company's auditor during the year were:

	2018 **$000**	**2017** **$000**
Audit fees	152	145
	152	**145**

26. Parent entity disclosures

As at and throughout the financial year ended 30 June 2018, the parent entity of the Group was Bigtincan Holdings Limited.

	2018	2017
Results of parent entity	**$000**	**$000**
Loss for the year	(4,133)	(1,244)
Total comprehensive loss for the year	(4,133)	(1,244)
Financial position of the parent entity at year end:		
Current assets	20,321	10,155
Total assets	21,031	10,463
Current liabilities	121	122
Total liabilities	121	122
Total equity of parent entity comprising of:		
Share capital	49,770	35,560
Share based payment reserve	3,952	3,460
Accumulated losses	(32,812)	(28,679)
Total equity	20,910	10,341

27. Contingencies and commitments

The directors are of the opinion that provisions are not required in respect of contingencies, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

28. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

29. Subsequent events

Subsequent to year end, the Group completed the acquisition of Zunos Technologies Pty Limited on 31 July 2018. At completion, a cash payment of $3.25m was made by the Group. The balance of the purchase price (capped at $11m) will be determined based on recurring revenue earned from Zunos platform in financial years 2019 and 2020.

In addition to the above, on 25 September 2018, the Group announced its intention to acquire FatStax, a US based SaaS entity, subject to a due diligence process.

Apart from the matters noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in the financial years.

BIGTINCAN HOLDINGS LIMITED
DIRECTORS DECLARATION
For the year ended 30 June 2018

In the opinion of the directors of Bigtincan Holdings Limited ("the Company"):

a. The consolidated financial statements and notes that are set out on pages 24 to 52 are in accordance with the Corporations Act 2001, including:

    i. Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and

    ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c. The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards (IFRS).

Signed in accordance with a resolution of the directors:

Dated at Sydney, 28th day of September, 2018.

Tom Amos	Wayne Stevenson
Chairman	*Director*

KPMG

Independent Auditor's Report

To the shareholders of Bigtincan Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Bigtincan Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2018
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Bigtincan Holdings Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Independent Auditor's Report (continued)

To the shareholders of Bigtincan Holdings Limited

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.

This matter was 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 this matter.

<table>
<tr><th colspan="2">Revenue recognition</th></tr>
<tr><td colspan="2">Refer to Note 4(a) to the Financial Report ($13,143,000)</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>A key audit matter for us was revenue recognition.

The Group generates revenue from selling subscriptions and support services to customers for accessing its cloud-based application (Bigtincan Hub) and from other product related professional services.

Our audit attention focused on revenue recognition across these services due to its importance and significance to shareholders. The Group has incurred losses over a number of financial years and has also incurred a loss in the current financial year. Therefore revenue is seen as the key performance indicator and consequently, it necessitated greater involvement of the audit team and a high portion of audit effort was applied to gather sufficient audit evidence.</td><td>Our procedures included:

• We examined the Group's revenue recognition policies for each type of service for consistency with the requirements of AASB 118 Revenue.

• We identified and tested, on a sample basis, the key internal controls surrounding each revenue stream. The key control was in relation to approval of customer invoicing, and matching the term of subscription period and the type of service against customer purchase orders.

• We tested statistical samples of revenue transactions during the year, from each revenue stream, by checking them to underlying records and inspecting the terms and conditions of the associated signed customer contract for consistency to the Group's timing and measurement of revenue recognition.

• We recalculated the amount of revenue to be recognised for the financial year and the amount of revenue to be deferred as at balance date for a sample of revenue transactions. We assessed this with specific reference to the period over which the service is provided, obtained from the invoice issued to the customer based on the purchase orders and compared this to the amount recorded by the Group.</td></tr>
</table>

KPMG

Independent Auditor's Report (continued)

To the shareholders of Bigtincan Holdings Limited

Other Information

Other Information is financial and non-financial information in Bigtincan Holdings Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report, Remuneration Report, Chairman's Report, Chief Executive Officer's Report, Operating and Financial Review, ASX Information and Corporate Directory.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

KPMG

Independent Auditor's Report (continued)

To the shareholders of Bigtincan Holdings Limited

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Bigtincan Holdings Limited for the year ended 30 June 2018, complies with *Section 300A of the Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in page 15 to 22 of the Directors' report for the year ended 30 June 2018.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Malcolm Kafer

Partner

Sydney

28 September 2018

ASX Information

Substantial shareholders
The substantial shareholders (greater than 5%) as at 13th September 2017 were:

	No Shares	%
MRS LAI SUN KEANE	25,585,713	14.51
JENSEN COHEN HOLDINGS PTY LTD <JENSEN COHEN SUPERFUND /C>	18,049,325	10.24
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	16,409,459	9.31
SBCVC FUND IV PTE LTD <CO # 201115559C A/C>	14,947,174	8.48
SOUTHERN CROSS IIF TRUSCO PTY LTD <STHN CROSS IIF CWEALTH /C>	14,947,174	8.48
J P MORGAN NOMINEES AUSTRALIA LIMITED	13,133,836	7.45

Distribution of shareholders as at 13th September 2017

Range of Holding	**Holders**	**Shares**
1-1,000	2	51
1,001-5,000	26	81,941
5,001-10,000	42	345,228
10,001 - 100,000	138	6,195,169
100,001 - over	103	169,717,712
	311	176,340,101

Shareholders with less than a marketable parcel -15

Voting Rights
Each fully paid ordinary share carries voting rights of one vote per share.

Twenty Largest Shareholders as at 13th September 2017 – 79.92%

	Number of Shares	**Percentage of capital held**
MRS LAI SUN KEANE	25,585,713	14.51
JENSEN COHEN HOLDINGS PTY LTD <JENSEN COHEN SUPERFUND A/C>	18,049,325	10.24
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	16,409,459	9.31
SBCVC FUND IV PTE LTD <CO # 201115559C A/C>	14,947,174	8.48
SOUTHERN CROSS IIF TRUSCO PTY LTD <STHN CROSS IIF CWEALTH A/C>	14,947,174	8.48
J P MORGAN NOMINEES AUSTRALIA LIMITED	13,133,836	7.45
ED TECH INVESTMENTS INC	6,660,890	3.78
BNP PARIBAS NOMS PTY LTD <DRP>	5,353,324	3.04
UBS NOMINEES PTY LTD	3,365,384	1.91
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,862,718	1.62
RADELL PTY LTD <MACKAY FAMILY A/C>	2,524,038	1.43
MR GRAHAM TAYLOR	2,335,023	1.32
AOTEAROA INVESTMENT COMPANY PTY LIMITED <ROBERTS INVESTMENT	2,145,433	1.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,104,947	1.19
LUAGA PTY LTD <JP PRENDIVILLE FAMILY A/C>	2,045,433	1.16
SASSEY PTY LTD <AVAGO SUPERFUND A/C>	1,977,604	1.12
NATIONAL NOMINEES LIMITED	1,963,971	1.11
PROSPECT CUSTODIAN LIMITED	1,869,615	1.06
NCN INVESTMENTS PTY LTD <NATHAN CHER FAMILY A/C>	1,350,710	0.77
MR ANDREW BERMAN	1,295,188	0.73
TOTAL	**140,926,959**	**79.92**

Unquoted securities

The Company has issued 17,860,499 unlisted Options under the Employee Share Option Plan

Shares escrowed

The Company has the following escrowed ordinary shares

Expiry of escrow	Number of Holders	Number of shares
16 March 2019	3	41,272,161

CORPORATE DIRECTORY

Directors

Tom Amos (Chairman)
Wayne Stevenson
Geoff Cohen (Ceased 2 December 2017)
David Keane
John Scull

Auditors

KPMG
Level 38
300 Barangaroo Avenue
Sydney NSW 2000

Company Secretary

Mark Ohlsson

Solicitors

Dentons
16/77 Castlereagh Street
Sydney NSW 2000

Registered Office

Level 20, 320 Pitt Street
Sydney NSW Australia 2000

Share Registry

Computershare Investor Services Pty Limited

Head Office

Level 20, 320 Pitt Street
Sydney NSW 2000

Website address

http://www.bigtincan.com.au

Country of Incorporation

Bigtincan Holdings Limited is domiciled and incorporated in Australia.

Stock Exchange Listing

Bigtincan Holdings Limited is listed on the Australian Securities Exchange. ASX Code BTH