

## APPENDIX 4D

HALF YEAR ENDED 31 December 2022

### BIGTINCAN HOLDINGS LIMITED

ABN: 98 154 944 797

### RESULTS FOR ANNOUNCEMENT TO MARKET For the half-year ended 31 December 2022

Reported	31 December	31 December	Change	Change	
	2022	2021	\$000's	\$000's	%
Revenue from ordinary activities	60,201	45,867	up	14,334	31%
Loss from ordinary activities after tax attributable to members	(18,182)	(10,525)	up	(7,657)	73%
Loss attributable to members	(18,182)	(10,525)	up	(7,657)	73%

#### Dividend Information

Bigtincan Holdings Limited has not paid, recommended or declared dividends for the half-year ended 31 December 2022 (2021: Nil).

#### Net Tangible Asset information

	31 December 2022 (cents)	31 December 2021 (cents)
Net tangible asset per security	(1.49)	4.17

Derived by dividing the net assets less intangible assets attributable to equity holders of the Company by the total ordinary shares at 31 December 2022 (606,718,055) and 31 December 2021 (547,007,104) 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 2022 is attached.

Signed

A handwritten signature in blue ink, appearing to read "Tom Amos".

Tom Amos

Chairman

27<sup>th</sup> February 2023

Sydney



Bigtincan<sup>TM</sup>

Bigtincan Holdings Limited

Interim Financial Report  
For the Half-year Ended 31 December 2022

ABN: 98 154 944 797

# CORPORATE DIRECTORY

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## 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

Bentleys Legal  
Level 14, 60 Margaret 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.

# BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2022

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## BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2022

### 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 2022 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

All 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 FY2023 was \$60,201,000, an increase of 31% vs 1H FY2022. The net loss after tax for the six months ended 31 December 2022 was \$18,182,000 (31 December 2021: \$10,525,000). 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 SalesDirector.ai (28 December 2022), the acquisition extends Bigtincan's lead in AI-driven revenue intelligence by improving B2B sales organisations' ability.

During the half, the Group raised capital of \$28m (net of issued costs). This included the issue of 50,000,001 shares at an issue price of \$0.60 per share. This was completed on 15 December 2022.

#### Auditor Independence Declaration

The lead auditor's independence declaration is set out on page 25 and forms part of the Directors' report for the half-year ended 31 December 2022.

#### 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).

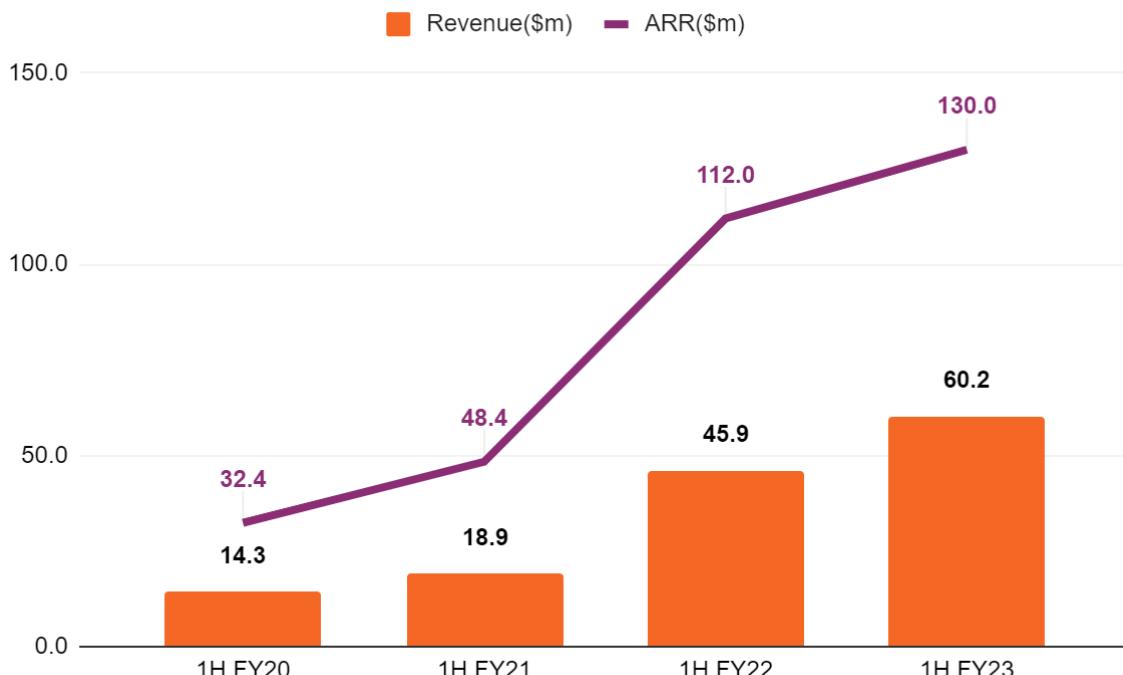
## Introduction

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 MRR 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 support services. ARR is equal to MRR multiplied by 12. MRR 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 2022, ARR rose to \$130m which was \$18m (16.1%) higher than at 31 December 2021. Over 94% 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. MRR retention rate was 87%, in line with December 2021. Customer retention 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 59% CAGR and operating revenue 62% CAGR.



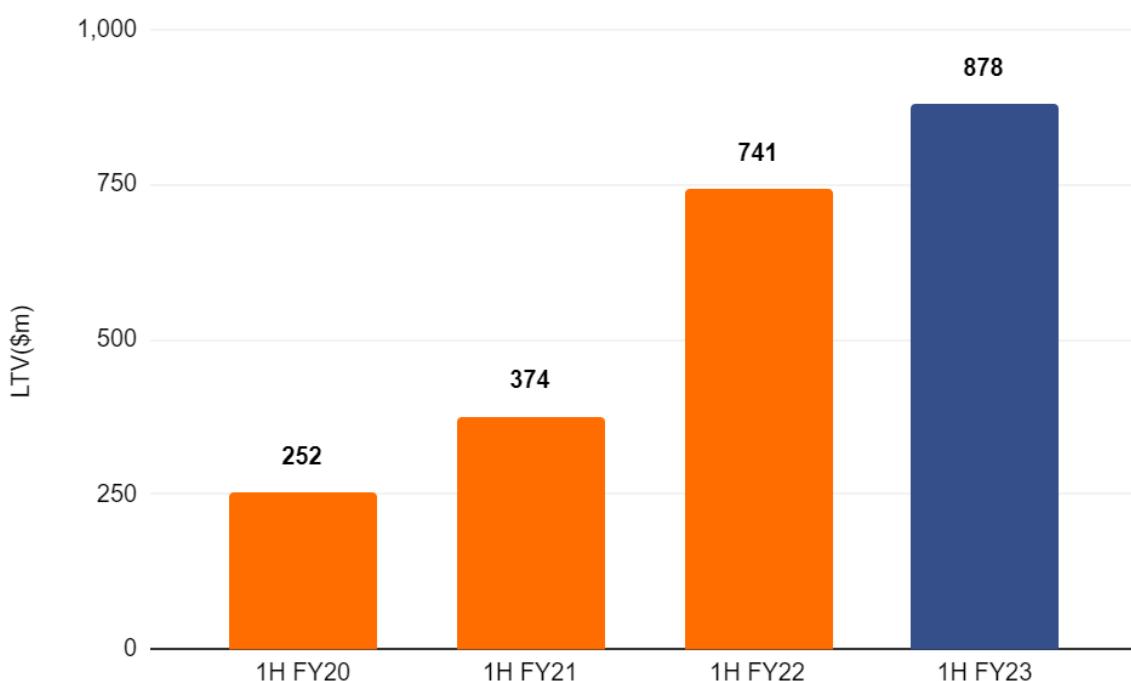
During the first half the company completed the acquisitions of SalesDirector.ai (28 December 2022) adding new technology, skilled people, new vertical and systems capability to Bigtincan.

## 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 2022, Bigtincan's LTV reached \$878m an increase of 19% from the December 2021 period, and continues a history of growth in LTV as demonstrated by the following graph:



## Results Financial Metrics

KEY FINANCIAL METRICS	1H FY 2023	1H FY 2022	% on Last Year
			\$000
Revenue	\$60,201	\$45,867	31%
Gross Margin	88%	86%	2%
Operating expenses	\$70,081	\$50,947	38%
Loss for the period after income tax	(\$18,182)	(\$10,525)	73%
Adjusted EBITDA*	\$2,060	\$1,182	74%

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

Total revenue grew by 31% compared to 1HY2022 with subscription revenue growing by 26% reflecting the Group's focus of improving retention, optimising pricing, targeted marketing at conferences and building a sustainable subscription-based model with our customers.

## BIGTINCAN HOLDINGS LIMITED

FINANCIAL REPORT | For the half-year ended 31 December 2022

### Results Financial Metrics (Continued)

	31-Dec-22 \$000	31-Dec-21 \$000
Loss before income tax	(\$18,469)	(\$10,509)
EBITDA	(\$5,260)	(\$8,561)
Adjusted for the removal of various non-cash, one-time, irregular and non-recurring items:		
Acquisition costs	\$237	\$8,273
Share based payments	\$2,607	\$1,470
Severance and Advisory costs*	\$4,476	-
Sub-total of acquisition and non-recurring items	\$7,320	\$9,743
Adjusted EBITDA	\$2,060	\$1,182

Operating expenses grew by 38% to \$70m for the six-month period primarily as a result of:

- Ongoing investments in technology teams, product management across our different regions; and
- Ongoing investments in sales, marketing and customer care as the company continues to position as one of the leaders in the sales enablement market.

This continued investment in scaling the business resulted in a net loss after tax for the six months ended 31 December 2022 was \$18,182,000 (31 December 2021: \$10,525,000).

\* During the period, Bigtincan conducted a program of resource optimisation whereby the Company made changes to its global workforce and adjusted spending programs to put the Company on track to improve its financial position for FY23. These one-off severance and advisory costs amounts to circa \$4.5m, which included Bigtincan conducting layoffs and redundancies together with payments to end the ongoing vendor spend.

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



Tom Amos  
Chairman



Wayne Stevenson  
Director

27<sup>th</sup> February 2023

Sydney

## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31-Dec-22 \$000	31-Dec-21 \$000
Revenue	4a	60,201	45,867
Other income	4a	295	23
<b>Total operating revenue and other income</b>		<b>60,496</b>	<b>45,890</b>
Cost of revenues		(7,360)	(6,649)
<b>Gross profit</b>		<b>53,136</b>	<b>39,241</b>
Operating expenses			
Sales and marketing		(33,512)	(22,506)
Product development		(17,706)	(12,825)
General and administration		(18,863)	(15,616)
<b>Total expenses from operating activities</b>		<b>(70,081)</b>	<b>(50,947)</b>
<b>Total operating loss</b>		<b>(16,945)</b>	<b>(11,706)</b>
Finance expense	4b	(4,625)	43
Finance income	4b	3,101	1,154
<b>Net finance costs</b>		<b>(1,524)</b>	<b>1,197</b>
Loss before tax		(18,469)	(10,509)
Income tax benefit / (expense)		287	(16)
<b>Loss for the period</b>		<b>(18,182)</b>	<b>(10,525)</b>
Other comprehensive income			
Foreign operations – foreign currency translation differences		1,010	1,021
<b>Total other comprehensive income, net of tax</b>		<b>1,010</b>	<b>1,021</b>
<b>Total comprehensive loss for the period</b>		<b>(17,172)</b>	<b>(9,504)</b>
Earnings per share (EPS)			
Basic EPS (in cents)	6	(3.97)	(2.46)
Diluted EPS (in cents)	6	(3.97)	(2.46)

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

**BIGTINCAN HOLDINGS LIMITED**

FINANCIAL REPORT | For the half-year ended 31 December 2022

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

	Note	31-Dec-22	30-Jun-22
		\$000	\$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		54,184	38,959
Trade and other receivables		33,162	19,384
Other current assets		10,520	9,100
<b>Total current assets</b>		<b>97,866</b>	<b>67,443</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,911	3,787
Intangible assets	7	241,968	234,639
Other non-current assets		2,022	905
<b>Total non-current assets</b>		<b>246,901</b>	<b>239,331</b>
<b>Total assets</b>		<b>344,767</b>	<b>306,774</b>
<hr/>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		15,023	15,442
Deferred revenue		64,003	50,580
Provisions		1,862	1,794
Lease liabilities		664	1,044
<b>Total current liabilities</b>		<b>81,552</b>	<b>68,860</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		13,487	14,055
Deferred revenue		14,341	2,672
Provisions		509	415
Lease liabilities		1,774	1,982
Other non-current liabilities		161	11
<b>Total non-current liabilities</b>		<b>30,272</b>	<b>19,135</b>
<b>Total liabilities</b>		<b>111,824</b>	<b>87,995</b>
<b>Net assets</b>		<b>232,943</b>	<b>218,779</b>
<b>Equity</b>			
Share capital		323,592	294,562
Share-based payment reserve		14,732	12,426
Accumulated losses		(106,555)	(88,373)
Foreign currency translation reserve		1,174	164
<b>Total equity</b>		<b>232,943</b>	<b>218,779</b>

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

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Share-based payment reserve	Accumulated losses	Foreign currency translation reserve	Total
	\$000	\$000	\$000	\$000	\$000
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	(67,222)	441	224,990
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)
<u>Transactions with owners of the Company</u>					
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

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

**BIGTINCAN HOLDINGS LIMITED**

FINANCIAL REPORT | For the half-year ended 31 December 2022

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	Note	31-Dec-22 \$000	31-Dec-21 \$000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		67,289	41,738
Cash paid to suppliers and employees		(69,497)	(44,155)
Cash used in operations		(2,208)	(2,417)
Interest paid & income tax paid		(5)	-
Income grant received		185	(16)
Net cash used in operating activities		(2,029)	(2,433)
 <hr/>			
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(96)	(332)
Capitalised development cost		(9,007)	(7,868)
Acquisition of software		(200)	-
Acquisition of businesses, net cash acquired		(1,198)	(122,504)
Net cash used in investing activities		(10,501)	(130,704)
 <hr/>			
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		30,000	129,521
Proceeds from exercise of options		-	55
Repayment of lease liabilities		(588)	(458)
Transaction cost on issue of shares		(1,658)	(2,377)
Net cash from financing activities		27,754	126,741
Net decrease in cash and cash equivalents		15,225	(6,396)
 <hr/>			
Cash and cash equivalents at 1 July		38,959	56,259
Effect of movements in exchange rates on cash held		-	-
Cash and cash equivalents at 31 December		54,184	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 6, 338 Pitt Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively the 'Group' and individually the '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 2022 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 2022, together with any public announcements made by the Company during the half-year ended 31 December 2022 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 2022.

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 27<sup>th</sup> February 2023.

#### **(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.

**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 2022. A number of new standards are effective from 1 July 2022 but they do not have a material effect on the Group's financial statements.

**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 2022:

	31-Dec-22 \$000	31-Dec-21 \$000
<hr/>		
<b>Operating revenue</b>		
Revenue from subscription and support services	57,006	45,132
Revenue from product related professional and contract services	3,195	735
<b>Total operating revenue</b>	<b>60,201</b>	<b>45,867</b>
<hr/>		
<b>Other Income</b>		
Government grants	169	23
Other	126	-
<b>Total other income</b>	<b>295</b>	<b>23</b>
<hr/>		

## Revenue recognition conditions

Revenue from professional services was only recognised when the following conditions have been met:

- There was contractual evidence of the arrangement.
- The service has been provided to the customer.
- Revenue was recognised as services based on the various stages of completion of services.
- Collection of payment for the services was reasonably assured.

Costs incurred or to be incurred in respect of the transaction could be measured reliably.

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 over time as the services are provided to the customers. Contract service revenue is also recognised on a proportional performance basis and recognised over the contract term.

#### 4a. Revenue (continued)

##### Costs of obtaining a customer contract

AASB 15 requires that incremental costs associated with acquiring a customer contract, such as sales commissions, be recognised as an asset and amortised over a period that corresponds with the period of the benefit. Where the Group records such costs in prepayments.

The Group primarily derives its revenue through the sale of its subscription and support services that allows customers to access the cloud-based application.

##### Revenue recognition and measurement

The Group determines subscription and support revenue recognition through the following five steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

#### 4b. Net Finance costs

	31-Dec-22 \$000	31-Dec-21 \$000
Interest expense	(3)	43
Financing costs	(4,622)	-
Finance income	3,101	1,154
<b>Total finance income</b>	<b>(1,524)</b>	<b>1,197</b>

## 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-22 \$000	31-Dec-21 \$000
<hr/>		
Segment revenue		
Subscription and support services	57,006	45,132
Product related professional and contract services	3,195	735
	60,201	45,867
<hr/>		
Revenue by location		
Australia	2,722	1,703
United States of America	53,095	39,953
Rest of the world	4,384	4,211
	60,201	45,867
<hr/>		
Non-current assets by geographic location		
Australia	40,742	38,143
United States of America	198,443	166,251
Rest of the world	7,716	5,737
Total	246,901	210,131
<hr/>		
Segment loss before tax	(18,469)	(10,509)

## 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-22 \$000	31-Dec-21 \$000
Loss attributable to ordinary shareholders -		
Basic	(18,182)	(10,525)
Issued ordinary shares at 1 July	427,399	415,323
Effect of movement in shares during the period	30,047	12,076
Weighted-average number of ordinary shares at 31 December	457,446	427,399
Basic loss per share (cents)	(3.97)	(2.46)

### (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-22 \$000	31-Dec-21 \$000
Loss attributable to ordinary shareholders -		
Basic	(18,182)	(10,525)
Weighted average number of ordinary shares at 31 December (basic)	457,446	427,399
Dilutive effect of share options on issue	-	-
Weighted-average number of ordinary shares (diluted) at 31 December	457,446	427,399
Diluted loss per share (cents)	(3.97)	(2.46)

## BIGTINCAN HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | For the half-year ended 31 December 2022

### 7. Intangible assets

	Goodwill \$000	Intellectual property \$000	Licenses \$000	Customer relationships \$000	Development costs (WIP) \$000	Software \$000	Total \$000
<b>Cost</b>							
Balance at 1 July 2021	40,700	11,582	14	3,412	11,250	-	66,958
Additions	80,765	559	28	-	16,578	-	97,930
Acquisitions	-	33,989	-	34,790	-	-	68,779
Effects of movements in exchange rates	8,431	2,803	-	2,725	-	-	13,959
<b>Balance at 30 June 2022</b>	<b>129,896</b>	<b>48,933</b>	<b>42</b>	<b>40,927</b>	<b>27,828</b>	<b>-</b>	<b>247,626</b>
Balance at 1 July 2022	129,896	48,933	42	40,927	27,828	-	247,626
Additions	1,532	-	-	-	9,007	950	11,489
Effects of movements in exchange rates	1,268	1,366	-	660	35	-	3,329
<b>Balance at 31 December 2022</b>	<b>132,696</b>	<b>50,299</b>	<b>42</b>	<b>41,587</b>	<b>36,870</b>	<b>950</b>	<b>262,444</b>
<b>Accumulated amortisation</b>							
Balance at 1 July 2021	-	2,036	10	709	-	-	2,755
Amortisation expense	-	4,810	1	4,987	434	-	10,232
Balance at 30 June 2022	-	6,846	11	5,696	434	-	12,987
Balance at 1 July 2022	-	6,846	11	5,696	434	-	12,987
Amortisation expense	-	2,932	1	3,161	1,488	-	7,582
Effects of movements in exchange rates	-	(108)	-	15	-	-	(93)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>9,670</b>	<b>12</b>	<b>8,872</b>	<b>1,922</b>	<b>-</b>	<b>20,476</b>
<b>Carrying value</b>							
At 30 June 2022	129,896	42,087	31	35,231	27,394	-	234,639
At 31 December 2022	132,696	40,629	30	32,715	34,948	950	241,968

## 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 & Customer relationship

Intellectual property & Customer relationships acquired as part of a business combination are recognised separately from goodwill. Both 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.

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.

## 7. Intangible assets (continued)

### 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.

## 8. 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 FY23 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

### Key management personnel compensation

	31-Dec-22 \$000	31-Dec-21 \$000
Short-term employee benefits	568	470
Post-employment benefits	6	5
Share based payments	357	58
	931	533

**8. Related parties (continued)****Short-term employee benefits**

These amounts include fees paid to independent and executive Directors including salary and cash bonuses.

**Post-employment benefits**

Represents the amounts of superannuation contributions paid during the half-year.

**Loans to key management personnel (KMP)**

At 31 December 2022, there are no loans outstanding to / from KMP (2021: \$Nil).

**Share-based payments**

Represents the amounts of expense related to the equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

**9. Equity-settled share-based payment arrangements****Performance Share Appreciation Rights (PSARs) granted during the year**

On 20 December 2022, the Group granted 3,350,880 Performance Share Appreciation Rights (PSARs) to the Chief Executive Officer. The PSARs are subject to performance hurdles and vest on 30 June 2025.

Vesting conditions are conditions that are used to determine the extent, if any, of vesting of PSARs. iTSR PSARs, the vesting condition will be based on the Total Shareholder Return (TSR) of Bigtincan over the Measurement Period (equivalent to the change in share price, plus dividends declared assumed to be reinvested) compared to the TSR of the ASX 300 Industrials Total Return Index. Vesting will be determined according to the following scale (note: CAGR means compound annual growth rate):

Performance level	BTH TSR compared to TSR of the ASX 300 Industrials TR index	% of Grant Vesting
Stretch	$\geq$ Index TSR + 10% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 5% TSR CAGR & < Index TSR + 10% TSR CAGR	Pro-rata
Target	Index TSR + 5% TSR CAGR	50%
Between Threshold and Target	> Index TSR & > Index TSR + 5% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

## 9. Equity-settled share-based payment arrangements (continued)

### Measurement of fair values

The fair value of the employee share options has been measured using the Monte Carlo simulation and includes the following assumptions:

- expected volatility has been based on an evaluation of the historical volatility of at the company's share price.
- compounded risk-free interest rate was estimated based on an average rate of 5Y government bonds.
- number of years to exercise the options equals the service period.

## 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 material subsidiaries of the Group.

Name	Principal place of business	Ownership interest 2023	Ownership interest 2022
<b>Subsidiaries of Bigtincan Holdings Limited:</b>			
- 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%	-
<b>Subsidiaries of Bigtincan Mobile Pty Limited</b>			
- BTC Mobility LLC	USA	100%	100%
- Bigtincan UK Ltd	UK	100%	100%
- BTCHubApp#41	AUS	100%	100%
<b>Subsidiaries of Bigtincan Mobility LLC</b>			
- 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%	-
- SalesDirector.ai	USA	100%	-

## 11. Business combinations

### 11a. Acquisition of SalesDirector.ai

On 28 December 2022, the Group acquired 100% of the shares and voting interests in SalesDirector.ai, which is a leading revenue intelligence and data platform. This is still provisional as at 31 December 2022.

In the period to 31 December 2022, Salesdirector.ai contribution to revenue and loss was not material to the Group's results. 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 recognized as of that date.

	Fair value at acquisition date
	\$000
Cash and equivalents	226
Trade and other receivables	103
Trade and other payables	(37)
Unearned revenue	(317)
Other liability	(9)
Net identifiable assets acquired	(34)
Purchase consideration – Cash	1,198
Purchase consideration – Share consideration	300
Provisional goodwill recognised	1,532

#### Purchase consideration

Consideration for the acquisition (US \$1.2m) is a combination of cash and equity which consists of:

- A cash payment of \$1.2m at closing and
- The issue of fully paid ordinary shares in Bigtincan at \$0.535 per share based on the price per share as at the close of 23 December 2022, with a value of \$301K.

#### Acquisition-related costs

The Group incurred acquisition-related costs of \$237,153 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.

## 11. Business combinations (continued)

### 11a. Acquisition of SalesDirector.ai (continued)

#### Goodwill

The goodwill is attributable mainly to the skills and technical talent of SalesDirector.ai'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.

### 11b. Acquisition of Storyslabs, Inc

On 30 April 2022, the Group acquired 100% of the shares and voting interests of Storyslabs, Inc (Storyslabs).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Storyslabs are inputs (patented technology and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

In the period to 31 December 2022, Storyslabs contribution to revenue was \$750K and the loss to the Group's results is immaterial. 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 recognized as of that date.

	Fair value at acquisition date
	\$000
Cash and equivalents	138
Trade and other receivables	172
Other assets	103
Trade and other payables	(200)
Other liability	(94)
Net identifiable assets acquired	119
Cash consideration	1,415
Deferred consideration	2,798
Total consideration	4,213
Provisional Goodwill recognised on acquisition of Storyslab, Inc	4,094

**11. Business combinations (continued)**

**11b. Acquisition of Storyslabs, Inc (continued)**

Purchase consideration

At completion a cash payment of approximately USD1,000,000 was paid by Bigtincan. There is a deferred consideration of USD2,000,000 payable in January 2023.

Acquisition related costs

The Group incurred acquisition-related costs of \$108,189 relating to external legal fees, due diligence costs integration cost other transaction costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

Goodwill

The goodwill is attributable mainly to the skills and technical talent of Storyslabs' 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.

**11c. Acquisition of Task Exchange Pty Limited**

On 30 May 2022, the Group acquired 100% of the shares and voting interests of Task Exchange Pty Limited (Task Exchange).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Task Exchange are inputs (patented technology and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

In the period to 31 December 2022, Task Exchange contribution to the Group's revenue and loss is immaterial to the Group's results. 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 recognized as of that date.

## BIGTINCAN HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | For the half-year ended 31 December 2022

### 11. Business combinations (continued)

#### 11c. Acquisition of Task Exchange Pty Limited (continued)

	Fair value at acquisition date
	\$000
Cash and equivalents	307
Trade and other receivables	201
Fixed assets	1
Other assets	28
Other liability	(227)
Net identifiable assets acquired	310
Cash consideration	-
Shares issued in business combinations	1,247
Total consideration	1,247
Provisional Goodwill recognised on acquisition of Task Exchange Pty Ltd	937

#### Purchase consideration

At completion, 2,430,946 fully paid ordinary shares in the capital of Bigtincan were issued to the sellers at an issue price of \$0.51 per share (equating to AUD 1,247,075).

#### Acquisition related costs

The Group incurred nil acquisition-related costs.

#### Goodwill

The goodwill is attributable mainly to the skills and technical talent of Task Exchanges' work force and the synergies expected to be achieved from integrating the company into the Group's existing Bigtincan Hub. None of the goodwill recognised is expected to be deductible for tax purposes.

### 12. 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

DIRECTOR'S DECLARATION | For the half-year ended 31 December 2022

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 23 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 2022 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, 27 February 2023



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 half-year ended 31 December 2022 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*

**KPMG**

A handwritten signature in black ink that appears to read 'Julie Cleary'.

**Julie Cleary**

*Partner*

Sydney

27<sup>th</sup> February 2023

# Independent Auditor's Review Report

To the shareholders of Bigtincan Holdings Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Bigtincan Holdings Limited.

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

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Bigtincan Holdings Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the six months ended on 31 December 2022.

## 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 Group 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim 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.

*KPMG*

**KPMG**



**Julie Cleary**

*Partner*

Sydney

27<sup>th</sup> February 2023