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APPENDIX 4D

HALF YEAR ENDED 31 December 2019

BIGTINCAN HOLDINGS LIMITED
ABN: 98 154 944 797

RESULTS FOR ANNOUNCEMENT TO MARKET
For the half-year ended 31 December 2019

Reported	31 December 2019 $000's	31 December 2018 $000's		Change $000's	Change %
Revenue from ordinary activities	14,259	9,431	Up	4,828	51%
Profit/ (loss) from ordinary activities after tax attributable to members	(3,996)	(1,995)	Up	2,001	100%
Profit/ (loss) attributable to members	(3,996)	(1,995)	Up	2,001	100%

Dividend Information

Bigtincan Holdings Limited has not paid, recommended or declared dividends for the half-year ended 31 December 2019 (2018:nil)

Net Tangible Asset information

	31 December 2019	31 December 2018
Net Tangible asset per share	5.10 cents	1.98 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 2019 (306,167,663) and 31 December 2018 (221,805,819) respectively.

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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 Limited for the six month period ended 31 December 2019 is attached.

Signed

Tom Amos

Chairman

26 February 2020

Sydney

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Bigtincan Holdings Limited

Interim Financial Report

For the Half-year Ended 31 December 2019

ABN: 98 154 944 797

CORPORATE DIRECTORY

Directors

Tom Amos (Chairman)
Wayne Stevenson
John Scull
David Keane

Company Secretary

Mark Ohlsson

Registered Office

Level 20, 320 Pitt Street
Sydney NSW Australia 2000

Head Office

Level 20, 320 Pitt Street
Sydney NSW 2000

Auditors

KPMG
Level 38
300 Barangaroo Avenue
Sydney NSW 2000

Solicitors

Dentons
16/77 Castlereagh Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited

Website address

http://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.

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DIRECTORS REPORT

The directors present their report together with the consolidated interim financial statements of the Group comprising Bigtincan Holdings Limited (the Company) and its controlled entities (collectively known as Bigtincan) for the half-year ended 31 December 2019 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

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.

Results

The net loss after tax for the six months ended 31 December 2019 was $3,996,000 (31 December 2018: $1,995,000). 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 has been business acquisitions made during the half-year ended 31 December 2019, refer to Note 9 of the Interim Financial Report.

On 3 October 2019, the Group raised capital of $20m. The funds from was used to assist with the funding of the business acquisitions. Other than the following there are no other significant changes in the state of affairs.

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 2019.

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).

Review of Operations

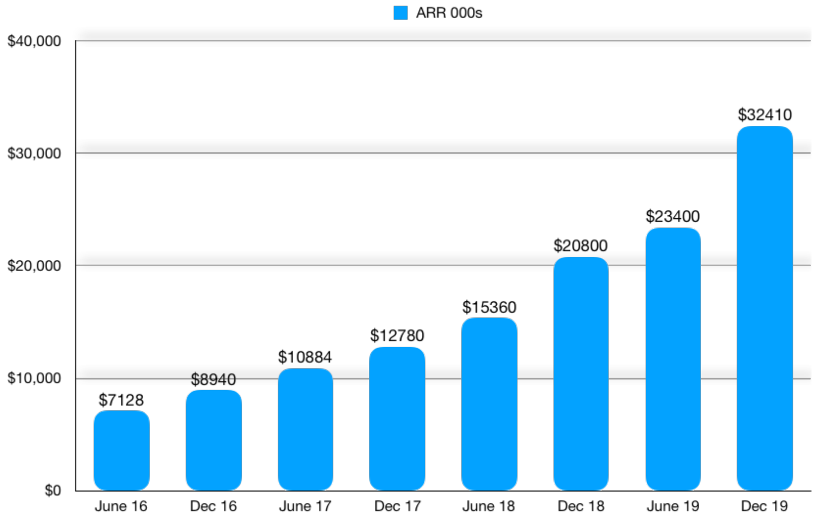
The financial information presented in this half year report has been prepared on a statutory basis in accordance with the measurement and recognition requirements of Australian Accounting Standards. This report contains certain non-IFRS measures, (i.e. Annualised Recurring Revenue (ARR), Monthly Recurring Revenue (MRR), Life Time Value (LTV) and 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 services. ARR is equal to MRR multiplied by 12. Retention rate is the MRR churn accumulated over the 12 months and subtracted from the ending MRR and divided into the ending MRR. LTV of subscription customers measured as ARR at a period, multiplied by gross margin and divided by the inverse of the retention rate. 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.

Bigtincan continued during the period to invest in the capabilities and resources necessary to support this growth adding new people, infrastructure investments in technology and data science, and growing customer success teams that delivered ongoing growth in the MRR retention which grew to 89% during the half.

During the first half the company completed the acquisitions of Veelo Inc (19 July 2019), Asdeq Labs Pty Ltd (4 September 2019), and Xinnovation Inc (3 October 2019) adding new technology, skilled people, new vertical and systems capability to Bigtincan. The company conducted a $20m institutional capital raising whereby funds raised were applied to fund cash consideration of the Xinnovation Inc. acquisition and provide working capital. The placement was conducted at A$0.54 per new share.

As at 31 December 2019, ARR rose to $32.4m which was $11.5m (55%) higher than at 31 December 2018 and $9m (38%) higher than at 30 June 2019. Over 90% of the revenue generated by Bigtincan are in the nature of subscription and support licences and represents an ARR stream for Bigtincan as these subscription and support arrangements are generally 12 months in advance. ARR growth was driven in part by the Company's effective spend in sales and marketing with the company continuing to receive supportive coverage from technology analysts and winning significant customer opportunities in the market. Also the technology team delivered a number of new capabilities in the six months which satisfied the needs of existing and new customers. Customer retention has also improved to 89% an increase of 2% from December 2018. This is a key area of focus at Bigtincan as we continue to satisfy our existing and new customer base. This was supported by investments in customer success during the period which will continue to support focussed efforts to deliver industry leading customer care to all Bigtincan customers.

Over the past 4 calendar year ends Bigtincan's ARR has grown at over 50% CAGR as displayed in the graph below.



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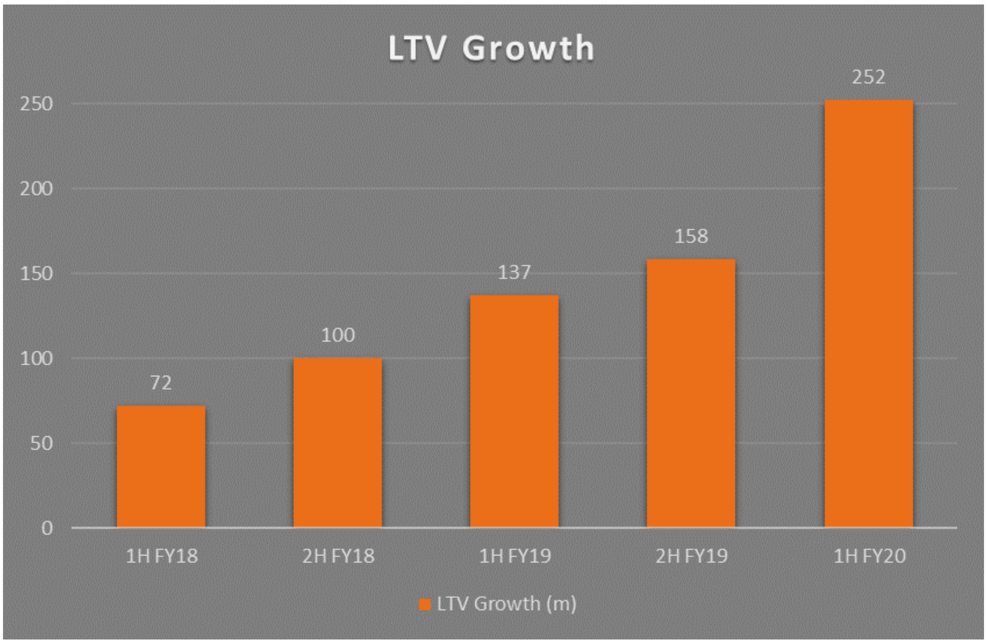
Lifetime Value

During the period, the global team at Bigtincan has been continuing to show 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 December 2019, Bigtincan's LTV exceeded $252m an increase of 84% from the December 2018 period, and continues a history of growth in LTV as demonstrated by the following graph;



Results Financial Metrics

Key financial metrics for Bigtincan were as follows:

KEY FINANCIAL METRICS	**1H FY 2020**	**1H FY 2019**	**% v Last Year**
Revenue	$14,259,000	$9,431,000	51% higher
Gross Margin*	86%	88%	2% lower
Operating expenses	$17,152,000	$11,129,000	54% higher
Net loss after income tax	($3,996,000)	($1,995,000)	100% higher
Adjusted EBITDA**	($1,874,000)	($1,618,000)	16% higher

* Gross margin of 86% in 1H FY2020 included new acquisition costs.

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

Total revenue grew by 51% compared to 1HY2019 with subscription revenue growing by 59% reflecting the company's focus of improving retention, optimising pricing, targeted marketing at conferences and building a sustainable subscription-based model with our customers.

	31 December 2019	**31 December 2018**
Loss before income tax	($3,946,000)	($1,954,000)
EBITDA	($3,006,000)	($2,031,000)
Adjusted for the removal of various non-cash, one-time, irregular and non-recurring items:		
Bargain purchase adjustment	($876,000)	-
Remuneration arising from business combination	$1,143,000	-
Acquisition costs	$545,000	$225,000
Foreign currency	($24,000)	$29,000
Share based payments	$344,000	$159,000
Sub-total of acquisition and non-recurring items	$1,132,000	$413,000
Adjusted EBITDA	**($1,874,000)**	**($1,618,000)**

Operating expenses grew by 54% to $17.152m for the six-month period primarily as a result of:

- Investments in customer success resources to provide industry leading customer support
- Investments in data science - through the partnership with Databricks and investments in growing the Bigtincan data science team
- Investments in network infrastructure to support ongoing onboarding major new global deployments
- Investments in engineering to create the platform for future product releases
- Ongoing investments in sales and marketing to continue Bigtincan's position as one of the leaders in sales enablement automation

The operating expenses include a business combination non-cash adjustment from Xinnovation, Inc. as described in Note 9c of the Interim Financial Report. Excluding this remuneration expense which is a non-cash adjustment of $1.143m the operating expense for the six-month period amounted to $16.009m which is an increase of 44% from 31 December 2018. This is captured within the Product development expense of $5.94m in the consolidated statement of profit or loss for the period ended 31 December 2019.

The company continued to invest in growing the business and during the six months the net loss after tax for the six months ended 31 December 2019 was $3,996,000 (against 31 December 2018 of $1,995,000).

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

Tom Amos
Chairman

Wayne Stevenson
Director

26 February 2020

Sydney

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BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2019

	Note	**31 December 2019 $000**	**31 December 2018 $000**
Revenue	*4(a)*	14,259	9,431
Cost of revenues		(2,067)	(1,175)
Gross Profit		**12,192**	**8,256**
Other income	*4(b)*	**990**	**822**
Sales and marketing expenses		(8,308)	(5,744)
Product development expenses		(5,940)	(3,030)
General and administration expenses		(2,904)	(2,355)
Operating loss		**(3,970)**	**(2,051)**
Finance income		232	469
Finance expenses		(208)	(372)
Net finance income / (expense)		**24**	**97**
Loss before income tax		**(3,946)**	**(1,954)**
Income tax expense		(50)	(41)
Loss for the year after tax		**(3,996)**	**(1,995)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(80)	(33)
Total other comprehensive loss, net of tax		**(80)**	**(33)**
Total comprehensive loss		**(4,076)**	**(2,028)**
Earnings per share (EPS)			
Basic EPS (in cents)	*6(a)*	(1.41)	(0.91)
Diluted EPS (in cents)	*6(b)*	(1.41)	(0.91)

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

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BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	**31 December 2019 $000**	**30 June 2019 $000**
Assets			
Current assets			
Cash and cash equivalents		27,136	25,127
Trade and other receivables		12,371	5,103
Other assets		3,260	2,496
Total current assets		**42,767**	**32,726**
Non-current assets			
Property, plant and equipment		1,163	200
Intangible assets - goodwill	*7(a)*	16,599	7,497
Intangible assets - other	*7(b)*	11,962	5,405
Other non-current assets		385	331
Total non-current assets		**30,109**	**13,433**
Total assets		**72,876**	**46,159**
Liabilities			
Current liabilities			
Trade and other payables		2,979	1,555
Deferred revenue		14,962	9,111
Provisions		634	488
Other current liabilities		5,307	3,074
Total current liabilities		**23,882**	**14,228**
Non-current liabilities			
Deferred tax liabilities		985	985
Deferred revenue		2,891	499
Provisions		59	64
Other non-current liabilities		10	1,807
Total non-current liabilities		**3,945**	**3,355**
Total liabilities		**27,827**	**17,583**
Net assets		**45,049**	**28,576**
Equity			
Share capital		85,484	65,279
Share-based payment reserve		4,756	4,412
Accumulated losses		(45,122)	(41,126)
Foreign currency translation reserve		(69)	11
Total shareholders' equity		**45,049**	**28,576**

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

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BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2019

	Share capital	Share-based payment reserve	Accumulated losses	Foreign currency translation reserve	Total
	$000	**$000**	**$000**	**$000**	**$000**
Balance at 1 July 2018	**49,770**	**3,952**	**(37,041)**	**32**	**16,713**
Loss for the period	-	-	(1,995)	-	(1,995)
Other comprehensive income (net of tax)	-	-	-	(33)	(33)
Total Comprehensive Loss	**-**	**-**	**(1,995)**	**(33)**	**(2,028)**
Transactions with owners of the Group					
Issue of ordinary shares	870	-	-	-	870
Equity settled share-based payments	-	159	-	-	159
Total transactions with owners of the Group	**870**	**159**	**-**	**-**	**1,029**
Balance at 31 December 2018	**50,640**	**4,111**	**(39,036)**	**(1)**	**15,714**
Balance at 1 July 2019	**65,279**	**4,412**	**(41,126)**	**11**	**28,576**
Loss for the period	-	-	(3,996)	-	(3,996)
Other comprehensive income (net of tax)	-	-	-	(80)	(80)
Total Comprehensive Loss	**-**	**-**	**(3,996)**	**(80)**	**(4,076)**
Transactions with owners of the Group					
Issue of ordinary shares	20,205	-	-	-	20,205
Equity settled share-based payments	-	344	-	-	344
Total transactions with owners of the Group	**20,205**	**344**	**-**	**-**	**20,549**
Balance at 31 December 2019	**85,484**	**4,756**	**(45,122)**	**(69)**	**45,049**

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

BIGTINCAN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
For the half-year ended 31 December 2019

	31 December 2019 $000	31 December 2018 $000
Cash flows used in operating activities		
Cash receipts from customers	14,367	7,909
Cash paid to suppliers and employees	(17,538)	(13,679)
Cash used in operations	**(3,171)**	**(5,770)**
Interest received	16	123
Income grant / taxes received	158	785
Net cash from / (used in) operating activities	**(2,997)**	**(4,862)**
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(152)	(105)
Acquisition of intangible assets - others	(1,615)	(792)
Payments for acquisition of subsidiaries	(11,609)	(5,710)
Acquisition of subsidiary - net cash acquired	-	120
Net cash used in investing activities	**(13,376)**	**(6,487)**
Cash flows used in financing activities		
Proceeds from issue of shares	20,070	870
Cost of issue of shares	(1,262)	(20)
Repayment of lease liabilities	(426)	-
Net cash from financing activities	**18,382**	**850**
Net increase/ (decrease) in cash and cash equivalents	**2,009**	**(10,499)**
Cash and cash equivalents at 1 July	25,127	23,782
Cash and cash equivalents at 31 December	**27,136**	**13,283**

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

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1. Reporting Entity

Bigtincan Holdings Limited ("the Company") is a company domiciled in Australia. The address of the Company's registered office is Level 20, 320 Pitt Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the six months ended 31 December 2019 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 2019 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 2019, together with any public announcements made by the Company during the half-year ended 31 December 2019 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 2019.

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 26 February 2020.

<u>(i) Principals of consolidation</u>
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.

<u>(ii) Basis of measurement</u>
The consolidated financial statements have been prepared on the historical cost basis except where stated otherwise.

<u>(ii) Functional and presentation currency</u>
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.

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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

3. Changes in significant accounting policy

The Group has initially adopted AASB 16 from 1 July 2019. A number of other new standards are effective from 1 July 2019 but they do not have a material effect on the Group's financial statements.

AASB 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets, which are recorded in property, plant and equipment, representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments. The Group has applied AASB 16 using the modified retrospective approach. Accordingly, the comparative information presented has not been restated i.e. it is presented, as previously reported, under AASB 117 Leases and related interpretations.

The details of the changes in accounting policies are disclosed below.

(i) Definition of a lease

The Group assesses whether a contract is, or contains, a lease based on the new definition of a lease under AASB 16. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases.

At inception or on reassessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease and non-lease component based on their relative stand-alone prices.

(ii) As a lessee

The Group leases properties, motor vehicles and office equipment. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases.

3. Changes in significant accounting policy (continued)

(ii) As a lessee (continued)

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. office equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group presents right-of-use assets in "property, plant and equipment".

The Group presents lease liabilities separately on the face of the consolidated statement of financial position.

(a) Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.
The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognised.

(b) Transition

At transition, leases classified as operating leases under AASB 117, lease liabilities were measured at present values of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019.

At transition, leases classified as operating leases under AASB 117, right-of-use assets are measured at either:
- their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term; and
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

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3. Changes in significant accounting policy (continued)

(b) Transition (continued)

At transition, for leases classified as finance leases under AASB 117, the carrying amounts of the right-of-use asset and the lease liability at 1 July 2019 were maintained at values recognised immediately before that date.

(iii) Impacts on financial statements

(a) Impacts on transition

On transition to AASB 16, the Group recognised right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

	1-Jul 2019 $000
Right of-use assets recognised in property, plant and equipment	1,315
Lease Liabilities	(1,315)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The average incremental borrowing rate applied is 5.12%.

(b) Impacts for the period

As a result of the application of AASB 16, the Group recognised $1,315,000 of right-of-use assets. The movements during the period ended 31 December 2019 in right-of-use asset balances are described below:

	31-Dec 2019 $000
Right of-use assets recognised in property, plant and equipment	1,315
Depreciation	(442)
Closing Balance	873

As a result of application of AASB 16, the Group recognised $1,315,000 of lease liabilities. The movements during the period ended 31 December 2019 in lease liability balances are described below:

	31-Dec 2019 $000
Lease liability recognised	1,315
Payments	(449)
Unwinding interest on lease liabilities	23
Closing Balance	889

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4. 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 2019:

(a) Operating revenue	31 Dec 2019 $000	31 Dec 2018 $000
Revenue from subscription and support services	13,607	8,559
Revenue from product related professional and contract services	652	872
	14,259	**9,431**

(b) Other income		
Government grants	110	748
Other*	880	74
	990	**822**

**Within Other includes a bargain purchase amount of $876k as shown in Note 9b.*

The Group generates revenue from the following sources:

<u>(i) Subscription and support services:</u> 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.

<u>(ii) Product related professional services:</u> 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 as the services are provided to the customers. Revenue that is not billed at year end is recognised in the consolidated statement of financial position as receivables and included in other current assets. Revenues for product related professional services are recognised at a point in time at which service is transferred.

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.

	2019	2018
Segment revenue	**$000**	**$000**
Subscription and support services	13,607	8,559
Product related professional and contract services	652	872
	14,259	**9,431**
Revenue by location		
Australia	820	644
United States of America	12,889	8,467
Rest of the world	550	320
	14,259	**9,431**
Non-current assets by geographic location		
Australia	17,007	8,529
United States of America	13,083	4,896
Rest of the world	19	8
	30,109	**13,433**
Segment loss before tax	**(3,946)**	**(1,954)**

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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.

	2019 $000	2018 $000
Loss attributable to ordinary shareholders - Basic	**(3,996)**	**(1,995)**
Issued ordinary shares at 1 July	259,937	219,197
Effect of movement in shares during the period	23,259	65
Weighted-average number of ordinary shares at 31 December	**283,196**	**219,262**
Basic earnings / (loss) per share (cents)	**(1.41)**	**(0.91)**

(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.

	2019 $000	2018 $000
Loss attributable to ordinary shareholders - Basic	**(3,996)**	**(1,995)**
Weighted average number of ordinary shares at 31 December (basic)	283,196	219,262
Dilutive effect of share options on issue	-	-
Weighted-average number of ordinary shares (diluted) at 31 December	**283,196**	**219,262**
Diluted earnings / (loss) per share (cents)	**(1.41)**	**(0.91)**

7a. Intangible assets - goodwill

	Note	31 Dec 2019 $000	30 June 2019 $000
Goodwill		16,599	7,497
Goodwill		**16,599**	**7,497**

7b. Intangible assets - other

	Software and IP $000	Licenses $000	Customer list $000	Development Costs (WIP) $000	Total $000
Cost					
Balance at 1 July 2018	819	14	6	-	839
Additions	-	-	-	1,817	1,817
Acquisition through business combinations	2,453	-	831	-	3,284
Disposals	-	-	-	-	-
Balance at 30 June 2019	**3,272**	**14**	**837**	**1,817**	**5,940**
Balance at 1 July 2019	3,272	14	837	1,817	5,940
Additions	-	-	-	1,615	1,615
Acquisition through business combinations	4,713	-	626	-	5,339
Disposals	-	-	-	-	-
Balance at 31 December 2019	**7,985**	**14**	**1,463**	**3,432**	**12,894**
Accumulated amortisation					
Balance at 1 July 2018	197	5	4	-	206
Amortisation expense	232	2	95	-	329
Disposals	-	-	-	-	-
Balance at 30 June 2019	**429**	**7**	**99**	**-**	**535**
Balance at 1 July 2019	429	7	99	-	535
Amortisation expense	296	1	100	-	397
Disposals	-	-	-	-	-
Balance at 31 December 2019	**725**	**8**	**199**	**-**	**932**
Carrying value					
At 30 June 2019	**2,843**	**7**	**738**	**1,817**	**5,405**
At 31 December 2019	**7,260**	**6**	**1,264**	**3,432**	**11,962**

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8. Related Parties

(i) 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 2019 the KMP for the Group were as follows:

Tom Amos	Independent Non-Executive Chairman
Wayne Stevenson	Independent Non-Executive director
John Scull	Non-Executive Director
David Keane	Chief Executive Officer and Executive Director

Key management personnel compensation

Key management personal compensation comprised the following:	**2019** **$000**	**2018** **$000**
Short-term employee benefits	385	350
Post-employment benefits	4	3
Termination payment	-	-
Share based payments	-	-
	389	**353**

Short-term employee benefits
These amounts include fees paid to independent and executive Directors including salary and cash bonuses.

Post-employment benefits
Amounts of superannuation contributions during the half-year.

Share-based payments
Amounts of expense related to the equity-settled benefit schemes as measured by the fair value of the shares granted on grant date.

Loans to key management personnel (KMP)
At 31 December 2019, there are no loans outstanding to / from KMP (2018: $Nil).

A number of Key Management Personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies. A number of these companies transacted with the Group during the half-year. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

8. Related Parties (continued)

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 December 2019	Ownership interest June 2019
Subsidiaries of Bigtincan Holdings Limited:			
- Bigtincan Mobile Pty Limited	AUS	100%	100%
- Fatstax LLC	USA	100%	100%
- Zunos Technologies Pty Ltd	AUS	100%	100%
- Asdeq Labs Pty Ltd	AUS	100%	-
- Asdeq Software Pty Ltd	AUS	100%	-
Subsidiaries of Bigtincan Mobile Pty Limited			
- BTC Mobility LLC	USA	100%	100%
- Bigtincan UK Ltd	UK	100%	100%
- BTCHubApp#41	AUS	100%	100%
Subsidiaries of Zunos Technologies Pty Ltd			
- Zunos Pty Ltd	AUS	100%	100%
- Zunos Inc.	USA	100%	100%
- CORE Search Technology Pty Ltd	AUS	100%	100%
Subsidiaries of BTC Mobility LLC			
- Xinnovation, Inc	USA	100%	-

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9. Business combinations

9a. Acquisition of Veelo, Inc

On 19 July 2019 the Group acquired Veelo Inc. (Veelo). This business was acquired through an asset purchase agreement, not a share purchase agreement and is accounted for as a business combination in accordance with AASB3 *Business Combinations.*

The acquisition is expected to provide the Group with increased synergies to the existing Bigtincan Hub. The Group also expects to reduce costs through economies of scale.

In the five months from 19 July 2019 to 31 December 2019, Veelo contributed revenue of $608 thousand and loss of $547 thousand 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 recognised as of that date.

	Fair value at acquisition date $000
Cash and equivalents	69
Trade and other receivables	124
Fixed assets	18
Other assets	29
Trade and other payables	(176)
Unearned revenue	(768)
Other liability	(90)
Identifiable intangibles	
- Software	1,036
- Customer contracts and relationships	217
Net identifiable assets acquired	459
Cash consideration	2,548
Goodwill recognised on acquisition of Veelo, Inc	2,089

Purchase consideration

The Group has agreed to pay the selling shareholders cash payments totalling to US$1.8m.

Acquisition-related costs

The Group incurred acquisition-related costs of $206 thousand relating to external legal fees and due diligence costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

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9. Business combinations (continued)
9b. Acquisition of Asdeq Labs Pty Ltd

On 4 September 2019 the Group acquired 100% of the shares and voting interests of Asdeq Labs Pty Ltd (Asdeq).

The acquisition is expected to provide the Group with increased synergies to the existing Bigtincan Hub. The Group also expects to reduce costs through economies of scale.

In the four months to 31 December 2019, Asdeq's contributed revenue and other income of $369 thousand and loss of $30 thousand 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 recognised as of that date.

	Fair value at acquisition date $000
Cash and equivalents	4
Trade and other receivables	19
Fixed assets	9
Trade and other payables	(6)
Other liability	(129)
Deferred revenues	(229)
Intangibles - Software	1,666
Net identifiable assets acquired	1,334
Cash consideration	458
Bargain purchase of Asdeq Labs Pty Ltd	(876)

Purchase consideration

The Group has agreed to pay the selling shareholders an acquisition price which is approximately $490,000 less debt and subject to a working capital adjustment.

Acquisition-related costs

The Group incurred acquisition-related costs of $84 thousand relating to external legal fees and due diligence costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

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9. Business combinations (continued)
9c. Acquisition of Xinnovation, Inc (XINN)

On 3 October 2019 the Group acquired 100% of the shares and voting interests of Xinnovation, Inc (XINN).

The acquisition is expected to provide the Group with increased synergies to the existing Bigtincan Hub. The Group also expects to reduce costs through economies of scale.

In the three months to 31 December 2019, XINN's contributed revenue of $882 thousand and loss of $18 thousand 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 performance-based milestones that form part of consideration, and 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 recognised as of that date.

	Fair value at acquisition date $000
Cash and equivalents	19
Trade and other receivables	1,170
Fixed assets	4
Other assets	17
Trade and other payables	(595)
Unearned revenue	(1,230)
Other liability	(142)
Identifiable intangibles	
- Software	2,010
- Customer contracts and relationships	410
Net identifiable assets acquired	1,663
Cash consideration	6,534
Deferred consideration	745
Shares issued in business combination	1,397
Total consideration	8,676
Goodwill recognised on acquisition of Xinnovation, Inc	7,013

Purchase consideration

The Group has agreed to pay the selling shareholders amounts as follows:

- An up-front cash payment of US$4,500,000 on the closing of the transaction, subject to adjustment for working capital, indebtedness and transaction expenses.
- A second payment of US$500,000 due on or before the first anniversary of Closing, subject to set-off of any amounts owed by the Sellers to Bigtincan.
- The third consideration which is shares in Bigtincan with an aggregate value of US$2,500,000, based on the volume weighted average price per share as reported on the ASX for thirty trading days immediately prior to Closing.
- In addition, 2 key executives of Xinn are eligible to receive an incentive bonus, capped at US$4,500,000 calculated as 3 times the annual recurring revenue of Xinn as at 31 December 2019 less US$7,500,000 ("Incentive Bonus"). This also forms part of remuneration expense, however it was unlikely that this milestone will be achieved as at 31 December 2019, thus no liabilities have been recognised.

9. Business combinations (continued)

9c. Acquisition of Xinnovation, Inc (XINN) (continued)

As part of the third consideration, the 62.5% of the shares (being the shares issued to 2 key executives) will be subject to voluntary escrow restrictions for 12 months and subject to forfeiture if the executive voluntarily leaves the employment of Bigtincan without 'good reason' or if the executive is terminated by Bigtincan for 'cause' or against warranty claims under the stock purchase agreement. A forfeiture clause was embedded in the subscription agreement, and the 62.5% shares is considered a remuneration expense under AASB 2 *Share Based Payments* which will be recognised over the 6-month period from the acquisition date. This does not form part of the purchase price consideration and therefore the Group recognised remuneration expense of $1.14m. This is captured as Product development expense in the consolidated statement of profit or loss for the period ended 31 December 2019.

Acquisition-related costs

The Group incurred acquisition-related costs of $255 thousand relating to external legal fees and due diligence costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

10. 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.

11. 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.

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.

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

a. The consolidated financial statements and notes that are set out on pages 7 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 2019 and of its performance for the six months 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, this 26th day of February, 2020.

Mr Thomas Amos	Mr Wayne Stevenson
Chairman	*Director*

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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 2019 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

Stephen May

Partner

Sydney

26 February 2020

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Independent Auditor's Review Report

To the shareholders of Bigtincan Holdings Limited

Report on the Interim Financial Report

Opinion

We have reviewed the *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 2019 and of its financial performance for the half-year *period* ended on that date; and
- complying with *Australian Accounting Standards AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The *Interim Financial Report* comprises:

- Consolidated statement of financial position as at 31 December 2019
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 12 including a summary of significant accounting policies
- Directors' Declaration.

The *Group* consists of the Bigtincan Holdings Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year *period*.

Responsibilities of the Directors for the Interim Financial Report

The Directors are responsible for:

- preparing the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- 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.

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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. 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 Group's financial position as at 31 December 2019 and its performance for the half-year 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 a half-year 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.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Stephen May

Partner

Sydney

26 February 2020