

APPENDIX 4D

HALF YEAR ENDED 31 December 2023

BIGTINCAN HOLDINGS LIMITED

ABN: 98 154 944 797

RESULTS FOR ANNOUNCEMENT TO MARKET

For the half-year ended 31 December 2023

Reported	31 December 2023 \$000's	31 December 2022 \$000's		Change \$000's	Change %
Revenue from ordinary activities	59,303	60,201	down	(898)	(1.5%)
Loss from ordinary activities after tax attributable to members	(10,713)	(18,182)	up	7,469	41.1%
Loss attributable to members	(10,713)	(18,182)	up	7,469	41.1%

Dividend Information

Bigtincan Holdings Limited has not paid, recommended or declared dividends for the half-year ended 31 December 2023 (2022: Nil).

Net Tangible Asset information

	31 December 2023 (cents)	31 December 2022 (cents)
Net tangible asset per security	(7.37)	(1.50)

Derived by dividing the net assets less intangible assets attributable to equity holders of the Company by the total ordinary shares at 31 December 2023 (604,634,937) and 31 December 2022 (603,468,055) respectively.

Independent auditor's review

This half year report was subject to review by the Company's auditor and their review report is attached.

Attachments

The half year report of Bigtincan Holdings Limited for the six-month period ended 31 December 2023 is attached.

Signed



Tom Amos

Chairman

28 February 2024

Sydney



Bigtincan Holdings Limited

Interim Financial Report

For the Half-year Ended 31 December 2023

ABN: 98 154 944 797

CORPORATE DIRECTORY

Directors

Tom Amos (Chairman)
Wayne Stevenson
David Keane
Inese Kingsmill
Farouk Hussein (resigned 1 October 2023)

Auditors

BDO Audit Pty Ltd
Level 11
1 Margaret Street
Sydney NSW 2000

Company Secretary

Mark Ohlsson

Solicitors

Bentleys Legal
Level 14, 60 Margaret Street
Sydney NSW 2000

Registered Office

Level 8, 320 Pitt Street
Sydney NSW Australia 2000

Share Registry

Computershare Limited

Head Office

Level 8, 320 Pitt Street
Sydney NSW 2000

Website address

<https://www.bigtincan.com>

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 2023 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 (resigned 1 October 2023)

All Directors have been in office since the start of the financial period with Mr Houssein resigning and leaving the Board on 1 October 2023.

Principal Activities

Bigtincan operates in the dynamic and expanding domain of sales enablement, offering innovative technologies designed to enhance the efficiency and effectiveness of sales teams across various organisational tiers, including enterprise, mid-market, and SME segments. At the heart of Bigtincan's mission is the commitment to crafting the "buying experience of the future for the world's leading companies". This vision propels the company to continuously innovate and redefine the standards of customer engagement and sales enablement.

The company's core focus is on the development and provision of a sophisticated, integrated software as a service (SaaS) platform. This platform is engineered not only to meet the immediate operational needs of sales teams but also to anticipate and shape the future dynamics of customer interactions and buying experiences. Bigtincan's software solution stands as a testament to this vision, characterised by its intelligence, robust security, and seamless user experience, delivering Content and Learning/Coaching technology, which empowers sales teams to enhance their skills and performance.

Bigtincan's commitment to innovation is evident in its continuous efforts to refine and enhance its platform, including changes in licensing and services components. The company actively seeks to incorporate advanced features and functionalities that respond to evolving market needs and customer feedback, ensuring that Bigtincan remains at the forefront of the sales enablement sector, providing solutions that not only meet but exceed the expectations of its discerning clientele.

The software is adept at autonomously delivering highly pertinent content to the appropriate users, ensuring optimal relevance and timeliness, thus playing a pivotal role in sculpting the buying experience of the future. This process is impeccably executed across a wide array of devices, catering to the diverse technological preferences and requirements of the modern workforce. Moreover, the software's architecture is designed to facilitate flawless operation over various network conditions, emphasising reliability and accessibility.

Bigtincan is dedicated to empowering organisations worldwide by delivering a superior sales enablement platform. Through its relentless pursuit of excellence, a customer-centric approach, and a visionary outlook on the future of buying experiences, Bigtincan aims to set new benchmarks in the industry, driving the future of sales enablement and customer engagement for the world's leading businesses.

Results

Operating revenue for 1H FY24 was \$59.3m a decrease of 1.5% against the comparative prior period. The net loss after tax for the six months ended 31 December 2023 was \$10.7m (31 December 2022: \$18.2m). EBITDA was \$1.9m in comparison to \$5.3m for the comparative period, and when adjusting for non-cash items and non-recurring expenses related to the acquisitions program, Adjusted EBITDA was \$5.7m compared to \$2.1m for 1H FY23.

KEY FINANCIAL METRICS	1H FY 2024	1H FY 2023
	\$000	\$000
Operating Revenue	\$59,303	\$60,201
Gross Margin	88%	88%
Cost of Revenues	(\$7,014)	(\$7,360)
Operating expenses	\$60,461	\$70,081
Loss for the period after income tax	(\$10,713)	(\$18,182)
EBITDA [1]	\$1,912	(\$5,260)
Acquisition Costs	\$333	\$237
Share Based Payments	\$1,849	\$2,607
Severance and Advisory Costs	\$1,647	\$4,476
Adjusted EBITDA [2]	\$5,741	\$2,060

[1] EBITDA is calculated as loss before tax (\$11.5m, 1H FY23: \$18.5m) plus finance cost (\$3.5m, 1H FY23: \$4.6m) plus amortisation and depreciation (\$9.9m, 1H FY23: \$8.6m).

[2] Adjusted EBITDA is the EBITDA removing one-time irregular and non-recurring items such as acquisition costs, share based payments and severance and advisory costs.

During 1H FY24, Bigtincan undertook significant cost restructuring where the business has adjusted its focus towards achieving EBITDA growth and becoming cash flow positive during 2H FY24.

These results indicate the transition of the business to achieve the goal of building a long term, profitable and sustainable business leader in sales enablement.

Financial Performance in Context

Whilst Bigtincan reported operating revenue of \$59.3m for the period, reflecting a decrease of 1.5% compared to the previous comparative period, this was mainly due to prevailing economic conditions that led to tightened budgets, a general atmosphere of restraint within the global business community.

Looking ahead, Bigtincan remains committed to advancing its mission of crafting the "buying experience of the future for the world's leading companies." The company is strategically positioned to adapt to the evolving market dynamics, capitalise on emerging opportunities, and continue delivering innovative solutions that meet the complex needs of its global clientele.

In terms of ARR [1] the business started with \$130m and acquired \$7.5m in ARR from Modus Inc. The changes in macro conditions impacted Bigtincan as the company continued to adapt to the overall market conditions and focus on its more profitable revenue. In 1H FY24 the business churned \$8.4m, net renewal contraction was \$19.9m and new and expanding existing customers contributed \$7.8m. At the end of 31 December 2023, ARR was \$117m.

[1] Annual Recurring Revenue (ARR) is defined as Monthly Recurring Revenue (MRR) times twelve, for which there is reasonable expectation at the end of the reporting period it will continue to earn from its customers over a 12-month period, calculated at the average fx rate of the past 12-month period.

Financial Performance in Context (Cont.)

As part of a strategy to address churn and downsell, Bigtincan initiated programs to retain customers which include a focus on customer success programs, increased feature delivery, and improved retention rates. These programs include creating customised programs for customers that were designed to suit specific needs and use cases including adapting licensing terms and offering services packages to assist customers with their deployment of Bigtincan's core technology.

Significant changes in the state of affairs

On 21 July 2023, the Group completed the acquisition of Modus Engagement, Inc., the creator of the Modus Virtual Product Tours, and Modus Lead Capture Solution.

On 3 July 2023 the Group entered into an Asset Purchase Agreement ("APA") with CompareNetworks Inc ("CompareNetworks") to acquire selected assets and assume liabilities relating to "imSMART", a mobile sales, marketing and training platform including a SaaS application.

During the period, the Group entered into a loan facility agreement of \$15m with Regal Funds Management Pty Limited as lender. As part of the agreement upon drawdown of the loan facility, the lender was issued with 24 million options in Bigtincan's shares exercisable immediately.

Strategic Achievements and Innovation

In 1H FY24, Bigtincan Holdings Limited made significant strides in reinforcing its position as a leader in the sales enablement market, showcasing resilience, innovation, and a strategic focus on sustainable growth across multiple parts of its business.

Strategic Achievements and Innovation

- Bigtincan completed the development of the core technology and launched the industry's first highly scalable Intelligent Enablement Platform tailored for enterprise organizations, establishing a new benchmark in the sector.
- Bigtincan added over 300 new logo and expansion customers to the customer base and added to the technology portfolio through the strategic acquisitions of Modus Engagement Inc and the assets of imSmart.
- Bigtincan navigated macro-economic challenges focussing on its core customers and revenue whilst adjusting its operating spend.

Team Development and Organizational Growth

- Bigtincan focused on building an efficient team through organic growth and strategic M&A activities, laying a strong foundation for future scalability and market leadership.
- Bigtincan is committed to fostering an award-winning corporate culture, with initiatives to reward and recognise the contributions of core team members.
- Bigtincan placed a strong emphasis on diversity and inclusion, with 30% of employees being female or identifying as female, aligning with or exceeding industry averages.
- Bigtincan implemented a robust recruitment process aimed at attracting a diverse pool of talent, including female and neuro-diverse candidates.
- Bigtincan prioritised mental health support and improved communication channels throughout the organization to foster a collaborative and supportive work environment.

In 1H FY24, Bigtincan continued a clear focus on innovation, operational efficiency, and a commitment to its team and culture, Bigtincan is poised to further solidify its leadership in the sales enablement market and create superior value for its stakeholders.

Auditor Independence Declaration

The lead auditor's independence declaration is set out on page 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 and Investment Commission (ASIC).

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



Tom Amos
Chairman

28 February 2024



Wayne Stevenson
Director

28 February 2024

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31-Dec-23 \$000	31-Dec-22 \$000
Revenue	4a	59,303	60,201
Other income		224	295
Total operating revenue and other income		59,527	60,496
Cost of revenues		(7,014)	(7,360)
Gross profit		52,513	53,136
Operating expenses			
Sales and marketing		(25,351)	(33,512)
Product development		(15,533)	(17,706)
General and administration		(19,577)	(18,863)
Total expenses from operating activities		(60,461)	(70,081)
Total operating loss		(7,948)	(16,945)
Finance expense	4b	(3,522)	(4,625)
Finance income	4b	-	3,101
Net Finance costs		(3,522)	(1,524)
Loss before tax		(11,470)	(18,469)
Income tax benefit		757	287
Loss for the period		(10,713)	(18,182)
Other comprehensive income			
Foreign operations – foreign currency translation differences	3	(5,748)	1,010
Total other comprehensive income, net of tax		(5,748)	1,010
Total comprehensive loss for the period		(16,461)	(17,172)

Earnings per share (EPS)	Note	31-Dec-23	31-Dec-22
Basic EPS (in cents)	6	(1.77)	(3.27)
Diluted EPS (in cents)	6	(1.77)	(3.27)

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

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31-Dec-23 \$000	30-Jun-23 \$000
Assets			
Current assets			
Cash and cash equivalents		19,477	33,629
Trade and other receivables		23,727	25,827
Other current assets		9,051	8,768
Total current assets		52,255	68,224
Non-current assets			
Property, plant and equipment		3,344	4,105
Intangible assets	7	259,302	245,067
Other non-current assets		2,425	2,763
Total non-current assets		265,071	251,935
Total assets		317,326	320,159
Liabilities			
Current liabilities			
Trade and other payables		5,186	6,702
Deferred revenue		52,365	54,862
Provisions		1,337	1,743
Lease liabilities		1,471	1,292
Borrowings	8	12,348	-
Income tax payable		1,000	2,012
Other current liabilities		9,150	6,032
Total current liabilities		82,857	72,643
Non-current liabilities			
Deferred tax liabilities		11,560	9,805
Deferred revenue		5,286	7,695
Provisions		364	467
Lease liabilities		1,744	2,482
Other non-current liabilities		783	150
Total non-current liabilities		19,737	20,599
Total liabilities		102,594	93,242
Net assets		214,732	226,917
Equity			
Share capital		324,800	324,800
Share-based payment and option reserve		21,201	16,925
Accumulated losses		(126,466)	(115,753)
Foreign currency translation reserve		(4,803)	945
Total equity		214,732	226,917

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Share-based payment reserve	Option reserve	Accumulated losses	Foreign currency translation reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2022	294,562	12,426	-	(88,373)	164	218,779
Loss for the period	-	-	-	(18,182)	-	(18,182)
Other comprehensive income (net of tax)	-	-	-	-	1,010	1,010
Total comprehensive loss	-	-	-	(18,182)	1,010	(17,172)
Transactions with owners of the Company						
Issue of ordinary shares	29,030	-	-	-	-	29,030
Equity settled share-based payments	-	2,306	-	-	-	2,306
Total transactions with owners of the Company	29,030	2,306	-	-	-	31,336
Balance at 31 December 2022	323,592	14,732	-	(106,555)	1,174	232,943
Balance at 1 July 2023	324,800	16,925	-	(115,753)	945	226,917
Loss for the period	-	-	-	(10,713)	-	(10,713)
Other comprehensive income (net of tax)	-	-	-	-	(5,748)	(5,748)
Total comprehensive loss	-	-	-	(10,713)	(5,748)	(16,461)
Transactions with owners of the Company						
Issuance of Regal options	-	-	2,428	-	-	2,428
Equity settled share-based payments	-	1,848	-	-	-	1,848
Total transactions with owners of the Company	-	1,848	2,428	-	-	4,276
Balance at 31 December 2023	324,800	18,773	2,428	(126,466)	(4,803)	214,732

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

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	31-Dec-23 \$000	31-Dec-22 \$000
Cash flows from operating activities			
Cash receipts from customers		51,867	67,289
Cash paid to suppliers and employees		(57,821)	(69,497)
Cash used in operations		(5,954)	(2,208)
income tax paid		(175)	(5)
Income grant received		-	185
Net cash used in operating activities		(6,129)	(2,028)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(34)	(96)
Capitalised development cost	7	(6,851)	(9,007)
Acquisition of software		-	(200)
Acquisition of businesses, net cash acquired	11	(13,047)	(1,198)
Net cash used in investing activities		(19,932)	(10,501)
Cash flows from financing activities			
Proceeds from issue of share capital		-	30,000
Proceeds from exercise of options		40	-
Net proceeds from borrowing	8	13,500	-
Loan interest paid		(570)	-
Repayment of lease liabilities		(953)	(588)
Transaction cost on issue of shares		-	(1,658)
Net cash from financing activities		12,017	27,754
Net (decrease)/increase in cash and cash equivalents		(14,044)	15,225
Effect of movements in exchange rates on cash held		(108)	-
Cash and cash equivalents at 1 July		33,629	56,259
Cash and cash equivalents at 31 December		19,477	49,863

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Reporting Entity

Bigtincan Holdings Limited (“the Company”) is a company domiciled in Australia. The address of the Company’s registered office is Level 8, 320 Pitt Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the six months ended 31 December 2023 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 half-year consolidated financial statements have been prepared on a going concern basis.

In preparing these half-year consolidated financial statements, the directors note the Group’s current liabilities exceed its current assets, excluding the impact of deferred revenue, which is unlikely to result in a cash outflow, the group’s current assets exceed its current liabilities by \$21.8m (30 June 2023: \$50.4m)

The directors have prepared and reviewed a cash flow forecast that shows that the Group will have sufficient cash flows to meet all commitments and working capital requirements, (including repayment of the \$15m Regal loan in September 2024) for the 12-month period from the date of signing this financial report.

Additionally, as a result of the cost restructuring that took place in the period to 31 December 2023 the Group anticipates positive operating cash flows in the second half of FY24. Furthermore, the Directors are reasonably certain that, if required, other sources of financing could be obtained based on the Group’s historical financing arrangements and ability to raise capital.

Based on the cash flow forecast and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

These consolidated interim financial statements for the half-year ended 31 December 2023 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 2023, together with any public announcements made by the Company during the half-year ended 31 December 2023 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 2023.

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 28th February 2024.

2. Basis of preparation (Cont.)

(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.

(iii) Presentation currency

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

(iv) 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.

(v) 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).

(vi) 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.

BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2023

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 2023, except for:

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary or foreign operations with functional currencies other than Australian dollars. Current period change in accounting policy is to treat the exchange differences in relation to intercompany loans within the foreign currency translation reserve (FCTR), given these balances won't be repaid in the foreseeable future and therefore are considered permanent in nature. Other comprehensive income amounts to a \$5.7m loss for 1H FY24 of which \$4.9m is related to unrealised exchange losses on intercompany loans. The effect in current period is mainly related to intercompany balances between group entities domiciled in the USA and Australia.

New, revised or amended Account Standards

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any other new, revised or amending Accounting Standards or interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

4a. Revenue

	31-Dec-23	31-Dec-22
	\$000	\$000
Operating revenue		
Revenue from subscription and support services	51,983	57,006
Revenue from product related contract services	7,320	3,195
Total operating revenue [1]	59,303	60,201

[1] The Group views the above total operating revenue as being recurring in nature.

4b. Net Finance costs

	31-Dec-23	31-Dec-22
	\$000	\$000
Factoring expenses	(1,326)	(4,625)
Borrowing costs	(1,276)	-
Other finance expenses	(920)	-
Finance income	-	3,101
Total net finance cost	(3,522)	(1,524)

Finance expenses include to \$1.3m of borrowing costs (1H FY23: Nil) relating to the Regal loan (Refer to Note 8) and \$1.3m (1H FY23: \$4.6m) of factoring costs. Factoring costs relate to the difference of factored receivables (gross receipts) and amounts received from the factor company (net receipts). Factor costs amounted on average to 20.52% (1H 2023: 17.33%) of the face value of the factored receivables. The net receipts are presented within receipts from customers within the statement of cash flows.

BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2023

4b. Net Finance costs (Cont.)

Finance income in 1H HY23 mainly related to unrealised foreign exchange gains on intercompany loans, for which the effect of these in 1H FY24 is now included within the Foreign Currency Translation Reserve (Refer to Note 3).

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 contract services.

	31-Dec-23 \$000	31-Dec-22 \$000
Segment revenue		
Subscription and support services	51,983	57,006
Product related contract services	7,320	3,195
	59,303	60,201
Revenue by location		
Australia	5,024	2,722
United States of America	50,137	53,095
Rest of the world	4,142	4,384
	59,303	60,201
Non-current assets by geographic location		
Australia	50,162	40,742
United States of America	208,485	203,477
Rest of the world	6,424	7,716
Total	265,071	251,935

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 (excluding treasury shares) outstanding during the half-year.

	31-Dec-23	31-Dec-22
Loss attributable to ordinary shareholders – Basic (\$000)	(10,713)	(18,182)
Weighted-average number of ordinary shares at 31 December	604,624,579	556,740,065
Basic loss per share (cents)	(1.77)	(3.27)

BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2023

6. Earnings per share (EPS) (Cont.)

(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.

Given the Group is in a loss position the effect of outstanding convertible instruments (i.e. Performance Share Application Rights (PSARs)) would decrease the loss per share and be antidilutive, hence not considered in the determination of diluted loss per share.

	31-Dec-23	31-Dec-22
Diluted loss per share (cents)	(1.77)	(3.27)

7. Intangible assets

	Goodwill	Intellectual property	Licenses	Customer relationships	Development costs (WIP)	Software	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Costs							
Balance at 30 June 2023	132,766	53,045	42	43,265	44,568	950	274,636
Additions	-	-	-	-	6,851	-	6,851
Acquisitions	16,317	4,317	-	1,645	-	-	22,279
Fx movements	(3,744)	(1,228)	-	(1,095)	(224)	-	(6,291)
Balance at 31 December 2023	145,339	56,134	42	43,815	51,195	950	297,475
Accumulated amortisation							
Balance at 30 June 2023	-	(12,889)	(11)	(12,596)	(4,073)	-	(29,569)
Amortisation expense	-	(2,993)	(2)	(3,021)	(2,569)	(150)	(8,733)
Fx movements	-	129	-	2	-	-	131
Balance at 31 December 2023	-	(15,753)	(13)	(15,615)	(6,642)	(150)	(38,173)
Carrying value							
At 30 June 2023	132,766	40,156	31	30,669	40,495	950	245,067
At 31 December 2023	145,339	40,381	29	28,200	44,553	800	259,302

BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2023

8. Borrowings

	31-Dec-23	30-June-23
	\$000	\$000
Borrowings		
Regal Funds Management Loan Facility	12,348	-
Total Borrowings	12,348	-

During the half year period, the Group entered into a loan facility agreement with Regal Funds Management Pty Ltd as lender for a loan facility of \$15m. As part of the agreement upon drawdown of the loan facility, the lender was issued with 24 million share options.

The key terms of the loan and associated options are outlined below.

Key Terms of Loan Facility

- Principal: \$15m
- Drawdown Date: 4 September 2023
- Repayment Date: 12 months from drawdown date
- The Company may repay the loan early without penalty
- Interest: 12% per annum payable monthly
- Establishment fee: 4% of the principal and the issue of the options
- Loan covenants are the following:
 - ARR does not fall below \$100m;
 - Unrestricted cash does not fall below \$10m; and
 - Net assets do not fall below \$170m.

Key Terms of the Associated Options

- Number of Options: 24,000,000
- Issue Date: 4 September 2023
- Exercise Price: \$0.4165
- Expiry Date: 2 years from the issue date
- No vesting period, immediately exercisable

The terms of the options include a fixed number of shares to be issued to extinguish the share options at an exercise price of \$0.4165 per option. Therefore, these options are considered equity and classified within the Option Reserve at the fair value upon issuance of the options on 4 September 2023 amounting to \$2.4m.

Movements loan facility	\$000
Opening balance - Loan proceeds	15,000
Establishment fee	(\$600)
Other transaction costs	(\$900)
Net cash proceeds	13,500
Fair value options classified within equity as option reserve	(2,428)
Effective interest rate - Borrowing costs	1,276
Borrowings at 31 December 2023	12,348

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9. Related Parties

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 1H FY24 the KMP for the Group were as follows:

Tom Amos	Independent Non-Executive Chairman
Wayne Stevenson	Independent Non-Executive director
David Keane	Chief Executive Officer and Executive Director
Inese Kingsmill	Independent Non-Executive director
Farouk Hussein	Non-Executive director (resigned 1 October 2023)

Key management personnel compensation

	Dec 2023	Dec 2022
	\$000	\$000
Short-term employee benefits	381	568
Post-employment benefits	66	6
Share based payments	334	357
	781	931

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.

During the period, the Group granted 9,749,304 Performance Share Appreciation Rights (PSARs) to the Chief Executive Officer. The PSARs are subject to performance hurdles and vest on 1 October 2026.

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10. 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 all subsidiaries of the Group.

Name	Principal place of business	Ownership interest 2023	Ownership interest 2023
Subsidiaries of Bigtincan Holdings Limited:			
- 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%	100%
- Vidinoti SA	CHE	100%	100%
- Task Exchange Pty Ltd	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%
Subsidiaries of Bigtincan Mobility LLC			
- Xinnovation, Inc	USA	100%	100%
- Clearslide Inc.	USA	100%	100%
- Voicevibes Inc	USA	100%	100%
- BTC Mobility Canada Ltd	USA	100%	100%
- Brainshark Inc	USA	100%	100%
- Storyslab Inc	USA	100%	100%
- SalesDirector.ai	USA	100%	100%
- Modus Engagement Inc.	USA	100%	-

11. Business combinations

11a. Acquisition of Modus Engagement Inc.

On 21 July 2023, the Group acquired 100% of the shares and voting interests in Modus Engagement Inc., which is the creator of the Modus Virtual Product Tours, and Modus Lead Capture Solution. Modus is a leader in sales enablement with a focus on the manufacturing industry.

During the period ending on December 31, 2023, Modus made a contribution of AU\$4.0m to the Group's revenue. 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.

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11a. Acquisition of Modus Engagement Inc. (Cont.)

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.

Bigtincan acquired 100% of Modus for a purchase consideration of approximately AU\$14.1m or US\$9.5m (pre-adjustments based on 20 July 2023 exchange rate of c. 0.68 USD/AUD), split into upfront payment of US\$6.5m (pre-adjustments) and deferred consideration of US\$3m (classified within other current liabilities). There is no additional contingent consideration or earn-out payments as part of the transaction. The Group incurred acquisition-related costs of \$0.3m relating to external legal fees and due diligence costs.

Fair value at acquisition date	\$000
Cash and equivalents	333
Trade and other receivables	1,274
Trade and other payables	(335)
Unearned revenue	(3,500)
Other liability	(1,138)
Net identifiable assets acquired	(3,366)
Purchase consideration - Cash	14,090
Cash consideration upon acquisition	9,773
Deferred consideration	4,317
Total goodwill pre-allocation	17,456
Software	4,317
Customer contract and relationship	1,646
Deferred tax liability recognised on acquired intangibles (increasing goodwill)	(1,941)
Provisional goodwill recognised on acquisition of Modus	13,434

11b. Acquisition of imSMART

On 3 July 2023 the Group, via its US incorporated subsidiary BTC Mobility LLC, entered into an Asset Purchase Agreement ("APA") with CompareNetworks Inc ("CompareNetworks") to acquire selected assets and assume liabilities relating to "imSMART", a mobile sales, marketing and training platform including a SaaS application.

Fair value at acquisition date	\$000
Trade and other receivables	480
Trade and other payables	(89)
Net identifiable assets acquired	391
Cash consideration upon acquisition	3,274
Deferred consideration	-
Total consideration	3,274
Provisional goodwill recognised on acquisition of imSMART	2,883

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12. Subsequent events

There has not arisen in the interval between the end of the half year end 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 Group, 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.

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 18 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 2023 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, 28 February 2024



Mr Tom Amos
Chairman



Mr Wayne Stevenson
Director

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF BIGTINCAN HOLDINGS LIMITED

As lead auditor for the review of Bigtincan Holdings Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bigtincan Holdings Limited and the entities it controlled during the period.



Gareth Few
Director

BDO Audit Pty Ltd

Sydney, 28 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bigtincan Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Bigtincan Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.

BDO Audit Pty Ltd

A stylized, handwritten signature of the BDO firm, consisting of the letters 'BDO' in a cursive script.

A handwritten signature in cursive script that reads 'Gareth Few'.

Gareth Few
Director

Sydney, 28 February 2024