

## APPENDIX 4D

### HALF YEAR ENDED 31 December 2017

#### BIGTINCAN HOLDINGS LIMITED

ABN: 98 154 944 797

#### RESULTS FOR ANNOUNCEMENT TO MARKET – For the half-year ended 31 December 2017



<b>Reported</b>	<b>31 December 2017</b>	<b>31 December 2016</b>		<b>Change</b>	<b>Change</b>
	<b>\$000's</b>	<b>\$000's</b>		<b>\$000's</b>	<b>%</b>
Monthly Recurring Revenue (MRR)*	1,065	745	Up	320	43
Revenue from ordinary activities	6,036	4,316	Up	1,720	40
Profit/ (loss) from ordinary activities after tax attributable to members	(3,165)	(2,635)	Up	(530)	20
Profit/ (loss) attributable to members	(3,165)	(2,635)	Up	(530)	20

\* Bigtincan uses Monthly Recurring Revenue (MRR) to report on its business. This measure is not recognised under AAS or IFRS and is referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC.

#### Dividend Information

Bigtincan Holding Limited has not paid, recommended or declared dividends for the half-year ended 31 December 2017 (2016:nil)

#### Net Tangible Asset information

	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Net Tangible asset per share</b>	2.94 cents	(36.04) cents

Derived by dividing the net assets less intangible assets attributable to equity holders of the Company by the total ordinary shares at 31 December 2017 (176,340,101) and 31 December 2016 (30,270,097) respectively.

#### Audit Qualification or 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 Ltd for the six month period ended 31 December 2017 is attached.

Signed



Tom Amos

Chairman

27 February 2018

Sydney

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Bigtincan<sup>®</sup>

**Bigtincan Holdings Limited**

**Interim Financial Report**

**For the Half-year Ended 31 December 2017**

**ABN: 98 154 944 797**

# BIGTINCAN HOLDINGS LIMITED

## CORPORATE DIRECTORY

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### **Directors**

Tom Amos (Chairman)  
Wayne Stevenson  
John Scull  
David Keane  
Geoff Cohen (Ceased 2 December 2017)

### **Company Secretary**

Mark Ohlsson

### **Registered Office**

Level 9, 257 Clarence Street  
Sydney NSW Australia 2000

### **Head Office**

Level 9, 257 Clarence Street  
Sydney NSW 2000

### **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.

### **Auditors**

KPMG  
Level 38  
300 Barangaroo Avenue  
Sydney NSW 2000

### **Solicitors**

Dibbs Barker  
Level 8, Angel Place  
123 Pitt Street  
Sydney NSW 2000

### **Share Registry**

Computershare Investor Services Pty Limited

### **Website address**

<http://www.bigtincan.com.au>

## **BIGTINCAN HOLDINGS LIMITED**

<b>Table of contents</b>	<b>Page</b>
Directors report	3
Consolidated interim statement of profit or loss and other comprehensive income	6
Consolidated interim statement of financial position	7
Consolidated interim statement of changes in equity	8
Consolidated interim statement of cash flows	9
Notes to the consolidated interim financial statements	10
Directors' declaration	21
Lead auditor's independence declaration	22
Independent auditor's report	23

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**BIGTINCAN HOLDINGS LIMITED**  
**DIRECTORS REPORT**  
**For the half-year ended 30 June 2017**

**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) for the half-year ended 31 December 2017 and the auditor's review report thereon.

**Board of Directors**

- Tom Amos – Chairman – Independent Non-Executive Director
- Wayne Stevenson – Independent Non-Executive Director
- John Scull – Non-Executive Director
- David Keane- Executive Director
- Geoff Cohen- Executive Director – Ceased 2 December 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**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.

**Review of operations**

During the six months to 31 December 2017, Monthly Recurring Revenue (MRR) increased from \$907,000 to \$1,065,000 an increase of 17%. The net loss after tax for the six months ended 31 December 2017 was \$3,165,000 (31 December 2016: \$2,635,000). A description of the Company'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**

There are no significant changes in affairs during the H1FY2018 financial period.

**Auditor Independence declaration**

The lead auditor's independence declaration is set out on page 21 and forms part of the Directors' report for the half-year ended 31 December 2017.

**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 Investment Commission (ASIC).

**BIGTINCAN HOLDINGS LIMITED**  
**DIRECTORS REPORT**  
**For the half-year ended 31 December 2017**  
**Review of Operations**

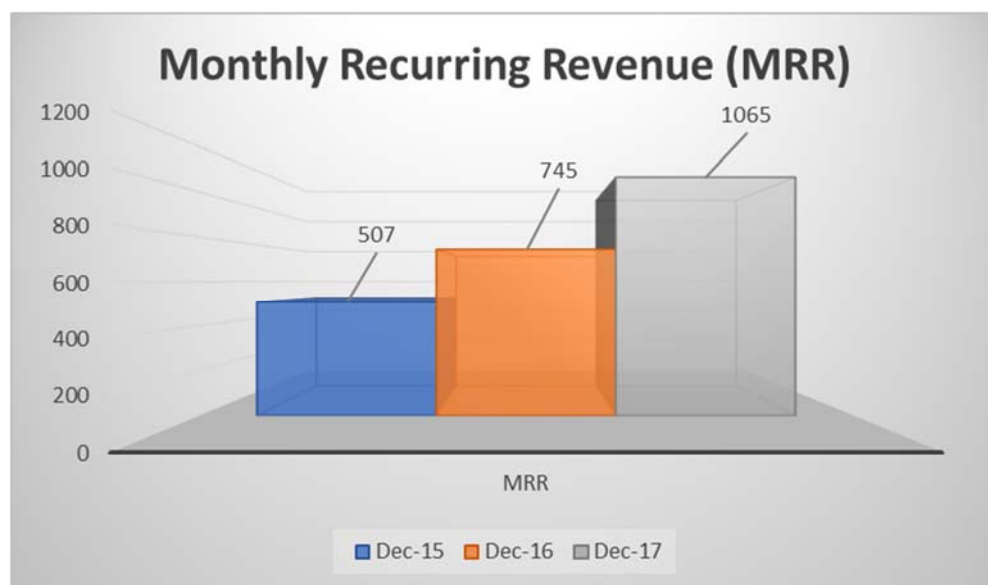
The financial information presented in this half year report has been prepared on a statutory basis in accordance with the measurement and recognition requirements of Australian Accounting Standards.

Certain non-IFRS measures, in particular Monthly Recurring Revenue (MRR) 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 prove more meaningful comparisons of the operating performance of the business. Monthly recurring revenue is the amount of money paid monthly for use of subscription licenses and services.

**Results – Key Operational metrics**

The key value measure for a Software as a Service (SaaS) business such as Bigtincan is Monthly Recurring Revenue (MRR). As at 31 December 2017, Bigtincan’s MRR rose to \$1,065,000 which was \$320,000 (43%) higher than at 31 December 2016 and \$158,000 (17%) higher than at 30 June 2017. Over 90% of the revenues generated by Bigtincan are in the nature of subscription and support licences and represents an MRR stream for Bigtincan as these subscription and support arrangements are generally 12 months in advance.

Over the past 3 calendar years Bigtincan’s MRR has grown at over 43% per annum and remains broadly in line with the IPO forecast.



KEY OPERATIONAL METRICS	1H FY 2018	FY 2017	Vs Jun-17	IPO forecast CY 17
MRR end of period	\$1,065,000	\$907,000	17% higher	\$1,077,000
Retention rate	85%	88%	3% lower	92%
Cash	\$11,449,000	\$11,021,000	4% higher	NA
Average monthly burn rate	(126)	(363)	(237) lower	NA

The increase in MRR from \$907,000 to \$1,065,000 a rose following investment to increase the company’s sales and marketing teams following the raising of additional capital and consequent ASX listing in March 2017.

While MRR has grown, customer retention has reduced slightly to 85%. During the six month period the Company secured several large new contracts, expanded and extended contracts with existing customers. This was partly offset due to the small number of customers who are currently renegotiating there continued access to the hub. The company has taken a conservative approach and excluded these customers from our reported numbers not withstanding our expectation that they will renew their usage of the hub.

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## BIGTINCAN HOLDINGS LIMITED

### DIRECTORS REPORT

#### For the half-year ended 31 December 2017

Following the IPO in March 2017 where the company raised \$12m (after issue costs) in capital, the average monthly cash burn rate has fallen resulting in a cash balance of \$11m (only \$400k less than at the start of the six month period). This reduction in cash burn rate has been in accordance with CY2017 expectations.

#### Results Financial Metrics

Total revenue grew by 40% compared to 1HY2017 with subscription revenue growing by 44% reflecting the company's focus of recovering professional service costs through increased subscription charges.

Key financial metrics for Bigtincan were as follows:

KEY FINANCIAL METRICS	1H FY 2018	1H FY 2017	Vs Last Year
Revenue	\$6,036,000	\$4,316,000	40% higher
Gross margin	84%	82%	2% higher
Operating expenses	\$8,983,000	\$6,210,000	45% higher
Net profit / (loss) before income tax	(\$3,165,000)	(\$2,635,000)	20% higher

As detailed at the time of the IPO, operating expenses grew by 46% to \$9M for the six month period primarily as a result of:

- Investment in existing and new channels through new support resources and joint marketing programs, including but not limited to advertising, events, webinars, corporate communications, brand building and product marketing
- Expansion of the channel focused sales and marketing activities to promote the Bigtincan solution to a wider market
- increase in sales and marketing headcount to support the above marketing programs and convert the opportunities.
- Launch of new features to complement the Bigtincan Hub services

The scale benefits of this upfront investment are now being seen in the improvement in the Company's gross margin.

In addition to revenue growth, Bigtincan has continued to be recognised by the market as a leader in this rapidly growing market. Bigtincan's channel partner strategy has been successful in driving additional revenues as Bigtincan works collaboratively with its major partners Salesforce.com and Apple.

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



Tom Amos  
Chairman



Wayne Stevenson  
Director

27 February 2018

Sydney



**BIGTINCAN HOLDINGS LIMITED**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2017

	Note	31 December 2017 \$000	31 December 2016 \$000
Revenue	4	6,036	4,316
Cost of revenues		(938)	(784)
<b>Gross Profit</b>		<b>5,098</b>	<b>3,532</b>
Other income	4	559	667
Sales and marketing expenses		(5,016)	(2,758)
Product development expenses		(3,017)	(2,550)
General and administration expenses		(950)	(902)
<b>Operating loss</b>		<b>(3,326)</b>	<b>(2,011)</b>
Finance income		312	13
Finance expenses		(78)	(591)
<b>Net finance income / (expense)</b>		<b>234</b>	<b>(558)</b>
<b>Loss before income tax</b>		<b>(3,092)</b>	<b>(2,589)</b>
Income tax expense		(73)	(46)
<b>Loss for the year after tax</b>		<b>(3,165)</b>	<b>(2,635)</b>
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign operations – foreign currency translation differences		-	7
<b>Total other comprehensive loss, net of tax</b>		-	7
<b>Total comprehensive loss</b>		<b>(3,165)</b>	<b>(2,628)</b>
<b>Earnings per share (EPS)</b>			
Basic EPS (in cents)	6(a)	(0.018)	(15.28)
Diluted EPS (in cents)	6(b)	(0.018)	(15.28)

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

**BIGTINCAN HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2017

	<i>Note</i>	<b>31 December 2017 \$000</b>	<b>30 June 2017 \$000</b>
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents	7	11,449	11,021
Trade and other receivables	8	4,588	2,341
Other assets	9	1,007	1,643
<b>Total current assets</b>		<b>17,044</b>	<b>15,005</b>
<i>Non-current assets</i>			
Property, plant and equipment		169	178
Intangible assets	10	434	351
Other non-current assets	9	167	162
<b>Total non-current assets</b>		<b>770</b>	<b>691</b>
<b>Total assets</b>		<b>17,814</b>	<b>15,696</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	11	1,872	2,180
Deferred revenue	12	7,373	3,615
Provisions	13	415	417
<b>Total current liabilities</b>		<b>9,660</b>	<b>6,212</b>
<i>Non-current liabilities</i>			
Deferred tax liabilities		1	1
Deferred revenue	12	2,536	875
Provisions	13	42	32
<b>Total non-current liabilities</b>		<b>2,579</b>	<b>908</b>
<b>Total liabilities</b>		<b>12,239</b>	<b>7,120</b>
<b>Net Assets</b>		<b>5,575</b>	<b>8,576</b>
<b>Equity</b>			
Share capital	15	35,560	35,560
Share-based payment reserve	14	3,579	3,415
Accumulated losses		(33,565)	(30,400)
Foreign currency translation reserve		1	1
<b>Total shareholders' equity</b>		<b>5,575</b>	<b>8,576</b>

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

**BIGTINCAN HOLDINGS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the half-year ended 31 December 2017

	Share capital	Share-based payment reserve	Accumulated losses	Foreign currency translation reserve	Total
	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July 2016</b>	<b>13,161</b>	<b>3,213</b>	<b>(24,416)</b>	<b>19</b>	<b>(8,023)</b>
Loss for the period			(2,635)	-	(2,635)
Other comprehensive income (net of tax)	-	-	-	7	7
<u>Transactions with owners of the Group</u>					
Issue of ordinary shares	-	-	-	-	-
Equity settled share-based payments	-	125	-	-	125
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>125</b>
<b>Balance at 31 December 2016</b>	<b>13,161</b>	<b>3,338</b>	<b>(27,051)</b>	<b>26</b>	<b>(10,526)</b>
<b>Balance at 1 July 2017</b>	<b>35,560</b>	<b>3,415</b>	<b>(30,400)</b>	<b>1</b>	<b>8,576</b>
Loss for the period			(3,165)	-	(3,165)
Other comprehensive income (net of tax)	-	-	(3,165)	-	(3,165)
<u>Transactions with owners of the Group</u>					
Issue of ordinary shares	-	-	-	-	-
Equity settled share-based payments	-	164	-	-	164
<b>Total transactions with owners of the Group</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>164</b>
<b>Balance at 31 December 2017</b>	<b>35,560</b>	<b>3,579</b>	<b>(33,565)</b>	<b>1</b>	<b>5,575</b>

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

**BIGTINCAN HOLDINGS LIMITED**

## STATEMENT OF CASHFLOWS

For the half-year ended 31 December 2017

	<i>Note</i>	<b>31 December 2017 \$000</b>	<b>31 December 2016 \$000</b>
<i>Cash flows used in operating activities</i>			
Cash receipts from customers		9,321	4,435
Cash paid to suppliers and employees		(9,935)	(8,374)
<b>Cash used in operations</b>		<b>(614)</b>	<b>(3,939)</b>
Interest received		87	12
Income grant/taxes received		1,106	1,102
<b>Net cash from / (used in) operating activities</b>		<b>579</b>	<b>(2,825)</b>
<i>Cash flows used in investing activities</i>			
Acquisition of intangibles and property, plant and equipment		(151)	(78)
<b>Net cash used in investing activities</b>		<b>(151)</b>	<b>(78)</b>
<i>Cash flows used in financing activities</i>			
Proceeds from issue of convertible notes		-	6,189
<b>Net cash from financing activities</b>		<b>-</b>	<b>6,189</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>428</b>	<b>3,286</b>
Cash and cash equivalents at 1 July		11,021	308
<b>Cash and cash equivalents at 31 December</b>	<i>7</i>	<b>11,449</b>	<b>3,594</b>

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

## **BIGTINCAN HOLDINGS LIMITED**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

#### **1. Reporting Entity**

Bigtincan Holdings Limited ("the Company") is a company domiciled in Australia. The address of the Company's registered office is Level 9, 267 Clarence Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the year ended 31 December 2017 comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group entities').

The Group is a for-profit entity and primarily involved in the provision of an integrated, online platform called "Bigtincan hub", a powerful, intelligent, collaborative and secure solution that automatically delivers the most relevant content to the right users directly, using their mobile devices.

#### **2. Basis of preparation**

These consolidated interim financial statements for the half-year ended 31 December 2017 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 2017, together with any public announcements made by the Company during the half-year ended 31 December 2017 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 2017.

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 27 February 2018.

##### (i) Principals 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.

##### (ii) Functional and presentation currency

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

## **BIGTINCAN HOLDINGS LIMITED**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

#### **2. Basis of preparation (continued)**

##### (ii) Functional and presentation currency (continued)

###### *Foreign Currency Transactions (continued)*

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. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit and loss. Non-monetary items that are measured based on of historical cost in a foreign currency are not translated.

##### (iii) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollar, in reference to instrument 2016/191 issued by Australian Securities and Investment Commissions (ASIC).

##### (iv) 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 recognised prospectively

##### (v) Going concern basis of preparation

The financial statements have been prepared on the going concern basis of accounting, which assumes the Group and the Company will be able to continue trading and realize assets and discharge liabilities in the ordinary course of business for a period of at least one year from the date of signing these financial statements.

The Group recorded a loss before tax for the interim period ended 31 December 2017 of \$3,092,000 (31 December 2016: loss before tax of \$2,589,000) and cash inflows from operating activities of \$470 (31 December 2016: cash outflows from operating activities \$2,825,000). As at 31 December 2017, the Group's current assets exceeded current liabilities by \$7,384,000 (30 June 2017: current assets exceeded current liabilities by \$8,793,000) and its total assets exceeded total liabilities by \$5,575,000 (30 June 2017: its total assets exceeded total liabilities by \$8,576,000). Due to the current level of working capital available to the Group, there are no concerns about the ability of the group to continue as a going concern.

**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

**3. Accounting policies**

The accounting policies applied in these consolidated 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 2017, unless otherwise stated.

**4. Revenue**

	31 Dec 2017 \$000	31 Dec 2016 \$000
<b>(a) Operating revenue</b>		
Revenue from subscription and support services	5,553	3,865
Revenue from product related professional and contract services	483	451
	<b>6,036</b>	<b>4,316</b>
<b>(b) Other income</b>	<b>2017 \$000</b>	<b>2016 \$000</b>
Government grants	546	616
Other	13	51
	<b>559</b>	<b>667</b>

**5. Segment reporting**

The Group operates as a single business unit. 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.

**Segment revenue**

Subscription and support services	5,553	3,865
Product related professional and contract services	483	451
	<b>6,036</b>	<b>4,316</b>

**Revenue by location**

Australia	421	498
United States of America	5,349	3,697
Rest of the world	266	121
	<b>6,036</b>	<b>4,316</b>

**Non-current assets by geographic location**

Australia	516	438
United States of America	252	251
Rest of the world	2	2
	<b>770</b>	<b>691</b>

<b>Segment loss before tax</b>	<b>(3,092)</b>	<b>(2,589)</b>
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**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

**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 year.

	2017 \$000	2016 \$000
<b>Loss attributable to ordinary shareholders - Basic</b>	<b>(3,165)</b>	<b>(2,635)</b>
Issued ordinary shares at 1 July	176,340	17,175
Effect of movement in shares during the period	-	-
<b>Weighted-average number of ordinary shares at 31 December</b>	<b>176,340</b>	<b>17,175</b>
<b>Basic earnings / (loss) per share (cents)</b>	<b>(0.018)</b>	<b>(15.28)</b>

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

	2017 \$000	2016 \$000
<b>Loss attributable to ordinary shareholders - Basic</b>	<b>(3,165)</b>	<b>(2,635)</b>
Weighted average number of ordinary shares at 31 December (basic)	176,340	17,175
Dilutive effect of share options on issue	-	-
<b>Weighted-average number of ordinary shares (diluted) at 31 December</b>	<b>176,340</b>	<b>17,175</b>
<b>Diluted earnings / (loss) per share (cents)</b>	<b>(0.018)</b>	<b>(15.28)</b>



**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

<b>7. Cash and cash equivalents</b>	<b>31 Dec 2017 \$000</b>	<b>30 June 2017 \$000</b>
Cash at bank	5,449	3,021
Short term deposits	6,000	8,000
	<b>11,449</b>	<b>11,021</b>

Short term deposits have a maturity of 3 months and earn interest at the rate of 2.45% p.a. (2016: 2.24% p.a.).

Cash and cash equivalents comprise cash at bank and term deposits with maturity of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value, and are used by the company in the management of its short-term commitments

<b>8. Trade receivables</b>	<b>31 Dec 2017 \$000</b>	<b>30 June 2017 \$000</b>
<b>Current</b>		
Trade receivables	4,803	2,529
Provision for doubtful debts	(215)	(188)
	<b>4,588</b>	<b>2,341</b>

*Movement in the provision for doubtful debts during the year was as follows:*

	<b>31 Dec 2017 \$000</b>	<b>30 June 2017 \$000</b>
Balance at the beginning of the period	188	112
Created during the year	27	76
<b>Balance at the end of the period</b>	<b>215</b>	<b>188</b>

<b>9. Other assets</b>	<b>31 Dec 2017 \$000</b>	<b>30 June 2017 \$000</b>
<b>Current</b>		
Other receivables – Government grants	669	1,255
Prepayments	239	289
Other assets – term deposits	99	99
	<b>1,007</b>	<b>1,643</b>

Term deposits have a maturity of 6 months and earn interest at the rate of 1.85% p.a. (2016: 2.25%)

**Non-current**

Employee loan	167	162
	<b>167</b>	<b>162</b>

During the prior year the Group entered into an agreement to provide a loan to an employee of \$200k for a term of 5 years at a below market interest rate. The fair value of the loan was calculated with reference to market interest rates of similar instruments with the difference in fair value being recognised as employee benefits expense in profit or loss.

**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

**10. Intangible assets**

	Software and IP \$000	Licenses \$000	Customer list \$000	Total \$000
<b>Cost</b>				
Balance at 1 July 2016	486	14	6	506
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>486</b>	<b>14</b>	<b>6</b>	<b>506</b>
Balance at 1 July 2017	486	14	6	506
Additions	109	-	-	109
Disposals	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>595</b>	<b>14</b>	<b>6</b>	<b>615</b>
<b>Accumulated amortisation</b>				
Balance at 1 July 2016	100	3	2	105
Amortisation expense	48	1	1	50
Disposals	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>148</b>	<b>4</b>	<b>3</b>	<b>155</b>
Balance at 1 July 2017	148	4	3	155
Amortisation expense	25	1	-	26
Disposals	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>173</b>	<b>5</b>	<b>3</b>	<b>181</b>
<b>Carrying value</b>				
<b>At 30 June 2017</b>	<b>338</b>	<b>10</b>	<b>3</b>	<b>351</b>
<b>At 31 December 2017</b>	<b>422</b>	<b>9</b>	<b>3</b>	<b>434</b>

**11. Trade and other payables**

	31 Dec 2017 \$000	30 June 2017 \$000
Trade payables	1,009	729
Accrued expenses	496	429
Other trade payables	323	1,022
	<b>1,828</b>	<b>2,180</b>

**12. Deferred revenue**

	31 Dec 2017 \$000	30 June 2017 \$000
<i>Current</i>		
Subscription and support	7,125	3,591
Product related professional services	248	24
Non-product related contract services	-	-
	<b>7,373</b>	<b>3,615</b>
<i>Non-current</i>		
Subscription and support	2,536	875
	<b>2,536</b>	<b>875</b>

**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

<b>13. Provisions</b>	<b>31 Dec 2017 \$000</b>	<b>30 June 2017 \$000</b>
<i>Current</i>		
Employee benefits	415	417
	<b>415</b>	<b>417</b>
<i>Non-current</i>		
Employee benefits	42	32
	<b>42</b>	<b>32</b>
	<b>31 Dec</b>	<b>30 June</b>
Reconciliation of carrying amounts at the beginning of the period and end of the period:	<b>2017</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Balance at the beginning of the period	449	333
Created during the period	21	332
Utilised / reversed during the period	(13)	(216)
<b>Balance at the end of the period</b>	<b>457</b>	<b>449</b>

**14. Equity-settled share based payment arrangements**

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share option plan

On April 16, 2014 the company adopted a Share Option Plan pursuant to a resolution by the Board of Directors. The total number of Shares that may be issued under the Option Plan is 4,530,000. The number of Shares that may be issued under the Option Plan as Incentive Stock Options is 3,000,000. The Board may determine if, and the extent to which, an Eligible Employee or Advisor may participate in, or receive an offer under, the Option Plan. Each Option granted entitles the Participant to acquire or subscribe for and be allotted, credited as fully paid, one Share at the Exercise Price. Options granted under the Option Plan as incentive Stock options may only be granted to full time employees of BTC Mobility LLC. Under the terms of the Plan the Option granted is not capable of being transferred and any unvested or unexercised Options granted will automatically lapse on the cessation of the Participant's employment, except to the extent determined by the Board.

**Modification of terms of employee share option plan**

During the reporting period, the employee share option plan modified their terms with eligible employees. This occurred during March 2017, as part of the Initial Public Offering process, and resulted in reducing the exercise price of share options granted & vested as a result of the share dilution. The details of the modification are as followed:

The alteration of the terms of the employee share options was resolved by the Board on the 27 October 2016, subject to the condition upon a successful close of the Offer (Initial Public Offering), in conjunction with a share split of fully paid ordinary shares from 17,175,000 to 45,841,020 representing a 1:2.669055 split. The market value of the Company's fully paid ordinary share at this date was \$0.26 which was the opening price upon initial public offering.

Immediately prior to the alteration of the employee share option terms, employees, directors & contractors were eligible to participate upon Board invitation. The underlying equity instruments at the date of alteration were as follows:

**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

**14. Equity-settled share based payment arrangements (continued)**

<b>Grant date/employees entitled</b>	<b>Number of Instruments (pre-share split)</b>	<b>Number of Instruments (Post-share split)</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
<b>Options granted to senior management personnel</b>				
On 12/05/2012	1,360,000	3,629,915	Service vesting condition – 3yrs	7 years
On 29/10/2012	100,000	266,906	Service vesting condition – 3yrs	7 years
On 18/06/2013	400,000	1,067,622	Service vesting condition – 3yrs	7 years
On 15/12/2013	71,000	189,503	Service vesting condition – 3yrs	7 years
On 16/05/2014	835,000	2,228,661	Service vesting condition – 3yrs	7 years
<b>Total</b>	<b>2,766,000</b>	<b>7,382,606</b>		
<b>Options granted to employees/consultants</b>				
On 12/02/2012	60,000	160,143	Service vesting condition – 3yrs	7 years
On 21/07/2012	61,000	162,812	Service vesting condition – 3yrs	7 years
On 12/08/2012	4,000	10,676	Service vesting condition – 3yrs	7 years
On 15/09/2012	50,000	133,453	Service vesting condition – 3yrs	7 years
On 15/10/2012	100,000	266,906	Service vesting condition – 3yrs	7 years
On 21/10/2012	10,000	26,691	Service vesting condition – 3yrs	7 years
On 22/10/2012	5,000	13,345	Service vesting condition – 3yrs	7 years
On 15/11/2012	30,000	80,072	Service vesting condition – 3yrs	7 years
On 23/12/2012	40,000	106,762	Service vesting condition – 3yrs	7 years
On 15/03/2013	625	1,668	Service vesting condition – 3yrs	7 years
On 15/04/2013	50,000	133,453	Service vesting condition – 3yrs	7 years
On 09/06/2013	20,000	53,381	Service vesting condition – 3yrs	7 years
On 15/08/2013	5,000	13,345	Service vesting condition – 3yrs	7 years
On 15/09/2013	5,000	13,345	Service vesting condition – 3yrs	7 years
On 16/05/2014	474,000	1,265,132	Service vesting condition – 3yrs	7 years
On 19/03/2015	340,000	907,479	Service vesting condition – 3yrs	7 years
On 03/05/2015	82,750	220,864	Service vesting condition – 3yrs	7 years
On 14/05/2015	42,000	112,100	Service vesting condition – 3yrs	7 years
On 16/05/2015	15,000	40,036	Service vesting condition – 3yrs	7 years
On 16/05/2016	5,000	13,345	Service vesting condition – 3yrs	7 years
On 01/07/2016	15,000	40,036	Service vesting condition – 3yrs	7 years
On 12/09/2016	130,000	346,977	Service vesting condition – 3yrs	7 years
On 16/10/2016	149,500	399,024	Service vesting condition – 3yrs	7 years
On 21/08/2017	969,454	2,587,527	Service vesting condition – 3yrs	7 years
On 21/08/2017	-	1,500,000	Service vesting condition – 3yrs	7 years
On 21/08/2017	-	1,200,000	Service vesting condition – 3yrs	7 years
On 21/08/2017	-	100,000	Service vesting condition – 3yrs	7 years
<b>Total</b>	<b>2,663,329</b>	<b>9,908,573</b>		
<b>Total Share Options</b>	<b>5,429,329</b>	<b>17,291,179</b>		

**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

**14. Equity-settled share based payment arrangements (continued)****Measurement of fair values**

The fair value of the employee share options has been measured using the Black–Scholes formula and includes the following assumptions:

- expected volatility has been based on an evaluation of the historical volatility of the company's share price
- compounded risk free interest rate was estimated based on an average rate of 10Y government bonds
- Number of years to exercise the options equals the contractual life of options
- Stock price is calculated based on the price of shares set by equity financing activities, taking into account the compound annual growth rate between the effective dates of these activities and actual grant dates of stock options

All the assumptions used are subject to annual review and adjustment to best reflect the fair value as per balance sheet date.

	Number of options 2017	Weighted average exercise price 2017 (in \$)	Number of options 2016	Weighted average exercise price 2016 (in \$)
Outstanding at 1 July	11,903,652	0.31	4,165,375	0.30
Forfeited during the year	-	-	-	0.61
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Additional share options as a result of share split	-	-	-	-
Granted during the year	5,387,527	0.20	145,000	0.18
<b>Outstanding at 31 Dec</b>	<b>17,291,179</b>	<b>0.27</b>	<b>4,310,375</b>	<b>0.29</b>
<b>Exercisable at 31 Dec</b>	<b>11,626,897</b>	<b>0.27</b>	<b>4,139,442</b>	<b>0.29</b>

	31 Dec 2017 \$000	31 Dec 2016 \$000
<u>Expenses recognised in profit or loss</u>		
Share-based payments	80	126

**Share-based payment with non-employees**

On 24 March 2016, the Group entered into a warrant agreement with a channel partner which was amended and restated on 27 October 2016 (the warrant). Under the terms of the warrant, the channel partner has the right to purchase up to 5,004,492 of shares of the Company at a price of \$0.24 per share when aggregate sales to channel partner customers exceed a specific revenue target (milestone) within a 5 year period (milestone period), following the Company's listing on the ASX (effective date). The warrants will vest on achieving the milestone. As at year end a proportion of warrants will vest based on the incremental achievement towards the milestone. Warrants will become exercisable once the milestone is achieved within the milestone period. As the Company has now undergone an IPO and successfully listed on the ASX the warrant now comes into effect, a proportion of the warrants have vested as at 30 June 2017.

As at 31 December 2017, 1,055,000 (30 June 2017: 750,000) options under the warrant have vested and an amount of \$84,131 (2016: \$89,457) has been recognised in profit or loss as a reduction of revenue from the channel partner.

As the design of the transaction is similar to a sales incentive and performance conditions are non-market performances, fair value of goods or services received from the channel partner are measured indirectly with reference to the equity instrument granted. Similar to employee share option plan, the fair value of the options vested under the warrant have been determined using the Black-Scholes formula.

**BIGTINCAN HOLDINGS LIMITED****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half-year ended 31 December 2017

**14. Equity-settled share based payment arrangements (continued)****Share-based payment with non-employees (continued)**

The warrant terminates on the expiration date being the earliest to occur of the following:

- the fifth anniversary of the effective date, if the milestone is met during the milestone period.
- the seventh anniversary of the effective date, if the milestone is met during the effective period.
- the date the warrant has been fully exercised immediately prior to the end of the takeover period in respect of an unconditional takeover bid.

**15. Equity and reserves**(a) Share capital

<i>Ordinary shares</i>	<b>31 Dec 2017</b>	<b>30 June 2017</b>
	<i>Number of shares (000's)</i>	
<b>Number of shares at the beginning of the period</b>	<b>176,340</b>	<b>17,175</b>
<u>Shares issued during the IPO process:</u>		
Number of shares issued to convertible note holders	-	45,920
New Shares issued	-	46,154
New shares issued to existing shareholders	-	67,091
<b>Number of shares at the end of the period</b>	<b>176,340</b>	<b>176,340</b>
	<hr/>	
<b>Movement in share capital – Ordinary Shares</b>	<b>31 Dec 2017 \$000</b>	<b>30 June 2017 \$000</b>
Balance at the beginning of the period	35,560	13,161
Share issue proceeds	-	12,000
Directly attributable issue costs	-	(1,453)
Conversion of convertible notes	-	11,852
<b>Balance at the end of the period</b>	<b>35,560</b>	<b>35,560</b>

All shares rank equally with regard to Group's residual assets.

Ordinary shares

The Group does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

Incremental costs directly attributable to the issue of ordinary share, net of any tax effects, are recognised as a deduction from equity.

(b) Nature and purpose of reserves(i) Share based payment reserve

Share-based payment reserve comprises the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital. The share-based payment reserve remains as a separate component of equity.

(ii) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.



**BIGTINCAN HOLDINGS LIMITED**

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the half- year ended 31 December 2017

**16. Contingencies and commitments**

The directors are of the opinion that provisions are not required in respect of contingencies, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

**17. Capital management**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

**18. 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.

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**BIGTINCAN HOLDINGS LIMITED**  
**DIRECTOR'S DECLARATION**

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

- a. The consolidated interim financial statements and notes that are set out on pages 6 to 20 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 2017 and of its performance, for the interim period ended on that date; and
  - ii. Complying with Australian Accounting Standards *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, this 27<sup>th</sup> day of February, 2018.



Mr Thomas Amos  
Chairman



Mr Wayne Stevenson  
Director





## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Bigtincan Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Bigtincan Holdings Limited for the financial half-year ended 31 December 2017 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**

**Malcolm Kafer**

Partner

27 February 2018

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# Independent Auditor's Review Report

To the shareholders of Bigtincan Holdings Limited

## Report on the Interim Financial Report

### 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 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 2017 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 interim statement of financial position as at 31 December 2017
- Consolidated interim statement of profit or loss and other comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Interim Period ended on that date
- Notes 1 to 18 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 6 months ended on 31 December 2017.

### Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 2 to the Interim Financial Report, which describes the basis of preparation.

The Interim Financial Report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the Interim Financial Report and this Auditor's Report for the review of the Interim Financial Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the shareholders of Bigtincan Holdings Limited and should not be used by parties other than the shareholders of Bigtincan Holdings Limited. We disclaim any assumption of responsibility for any reliance on this report, or on the Interim Financial Report to which it relates, to any person other than the shareholders of Bigtincan Holdings Limited or for any other purpose than that for which it was prepared.

### 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*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2017 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*. As auditor of Bigtincan Holdings Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of 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



Malcolm Kafer  
Partner

Sydney  
27 February 2018