

ASX Announcement

22nd January 2020

Bigtincan Holdings Ltd December 2019 Quarterly Report & Appendix 4C

Strong organic growth through new customers wins and expansion with existing customers

Highlights from Operating Activities

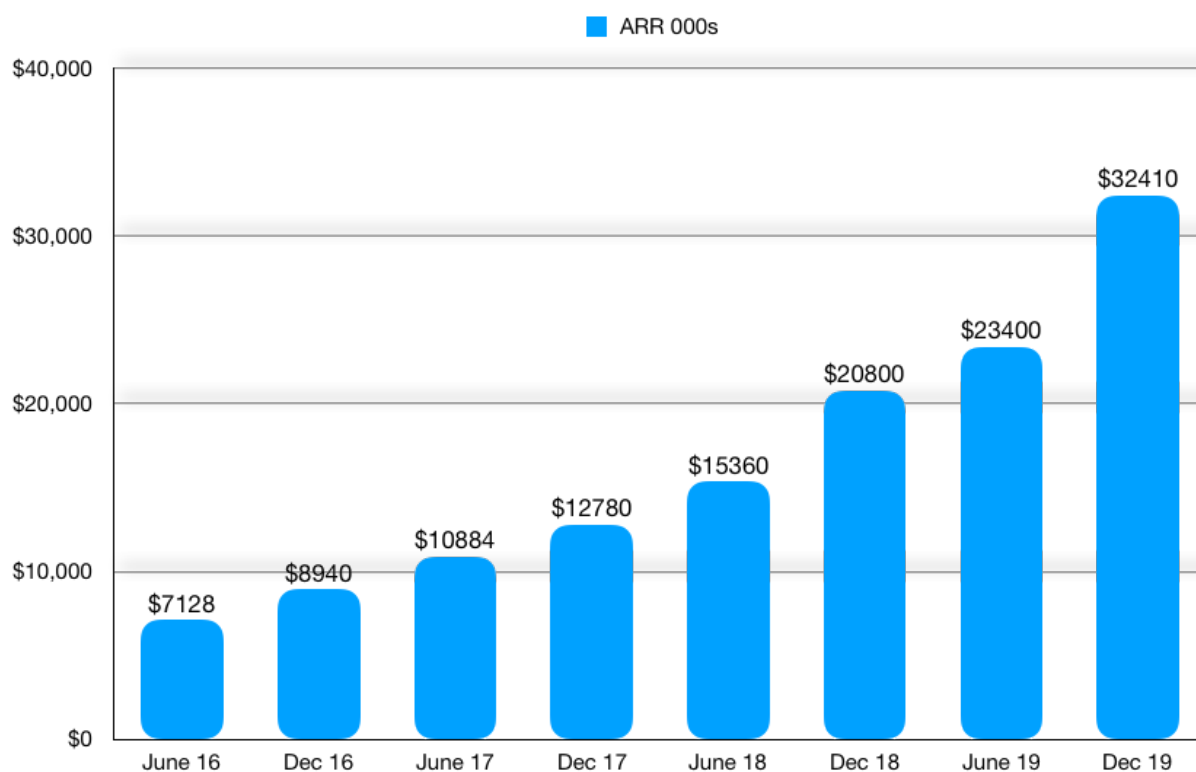
- Customer cash receipts increased 102% to \$9.1m, from the December 2018 quarter of \$4.5m.
- Cash payments increased 39% to \$10.4m (including working capital changes and acquisition related activities), against \$7.5m for the prior corresponding quarter.
- ARR of \$32.4 an increase of 55% over the previous corresponding period.
- At the end of the quarter Bigtincan had \$27.4m in cash and cash equivalents.
- Quarter delivered new wins with Fortune 500 companies including a new retail win with Sephora, expansions in customer deployments and initial sales of integrated technology from acquisitions completed during the quarter.
- Acquisition of Xinnovation, Inc. (“XINN”) bringing document automation technology, specialist skills, and marquee customers in the finance vertical market to Bigtincan.
- Completion of an institutional placement of \$20m to complete the XINN acquisition and to fund integration and other working capital requirements.
- The Company continued to invest in new staff for sales and marketing, and product development with new team members added across the USA, Australia and Israel, new infrastructure put in place to support growth and investments in data science and AI through a new partnership with data analytics company Databricks.
- Bigtincan is on track to deliver 30-40% organic revenue growth, with stable retention in FY20 as demonstrated by new wins and ongoing market execution.

Bigtincan Holdings Limited (ASX:BTH) (“Bigtincan”, the “Company”), a global software company providing a leading AI-powered sales enablement automation platform, has today released its Appendix 4C and is pleased to present commentary on activities in Q2 FY20, to accompany the lodgement of this cash report for the quarter ending 31 December 2019 (the “Quarter”, “Reporting Period”).

Co-Founder and CEO, David Keane, commented: “This quarter Bigtincan continued to achieve strong growth delivering 55% annualised recurring revenue (“ARR”) growth over the previous corresponding period, with new customers wins and expansion in existing enterprise customers, as well as making the investments that are needed to support Bigtincan’s growing customer base. This quarter the company completed the XINN acquisition adding new people, technology, geographic and vertical market coverage, and completed the integration of Asdeq Labs, acquired in September.”

Market Development and ARR Growth

ARR growth continued with total ARR reaching \$32.4m at the end of the quarter, an increase of 55% from the previous corresponding period.



Bigtincan's core Sales Enablement continued to develop and become more prominent throughout the quarter as demonstrated by Sales Enablement being featured at the Dreamforce event with thousands of organizations gaining exposure to the benefits of sales enablement technology on the revenue line of their business.

Cash Position and Commentary

Customer cash receipts for the quarter were \$9.1m, an increase of 102% over the previous corresponding period and 70% increase over the previous quarter of \$5.3m, as Bigtincan continued to execute in the market demonstrating the value of the enterprise customer focussed strategy. In addition the Company received \$61k in Government grants for the quarter.

Total Operating cash payments for the quarter were \$10.4m, a 39% increase over the previous corresponding period. The increase in cash operating payments included costs related to two acquisitions (Asdeq Labs Pty Ltd acquired 5 September 2019) and Xinnovation, Inc. (acquired 2 October 2019) of \$1.1m and \$0.6m related to the integration, working capital and legal costs of the acquisitions including Veelo Inc. In addition, the company continued to invest in the quarter by expanding gotomarket and product development resources of \$0.8m.

During the quarter, Bigtincan recognised capitalised development costs of \$624k (\$1.2m for the period July to December 2019) and reclassified them from operating activities to investing activities to be in line with its existing accounting policy.

At the end of December 2019, Bigtincan had \$27.4m in cash and cash equivalents, and is well funded to execute on its growth plans.

New Customer Wins

Sephora USA Inc.

In the quarter Bigtincan announced that it had secured, in a highly competitive process, a three and a half year contract for \$2.8m total contract value with Sephora - the leading multinational chain of personal care and beauty products, to enable their customer-facing team members in stores, globally.

The contract demonstrates Bigtincan's ongoing success in the retail vertical and showcases the ability for the company to compete for and win some of the largest deals in sales enablement globally.

Other customer wins of note in the quarter included Mastercard, Brown Brothers, American Ortho, Waters Corporation, Invatae, W.L. Gore, and Disys.

Execution against business objectives and investments to support growth

The Company continued to execute against its operational plan, investing in new people, technology and marketing programs, to ensure that the company is ready to support growth levels driven by major global customer wins and preparing for FY21 and beyond.

These investments included;

- expansion of human resources in the USA with new go to market team members in Texas, Chicago and the New England area, product development expansion with hires in Australia, the USA and Israel, and participation in major marketing events including Dreamforce in San Francisco.
- Investments in system infrastructure in the USA, and Europe to support projected future growth.
- Investment in data science and AI technology through the Databricks partnership.

Dreamforce

During the quarter the company participated in the Dreamforce 2019 event in San Francisco - the largest sales focused technology event globally. Bigtincan used the event to build its new customer pipeline, and make connections with existing customers in addition to building further brand awareness. Bigtincan also was a sponsor and participated at the Sales Enablement Soiree - an event exclusively for Sales Enablement professionals at Dreamforce.

Dreamforce is one of the major marketing activities of the company each year. More details on the Bigtincan presence at Dreamforce are available to investors on the Blog section of the Bigtincan public website.

Databricks Partnership

During the quarter, Bigtincan signed a contract with Databricks to use Databricks' market leading Data Science and AI technology platform to add value to Bigtincan product offerings. Under the contract, Bigtincan will license Databricks software platform for fast tracking the creation of Machine Learning ("ML") models and will engage Databricks' experts to jointly create new ML models that meet the needs of Bigtincan's enterprise customers. Databricks is the largest global contributor to the Spark AI software platform that is used by AI technology leaders including Apple, Amazon and Microsoft.

M&A Progress

During the Quarter, Bigtincan completed the acquisition of Xinnovation, Inc. and completed the integration of Asdeq Labs Pty Ltd ("Asdeq") adding key technology, customers, people and enhancing Bigtincan's go-to-market capabilities.

XINN Acquisition

XINN's technology is the next generation of document automation for sales enablement that is used to transform the way financial services firms engage with their customers. The XINN acquisition brings new technology, deeply experienced people and a focus in the financial services sector. Further detail on the XINN acquisition is available in Bigtincan ASX announcements at <https://investor.bigtincan.com>.

Bigtincan was also pleased to close its first integrated Bigtincan customer contract that included the XINN technology as part of a solution with Walters Kluwer, a customer outside the finance vertical, showing the opportunity for document automation as part of the broader Sales Enablement market.

Asdeq Integration

Bigtincan acquired Asdeq in September 2019, and this quarter worked to complete the people & financial integration and has been working with the strong engineering team from Asdeq to add their talent and expertise to existing teams working on new Bigtincan products and technologies.

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[1] Bigtincan uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Annualised Recurring Revenue (ARR) represents contracted, recurring revenue on an annualised basis.

Quarterly report for entities subject to Listing Rule 4.7B

APPENDIX 4C- DECEMBER 2019 QUARTERLY CASH FLOW

Name of entity

Bigtincan Holdings Limited

ABN

98 154 944 797

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	9,052	14,367
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(854)	(1,493)
	(d) leased assets	-	-
	(e) staff costs	(7,653)	(13,617)
	(f) administration and corporate costs	(1,866)	(3,200)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	61	158
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(1,249)	(3,769)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(60)	(74)
	(b) businesses (see item 10)	(6,833)	(11,609)
	(c) investments	-	-
	(d) intellectual property	(624)	(1,201)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-

	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	(191)	(213)
2.6	Net cash from / (used in) investing activities	(7,708)	(13,097)

Note: 2.1 (d)

During the quarter, Bigtincan has recognised development capitalised costs of \$624k (\$1.2m for the period July to December 2019) and reclassified them from operating activities to investing activities to be in line with its existing accounting policy.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	20,021	20,070
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
	(a) Capitalised issue costs	(1,210)	(1,233)
3.10	Net cash from / (used in) financing activities	18,811	18,837

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	17,559	25,442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,249)	(3,769)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,708)	(13,097)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18,811	18,837
4.5	Effect of movement in exchange rates on cash held		

4.6	Cash and cash equivalents at end of quarter	27,413	27,413
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5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	27,413	17,559
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,413	17,559

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	\$150
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

For the quarter ended 31 December 2019, payments to directors for fees and salaries of \$149,801 were made.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available	Total facility amount at quarter end	Amount drawn at quarter end

Add notes as necessary for an understanding of the position

	\$A'000	\$A'000
8.1	Loan facilities	
8.2	Credit standby arrangements	
8.3	Other (please specify)	
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.	

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	
9.3	Advertising and marketing	850
9.4	Leased assets	
9.5	Staff costs	7,950
9.6	Administration and corporate costs	1,750
9.7	Other	
9.8	Total estimated cash outflows	10,550

10.	Acquisitions and disposals of business entities (item 2.1(b) above)	Acquisitions \$A'000	Acquisitions \$A'000
10.1	Name of entity	Veelo, Inc.	Xinnovation, Inc.
10.2	Place of incorporation or registration	Asset purchase	Massachusetts, USA
10.3	Consideration for acquisition	\$258K AUD (\$175K USD)	\$6,575M AUD (\$4.437M USD)
10.4	Total net assets	Purchase price allocation pending	Purchase price allocation pending
10.5	Nature of business	Software	Software

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 22 January 2020

Print name: Mark Theodore Ohlsson.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.