

BIGTINCAN HOLDINGS LIMITED
ABN: 98 154 944 797

RESULTS FOR ANNOUNCEMENT TO MARKET – For year ended 30 June 2019

Reported	30 June 2019 \$000's	30 June 2018 \$000's		Change \$000's	Change %
Revenue from ordinary activities	19,882	13,143	Up	6,739	51%
Loss from ordinary activities after tax attributable to members	(4,132)	(6,641)	Down	2,509	38%
Loss attributable to members	(4,132)	(6,641)	Down	2,509	38%

Dividend Information

Bigtincan Holding Limited has not paid, recommended or declared dividends for the year ended 30 June 2019 (2018:nil)

Net Tangible Asset information

	30 June 2019 (cents)	30 June 2018 (cents)
Net Tangible asset per security	6.38	13.05

Derived by dividing the net assets less intangible assets attributable to equity holders of the Company by the total ordinary shares at 30 June 2019 (260,089,582) and 30 June 2018 (219,197,244) respectively.

Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and the share data used in the basic EPS computation.

	2019	2018
Weighted average number of ordinary shares for basic EPS	228,212,365	177,396,952
Net Loss after tax attributable to ordinary equity holders (\$000's)	(4,132)	(6,641)
Basic earnings per share (cents)	(1.81)	(3.74)
Diluted earnings per share (cents)	(1.81)	(3.74)

Commentary on the results for the year

Bigtincan is pleased to provide commentary on FY19 Financial Year.

Bigtincan Holdings Limited ('Bigtincan') is a recognised global leader in the rapidly growing sales enablement market. Enterprise organisations use sales enablement technologies to help them improve the performance of their sales teams to win more deal and improve sales productivity.

Our vision since foundation has been to create the software needed to address this critical point of the buyer/seller interaction as the world moves to a digital environment and to create a software platform where customer facing workers can be more empowered, informed and prepared. In FY19 Bigtincan continued that progress achieving record revenue, improving unit economics, and winning some of the largest deals in the market globally. With a strong team and increasing marketplace recognition, Bigtincan is well positioned to continue our growth into FY20.

Highlights for the year include:

- Annualised Recurring Revenue (ARR) up 52% to \$23.4m.
- Revenue increased 51% to \$19.9m.
- Subscription revenue grew 60% to \$18.5m.
- Gross margin increased 5% to 88% showing ongoing cloud scale benefits.
- Retention up 2% to 87%.
- Net Loss after tax decreased 38% to \$4.1m.
- Completion of two acquisitions (Zunos and FatStax) provided key add-on technology.
- Ongoing customer expansion in North America, Europe and Asia-Pacific.
- Business footprint expanded to 15 locations with users in over 50 countries.

During the year, the Company delivered improved unit economics and revenue growth - growing ARR at 52% year on year, but also has led the market for Sales Enablement by creating the industry's most complete solution combining sales content, learning, and vertical market offerings, into a single platform. Key achievements for the year included winning new Fortune 500 customers, delivering new versions of our platforms, and completing the first stage of integration of acquisitions conducted during the year.

Financial Metrics

The Key Financial metrics for Bigtincan for the 2019 Financial year were as follows:

Financial Summary	FY19	FY18	Variance
Revenue	\$19.9m	\$13.1m	+51%
Gross profit	\$17.5m	\$10.9m	+60%
Operating expenses	\$23.0m	\$19.0m	+21%
Net loss after tax	\$4.1m	\$6.6m	+38%
Cash	\$25.1m	\$23.8m	+6%

For the 12 months to 30 June 2019, total revenue from ordinary activities was \$19.9m, representing a growth rate of 51% from FY18. Revenue from subscription and support services of \$18.7m accounted for 94% of total revenue and is a key measure of the business. During the year gross margin improved from 83% to 88%.

The Group made a loss after tax of \$4.1m compared to \$6.6m. The loss is a result of continued investment in developing the sales and support infrastructure required to grow and support the customer base. The reduction in the loss of 38% is represented by the maturing of the subscription revenue model and the impact of operational efficiencies in scaling and growing the business.

Operating expenses which exclude finance, amortization and interest increased by 21% over the prior year and this was a result of investments in additional sales resources, marketing activities to promote the Bigtincan solution and geographically expansion. Also, during the year Bigtincan increased investments in development costs to accelerate product enhancements.

In addition, during the year Bigtincan successfully completed a strongly supported and successful institutional and retail entitlements offer, raising a total of approximately \$15.5m in cash.

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For year ending 30 June 2019

	Note	2019 \$000	2018 \$000
Revenue	3	19,882	13,143
Other income	3	1,677	1,158
Total operating revenue and other income		21,559	14,301
Cost of revenues	4	(2,426)	(2,247)
Gross Profit		19,133	12,054
<i>Operating expenses</i>			
Sales and marketing	4	(12,148)	(10,560)
Product development	4	(6,366)	(6,581)
General and administration	4	(4,459)	(1,897)
Total expenses from operating activities before finance costs, depreciation and amortisation		(22,973)	(19,038)
Total Loss before financing costs, depreciation and amortisation		(3,840)	(6,984)
Depreciation and amortisation	4	(460)	(92)
Finance income		641	611
Finance expenses	5	(387)	(94)
Net Finance cost, depreciation and amortisation		(206)	425
Loss before income tax		(4,046)	(6,559)
Income tax expense		(86)	(82)
Loss for the year after tax		(4,132)	(6,641)
Other comprehensive income			
Foreign operations – foreign currency translation differences		(21)	31
Total other comprehensive loss, net of tax		(21)	31
Total comprehensive loss for the period		(4,153)	(6,610)

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

BGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	2019	2018
		\$000	\$000
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6	25,127	23,782
Trade receivables	7	5,103	2,684
Other current assets	7	2,241	1,421
Total current assets		32,471	27,887
<i>Non-current assets</i>			
Property, plant and equipment	8	200	163
Intangible assets	9	11,946	633
Other non-current assets	7	331	541
Total non-current assets		12,477	1,337
Total Assets		44,948	29,224
Liabilities			
<i>Current liabilities</i>			
Trade payables	10	1,555	1,000
Deferred revenue	11	9,111	7,303
Provisions	12	488	380
Other current liabilities	10	3,074	1,972
Total current liabilities		14,228	10,655
<i>Non- Current liabilities</i>			
Deferred tax liabilities		-	1
Deferred revenue	11	499	1,807
Provisions	12	64	48
Other non-current liabilities	13	1,628	-
Total non-current liabilities		2,191	1,856
Total Liabilities		16,419	12,511
Net Assets		28,529	16,713
Equity			
Share capital	14	65,279	49,770
Share-based payment reserve		4,412	3,952
Accumulated losses		(41,173)	(37,041)
Foreign currency translation reserve		11	32
Total Equity		28,529	16,713

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For year ending 30 June 2019

	Note	Share capital	Share-based payment reserve	Accumulated losses	Foreign currency translation reserve	Total
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)
Transactions with owners of the Group						
Issue of ordinary shares	14	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
Balance at 1 July 2018		49,770	3,952	(37,041)	32	16,713
Loss for the year		-	-	(4,132)	-	(4,132)
Other comprehensive income (net of tax)		-	-	-	(21)	(21)
Total comprehensive loss		-	-	(4,132)	(21)	(4,153)
Transactions with owners of the Group						
Issue of ordinary shares	14	15,509	-	-	-	15,509
Equity settled share-based payments		-	460	-	-	460
Total transactions with owners of the Group		15,509	460	-	-	15,969
Balance at 30 June 2019		65,279	4,412	(41,173)	11	28,529

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For year ending 30 June 2019

	Note	2019 \$000	2018 \$000
Cash flows used in operating activities			
Cash receipts from customers		18,797	17,656
Cash paid to suppliers and employees		(26,524)	(20,004)
Cash used in operations		(7,727)	(2,348)
Interest received		171	378
Income grant/taxes received		1,003	1,079
Net cash used in operating activities		(6,553)	(891)
Cash flows used in investing activities			
Acquisition of property, plant and equipment	8	(196)	(77)
Acquisition of intangibles	9	(1,817)	(109)
Acquisition of term deposits		-	(372)
Acquisition of subsidiary – net assets acquired		(5,718)	-
Acquisition of subsidiary – net cash acquired		120	-
Net cash used in investing activities		(7,611)	(558)
Cash flows used in financing activities			
Proceeds from issue of share capital		16,585	15,000
Proceeds from issue of convertible notes		-	-
Capitalised costs		(1,076)	(790)
Net cash from financing activities		15,509	14,210
Net increase/ (decrease) in cash and cash equivalents		1,345	12,761
Cash and cash equivalents at 1 July		23,782	11,021
Effect of movements in exchange rates on cash held		-	-
Cash and cash equivalents at 30 June	6	25,127	23,782

BIGTINCAN HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For year ending 30 June 2019

Reporting entity

BigTinCan Holdings Limited (“the Company”) is a company domiciled in Australia. The address of 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 2019 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 content to the users through their mobile devices.

Summary of Significant Accounting Policies

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 financial report is based on accounts which is in the process of being audited and has been prepared in accordance with ASX listing rule 4.3A. As such, this preliminary report does not include all the notes that are included in an annual financial report. Release of this will be on/or before 30 September 2019.

Functional and presentation currency

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

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 ASIC.

Use of judgements and estimates

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.

3 Operating Revenue and Other income

	2019 \$000	2018 \$000
Operating revenue		
Revenue from subscription and support services	18,736	11,686
Revenue from product related professional and contract services	1,146	1,457
Total operating revenue	19,882	13,143
Other Income		
Government grants	1,677	1,158
Other	-	-
Total other income	1,677	1,158

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. There are three principal sources of revenue – subscription and support revenue, (2) product related professional services, and (3) other income such as Government grants and interest.

The company operates as a single business unit and the group does not qualify as operating segments under AASB 8 Operating Segments.

Revenue by location	2019 \$000	2018 \$000
Australia	1,288	804
United States of America	16,470	11,769
Rest of the world	2,124	570
Total Revenue	19,882	13,143

Revenue per region is based on the invoicing location of the customer.

4 Cost of sales and other expenses

	2019 \$000	2018 \$000
Employee benefits expense	920	867
Other costs	1,506	1,380
	2,426	2,247
	2019 \$000	2018 \$000
Wages and salaries	14,229	12,617
Post-employment benefit expense	515	426
Share based payment expenses	394	198
	15,138	13,241
Other operating expenses		
Professional fees	677	135
Advertising and marketing	2,661	2,846
Other operating expenses	4,332	2,664
	7,670	5,645

Audit fees

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

	2019 \$000	2018 \$000
Audit services	165	152
	165	152

5 Finance costs

	2019 \$000	2018 \$000
Other finance costs	387	94
	387	94

6 Cash and cash equivalents

	2019 \$000	2018 \$000
Cash at bank	25,127	7,782
Short term deposits	-	16,000
	25,127	23,782

Cash flow statement reconciliation

	2019 \$000	2018 \$000
Loss from ordinary activities after income tax	(4,132)	(6,641)
<u>Adjustments for non-cash expense and income items</u>		
Amortisation of intangible assets	300	50
Depreciation of property, plant and equipment	159	92
Share based payments	460	537
Bad debts written off	329	259
Unrealised foreign exchange	(337)	(504)
Operating cashflows before movements in working capital	(3,221)	(6,207)
<u>Change in assets and liabilities</u>		
Decrease/ (increase) change in trade receivables	(2,419)	(343)
Decrease/ (increase) change in other current assets	(820)	222
(Decrease)/ Increase change in trade and other payables	555	271
(Decrease)/ Increase change in other current liabilities	(1,249)	521
(Decrease)/ Increase change in provisions	108	(21)
(Decrease)/ Increase change in income tax payables	(7)	46
(Decrease)/ Increase change in deferred income	500	4,620
Net cashflows used in operating activities	(6,553)	(891)
Loss from ordinary activities after income tax	(4,132)	(6,641)

7 Trade and other receivables

	2019 \$000	2018 \$000
Trade receivables	5,895	3,108
provision for doubtful debts	(794)	(447)
Other receivables	2	23
Total trade and other receivables	5,103	2,684
Non-current assets	331	541

8 Property, Plant and Equipment

	Computer Equipment \$000	Office Furniture \$000	Total \$000
<u>Cost</u>			
Balance at 1 July 2017	196	91	287
Additions	73	4	77
Disposals	-	-	-
Balance at 30 June 2018	269	95	364
Balance at 1 July 2018	269	95	364
Additions	151	45	196
Disposals	-	-	-
Balance at 30 June 2019	420	140	560
<u>Accumulated depreciation</u>			
Balance at 1 July 2017	103	6	109
Additions	79	13	92
Disposals	-	-	-
Balance at 30 June 2018	182	19	201

Balance at 1 July 2018	182	19	201
Additions	124	35	159
Disposals	-	-	-
Balance at 30 June 2019	306	54	361
Carrying value			
At 30 June 2018	87	76	163
At 30 June 2019	114	86	200

9a Intangible assets - goodwill

	2019	2018
	\$000	\$000
Goodwill	6,512	-

9b Intangible assets

	Software and IP \$000	Licences \$000	Customer List \$000	Development Costs (WIP) \$000	Total \$000
Cost					
Balance at 1 July 2017	486	14	6	-	506
Additions	-	-	-	333	333
Disposals	-	-	-	-	-
Balance at 30 June 2018	486	14	6	333	839
Balance at 1 July 2018	486	14	6	333	839
Additions	-	-	-	1,817	1,817
Acquisition through business combinations	2,454	-	830	-	3,284
Disposals	-	-	-	-	-
Balance at 30 June 2019	2,940	14	836	2,150	5,940
Accumulated depreciation					
Balance at 1 July 2017	148	4	3	-	155
Additions	49	1	1	-	51
Disposals	-	-	-	-	-
Balance at 30 June 2018	197	5	4	-	206
Balance at 1 July 2018	197	5	4	-	206
Additions	232	2	66	-	300
Disposals	-	-	-	-	-
Balance at 30 June 2019	429	7	70	-	506
Carrying value					
At 30 June 2018	289	9	2	333	633
At 30 June 2019	2,511	7	766	2,150	5,434

10 Trade and other payables

	2019	2018
	\$000	\$000
Trade Payables	1,555	1,000
Accrued Expenses	415	513
Other trade payables	724	1,459
Deferred Consideration	1,935	-
Total trade and other payables	4,629	2,972

11 Deferred Income

	2019	2018
	\$000	\$000
<i>Current</i>		
Subscription and support	9,048	3,591
Product related professional services	63	-
	9,111	3,591
<i>Non-current</i>		
Subscription and support	499	875
Product related professional services	-	-
	499	875

12 Provisions

	2019	2018
	\$000	\$000
<i>Current</i>		
Employee benefits	488	380
	488	380
<i>Non-current</i>		
Employee benefits	64	48
	64	48

Employee benefits

Provision for employee benefits represent amounts payable by the Consolidated Entity for accrued annual leave and long service leave.

13 Other non-current liabilities

	2019	2018
	\$000	\$000
Deferred tax liabilities	-	1
Other non-current liabilities	1,628	-
	1,628	1

14 Contributed Equity

	2019	2018
Weighted average number of ordinary shares	228,212,365	177,396,952
For basic and diluted earnings per share		
	2019	2018
	000	000
At the beginning of reporting period	219,197	176,340
Number of shares issued	9,015	1,057
At the end of reporting period	228,212	177,397
Movement in share capital	2019	2018
	\$000	\$000
At the beginning of the period	49,770	35,560
Share proceeds	16,585	15,000
Issued Costs	(1,076)	(790)
Conversion of convertible notes	-	-

Movement in share capital	15,509	14,210
At the end of reporting date	65,279	49,770

Parent Entity and Subsidiaries

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

15. List of subsidiaries

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

Name	Principal place of business	Ownership interest 2019	Ownership interest 2018
Subsidiaries of Bigtincan Holdings Limited:			
Zunos Technologies Pty Ltd	AUS	100%	-
Fatstax LLC	USA	100%	-
BigTinCan Mobile Pty Ltd	AUS	100%	100%
Subsidiaries of Bigtincan Mobile Pty Ltd:			
BTC Mobility LLC	USA	100%	100%
Bigtincan UK Ltd	UK	100%	100%

Acquisition of Zunos

On 31 July 2018 the Group acquired 100% of the shares and voting interests of Zunos Technology Pty Limited and its controlled entities (Zunos).

The acquisition is expected to provide the Group with an increased share of the SaaS market through access to the Zunos customer base. The Group also expects to achieve economies of scale.

In the eleven months to 30 June 2019, Zunos contributed revenue of \$1,551,000 and loss of \$981,000 to the Group's results. If the acquisition had occurred on 1 July 2018, Management estimated that consolidated revenue would have been \$1,692,000 and consolidated loss for the period would have been \$1,070,000. In determining these amounts, Management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2018.

Acquisition of Fatstax

On 30 November 2018 the Group acquired 100% of the shares and voting interests of Fatstax Inc. (Fatstax).

The acquisition is expected to provide the Group with an increased share of the SaaS market through access to Fatstax's customer base. The Group also expects to achieve economies of scale.

In the Seven months to 30 June 2019, Fatstax's contributed revenue of \$839,000 and profit of \$39,000 to the Group's results. If the acquisition had occurred on 1 July 2018, Management estimated that consolidated revenue would have been \$1,438,000 and consolidated profit for the period would have been \$67,000. In determining these amounts, Management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2018.

16. Associates and Joint Venture entities

Bigtincan Holdings Limited as at 30 June 2019 does not have any Joint Ventures or Associates

17. Events subsequent to Balance Date

- On the 19th of July Bigtincan signed an asset purchase agreement to acquire the assets of Veelo, Inc for a consideration comprising all cash payments totalling US\$1.8m and the assumption of normal associated liabilities.

18. Unaudited Report

The Financial report for the year ended 30 June 2019 is in the process of being audited. Release of the annual financial statement will be on or prior to 30 September 2019.