

## ASX Announcement

25 September 2018

### FatStax acquisition expands offering in manufacturing

- Binding Letter of Intent executed to acquire FatStax, LLC ("FatStax"), a leading provider of SaaS sales enablement software to the manufacturing industry in the USA.
- Initial cash consideration of USD\$1.8m. A conditional deferred cash consideration of US\$1.2 million is payable based on annual recurring revenue 6 months after completion for on target revenue.
- The acquisition will be fully funded from existing cash reserves as allocated in the institutional placement completed in June.
- FatStax has a growing base of ~USD\$1.1 million contracted annual recurring revenue
- The acquisition will significantly expand Bigtincan's presence and offering in the manufacturing and life sciences markets.
- FatStax also expands Bigtincan's go-to-market footprint in the Midwest United States with offices in Indianapolis, Indiana, and Detroit, Michigan and in San Diego, California.
- Acquisition consideration reflects a recurring revenue multiple of 2.7x before synergies
- FatStax co-founders Dr. Rusty Bishop and Mr. Mark Walker to join Bigtincan executive team.

Bigtincan Holdings Limited (ASX: BTH) ("Bigtincan") is pleased to announce that it has entered into a Binding Letter of Intent with the majority shareholders of FatStax to acquire all of the issued capital of FatStax, a leading provider of mobile sales enablement platform software with a focus in the manufacturing vertical. FatStax's sales tools transform spreadsheets, paper catalogs and website content into modern digital catalogs, updating relevant product data instantly and giving sales people the ability to answer deep customer questions at the product level. In marrying these enhanced capabilities with Bigtincan's already comprehensive, AI-powered sales enablement platform, manufacturing sales teams will have an unparalleled advantage in closing deals and driving ROI.

"We look forward to welcoming the FatStax team to the Bigtincan family," said David Keane, Co-founder and CEO of Bigtincan. "FatStax brings unmatched expertise in enabling success for manufacturing sales teams in today's evolving market. In the face of uncertainty when it comes to global trade and product tariffs, the ability to better catalogue products and create transparency in the fulfillment process is paramount to amplifying customer service and driving deal closures. We see this as a huge asset to enhance our existing platform, and continue to build our portfolio offerings as we look to meet the needs of sales teams across industries."

Manufacturing sales teams are facing a number of challenges in today's market, including growing volatility and rising costs. Bigtincan intends to pair its AI-powered sales enablement solution with FatStax's market expertise in manufacturing, to uniquely support sales representatives in this vertical in powering customer engagement and driving deal closures.

Commenting on the deal, CEO of Fatstax Dr. Rusty Bishop said, "FatStax's core mission has always been to transform sales people into trusted advisors with the ability to answer customers' deep questions anywhere, anytime and help them operate faster than ever before." Co-Founder Mark

Walker added, “Bigtincan’s industry leading AI approach and global footprint gives us a significant opportunity to leverage each other’s strengths and move even faster towards our shared long term vision.

### Strategic Rationale

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

- FatStax has a growing contracted annual recurring revenue base of US\$1.1 million primarily generated in the United States from companies in the manufacturing and life sciences industries. Fatstax is currently cash flow breakeven.
- FatStax is a leader in the provision of mobile sales tools for manufacturers and brings new technology such as its catalog capability to mobilise large product data sets from internal customer systems (e.g. 10,000+ products)
- Bigtincan and FatStax technology is highly complementary and represents an opportunity to deliver significant value uplift to customers of both companies when combined
- Addition of co-founders Dr. Rusty Bishop and Mr. Mark Walker brings significant depth of experience in the manufacturing and life science areas. Mark brings twenty years of sales management, field sales, marketing and market research in the pharmaceutical and life science markets with roles at Invitrogen and Eli Lilly. Rusty brings eighteen years of science and business experience as a scientist at University of California, San Diego and as CEO of FatStax.
- The transaction complements Bigtincan’s existing North American footprint with operations in Indianapolis and Detroit in the Midwest and in San Diego, California.

### Consideration

Consideration for the acquisition will be all cash, funded from Bigtincan’s cash reserves and consists of:

- an upfront cash payment at completion of US\$1.8 million, subject to adjustment for working capital and non-trading debt;
- a second and final payment based on the contracted annual recurring revenue as at the end of the first 6 month calendar period post completion as follows:
  - if contracted annual recurring revenue is equal to or greater than 100% but not greater than 120% of target (being the contracted annual recurring revenue as at completion), the second payment is US\$1.2 million
  - if contracted annual recurring revenue is equal to or greater than 80% but less than 100% of target, the second payment is US\$0.8 million
  - if contracted annual recurring revenue is greater than 120% of target, the second payment is US\$1.4 million
  - if contracted annual recurring revenue is less than 80%, there is no second payment.

The acquisition is expected to complete in early November 2018 and is subject to a number of conditions, including entering into definitive documents and finalisation of the due diligence by Bigtincan.

### About FatStax

FatStax is based in the United States with a Midwest headquarters located in Indianapolis, Indiana with offices in San Diego, California and Detroit, Michigan. FatStax's SaaS software is used by manufacturing, life sciences and industrial companies to help their sales and service teams perform better. FatStax transforms sales people into trusted advisors with the ability to answer customers' deep questions anywhere, anytime and help them operate faster than ever before. FatStax removes dependencies on inefficient business systems of the past and replaces them with intelligent business tools of the future.

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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, Thermo Fisher, 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](http://www.bigtincan.com) or follow @bigtincan on Twitter.