

APPENDIX 4D

HALF YEAR ENDED 31 December 2021

BIGTINCAN HOLDINGS LIMITED

ABN: 98 154 944 797

RESULTS FOR ANNOUNCEMENT TO MARKET For the half-year ended 31 December 2021

| Reported | 31 December 2021 \$000's | 31 December 2020 \$000's | | Change \$000's | Change % |
|--|--------------------------------|--------------------------------|----|-------------------|-------------|
| Revenue from ordinary activities | 45,867 | 18,935 | up | 26,932 | 142% |
| Loss from ordinary activities after tax attributable to members | (10,525) | (7,876) | up | (2,649) | 34% |
| Loss attributable to members | (10,525) | (7,876) | up | (2,649) | 34% |

Dividend Information

Bigtincan Holdings Limited has not paid, recommended or declared dividends for the half-year ended 31 December 2021 (2020 :Nil).

Net Tangible Asset information

| | 31 December 2021 (cents) | 31 December 2020 (cents) |
|---------------------------------|-----------------------------|-----------------------------|
| Net tangible asset per security | 4.17 | 4.37 |

Derived by dividing the net assets less intangible assets attributable to equity holders of the Company by the total ordinary shares at 31 December 2021 (547,007,104) and 31 December 2020 (378,690,039) respectively.

Independent auditor's review

This half year was subject to review by the Company's auditors and the review report is attached as part of this half year report.

Attachments

The half year report of Bigtincan Holdings Limited for the six months period ended 31 December 2021 is attached.

Signed



Tom Amos

Chairman

25 February 2022

Sydney



Bigtincan Holdings Limited

Interim Financial Report For the Half-year Ended 31 December 2021

ABN: 98 154 944 797

CORPORATE DIRECTORY

Directors

Tom Amos (Chairman)
Wayne Stevenson
David Keane
Inese Kingsmill
Farouk Hussein

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 6, 338 Pitt Street
Sydney NSW Australia 2000

Share Registry

Computershare Limited

Head Office

Level 6, 338 Pitt Street
Sydney NSW 2000

Website address

<https://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.

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DIRECTORS' REPORT

The Directors present their report together with the consolidated interim financial statements of the Group comprising Bigtincan Holdings Limited (the Company) and its controlled entities (collectively known as Bigtincan or the Group) for the half-year ended 31 December 2021 and the auditor's review report thereon.

Board of Directors

- Tom Amos – Chairman – Independent Non-Executive Director
- Wayne Stevenson – Independent Non-Executive Director
- David Keane – Executive Director
- Inese Kingsmill – Independent Non-Executive Director
- Farouk Hussein Non-Executive Director

Inese Kingsmill and Farouk Hussein were appointed on 6th October 2021. John Scull retired on 24th November 2021. The rest of the Directors have been in office since the start of the financial period.

Company's secretary – Mark Ohlsson

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.

Results

Revenue for 1H FY2022 was \$45,867,000, an increase of 142% vs 1H FY2021. The net loss after tax for the six months ended 31 December 2021 was \$10,525,000 (31 December 2020: \$7,876,000). A description of the Group's operations, business model, sources of funding, and review of the financial performance and position are detailed in the Review of Operations.

Significant changes in the state of affairs

During the first half, the Group completed the acquisition of Brainshark (8 September 2021), the acquisition transforming the combined business to a global leader in the sales enablement market with significant scale and combined sustainable ARR of \$112m at completion and estimated growth to \$119m+ at end FY22.

During the half, the Group raised additional capital amounting to \$136.5m. This was completed on 10 September 2021.

Auditor Independence Declaration

The lead auditor's independence declaration is set out on page 23 and forms part of the Directors' report for the half-year ended 31 December 2021.

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 and Investment Commission (ASIC).

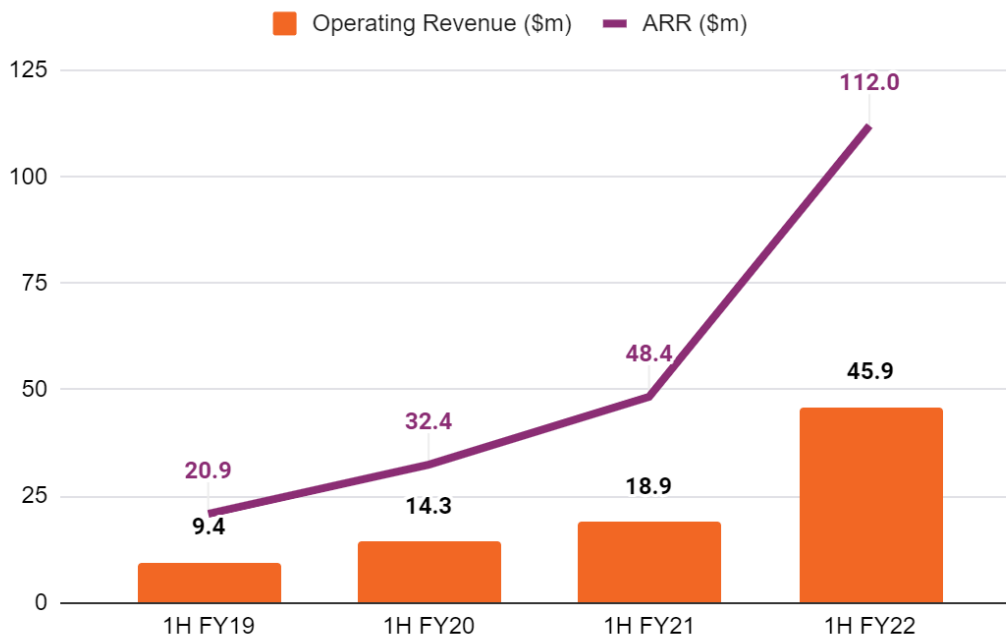
Introduction

The financial information presented in this half year report has been prepared on a statutory basis in accordance with the measurement and recognition requirements of Australian Accounting Standards. This report contains certain non-IFRS measures, (i.e., Annualised Recurring Revenue (ARR), Monthly Recurring Revenue (MRR), Lifetime Value (LTV) and retention rate) which are used by Directors and management as measures of assessing the financial performance of the Company. The Directors consider these measures to be a better indicator of the underlying performance of the business and provide valuable insight when assessing the operating performance of the business. Monthly recurring revenue is the monthly equivalent for subscription licenses and services. ARR is equal to MRR multiplied by 12. Retention rate is the MRR churn accumulated over the 12 months and subtracted from the ending MRR and divided into the ending MRR. Please note that the retention rate does not factor in any acquisition related MRR until the business sees appropriate to factor it in it. These measures are not recognised under AASB or IFRS and is referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC.

Review of Operations

As at 31 December 2021, ARR rose to \$112m which was \$63.6m (132%) higher than at 31 December 2020. Over 98% of the revenue generated by Bigtincan comprises subscription and support licence fees and represents an ARR stream for Bigtincan as these subscription and support arrangements are generally contracted 12 months in advance. ARR growth was driven in part by Bigtincan's effective spend in sales and marketing expanding existing customer contracts and winning a number of significant new customers. In addition, the technology team delivered a number of new capabilities in the six months targeted at satisfying the needs of existing and new customers. Customer retention reduced to 87% from 89% of December 2020. This was due in part to the end of life for a few products and as always remains a key area of focus to deliver industry leading customer service and support to all Bigtincan customers.

Over the past 3 calendar years Bigtincan's ARR has grown at 75% CAGR and operating revenue 69% CAGR.



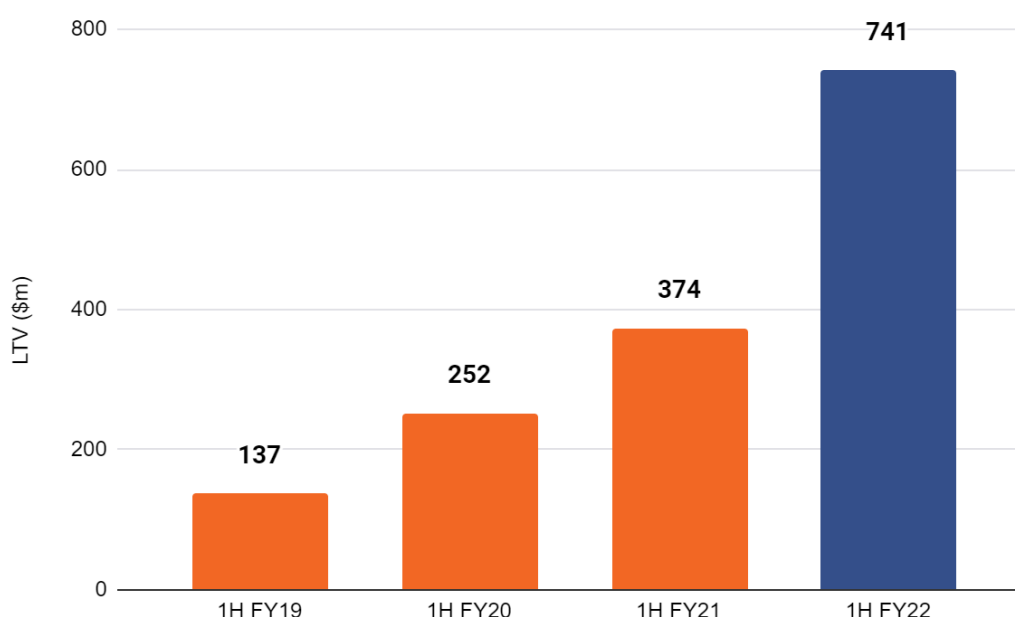
During the first half the company completed the acquisitions of Brainshark (8 September 2021) adding new technology, skilled people, new vertical and systems capability to Bigtincan.

Lifetime Value

During the period, Bigtincan continued to demonstrate the benefits of the underlying software as a service (SaaS) structure of the business. A measure that is used to represent a view of the likely gross profit stream from customers is Lifetime Value (LTV).

LTV measures the likely gross profit from existing recurring revenue products and services at a particular point in time.

At 31 December 2021, Bigtincan's LTV reached \$741m an increase of 98% from the December 2020 period, and continues a history of growth in LTV as demonstrated by the following graph:



Results Financial Metrics

| KEY FINANCIAL METRICS | 1H FY 2022 | 1H FY 2021 | % v Last Year |
|--------------------------------------|------------|------------|---------------|
| | \$000 | \$000 | % |
| Revenue | \$45,867 | \$18,935 | 142% |
| Gross Margin | 86% | 85% | 1% |
| Operating expenses | \$50,947 | \$23,493 | 117% |
| Loss for the period after income tax | (\$10,525) | (\$7,876) | 34% |
| Adjusted EBITDA* | \$1,182 | (\$3,574) | 133% |

* Adjusted EBITDA includes adjustments for foreign currency, share based payments and one-off items.

Total revenue grew by 142% compared to 1HY2021 with subscription revenue growing by 151% reflecting the Group's focus of improving retention, optimising pricing, targeted marketing at conferences and building a sustainable subscription-based model with our customers.

| | 31 Dec 2021 | 31 Dec 2020 |
|---|----------------|------------------|
| | \$000 | \$000 |
| Loss before income tax | (\$10,509) | (\$8,816) |
| EBITDA | (\$8,561) | (\$6,240) |
| Adjusted for the removal of various non-cash, one-time, irregular and non-recurring items: | | |
| Acquisition costs | \$8,273 | \$2,120 |
| Share based payments | \$1,470 | \$546 |
| Sub-total of acquisition and non-recurring items | \$9,743 | \$2,666 |
| Adjusted EBITDA | \$1,182 | (\$3,574) |

Operating expenses grew by 117% to \$51m for the six-month period primarily as a result of:

- Ongoing investments in the infrastructure to support ongoing and future growth in the business including investments in technology teams, product management and customer care;
- Ongoing investments in sales and marketing to continue Bigtincan's position as one of the leaders in sales enablement automation.
- Addition of the operating expenses related to Brainshark Inc from acquisition date 8 September 2021.

This continued investment in scaling the business resulted in a net loss after tax for the six months ended 31 December 2021 was \$10,525,000 (against 31 December 2020 of \$7,876,000).

This report is issued in accordance with a resolution of the directors:



Tom Amos
Chairman



Wayne Stevenson
Director

25 February 2022

Sydney

BIGTINCAN HOLDINGS LIMITED
**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For the half-year ended 31 December 2021

| | Note | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|---|------|--------------------|--------------------|
| Revenue | 4a | 45,867 | 18,935 |
| Other income | 4a | 23 | 30 |
| Total operating revenue and other income | | 45,890 | 18,965 |
| Cost of revenues | | (6,649) | (2,833) |
| Gross profit | | 39,241 | 16,132 |
| Operating expenses | | | |
| Sales and marketing | | (22,506) | (10,482) |
| Product development | | (12,825) | (7,908) |
| General and administration | | (15,616) | (5,103) |
| Total expenses from operating activities | | (50,947) | (23,493) |
| Total operating loss | | (11,706) | (7,361) |
| Finance income | | 43 | 7 |
| Foreign exchange gain/(loss) | 4b | 1,154 | (1,462) |
| Total finance income/(loss) | | 1,197 | (1,455) |
| Loss before tax | | (10,509) | (8,816) |
| Income tax (expense)/benefit | | (16) | 940 |
| Loss for the period | | (10,525) | (7,876) |
| Other comprehensive income | | | |
| Foreign operations – foreign currency translation differences | | 1,021 | (1,425) |
| Total other comprehensive loss, net of tax | | 1,021 | (1,425) |
| Total comprehensive loss for the period | | (9,504) | (9,301) |

Earnings per share (EPS)

| | | | |
|------------------------|---|--------|--------|
| Basic EPS (in cents) | 6 | (2.46) | (2.08) |
| Diluted EPS (in cents) | 6 | (2.46) | (2.08) |

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

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

| | Note | 31-Dec-21 \$000 | 30-Jun-21 \$000 |
|--------------------------------------|------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 49,863 | 56,259 |
| Trade and other receivables | | 33,421 | 15,847 |
| Other current assets | | 8,352 | 3,227 |
| Total current assets | | 91,636 | 75,333 |
| Non-current assets | | | |
| Property, plant and equipment | | 1,802 | 1,665 |
| Intangible assets | 7 | 202,195 | 64,203 |
| Other non-current assets | | 6,134 | 351 |
| Total non-current assets | | 210,131 | 66,219 |
| Total assets | | 301,767 | 141,552 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 5,358 | 2,278 |
| Deferred revenue | | 55,219 | 25,686 |
| Provisions | | 1,652 | 1,262 |
| Lease liabilities | | 362 | 813 |
| Other current liabilities | | 6,791 | 6,528 |
| Total current liabilities | | 69,382 | 36,567 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 336 | 221 |
| Deferred revenue | | 3,788 | 637 |
| Provisions | | 2,821 | 206 |
| Lease liabilities | | 439 | 463 |
| Other non-current liabilities | | 11 | 11 |
| Total non-current liabilities | | 7,395 | 1,538 |
| Total liabilities | | 76,777 | 38,105 |
| Net assets | | 224,990 | 103,447 |
| Equity | | | |
| Share capital | | 293,252 | 163,676 |
| Share-based payment reserve | | 9,044 | 7,573 |
| Accumulated losses | | (77,747) | (67,222) |
| Foreign currency translation reserve | | 441 | (580) |
| Total equity | | 224,990 | 103,447 |

BIGTINCAN HOLDINGS LIMITED

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

| | Share capital | Share-based payment reserve | Accumulated losses | Foreign currency translation reserve | Total |
|---|----------------|-----------------------------------|-----------------------|---|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July 2020 | 129,522 | 5,613 | (53,332) | (15) | 81,788 |
| Loss for the period | - | - | (7,876) | - | (7,876) |
| Other comprehensive income (net of tax) | - | - | - | (1,425) | (1,425) |
| Total comprehensive loss | - | - | (7,876) | (1,425) | (9,301) |
| <u>Transactions with owners of the Company</u> | | | | | |
| Issue of ordinary shares | 843 | - | - | - | 843 |
| Equity settled share-based payments | - | 546 | - | - | 546 |
| Total transactions with owners of the Company | 843 | 546 | - | - | 1,389 |
| Balance at 31 December 2020 | 130,365 | 6,159 | (61,208) | (1,440) | 73,876 |
| Balance at 1 July 2021 | 163,676 | 7,573 | (67,222) | (580) | 103,447 |
| Loss for the period | - | - | (10,525) | - | (10,525) |
| Other comprehensive income (net of tax) | - | - | - | 1,021 | 1,021 |
| Total comprehensive loss | - | - | (10,525) | 1,021 | (9,504) |
| <u>Transactions with owners of the Company</u> | | | | | |
| Issue of ordinary shares | 129,576 | - | - | - | 129,576 |
| Equity settled share-based payments | - | 1,471 | - | - | 1,471 |
| Total transactions with owners of the Company | 129,576 | 1,471 | - | - | 131,047 |
| Balance at 31 December 2021 | 293,252 | 9,044 | (77,747) | 441 | 224,990 |

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

| | Note | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|---|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 41,738 | 15,499 |
| Cash paid to suppliers and employees | | (44,155) | (24,372) |
| Cash used in operations | | (2,417) | (8,873) |
| Interest received | | - | 7 |
| Income grant received | | (16) | 221 |
| Net cash used in operating activities | | (2,433) | (8,645) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (332) | (303) |
| Capitalised development cost | | (7,868) | (2,267) |
| Acquisition of businesses, net cash acquired* | | (122,504) | (25,446) |
| Net cash used in investing activities | | (130,704) | (28,016) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | | 129,521 | - |
| Proceeds from exercise of options | | 55 | 36 |
| Repayment of lease liabilities | | (458) | (304) |
| Transaction cost on issue of shares | | (2,377) | (332) |
| Net cash from/(used in) financing activities | | 126,741 | (600) |
| Net decrease in cash and cash equivalents | | (6,396) | (37,261) |
| Cash and cash equivalents at 1 July | | 56,259 | 71,354 |
| Effect of movements in exchange rates on cash held | | - | - |
| Cash and cash equivalents at 31 December | | 49,863 | 34,093 |

* Included acquisition cost related to Brainshark Inc \$7,672,000.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

1. Reporting Entity

Bigtincan Holdings Limited ("the Company") is a company domiciled in Australia. The address of the Company's registered office is Level 6, 338 Pitt Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the six months ended 31 December 2021 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

These consolidated interim financial statements for the half-year ended 31 December 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting, AASB 134 Interim Financial Reporting and the Corporations Act 2001.

They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 June 2021, together with any public announcements made by the Company during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX Listing Rules. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2021.

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 25th February 2022.

(i) Principles 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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

2. Basis of preparation (continued)

(iii) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's presentation 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. Foreign currency differences are generally recognised in profit and loss except where it is a foreign operation whereby, foreign currency differences are recognised in other comprehensive income and presented in foreign currency translation reserve in equity.

(iv) 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 and Investment Commissions (ASIC).

(v) 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 recognized prospectively.

3. Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2021. A number of new standards are effective from 1 July 2021 but they do not have a material effect on the Group's financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

4a. Revenue

AASB 15 requires disclosure of revenue disaggregation that best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. The Group disaggregates revenue by categories shown in the table below for the half-year ended 31 December 2021:

| | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|---|--------------------|--------------------|
| Operating revenue | | |
| Revenue from subscription and support services | 45,132 | 17,992 |
| Revenue from product related professional and contract services | 735 | 943 |
| Total operating revenue | 45,867 | 18,935 |
| Other Income | | |
| Government grants | 23 | - |
| Other | - | 30 |
| Total other income | 23 | 30 |

The Group generates revenue from the following sources:

(i) Subscription and support services: Subscription and support services 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 such as 1-3 years. Revenue for subscription and support services are recognised over the subscription period (over time recognition).

(ii) Product related professional services and contract 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 receivables and included in other current assets. Revenues for product related professional services are recognised at a point in time at which service is transferred.

4b. Finance costs

| | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|-------------------------------------|--------------------|--------------------|
| Finance income/(loss) | | |
| Interest income | 43 | 7 |
| Foreign exchange gain/(loss) | 1,154 | (1,462) |
| Total finance income/ (Loss) | 1,197 | (1,455) |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

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.

| | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|--|--------------------|--------------------|
| Segment revenue | | |
| Subscription and support services | 45,132 | 17,992 |
| Product related professional and contract services | 735 | 943 |
| | 45,867 | 18,935 |
| Revenue by location | | |
| Australia | 1,703 | 813 |
| United States of America | 39,953 | 16,776 |
| Rest of the world | 4,211 | 1,346 |
| | 45,867 | 18,935 |
| Non-current assets by geographic location | | |
| Australia | 38,143 | 29,362 |
| United States of America | 166,251 | 29,479 |
| Rest of the world | 5,737 | 951 |
| Total | 210,131 | 59,792 |
| Segment loss before tax | (10,509) | (8,816) |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

6. 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 half-year.

| | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|--|--------------------|--------------------|
| Loss attributable to ordinary shareholders - Basic | (10,525) | (7,876) |
| Issued ordinary shares at 1 July | 415,323 | 376,562 |
| Effect of movement in shares during the period | 12,076 | 2,128 |
| Weighted-average number of ordinary shares at 31 December | 427,399 | 378,690 |
| Basic earnings / (loss) per share (cents) | (2.46) | (2.08) |

(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 half-year plus the weighted average of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

| | 31-Dec-21 \$000 | 31-Dec-20 \$000 |
|--|--------------------|--------------------|
| Loss attributable to ordinary shareholders - Basic | (10,525) | (7,876) |
| Weighted average number of ordinary shares at 31 December (basic) | 427,399 | 378,690 |
| Dilutive effect of share options on issue | - | - |
| Weighted-average number of ordinary shares (diluted) at 31 December | 427,399 | 378,690 |
| Diluted earnings / (loss) per share (cents) | (2.46) | (2.08) |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

7. Intangible assets

| | Goodwill | Intellectual property | Licenses | Customer relationships | Development costs (WIP) | Total |
|------------------------------------|----------------|--------------------------|-----------|---------------------------|----------------------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cost | | | | | | |
| Balance at 1 July 2020 | 17,631 | 7,984 | 14 | 1,464 | 5,298 | 32,391 |
| Additions | - | - | - | - | 5,952 | 5,952 |
| Acquisitions | 22,944 | 3,813 | - | 1,948 | - | 28,705 |
| Foreign exchange adjustment | 125 | (215) | - | - | - | (90) |
| Balance at 30 June 2021 | 40,700 | 11,582 | 14 | 3,412 | 11,250 | 66,958 |
| Balance at 1 July 2021 | 40,700 | 11,582 | 14 | 3,412 | 11,250 | 66,958 |
| Additions | 127,184 | 10 | - | - | 7,868 | 135,062 |
| Foreign exchange adjustment | 3,869 | 65 | - | 13 | 26 | 3,973 |
| Balance at 31 December 2021 | 171,753 | 11,657 | 14 | 3,425 | 19,144 | 205,993 |
| Accumulated amortisation | | | | | | |
| Balance at 1 July 2020 | - | 1,107 | 9 | 314 | - | 1,430 |
| Amortisation expense | - | 929 | 1 | 395 | - | 1,325 |
| Balance at 30 June 2021 | - | 2,036 | 10 | 709 | - | 2,755 |
| Balance at 1 July 2021 | - | 2,036 | 10 | 709 | - | 2,755 |
| Amortisation expense | - | 564 | 1 | 256 | 200 | 1,021 |
| Foreign exchange adjustment | - | 16 | - | 6 | - | 22 |
| Balance at 31 December 2021 | - | 2,616 | 11 | 971 | 200 | 3,798 |
| Carrying value | | | | | | |
| At 30 June 2021 | 40,700 | 9,546 | 4 | 2,703 | 11,250 | 64,203 |
| At 31 December 2021 | 171,753 | 9,041 | 3 | 2,454 | 18,944 | 202,195 |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

7. Intangible assets (continued)

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The recoverable amount of the cash generating unit ("CGU"), which is the lowest level within the Group for which information about goodwill is monitored by management, is determined based on a value in use calculation which requires the use of cash flow projections based on approved financial budgets, which is extrapolated over a five-year period. The growth rate used does not exceed the long-term average growth rate for the market in which the segment operates. The discount rate used reflects the Group's pre-tax weighted average cost of capital. Goodwill is maintained and monitored at the Group level.

Intellectual Property

Intellectual property acquired as part of a business combination is recognised separately from goodwill. The intellectual property assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Customer Relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Development costs

Costs that are directly associated with the development of software are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- It can be demonstrated how the software will generate future economic benefits;
- Technical, financial, and other resources necessary to complete the development of and sell the software are available;
- There is an ability to use or sell the software product; and
- The expenditure attributable to the software during its development can be reliably measured.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

7. Intangible assets (continued)

Development costs (continued)

Other development expenditure that does not meet these criteria, which includes research activities and the expenditure on maintenance of computer software, is expensed as incurred.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period

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 other than Goodwill 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. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset from the date available for use. Goodwill is not amortised, but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The estimated useful lives for the current and comparative periods are as follows:

| | |
|------------------------|------------|
| Development costs | 3-4 years |
| Intellectual property | 5-10 years |
| Licenses | 10 years |
| Customer relationships | 5-10 years |

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.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

8. 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 half-year. For 2022 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 |
| Inese Kingsmill | Independent Non-Executive director |
| Farouk Hussein | Non-Executive director |

Inese Kingsmill and Farouk Hussein were appointed on 6th October 2021. John Scull retired on 24th November 2021. The rest of the Directors have been in office since the start of the financial period.

Key management personnel compensation

| | 2021 \$000 | 2020 \$000 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 470 | 364 |
| Post-employment benefits | 5 | 4 |
| Share based payments | 58 | 165 |
| | 533 | 533 |

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 half-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 31 December 2021, there are no loans outstanding to / from KMP (2020: \$Nil).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

8. 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 2021 | Ownership interest 2020 |
|--|-----------------------------|----------------------------|----------------------------|
| <u>Subsidiaries of Bigtincan Holdings Limited:</u> | | | |
| - Bigtincan Mobile Pty Limited | AUS | 100% | 100% |
| - Fatstax LLC | USA | 100% | 100% |
| - Zunos Technologies Pty Ltd | AUS | 100% | 100% |
| - Zunos Pty Ltd | AUS | 100% | 100% |
| - Zunos Inc | USA | 100% | 100% |
| - Core Search Technology Pty Ltd | AUS | 100% | 100% |
| - Asdeq Labs Pty Ltd | AUS | 100% | 100% |
| - Asdeq Software Pty Ltd | AUS | 100% | 100% |
| - Agnitio A/S | DNK | 100% | - |
| - Vidinoti SA | CHE | 100% | - |
| <u>Subsidiaries of Bigtincan Mobile Pty Limited</u> | | | |
| - BTC Mobility LLC | USA | 100% | 100% |
| - Bigtincan UK Ltd | UK | 100% | 100% |
| - BTCHubApp#41 | AUS | 100% | 100% |
| <u>Subsidiaries of Bigtincan Mobility LLC</u> | | | |
| - Xinnovation, Inc | USA | 100% | 100% |
| - Clearslide Inc. | USA | 100% | - |
| - Voicevibes Inc | USA | 100% | - |
| - BTC Mobility Canada Ltd | USA | 100% | - |
| - Brainshark Inc | USA | 100% | - |

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

9. Business combinations

9a. Acquisition of Vidinoti SA

On 25 June 2021, the Group acquired 100% of the shares and voting interests in Vidinoti, SA (Vidinoti). This is still provisional as per the 30 June 2021 Annual report.

9b. Acquisition of Brainshark, Inc.

On 8 September 2021 the Group acquired 100% of the shares and voting interests of Brainshark.

Brainshark is recognised as a leader in sales coaching, learning and readiness with 900+ customers and ~180 employees. Brainshark's data-driven sales readiness platform provides content authoring, readiness scorecards, training & onboarding, and coaching & practice.

Brainshark's customers operate across diverse industries including financial services, insurance, healthcare, software & technology and manufacturing, including JP Morgan, CVS Health, AstraZeneca, Metlife, IBM, PepsiCo and Zoom.

The acquisition is a strong fit across all of Bigtincan's acquisition criteria, transforming the combined business to a global leader in the sales enablement market with significant scale and combined sustainable ARR of \$99m at completion and estimated growth to \$119m+ at end FY22.

Provisional details of consideration and the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following table. These values are provisional as the Group is still pending information used to determine the fair value of assets acquired on acquisition. Amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at acquisition date and if known, would have affected the measurement of the amounts recognised as of that date.

In proxy four months to 31 Dec 2021, Brainshark contributed revenue of \$19.6m and generated a profit of \$3.6m to the Group's results. Details of consideration and the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following table.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

9. Business combinations (continued)

9b. Acquisition of Brainshark, Inc. (continued)

| | Fair value at acquisition date |
|--|-----------------------------------|
| | \$000 |
| Cash and equivalents | 4,564 |
| Trade and other receivables | 5,496 |
| Property, plant and equipment | 358 |
| Other assets | 10,780 |
| Trade and other payables | (581) |
| Unearned revenue | (28,255) |
| Other liability | (3,554) |
| Deferred tax liability | - |
| Intangible assets: | |
| - Software | - |
| - Customer contracts and relationships | - |
| Net identifiable assets acquired | (11,192) |
| Purchase consideration – fully paid in cash | 115,992 |
| Provisional Goodwill recognised | 127,184 |

Purchase consideration

The Group has agreed to pay the selling shareholders an acquisition price which is USD 86m.

Acquisition-related costs

The Group incurred acquisition-related costs of \$8,273,000 relating to external legal fees, due diligence costs integration cost and other transaction costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

9. Business combinations (continued)

9b. Acquisition of Brainshark, Inc. (continued)

Goodwill

The goodwill is attributable mainly to the skills and technical talent of Brainshark's work force and the synergies expected to be achieved from integrating the company into the Group's existing Bigtincan Hub. Goodwill recognised is expected to be deductible for tax purposes in the United States of America.

10. Subsequent events

There has not arisen in the interval between the end of the annual report 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 future financial periods.

BIGTINCAN HOLDINGS LIMITED **DIRECTORS' DECLARATION**

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

- a. The consolidated interim financial statements and notes that are set out on pages 5 to 21 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the six month period ended on that date; and
 - ii. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* 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.

Signed in accordance with a resolution of the directors:

Dated at Sydney, 25 February 2022



Mr Thomas Amos
Chairman



Mr Wayne Stevenson
Director



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 review of Bigtincan Holdings Limited for the financial half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Julie Cleary

Partner

Sydney

25 February 2022



Independent Auditor's Report

To the shareholders of Bigtincan Holdings Limited

Report on the Half-year Financial Report

Opinion

We have reviewed the **Half-year Financial Report** of Bigtincan Holdings Limited (the Company).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Bigtincan Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its financial performance for the Half-year period ended on that date; and
- complying with *Australian Accounting Standards AASB 134 Half-year Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- *Consolidated statement of financial position* as at 31 December 2021
- *Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows* for the Half-year period then ended
- Notes 1 to 12 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 Half-year period's end or from time to time during the Half-year period.

The **Half-year Period** is the six months ended on 31 December 2021.

Responsibilities of the Directors for the Half-year Financial Report

The Directors are responsible for:

- preparing the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibilities for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-year period ended on that date; and complying with *Australian Accounting Standard AASB 134 Half-year Financial Reporting and the Corporations Regulations 2001*. As auditor of Bigtincan Holdings Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Julie Cleary

Partner

Sydney

25 February 2022