

ASX Announcement

18 June 2018

Proposed acquisition of Zunos Technologies, successful completion of institutional placement and SPP

Key Points:

- Zunos is a leader in engaging mobile, micro-learning and gamification training enabling Bigtincan to deliver a comprehensive learning and enablement platform
- Institutional Placement successfully completed, raising \$15 million
- Strong support shown by both existing and new institutional shareholders
- The transaction is revenue accretive versus Bigtincan's providing a positive financial impact as Zunos is a complementary business
- Share Purchase Plan to raise up to \$3 million

Overview

Proposed acquisition of Zunos Technologies

Bigtincan Holdings Limited (ASX: BTH) ("Bigtincan") is pleased to announce that it has entered into a binding letter of intent with the shareholders of Zunos Technologies Pty Limited ACN 137 369 736 ("Zunos Technologies") to acquire all of the issued capital of Zunos Technologies and its subsidiaries including Zunos Inc. The purchase price will comprise:

- an up-front cash payment at completion of \$3.25 million ("Initial Consideration"), subject to adjustment for working capital and non-trading debt;
- an amount equal to 1.5 x recurring revenue from Zunos products and services earned during the period 1 July 2018 to 30 June 2019 less the Initial Consideration; and
- an amount equal to 1 x recurring revenue from Zunos products and services earned during the period 1 July 2019 to 30 June 2020.

The 2 deferred purchase price amounts will be satisfied by the payment of 50% in cash and 50% in fully paid ordinary shares in Bigtincan issued at an issue price equal to the 30 day VWAP prior to the date of issue variable depending upon revenue delivered in the relevant period. The issue of shares as part of the deferred consideration will require the approval of shareholders under ASX Listing Rule 7.1.

The acquisition is expected to complete in July 2018 and is subject to the normal completion requirements and finalisation of the due diligence formalities by Bigtincan.

Institutional Placement

Bigtincan is also pleased to announce the successful completion of its \$15 million institutional placement (“Placement”) of new fully paid ordinary shares (“New Shares”) at \$0.35 per share. Funds from the equity raising will be used to fund the acquisition of Zunos Technologies, as well as a subsequent identified transaction, integration and working capital purposes.

The Placement will result in the issue of 42.9 million new shares which will rank equally with existing Bigtincan shares. The issue price represents a discount of 9.2% to the 15 day VWAP.

Of the above named shares, a total of 17,634,010 were issued under the Company’s 10% placement capacity under Listing Rule 7.1A.

Bigtincan provides the following information as required under ASX Listing Rule 3.10.5A in respect of the shares issued under Bigtincan’s 10% placement capacity under Listing Rule 7.1A:

(a) the dilutive effect of the Placement on existing shareholders is as follows:

	Shares	%
Number of shares on issue prior to placement	176,340,101	80.68
Dilution as a result of shares issued under LR 7.1A	17,634,010	8.04
Dilution as a result of shares issued under LR 7.1	25,223,133	11.51
Number of shares on issue following placement	219,197,244	100.00

(b) The 17,634,010 shares issued under Listing Rule 7.1A were issued to existing and new institutional and sophisticated investors as it was considered to be the most efficient mechanism for raising funds in a timely manner. In addition, Bigtincan is running a Share Purchase Plan, set at the same issue price as the Placement for participation by eligible existing shareholders;

(c) There were no underwriting arrangements entered into with respect to the issue made under Listing Rule 7.1 or Listing Rule 7.1A.

Bigtincan’s CEO, David Keane, said “I am very pleased with the strong support we have received for the Placement from existing and new institutional investors. Bigtincan’s Board and management team are excited by the opportunities provided by the Zunos acquisition and the show of support we have received.”

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Strategic Rationale

The Zunos transaction meets all of the acquisition criteria previously identified by Bigtincan as it provides a positive financial impact, complementary technology, excellent people and a focussed go-to-market strategy with an active customer base. In particular:

- Zunos Technologies is a leader in engaging mobile, micro-learning and gamification training and together with Bigtincan will create the industry's leading and most comprehensive learning and enablement platform;
- the transaction complements Bigtincan's existing North American footprint with more than 95% of Zunos Technologies revenue in North America;
- Bigtincan gains expanded presence in the West coast and Midwest regions in the USA and adds additional channel partners, including Telstra in Australia;
- the Zunos Technologies team have extensive experience in transforming sales learning, adding to the Bigtincan executive team; and
- the acquisition adds core IP in Zunos Technologies' learning and gaming technology.

About Zunos Technologies

Zunos Technologies is an Australian company with a number of subsidiaries, including a wholly owned subsidiary in the USA ("Group"). The Group is a leader in sales and partner learning and enablement, headquartered in San Francisco, CA with a sales function in Denver, CO and development operations in Sydney and Brisbane.

The Group's SaaS software is used by enterprises to provide training and knowledge development with users in 37 countries and in 22 languages.

The Group has leading global household names as customers, including American Airline and Sony Playstation.

The Group is expected to have in excess of \$3 million in annualised recurring revenue in FY18 with existing customers and a strong platform of new opportunities.

Share Purchase Plan

Bigtincan will undertake a Share Purchase Plan ("SPP") that will offer eligible shareholders the right to participate in an SPP that will enable shareholders to apply for up to \$15,000 of shares at the same price as the Placement to raise up to \$3M. The Company will reserve the right to scale back the SPP applications. Shareholders on the Company's register at 7:00pm on 15 June 2018 ("Record Date") whose registered address is in an eligible jurisdiction will be entitled to participate in the SPP. Further details on the SPP, including the timetable will be provided to shareholders shortly.

Additional information

Further details of the proposed acquisition and the capital raising will be set out in the Investor Presentation to be provided to the ASX later today. The Investor Presentation will contain important information including key risks and international offer restrictions.

Baillieu Holst is acting as lead manager of the Placement. Dentons is acting as legal adviser to Bigtincan.

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Further Information

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About Bigtincan

Bigtincan (ASX:BTH) helps sales and service teams increase win rates and customer satisfaction. The company's mobile, AI-powered sales enablement automation platform features the industry's premier user experience that empowers reps to more effectively engage with customers and prospects and encourages team-wide adoption. Leading brands including AT&T, ThermoFisher, Merck, ANZ Bank and others rely on Bigtincan to enhance sales productivity and fuel customer engagement. With global sales and marketing headquartered in Boston, Bigtincan also has offices across EMEA, Australia and Asia. To discover more about how your organization can benefit from the Bigtincan Hub platform, please visit www.bigtincan.com or follow @bigtincan on Twitter.

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