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BIGTINCAN HOLDINGS LIMITED

30 JUNE 2020

2020 ANNUAL REPORT

ABN: 98 154 944 797



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Chairman's Report

Chairman's Report

Dear Shareholder,

On behalf of the Board of Directors, it is my pleasure to present the 2020 Annual Report for Bigtincan Holdings Limited (ASX: BTH), our third full year as an ASX listed entity.

FY20 was an eventful year for Bigtincan Holdings as a Group with the impact of Covid-19, the continued growth and expansion across a number of markets and the completion of three acquisitions. Throughout this year, the Group delivered a solid financial result for our shareholders, with total revenue increasing to \$31m (up 56% on FY19), adjusted EBITDA loss of (\$6.7m) up from the adjusted EBITDA loss of (\$2.8m) in FY19, and a strong cash position of \$71.4m as at 30 June 2020 (FY19 25.1m).

For the financial year 2020, Annualised Recurring Revenue (ARR) rose to \$35.8m which was \$12.4m (53%) higher than at 30 June 2019. ARR growth was largely driven from previous investments made by the Group in building out the sales and marketing capability resulting in the winning of significant new customer opportunities and the expansion of existing arrangements. The technology team also delivered a large number of new capabilities in the year satisfying the needs of new and existing customers. MRR retention rate increased to 89%, up from 87% a year earlier. In addition, revenue was positively impacted by the three acquisitions completed during the year. These acquisitions (Veelo Inc in July 2019, Asdeq Labs Pty Ltd in September 2019, and Xinnovation Inc in October 2019) added new technology, skilled people, new vertical and systems capability to Bigtincan. These acquisitions are now fully integrated into the Bigtincan product offering.

This is an exciting time for the Global Sales Enablement market, and for Bigtincan in particular. This year we have continued to expand our sales capability focused on acquiring new high-profile customers and expanding on existing customer relationships. We have continued to expand relationships with partners and now our Channel partner network extends across 4 continents with 28 partners focused on offering solutions in key verticals.

During FY20, Bigtincan continued to deliver on its priority of innovation in product development, releasing over 100 versions of software across the platforms, and adding strategic new technologies. We have continued to be a leader in the use of data science upskilling our support and development infrastructure to help our customers empower their teams.

Since February 2020, the Group has been proactively managing its response in relation to Covid-19. The Group implemented its pandemic plan aimed at reducing exposure to employees, manage potential cases of Covid-19 within the business (should they arise) and addressing the operational changes required to maintain business continuity. We are pleased to report that notwithstanding the global and dispersed nature of our operations, all parts of the business have been effectively working remotely since March 2020, with no impact to customer service levels. We have not seen any cancellation of material contracts, or issues with non-payment of licencing fees. Despite the challenges of the current environment, the pipeline of opportunities remains strong.

BIGTINCAN HOLDINGS LIMITED

CHAIRMAN'S REPORT | For year ended 30 June 2020

In September 2019, the company successfully completed the institutional placement of \$20m to acquire Xinnovation Inc. In May 2020, the company also successfully raised gross proceeds of \$42.5m through a combination of an institutional placement and a retail share purchase plan. This additional capital is targeted towards providing additional capacity to accelerate investment in the business as well as positioning it to take advantage of opportunities in the evolving Sales Enablement Software market.

Finally, on behalf of the Board I would like to thank you, our shareholders, for your interest and continued support. We respect the trust you place in us and everyone across the Bigtincan Group as we build the business with the aim of achieving long-term shareholder value.



Tom Amos
Chairman

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Chief Executive Officer's Report

Chief Executive Officer's Report

The 2020 financial year has been another strong year in progressing our investment objectives, enhancing our product suite, and expanding our sales force and channel partner programs to deliver record growth in our subscription portfolio, particularly with larger enterprise customers.

Bigtincan is a leading provider of software that continues to change the way people with customer facing sales and service jobs, prepare, present, collaborate on and share content to make them more effective when in front of a customer. Bigtincan software helps users to win more deals and improve the productivity of sales and service using new software platforms including machine learning and AI to transform the way that sales executives work.

FY20 Financial Performance Overview

For the 12 months to 30 June 2020, total revenue from ordinary activities was \$31m, representing a growth rate of 56% from FY19. Revenue from subscription and support services of \$29.5m accounted for 95% of total revenue and is a key measure of the business. During the year gross margin reduced from 88% to 85%.

The Group made a loss after tax of \$12.2m compared to a loss after tax of \$4.1m in the prior year. The loss is a result of continued investment in developing the products that Bigtincan brings to market, support resources to focus on delivering customer success and infrastructure required to grow and support the customer base.

Operating expenses which exclude finance, depreciation, amortisation and interest increased by 65% over the prior year and this was a result of investments in additional sales resources, marketing activities to promote the Bigtincan solution and geographical expansion. Also, during the year Bigtincan increased investments in development costs to accelerate product enhancements.

FY20 Operational Review

During FY20 Bigtincan continued to deliver on its priority of innovation in product development, releasing over 100 versions of software across the platforms, and adding strategic new technologies including;

- Pitch Builder to create dynamic pitches from mobile devices and Desktop computers.
- Manager Dashboard to empower managers to gain deeper insights into team progression.
- Smart sharing with HubShare Dashboard giving users direct access to how their shares are performing with customers.
- Dynamic caching with the launch of Bigtincan Accelerate to improve performance across congested networks.
- Bigtincan 3D offering Augmented Reality (AR) and Virtual Reality (VR) capabilities to improve the effectiveness of customer facing staff when engaging their customers.

On the Channel partner front, Bigtincan continued to focus on developing relationships with existing partners and investing in training and support programs to help deepen existing relationships.

In addition, as part of the strategy to continue to add additional value to the Bigtincan solution for enterprise customers, the Group announced and completed the acquisitions of Veelo, Asdeq and Xinnovation.

Bigtincan raised \$20m in September 2019 as part of an acquisition focused capital raising program and \$42.5m in May 2020 to ensure that the Group was well placed for the impact of the pandemic and to be able to take advantage of opportunities for Mergers and Acquisitions (M&A) and other strategic actions. As a result of these activities the Group has a strong balance sheet and is well funded to execute its plans in FY21 and beyond.

The Group continued to invest in the technology team to design and build the product. We see this investments as important to creating the future products that will power ongoing growth. We also increased our investment in the User Interface/User Experience (UI/UX) team we call the Office of Design based in New York City who are differentiating our solution by creating the professional experiences our customers value.

The Group grew staff resources in FY20 by 54% to 160 employees through both organic growth and acquisition.

And over the last twelve months the Group continued to work with lighthouse customers who are making long term commitments to a new way of working using Bigtincan software that truly embraces digitisation and mobility. During the year we announced \$14m of Total Contract Value wins with global leaders in disparate market sectors, demonstrating the appeal of Bigtincan solutions across diverse industry sectors.

These developments in FY20 have been integral to our ongoing strategy to create a substantial Sales Enablement software company and add long term shareholder value to the business.

Outlook

The Sales Enablement market continues to exhibit growth with increased focus across the market on digitisation and mobility. Bigtincan's strategic plan for FY21 is based around four pillars that will drive growth outcomes for the Group.

1. Continue to win new customers in the market;
2. Deliver upsell to existing customers - the Bigtincan land and expand model;
3. Make the ongoing investments in innovation that are needed to stay as a main player and to grow our focus on digital and mobility; and
4. Use strategic, targeted M&A, to support the organic growth engine.

Conclusion

FY20 was an important year for Bigtincan as we achieved key operational goals, grew our market presence globally, completed three important acquisitions that added strong benefits to our technology stack, and continued to be a significant player the market in one of the faster growing spaces in enterprise software.

I would like to thank the entire global Bigtincan team for their dedication and commitment through what has been such a challenging year. I remain incredibly excited about the future of our Group as we continue to grow and execute globally.



David Keane
Chief Executive Office

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Operating and Financial Overview

Operating and Financial Overview

About Bigtincan

Bigtincan (ASX:BTH) is a software development company, which listed on the Australian Securities Exchange in March 2017. Bigtincan's software as a service (SaaS) application platform is known as "Bigtincan Hub" and has been conceived, designed and delivered with a focus on the Sales Enablement software market. Bigtincan Hub is a secure, artificial intelligence powered solution for mobile workforces that enables sales and service organisations and their employees to better engage and win with customers.

Bigtincan is an international business with its registered head office in Sydney Australia. The global go-to-market is led from Boston, Massachusetts, USA, with sales resources throughout the USA, and in Tokyo, London, and Sydney. Research and development is centered in Sydney and supported by development centers in Tasmania, Glasgow, Tel Aviv, Portland, Atlanta, Indiana, and

Singapore. Corporate and finance functions are based in Sydney.

Bigtincan products are now used by a growing number of the world's leading companies in over 50 countries and across 23 languages.

Key Operational Metrics

Bigtincan uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS). These measures are collectively referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by the Australian Securities and Investment Commission (ASIC). These include Annualised Recurring Revenue (ARR) and Monthly Recurring Revenue (MRR) Retention Rate.

Key Operational Metrics	FY2020	FY2019	Variance
ARR end of period	\$35.8m	\$23.4m	53%
Gross profit margin	85%	88%	(3%)
MRR retention rate	89%	87%	2%

ARR is a key value measure for a Software as a Service (SaaS) business such as Bigtincan and relates to product subscriptions and support services. At 30 June 2020, ARR was \$35.8m an increase of 53% on the ARR as at end of FY19 reflecting the growth in contracted, recurring annualised revenue. This was primarily due to new customers adopting the Bigtincan platform as well as expansion within our existing customer base. This “land and expand” approach is an important part of the Group’s strategy allowing for faster customer penetration followed by growth in services post original take up. Key reasons behind the increase in organic revenues were:

- Continued sale and deployment of Bigtincan Hub into enterprise customers;

- Launching of new features in mobile content enablement applications to complement Bigtincan services;
- Improving and strengthening integration of the Bigtincan mobile content platforms; and
- Addition of new products for guided selling, predictive content and technical innovation

The business also generated \$3.1m in ARR from acquired businesses throughout FY20.

The Monthly Recurring Revenue (MRR) retention rate for FY2020 improved slightly over the year from 87% to 89%. This is due to the investments the Group is made in customer care and its retention program.

Financial Summary

	2020	2019
	\$000	\$000
Results from Core Operations		
Revenue from subscription and support services	29,455	18,736
Revenue from product related professional and contract services	1,551	1,146
Total Operating Revenue	31,006	19,882
Cost of revenue	4,772	2,426
Operating Gross Profit	26,234	17,456
<i>Gross margin</i>	<i>85%</i>	<i>88%</i>
Total Operating Expenses	37,860	22,974
<i>Percentage of total operating revenue</i>	<i>122%</i>	<i>116%</i>
Operating Loss	(10,131)	(3,587)
<i>Percentage of total operating revenue</i>	<i>(33%)</i>	<i>(18%)</i>
Net Loss after Tax	(12,206)	(4,085)
<i>Percentage of total operating revenue</i>	<i>(39%)</i>	<i>(21%)</i>

	2020	2019
	\$000	\$000
Adjusted EBITDA		
Loss before income tax	(12,132)	(3,999)
EBITDA	(10,131)	1,146
Adjusted for the removal of various non-cash, one-time, irregular, and non-recurring items:		
Bargain purchase adjustment	(876)	-
Remuneration arising from business combination	2,286	-
Acquisition costs	785	325
Share based payments	1,201	460
Adjusted EBITDA*	(6,735)	(2,802)

**Includes adjustments for foreign currency and one-off items above*

During the period, the Group grew Total Operating Revenue by 56% from \$19.9m in 2019 to \$31m with subscription and support revenue increasing by 57% increasing from \$18.7m in FY19 to \$29.5m in FY20. This growth in revenue reflected the Group's focus on optimising pricing and building a sustainable subscription-based model with our customers.

Total Operating Revenue

The increase in operating revenue reflects the good progress made in:

- Acquiring new customers during the year and growth in the existing customer base;
- Enhancing Bigtincan's product suite by expanding capabilities and software releases across all platforms (IOS, Android, Web); and
- Completing strategic acquisitions during the FY20 period.

Cost of Revenue and Operating Gross Profit

Cost of revenue comprises expenses associated with hosting, providing customer support, operations personnel and related costs and contractor fees relating to project specific software activities.

The cost of revenue increased slightly from the prior period, mainly driven by the additional customer volume reflected in the revenue growth of 56%. The gross profit margin reduced from 88% to 85% due to the integration

of the acquisitions and the increased hosting costs associated with the license adoption over the period.

Operating Expenses

Operating expenses grew by 65% to \$37.9m for the year primarily as a result of investment in:

- Customer success resources to provide industry leading customer support;
- Data science;
- Network infrastructure to support ongoing onboarding major new global deployments; and
- Engineering resources to create the platform for future product releases.

Within the operating expenses includes a business combination adjustment from the Xinnovation, Inc. acquisition of \$2.3m (note 23).

Net Loss After Tax

The Group continued to invest in growing the business with the Group making a loss after tax of \$12.2m in FY20 compared to \$4.1m in FY19. After adjusting for non-recurring and acquisition items, Adjusted EBITDA was a loss of \$6.7m for FY20 an increase of \$3.9m from the Adjusted EBITDA loss of \$2.8m in FY19.

Risks

The Group operates in a competitive marketplace and consequently faces a number of risks. The risks identified below are considered the more significant risks and are not an exhaustive list of all risks faced by the Group.

Bigtincan Operates in a Competitive Industry

The financial performance of Bigtincan is heavily dependent on the strength of the sales enablement and mobile content industry. This market remains attractive and is highly competitive with a number of companies operating in this market ranging from large multi-national software companies to local operators in specific markets. A failure by Bigtincan to effectively compete with current and new competitors may adversely affect the Company's future financial performance and position.

Failure to Retain Existing Customers and Attract New Customers

Bigtincan's business is dependent on its ability to retain its existing customers and attract new customers. The Company's business operates under various subscription models, all of which are exposed to the risk of cancellation, expiry, and non-renewal. In addition, failure to meet customer expectations through poor customer service, technology disruptions, or pricing may adversely affect future operating and financial performance and reputation.

Reliance on a Single Product

While Bigtincan's business model and product set has expanded it remains heavily reliant upon a single product, being Bigtincan Hub. Bigtincan's ongoing success depends on its ability to continue to invest in and develop the Bigtincan Hub. Inability to continue this development may result in reduced sales and usage, loss of customers and an inability to attract new customers.

Disruption or Failure of Technology Systems

Bigtincan and its customers are dependent on the performance, reliability, and availability of the Company's technology platforms, data centres and global communications systems to store and transmit customer's confidential and proprietary information. There is a risk that these systems may be adversely affected by disruption, failure, service outages security breaches of customer data or data corruption, which could potentially lead to significant disruption to the business and operations and a loss of confidence by customers, or legal claims,

In addition, any security or data issues experienced by other cloud software companies globally could adversely impact trust in cloud solutions generally and could adversely affect Bigtincan's ability to host customers on its cloud platform.

Reliance on Third Party IT Suppliers

Bigtincan relies on a number of third-party suppliers to maintain and support Bigtincan Hub, its telecommunications facilities and its hosting infrastructure. If the contracts with these parties are terminated or there is a disruption for any reason in the provision of these services or software, Bigtincan's future financial performance and position may be adversely affected.

Expansion of Bigtincan's International Footprint may not Achieve Intended Goals

A significant part of Bigtincan's growth strategy is its goal to significantly grow its presence in overseas markets. The Company's growth plans are subject to a number of risks and may be inhibited by unforeseen issues particular to a territory or the need to invest significant resources and management attention to the expansion. Should the desired level of return on its international business not be achieved Bigtincan may failure to achieve the revenue growth underpinning its future financial performance.

Macro Economic Factors

The Company's ability to retain and renew existing contracts and win new contracts may also be impacted by broader external factors including a slowdown in economic activity, changes to law or changes to the regulation of the internet and e-commerce generally. If Bigtincan fails to adapt to these changes and retain existing customers, attract further business from existing customers and attract new customers, the Company's future financial performance and position may be adversely affected.

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Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Bigtincan Holdings Limited (the Company) and its controlled entities for the financial year ended 30 June 2020 and the auditor's report thereon. The information set out below is to be read in conjunction with the Operating and Financial Review which forms part of this Director's report.

1. Board of Directors

The Directors of the Company during or since the end of the financial year were:

- **Tom Amos** – Chairman – Independent Non-Executive Director
- **Wayne Stevenson** – Independent Non-Executive Director
- **John Scull** – Non-Executive Director
- **David Keane** – Executive Director

2. Information on Directors

Tom Amos – Independent Chairman

Mr Tom Amos is an Independent Non-Executive Director of Bigtincan and Chairman of the Board. He is also Managing Director of emerging digital presence company dLook Pty Ltd and a Director of Ambertech Ltd (ASX:AMO). Mr Amos also holds the patent for the dLook cross media multichannel marketing systems. He has a BE (Electrical Engineering) from The University of Sydney.

Mr Amos actively develops private technology companies to grow and gain access to resources offered by public markets both in Australia and internationally. In this capacity Mr Amos was a founding and long-term independent director of Macquarie Bank's Macquarie Technology Ventures Pty Ltd.

Mr Amos was previously Managing Director and Partner of Amos Aked Swift Pty Ltd, FlowCom Ltd and Director of a number of public and private companies in the content, digital services, radio and telecommunications sectors. Mr Amos was also a long-term Director and Vice Chair of Australian Telecommunications User Group Ltd, the public organisation that was formed by industry to improve communication services in Australia and which led to the deregulation of telecommunication services.

Mr Amos has over thirty years of intense involvement and management in the telecommunications, publishing, and related digital technology industries, through a period of unprecedented technological and regulatory change. As a company director, professional engineer, entrepreneur, businessman and strategic adviser to industry and government, Tom Amos has been at the leading edge of those changes.

Wayne Stevenson – Independent Non- Executive Director

Mr Stevenson joined the Board of Bigtincan in October 2016, bringing strong expertise in the financial services industry. He has over 35 years' experience in banking and financial services where he held a number of senior positions with ANZ Banking Group including various CFO roles over a period of 15 years involving significant acquisitions, restructures and divestments.

Mr Stevenson's board credentials are primarily from financial services organisations across Australia and Asia Pacific. His other current Non-Executive Director roles comprise Credit Union Australia Ltd, ANZ Lenders Mortgage Insurance Ltd, Cuscal Ltd and Mediaworks Holdings Ltd. Mr Stevenson has a BCom in Accounting, is a Chartered Accountant and Fellow of the Australian Institute of Company Directors.

John Scull – Non-Executive Director

Mr Scull, based in Palo Alto, California, is the co-founding Managing Director of Southern Cross Venture Partners, a technology focused venture capital firm. He currently serves on the board of directors of a number of privately held companies. Prior to becoming a venture capitalist, he was a marketing executive at Apple and then served as the CEO of 3 venture capital backed software companies in the San Francisco Bay area. John holds a BBA. in Economics from the University of Oklahoma, and an MBA from Harvard University.

David Keane – Chief Executive Officer & Executive Director

David started in the networking and communications market with Utah and California-based Novell running Asian marketing for Boston-based Wellfleet Communications, Inc. then grew the business for California-based Xylan Corp. in Australia and New Zealand.

Subsequently, David founded Veritel Wireless Pty Ltd which grew within three years to be one of the largest providers of wireless internet in Australia. Veritel was then sold to BigAir Australia Pty Ltd (now Superloop Ltd) on its path to ASX-listing.

David was a pioneer in the mobile applications sector starting in 2008 with the release of the first iPhone SDK and oversaw the development, promotion and expansion of heavily downloaded apps including BuzzMe and AdFree.

Now with Bigtincan, David is taking his experience in enterprise and adding his knowledge of how mobility works to drive the mobile productivity revolution, with a goal of helping workers all over the world to make the most of their mobile device.

3. Directors' Meetings

The number of directors' meetings (including committees of the Directors) held while each Director was in office and the number of meetings attended by each Director:

	Board Meetings		Audit and Risk Committee Meetings		Remuneration and Nominations Committee Meetings	
	A	B	A	B	A	B
Director						
Tom Amos	16	16	4	4	2	2
David Keane	15	16	-	-	-	-
John Scull	14	16	-	-	2	2
Wayne Stevenson	15	16	4	4	2	2

A: Number of meetings attended

B: Number of meetings held during the time the director held office during the year

4. Committee Membership

As at the date of this report, the Company had the following committees:

Audit and Risk Committee

Wayne Stevenson (Chairman)
Tom Amos

Remuneration and Nominations Committee

Wayne Stevenson (Chairman)
Tom Amos
John Scull

5. Company Secretary

Mark Ohlsson was appointed to the position of Company Secretary in January 2012. He has been a Company Secretary or Director of a number of ASX listed companies and his experience spans a wide range of industries. He has been involved in business management and venture capital for over 40 years and has advised numerous companies in corporate finance and other regulatory matters.

6. Director's Interests

The relevant interest of each director in the share capital as at the date of this report is as follows:

Director	Ordinary Shares
David Keane	23,015,472
John Scull	6,925,568
Tom Amos	373,304
Wayne Stevenson	403,433

7. Principal Activities

Bigtincan is a recognised global leader in the rapidly growing sales enablement market.

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.

There were no other significant changes in the nature of the activities of the Group during the year.

8. Result of Operations

A description of the Company's operations, business model, material business risks, sources of funding, review of financial performance and position, and prospects are detailed in the Operating and Financial review on pages 9-13.

9. Dividends

Bigtincan Holding Limited has not paid, recommended, or declared dividends for the year ended 30 June 2020 (2019: nil)

Shareholder returns	2020	2019
Loss attributable to owners of the company	(\$12,206,000)	(\$4,085,000)
Basic and diluted loss per share	(4.03)	(1.79)
Dividend paid	Nil	Nil
Dividend per share	Nil	Nil

10. Significant Changes in the State of Affairs

- On 19 July 2019, Bigtincan completed the acquisition of Veelo Inc;
- On 4 September 2019, Bigtincan completed the acquisition of Asdeq Labs Pty Ltd;
- On 3 October 2019, Bigtincan completed the acquisition of Xinnovation Inc;
- On 30 September 2019, the Company announced the successful completion of a \$20 million institutional share placement of new fully paid ordinary shares of 37 million at a price of \$0.54 per share; and
- On 21 May 2020, the Company announced a successful placement of \$35 million for the new issue of 52,238,806 at a price of \$0.67. Also, a successful Share purchase plan of \$7.5m for the new issue of 11,191,365 at a price of \$0.67

11. Coronavirus (COVID-19) Pandemic

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020 in recognition of its rapid spread across the globe. The rapid rise of the virus has seen an unprecedented global response by governments, regulators, and numerous industry sectors.

The impact of COVID-19 pandemic is on-going, and it is not practicable to estimate the potential impact after the reporting date. There has been no material impact to the Group's financial performance or position, results of operations or cash flows arising from the pandemic from the end of the reporting period to the date of this report. The situation is ongoing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

12. Matters Subsequent to The End of The Financial year

At the date of this report no matters or circumstances which have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in the future financial years.

13. Likely Developments

The Group will continue to undertake its principal activities and seek further opportunities to add product and resource capability during the next financial year including by acquisition. The Directors do not anticipate any development in the operations of the Group that will negatively affect the result in subsequent years.

The Directors are not aware of other circumstances or matters that will significantly affect the operations and future results of the Group other than the developments that have been outlined in this report and the Operating and Financial review.

14. Environment Regulation

The Group is subject to environmental laws and regulations, which vary depending on the jurisdiction of the location of operations. The Group has policies and procedures in place to ensure compliance with all environmental laws and regulations applicable to it. The directors are not aware of any material breaches of environmental regulations during the financial year.

15. Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

16. Indemnification and Insurance of Officers

The Company, to the extent permitted by law has indemnified the Directors and Officers of the Company on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or of a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for a contract insuring each Director and executive officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including for negligence or for reasonable costs and expenses incurred by that person in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

No amount was paid under these indemnities during or since the financial year ended 30 June 2020.

17. Indemnification of Auditors

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

18. Non-audit Services

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

19. Auditor Independence Declaration

As required under section 307C of the *Corporations Act 2001*, a copy of the auditor's independence declaration combined with the independent auditor's report.

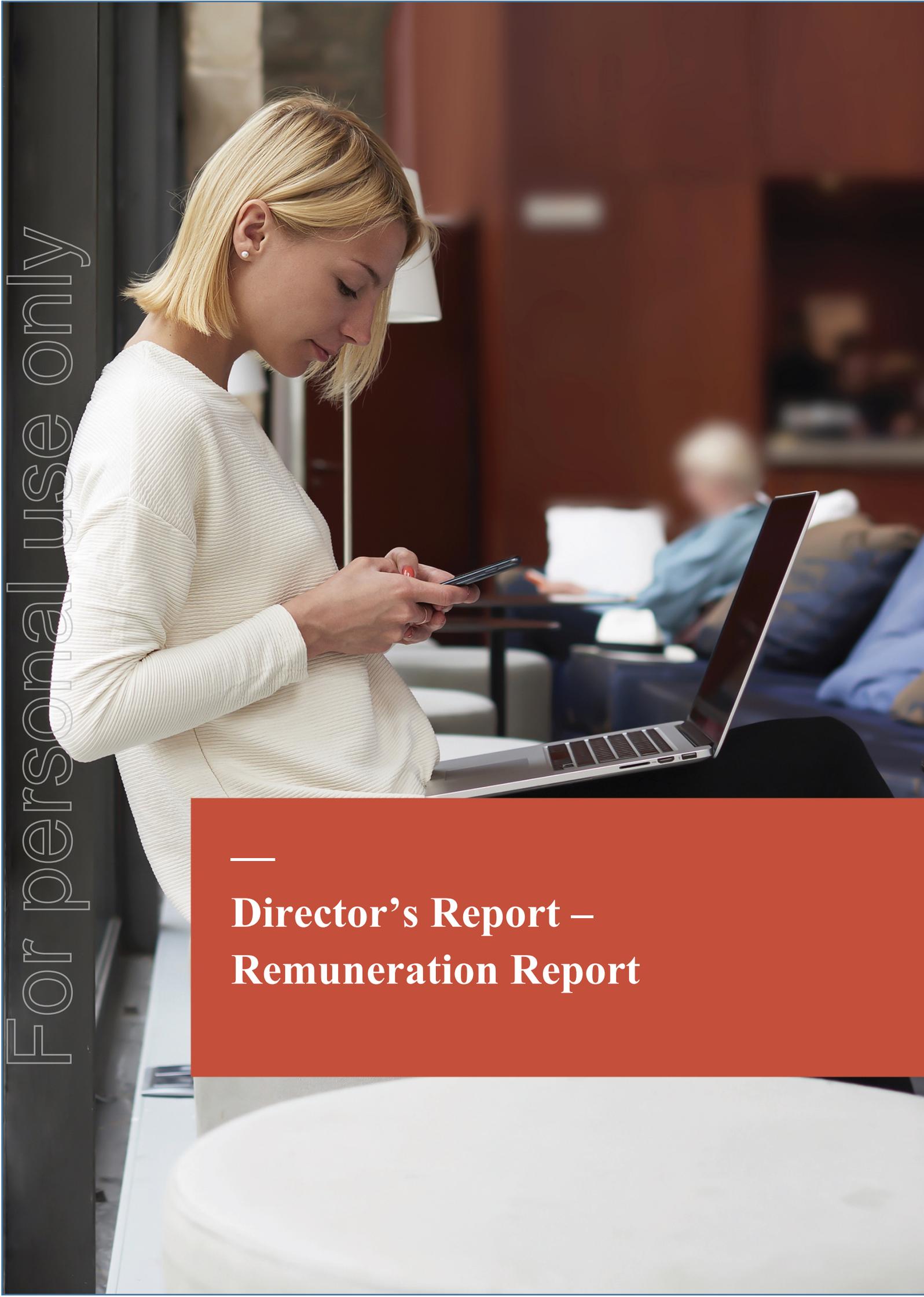
20. Corporate Governance Report

The Company has included its report on compliance with the principles for 30 June 2020 in the Corporate Governance section of the investor section on the Bigtincan website (<https://www.bigtincan.com/company/investors/corporate-governance/>). This is allowed under the ASX Corporate Governance Principals and Recommendations (third edition).

21. Rounding of Amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, in accordance with Instrument 2016/191 issued by Australian Securities and Investments Commission (ASIC).

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Director's Report – Remuneration Report

Remuneration Report (audited)

Message from the Chair of the Remuneration and Nominations Committee

On behalf of the Board, I am pleased to present the Bigtincan Limited Remuneration Report for the 2020 financial year.

The Board believe that an appropriately structured remuneration framework underpins a strong performance-based culture and assists in driving shareholder returns. The Group's remuneration framework has been structured to link remuneration with the Group's key business strategies and performance drivers and deliver alignment between executive remuneration and the delivery of sustainable shareholder returns.

During the year. The Board has engaged with independent external remuneration consultants Godfrey Remuneration Group (GRG) to benchmark executive remuneration, comparing it to similar sized entities and comparable companies. The resulting remuneration framework, which is being progressively implemented, has been specifically structured to link remuneration with the company's business strategy and drivers, ensuring greater alignment between executive remuneration and the delivery of sustainable shareholder returns.

The following key principles underpin the framework:

- Alignment of executive performance with the creation of sustainable value for shareholders;
- Delivery of market competitive remuneration to assist the Company to attract and retain talent;
- Motivation and retention of executives through a mix of fixed and variable (at risk) pay;
- Behaviour alignment consistent with the Group's values and culture; and
- Simple, clear, and transparent processes and documentation which is easily understood by participants and stakeholders.

The remuneration framework comprises the following three elements:

- Fixed remuneration positioned at the median of listed organisations of similar size and complexity;
- Short term incentives (STI) designed to drive performance over a twelve-month period relative to pre-determined Key Performance Indicators linked to our strategy; and
- Long term incentives (LTI) designed to recognise the creation of long term shareholder value.

Consistent with market practice, a significant proportion of the remuneration of senior executives is at risk and is not payable if key pre-determined performance criteria are not satisfied. An integral part of this change has been to progressively improve and modify the remuneration and performance management framework. These improved processes have been well received by all staff subject to the changes.

For 2020 the Board identified the following key activities as integral to delivering on our business strategy:

- Financial performance – particularly growth in Annualised Recurring Revenue (ARR);
- Enhancement of the Bigtincan product suite in accordance with the product roadmap;
- Expansion of the go-to-market sales capacity and capability; and
- Successful completion and integration of acquisitions.

This past year has been a busy one for the Group with solid performances across a range of activities including:

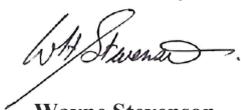
- Revenue growth of 56% to \$31m together with a 53% growth in ARR to \$35.8m;
- Successful rollout of over 100 product releases across the Bigtincan platforms;
- Successful acquisition and onboarding of several large marquee customers;
- Successful integration and onboarding of three acquisitions ;
- Development of a strong forward pipeline of potential customer acquisitions;
- Performance against the Group's stated values and behaviours; and
- Effective management of the Group's response to the global pandemic.

These activities could not have been achieved without the dedication and support of our senior executive team and all employees at Bigtincan.

On behalf of the Board, I would like to thank all the employees for their dedication and commitments in successfully meeting and exceeding the challenges posed during the year.

The Board hereby recommends the Remuneration Report to shareholders for approval at the 2020 financial year Annual General Meeting. As part of its commitment to corporate governance best practice, the Board welcomes feedback from external stakeholders on its remuneration practices and disclosures.

Yours Sincerely,



Wayne Stevenson

Chair of the Remuneration and Nominations Committee

The Directors of Bigtincan Holdings Limited present the Remuneration Report for the Company and its controlled entities (collectively referred to as the ‘Group’) for the year ended 30 June 2020 in accordance with section 300A of the *Corporations Act 2001*. This Remuneration Report forms part of the Directors’ Report and has been audited in accordance with the *Corporations Act 2001*.

The Remuneration Report outlines key elements and information on the remuneration framework for Non-Executive Directors, Executive Directors, and other Key Management Personnel (“KMP”).

The Remuneration Report is provided in the following format:

1. Introduction
2. Remuneration framework overview
3. Executive remuneration
4. Bigtincan 2020 performance outcomes
5. Remuneration details for non-executive directors and executive KMP
6. Chief executive remuneration
7. Non-executive directors and executive KMP remuneration
8. Directors’ interests

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1. Introduction

The Remuneration report has been prepared on a basis consistent with the Financial Statements and includes total remuneration details for the year ended 30 June 2020. The report refers to a range of non-IFRS financial information including Annualised Recurring Revenue (ARR). The Directors consider these measures to be a better indicator of the underlying performance of the business and provide more meaningful comparisons of the operating performance of the business to other Software as a Service (SaaS) companies.

The following Key Management Personnel were identified based on their specific authority and responsibility for the strategic operation of the business, included but not limited to the planning, directing and the control of material activities of the Group during the course of 2020.

Non-Executive Directors

Tom Amos – Chairman, Non-executive Director

Wayne Stevenson – Independent Non-executive Director

John Scull – Non-Executive Director

Executive Directors

David Keane – Chief Executive Officer

2. Remuneration framework overview

The Company operates in a competitive global market and thus attracting and retaining talented individuals is at the core of our success. Accordingly, the Board believes that an appropriately structured remuneration strategy underpins a strong performance-based culture and assists in driving shareholder returns. With the assistance of independent specialist remuneration advisers, the Board has been progressively implementing a consistent market competitive framework which is clear, transparent and easily understood.

The remuneration framework has been strengthened to ensure alignment with the following key principles:

- Creation of sustainable value for shareholders;
- Motivation and retention of executives through a mix of fixed and variable (at risk) pay;
- Competitive market-based remuneration framework to assist the Company to attract and retain talent;
- Behaviour alignment consistent with the Company's values and culture; and
- Simple, clear, and transparent processes and documentation which are easily understood by participants and stakeholders.

Employees are remunerated not only on the overall company achievements, but also on specific individual performance hurdles that contribute to the achievement of the company's overall business strategy. This ensures that there is consistency and a common purpose driving the performance of individuals.

The Board continues to seek appropriate independent advice throughout this process to ensure that the framework and remuneration components align with business strategies and key external stakeholder expectations.

3. Executive remuneration

For 2020, remuneration outcomes for executives consist of a combination of Fixed Annual Remuneration, Short Term Incentives and Long-Term Incentives effected through the company's Employee Share Option Plan.

3.1 Fixed Annual Remuneration (Base Salary)

The terms of employment for senior executives contain a fixed annual remuneration component comprising Base Salary, Fixed Allowances and Superannuation (at the respective statutory rates).

Fixed remuneration is based on the responsibilities associated with, and the skills required to perform the role. Compensation levels for senior executives are reviewed annually by the Remuneration Committee through a process that considers individual and overall performance of the Company. The Committee also takes into consideration remuneration for comparative positions in other similar organisations.

3.2 Performance Linked Compensation

Short Term Incentives (STI)

Executive employment contracts allow for discretionary ("at-risk") bonuses and other benefits to be paid on the achievement of financial and non-financial targets. Performance against the STI targets is assessed at the end of the financial year against both individual and business performance. These bonuses consist primarily of cash payments.

Long Term Incentives (LTI)

The Company has previously adopted rules for an Employee Share Option Plan which allows it to issue options, or such other approved securities convertible into shares to eligible persons (including directors, subject to compliance with the ASX Listing Rules) as the Board approves from time to time.

4. Bigtincan 2020 performance outcomes

The Group delivered strong operational and solid financial performance for the 2020 financial year. A detailed review of the Group's performance is contained within the Operating and Financial Review.

For the current year, the Board determined that the achievement of growth Operating Revenue, ARR, MRR and MRR Retention Rate were the most relevant measures for assessing performance. A summary of the FY20 financial highlights for these measures is summarised below:

Financial Highlights FY20

Operating Revenue	Up 56% to \$31,006,000
Annualised Recurring Revenue (ARR)	Up 53% to \$35,766,000
Monthly Recurring Revenue (MRR)	Up 53% to \$2,981,000
MRR Retention Rate	Up 2% to 89%

Other factors considered in the determination of STIs were linked to the achievement of KPIs across a range of activities including:

- Growth in the go-to-market sales and marketing capability;
- Delivery of significant product suite innovations and enhancements to the Bigtincan Hub;
- Development of a strong pipeline of potential customers; and
- Successful completion and integration of acquisitions.

5. Remuneration details for non-executive directors and executive KMP

Principles used to determine the nature and amount of remuneration

The Board aims to set remuneration for non-executive directors at a level that attracts and retains non-executive directors of a high calibre and talent and periodically reviews the level of fees set.

Remuneration for non-executive directors is not linked to Company performance and is solely comprised of directors' fees (including statutory superannuation), in order to maintain director independence.

The total compensation for all non-executive directors for the 2020 year did not exceed the \$350,000 cap agreed to by the Company at the 2019 Annual General Meeting. The current agreed annual Non-Executive Director Fees to be paid are:

- Independent Chairman \$120,000
- Independent Non-Executive Director \$85,000 (including roles as Chair of the Audit Committee and Chair of the Remuneration Committee)
- Non-Executive Director \$45,000

Non-executive directors have not received performance related compensation and are not provided with retirement benefits apart from statutory superannuation.

6. Chief executive officer remuneration

David Keane is the Chief Executive Officer and an Executive Director of the Company, based in Boston Massachusetts, USA.

Mr Keane's gross contract base salary is USD 200,000 per annum. Bigtincan contributes to a medical and dental program. Mr Keane also receives a relocation subsidy of USD 72,000 per annum. Mr Keane may also earn a performance bonus up to USD 90,000 based on the overall performance of Bigtincan as determined by the Board. Mr Keane is also entitled to be reimbursed for reasonable and pre-agreed business-related costs, travel, and equipment expenses.

The Board, on the recommendation of the Remuneration and Nominations Committee, determined that 3 million options be issued to David Keane in two tranches of 1.5 million, in relation to his FY18 and FY19 entitlements.

Tranche 1 options (1.5 million) was issued at an exercise price of 33 cents per share with the price set based on the 5 day VWAP up to 30 June 2018. The options will vest on a pro-rata basis over 8 quarters commencing 1 January 2020. Tranche 2 options (1.5 million) was issued at an exercise price of 50 cents per share with the price set based on the 5 day VWAP up to 30 June 2019. The options will vest on a pro-rata basis over 8 quarters commencing 1 January 2021. These arrangements were approved at the 2019 Annual General Meeting of shareholders. Other FY20 entitlements will be recommended in the 2020 Annual General Meeting (AGM).

7. Non-executive directors and executive KMP remuneration

Details of the nature and amount of each major element of remuneration of each non-executive director and executive KMP of the Company for the year ended 30 June 2020 are:

2020	Salary and Fees \$000	Cash Bonus \$000	Post-Employment Benefits \$000	Other Long-Term Incentives \$000	Share Based Payments \$000	Total \$000
Tom Amos	120	-	-	-	-	120
Wayne Stevenson	78	-	7	-	-	85
John Scull	45	-	-	-	-	45
David Keane	405	134	-	-	400	939
Total	648	134	7	-	400	1,189

2019	Salary and Fees \$000	Cash Bonus \$000	Post-Employment Benefits \$000	Other Long-Term Incentives \$000	Share Based Payments \$000	Total \$000
Tom Amos	120	-	-	-	-	120
Wayne Stevenson	78	-	7	-	-	85
John Scull	45	-	-	-	-	45
David Keane	380	126	-	-	-	506
Total	623	126	7	-	-	756

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Remuneration and Nomination Committee (RNC) have regard to the following indices in respect of the current financial year and previous four financial years.

	2020	2019	2018	2017	2016
Loss attributable to owners of the company	12,232,000	4,106,000	6,610,000	6,002,000	7,906,000
Dividends paid / declared	Nil	Nil	Nil	Nil	Nil
Change in share price	0.21	0.20	0.10	(0.3)	n/a

The loss attributable to owners of the company amounts for 2016 to 2020 have been calculated in accordance with Australian Accounting Standards (AASBs).

8. Directors' interests

The relevant interest shares and options interest if each Director as issued by companies within the Group as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Number of Ordinary Shares and options

Director	Ordinary Shares	%	ESOP (Options)
David Keane ¹	23,015,472	6.08	3,000,000 ⁵
John Scull ²	6,925,568	1.83	-
Tom Amos ³	373,304	0.10	-
Wayne Stevenson ⁴	403,433	0.11	-

Notes in relation to the table of director's remuneration

¹ Shares held by Lai Sun Keane, spouse of David Keane are 22,285,143 shares and shares held by David Keane are 730,329 shares.

² John Scull is a director of Southern Cross IIF Trusco Pty Ltd and SBCVC Fund IV Pte Ltd holds the shares through this Trust.

³ Tom Amos holds shares through Wave Link Systems Pty Ltd, a company in which Tom Amos' voting power exceeds 20%

⁴ Wayne Stevenson holds shares through Rangitata Nominees Pty Ltd, a company in which Wayne Stevenson's voting power exceeds 20%

⁵ Tranche 1 options (1.5 million) exercise price of \$0.33. The price based on the 5 day WVAP up to 30 June 2018 and an expiry date of 1 January 2027. Tranche 2 options (1.5 million) exercise price of \$0.50. The price based on the 5 day WVAP up to 30 June 2019 and an expiry date of 1 January 2028.

"Ordinary Shares" mean fully paid Ordinary Shares in the capital of the Group

"Options" is the opportunity to subscribe for one Ordinary Share in the capital of the Group.

BIGTINCAN HOLDINGS LIMITED

DIRECTORS REPORT – REMUNERATION REPORT | For year ended 30 June 2020

Options in equity instruments

The movement during the reporting period, by number of options and ordinary shares in Bigtincan Holdings Limited held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

Movement in shares held:

	Held at 1 July 2019	New shares acquired	Shares Disposed	Held at 30 June 2020
David Keane	24,335,143	730,329 ¹	-	25,065,472 ²
John Scull	18,925,568	-	(8,000,000)	10,925,568 ³
Tom Amos	369,872	3,432 ⁴	-	373,304
Wayne Stevenson	400,001	3,432 ⁵	-	403,433

	Held at 1 July 2018	New shares acquired	Shares Disposed	Held at 30 June 2019
David Keane	24,335,143	-	-	24,335,143
John Scull	22,925,568	-	(4,000,000)	18,925,568
Tom Amos	317,033	52,839	-	369,872
Wayne Stevenson	342,858	57,143	-	400,001

Notes in relation to the table of movement in shares held

¹ Relates to shares directly acquired by David Keane during the year.

² 2,050,000 shares were disposed by Lai Sun Keane, spouse of David Keane, subsequent to year end and till the date of this report.

³ 4,000,000 shares were disposed by Southern Cross IIF Trusco Pty Ltd and SBCVC Fund IV Pte Ltd, subsequent to year end and till the date of this report.

⁴ Tom Amos holds shares through Wave Link Systems Pty Ltd, a company in which Tom Amos' voting power exceeds 20% and were acquired shares during the year through the share purchase plan at June 2020.

⁵ Wayne Stevenson holds shares through Rangitata Nominees Pty Ltd, a company in which Wayne Stevenson's voting power exceeds 20% and were acquired shares during the year through the share purchase plan at June 2020.

Movement in share options:

	Held at 1 July 2019	Granted Options during the year	Exercised	Held at 30 June 2020	Vested during the year	Vested and exercisable at 30 June 2020
Options						
David Keane	800,717	3,000,000 ¹	(800,717)	3,000,000	562,500	562,500
John Scull	-	-	-	-	-	-
Tom Amos	-	-	-	-	-	-
Wayne Stevenson	-	-	-	-	-	-

	Held at 1 July 2018	Granted Options during the year	Exercised	Held at 30 June 2019	Vested during the year	Vested and exercisable at 30 June 2019
Options						
David Keane	800,717	-	-	800,717	-	800,717
John Scull	-	-	-	-	-	-
Tom Amos	-	-	-	-	-	-
Wayne Stevenson	-	-	-	-	-	-

¹ Relates to entitlement of FY18 and FY19, as per the 2019 AGM. Tranche 1 options (1.5 million) exercise price of \$0.33. The price based on the 5 day WVAP up to 30 June 2018 and an expiry date of 1 January 2027. Tranche 2 options (1.5 million) exercise price of \$0.50. The price based on the 5 day WVAP up to 30 June 2019 and an expiry date of 1 January 2028.

Exercise of options granted as compensation

During the reporting period 800,717 options (2019: nil) were exercised previously granted as compensation under the employee share option plan.

Options granted during the year

During the reporting period 3,000,000 options (2019: nil options) were granted and formed part of David Keane's FY18 and FY19 entitlements as per the 2019 AGM.

Share options vested during the year

During the reporting period 562,500 options (2019: nil options) vested and became exercisable.

Unissued shares

As at 30 June 2020, there were 17,923,797 unlisted Options under the Employer Share Option plan outstanding.



Tom Amos
(Chairman)
30 September 2020



Wayne Stevenson
(Director)
30 September 2020



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 audit of Bigtincan Holdings Limited for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Julie Cleary

Partner

Sydney

30 September 2020

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Financial Report

Consolidated statement of profit or loss and other comprehensive income

For year ended 30 June 2020

		2020 \$000	2019 \$000
	<i>Note</i>		
Revenue	4(a)	31,006	19,882
Cost of revenue	6(a)	(4,772)	(2,426)
Gross Profit		26,234	17,456
Other income	4(b)	1,495	1,931
Sales and marketing expenses		(18,140)	(12,148)
Product development expenses		(15,093)	(6,366)
General and administration expenses		(4,627)	(4,460)
Total loss before financing costs, depreciation, and amortisation		(10,131)	(3,587)
Depreciation and amortisation	13,14	(2,033)	(488)
Finance income	7(a)	84	641
Finance expenses	7(b)	(52)	(565)
Net finance costs		(2,001)	(412)
Loss before income tax		(12,132)	(3,999)
Income tax expense	8	(74)	(86)
Loss for the year		(12,206)	(4,085)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign operations – foreign currency translation differences		(26)	(21)
Total other comprehensive loss, net of tax		(26)	(21)
Total comprehensive loss		(12,232)	(4,106)
Earnings per share			
Basic loss per share (cents per share)	9(a)	(4.03)	(1.79)
Diluted loss per share (cents per share)	9(b)	(4.03)	(1.79)

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

Consolidated statement of financial position

As at 30 June 2020

		2020	2019
		\$000	\$000
Assets	<i>Note</i>		
Current assets			
Cash and cash equivalents	10	71,354	25,127
Trade and other receivables	11	4,754	5,103
Other assets	12	3,256	2,496
Total current assets		79,364	32,726
Non-current assets			
Property, plant and equipment	13	2,321	200
Intangible assets	14	30,961	12,902
Other non-current assets	12	393	331
Total non-current assets		33,675	13,433
Total assets		113,039	46,159
Liabilities			
Current liabilities			
Trade and other payables	15(a)	1,368	1,555
Deferred revenue	16	18,512	9,111
Provisions	17	942	488
Lease liabilities	18	889	-
Other current liabilities	15(b)	5,619	3,074
Total current liabilities		27,330	14,228
Non-current liabilities			
Deferred tax liabilities		985	985
Deferred revenue	16	1,124	499
Provisions	17	125	64
Lease liabilities	18	1,186	-
Other non-current liabilities		501	1,807
Total non-current liabilities		3,921	3,355
Total liabilities		31,251	17,583
Net assets		81,788	28,576
Equity			
Share capital	25	129,522	65,279
Share-based payment reserve		5,613	4,412
Accumulated losses		(53,332)	(41,126)
Foreign currency translation reserve		(15)	11
Total shareholders' equity		81,788	28,576

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

Consolidated statement of changes in equity

For year ended 30 June 2020

	Note	Share capital \$000	Share- based payment reserve \$000	Accumulated losses \$000	Foreign currency translation reserve \$000	Total \$000
Balance at 1 July 2018		49,770	3,952	(37,041)	32	16,713
Loss for the year		-	-	(4,085)	-	(4,085)
Other comprehensive loss (net of tax)		-	-	-	(21)	(21)
Total comprehensive loss		-	-	(4,085)	(21)	(4,106)
Transactions with owners						
Issue of ordinary shares, net of transaction costs	25	15,509	-	-	-	15,509
Equity settled share-based payments	24a	-	460	-	-	460
Total transactions with owners		15,509	460	-	-	15,969
Balance at 30 June 2019		65,279	4,412	(41,126)	11	28,576
Balance at 1 July 2019		65,279	4,412	(41,126)	11	28,576
Loss for the year		-	-	(12,206)	-	(12,206)
Other comprehensive income (net of tax)		-	-	-	(26)	(26)
Total comprehensive loss		-	-	(12,206)	(26)	(12,232)
Transactions with owners						
Issue of ordinary shares, net of transaction costs	25	64,243	-	-	-	64,243
Equity settled share-based payments	24a	-	1,201	-	-	1,201
Total transactions with owners		64,243	1,201	-	-	65,444
Balance at 30 June 2020		129,522	5,613	(53,332)	(15)	81,788

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

Consolidated statement of cashflows

For year ended 30 June 2020

		2020 \$000	2019 \$000
Cash flows from operating activities	<i>Note</i>		
Cash receipts from customers		39,702	18,797
Cash paid to suppliers and employees		(40,813)	(26,524)
Cash used in operations		(1,111)	(7,727)
Interest received		34	171
Government grant/taxes received		2,913	1,003
Net cash from/ (used in) operating activities	<i>10</i>	1,836	(6,553)
Cash flows from investing activities			
Acquisition of property, plant, and equipment	<i>13</i>	(330)	(196)
Capitalised development cost	<i>14</i>	(3,481)	(1,817)
Acquisition of businesses, net cash acquired		(11,609)	(5,598)
Net cash used in investing activities		(15,420)	(7,611)
Cash flows from financing activities			
Proceeds from issue of share capital		62,499	16,585
Proceeds from exercise of options		1,440	-
Repayment of lease liabilities		(854)	-
Transaction cost on issue of shares		(3,274)	(1,076)
Net cash from financing activities		59,811	15,509
Net increase in cash and cash equivalents		46,227	1,345
Cash and cash equivalents at 1 July		25,127	23,782
Cash and cash equivalents at 30 June	<i>10</i>	71,354	25,127

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

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BIGTINCAN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | For year ended 30 June 2020

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1. Nature of operations

Bigtincan Holdings Limited (“the Company”) is a company domiciled in Australia. The Company’s registered office is Level 6, 338 Pitt Street, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (collectively referred to as 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

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Group has presented the expense categories within the consolidated statement of profit and loss on a functional basis. The categories used include cost of sales, product development, sales & marketing and general & administration which are described in Note 6.

This is the first set of the Group’s annual financial statements in which AASB 16 *Leases* has been applied. Changes to significant accounting policies are describe in Note 18.

The Consolidated financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 30th September 2020.

(i) Principles of Consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(a) Business combinations

Business combinations are accounted for using the acquisition method. For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of other combining entities or businesses. The acquisition date and determining whether control is transferred from one party to another.

2. Basis of preparation (continued)

(a) Business combinations (continued)

Goodwill arising from the business combination is measured at fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Non-controlling interest is measured at its proportionate interest in the identifiable net assets of the acquiree.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. Any gain on a bargain purchase is recognised in profit or loss immediately.

A contingent liability of the acquiree assumed in a business combination is recognised only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs incurred in connection with a business combination are expensed as incurred.

(b) Intra-group transactions and balances

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(ii) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except where stated otherwise

(iii) 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.

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.

2. Basis of preparation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at the exchange rates at the dates of transactions. Foreign currency differences are recognised in other comprehensive income (OCI) and presented in the foreign currency translation reserve (FCTR) included in other reserves in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal.

(iv) Rounding of Amounts

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

(v) Use of Estimates and Judgements

In preparing these consolidated financial statements in conformity with AASBs and IFRSs, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information on key accounting estimates and judgements can be found in the following notes:

	Note
Income tax	8
Intangibles	14
Lease term	18
Trade receivables – expected credit loss	20
Share-based payment plans	23

(vi) 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 realise assets and discharge liabilities in the ordinary course of business for a period of at least 12 months from the date of signing these financial statements.

The Group recorded a loss after tax for the year ended 30 June 2020 of \$12,206,000 (2019: loss of \$4,085,000) but net cash flows from operating activities of \$1,836,000 (2019: net cash flows used in operating activities of \$6,553,000). As at 30 June 2020, the Group's current assets exceeded current liabilities by \$52,034,000 (2019: \$18,498,000) and its total assets exceeded total liabilities by \$81,788,000 (2019: \$28,576,000).

3. New standards and interpretations

AASB 16 Leases

The Group has initially adopted AASB16 *Leases* from 1 July 2019.

AASB16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee has introduced right-of-use assets, which are recorded in property, plant and equipment, representing its right to use underlying assets, and lease liabilities representing its obligation to make lease payments. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 *Leases* and Interpretation 4 at the date of initial application.

The Group also elected to use the practical expedient outlined in AASB 16 for leases with a term of less than 12 months and no purchase options and leases of low value assets. The cost related to these leases is recognised on a straight-line bases over the term of the lease.

The Group has applied AASB 16 using the modified retrospective approach, under which the Right-of-use asset equal lease liabilities at 1 July 2019. 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 Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. On transition to AASB 16, all leases entered into by the Group were classified as operating leases under AAB 117 and related interpretations, and the payments in prior year were recognised on a straight-line basis in the consolidated statement of profit or loss over the term of the lease.

The details of changes in accounting policies are disclosed in note 18.

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 year ended 30 June 2020:

	2020 \$000	2019 \$000
(a) Operating revenue		
Revenue from subscription and support services	29,455	18,736
Revenue from product related professional and contract services	1,551	1,146
	31,006	19,882

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

Revenue Recognition and Measurement

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

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

The Group accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group generates revenue from the following sources:

(i) Subscription and support revenue:

Subscription and support revenue comprise 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. Revenues from subscription services is recognised over time on a rateable basis over the contract term beginning on the date that the subscription is made available to the customer and they have access to the Group's software.

(ii) Product related professional services:

Revenue from product related professional services includes time limited or event related: education and training, data integration, data migration and client specific configuration. Revenue is recognised over time as the services are provided to the customers. 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.

4. Revenue (continued)

Revenue Recognition Conditions

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

- There was contractual evidence of the arrangement.
- The service has been provided to the customer.
- Revenue was recognised as services based on the various stages of completion of services.
- Collection of payment for the services was reasonably assured.
- Costs incurred or to be incurred in respect of the transaction could be measured reliably.

	2020 \$000	2019 \$000
(b) Other income		
Government grants	595	1,931
Other*	900	-
	1,495	1,931

*within other includes a bargain purchase amount of \$876K, as shown in note 23

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that the grants will be received, and the Group will comply with the conditions associated with the grant. Grants of a revenue nature are recognised in the profit and loss as other income on a systematic basis in the periods in which the related expenses are recognised.

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5. Segment reporting

The Group operates as a single business unit under AASB 8 Operating Segments. The Chief Operating Decision Maker assesses the financial performance of the Group as a single segment and reviews revenue as subscription, support, and professional services.

	2020 \$000	2019 \$000
Segment revenue		
Subscription and support services	29,455	18,736
Professional and contract services	1,551	1,146
	31,006	19,882

The amounts of revenue per region below is based on the billing address and location of the customer.

	2020 \$000	2019 \$000
Revenue by location		
Australia	1,782	1,288
United States of America	28,191	16,470
Rest of the world	1,033	2,124
	31,006	19,882

Reporting revenue by location as United States of America and the Rest of the World aligns to the way the Group structures its customer contracts.

	2020 \$000	2019 \$000
Non-current assets by geographic location		
Australia	22,821	8,529
United States of America	10,806	4,896
Rest of the world	48	8
Total	33,675	13,433
Segment loss before tax	(12,132)	(3,999)

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6. Expenses

Cost of Revenue

Cost of subscription, support and product related professional services revenues consists of expenses associated with hosting, providing customer support, personnel and related costs of operations, contractor fees relating to project specific software development activities, outsourced subscription fees and amortization expenses associated with acquired developed technology.

Sales and Marketing Expenses

Sales and marketing expenses primarily consist of personnel and related costs of our sales and marketing employees and executives, including salaries, benefits, bonuses, commissions, training and stock-compensation, cost of marketing programs, such as lead generation, promotional events, public relations services, webinars and other meeting costs and allocated overhead, including facility and recruitment costs.

Product Development Expenses

Product development expenses primarily consist of personnel and related costs of our product development employees and executives, including salaries, share-based compensation, and employee benefits as well as expenses relating to product development consultants and allocated overheads, including facility and recruitment costs.

General and Administration Expenses

General and administration expenses primarily consist of personnel and related costs of executive, finance and administrative personnel, stock-based compensation, legal and other professional fees, other corporate expenses and allocated overhead.

	2020	2019
	\$000	\$000
(a) Cost of revenue		
Employee benefits expense	1,271	920
Other costs	3,501	1,506
	4,772	2,426
(b) Other major operating expenses (by nature)		
Professional fees	2,279	842
Advertising and marketing expenses	2,420	2,661
Other operating expenses	5,190	4,331
	9,889	7,834
(c) Employee benefits expense		
Wages and salaries	26,294	14,230
Post-employment benefits	562	515
Share based payment expense	1,115	301
	27,971	15,046

6. Expenses (continued)

Employee Benefits

Short term employee benefits

Short term employee benefits are benefits (other than termination benefits) that are expected to be settled within 12 months of the end of the financial year in which employees render the related service. Short term employee benefits include salaries and wages plus related on-costs such as payroll tax, superannuation and workers compensation insurance and are measured at the undiscounted amounts expected to be paid when the obligation is settled.

Long term employee benefits

Long term benefits are benefits that are not expected to be settled wholly within 12 months after the end of the annual reporting period. These benefits include long service leave which are measured at discount amounts. The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government guaranteed bonds with terms of maturity that match, as closely as possible, the estimated future cash outflows.

Post-employment benefits

Employee benefits that are payable after the completion of employment. One type is defined contribution- such as superannuation where the employer contributes a fixed proportion of the employee's income.

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.

7. Finance income and costs

	2020 \$000	2019 \$000
(a) Finance income		
Interest income	31	178
Unrealised foreign exchange gains	53	463
	84	641
(b) Finance cost		
Other finance costs	52	565
	52	565

8. Income taxes

	2020 \$000	2019 \$000
Current tax expenses		
Current year	74	41
Adjustment for prior years	-	-
Total current tax expenses	74	41
Deferred tax expense		
Origination and reversal of temporary differences	-	45
Recognition of previously unrecognised tax losses	-	-
Change in recognised deductible temporary differences	-	45
Total income tax expense	74	86
Reconciliation of effective tax rate		
Loss before tax from continuing operations	(12,132)	(3,999)
Tax using the Company's domestic tax rate (30%: 2019: 30%)	(3,640)	(1,200)
Tax effect of:		
- Non-deductible expenses	321	119
- Current year losses for which deferred tax asset is not recognised	3,393	1,167
Income tax expense	74	86
Deferred tax liabilities		
Intangible assets	(985)	(985)

Income Tax

Income tax expense comprises current and deferred tax which are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in OCI.

Current Tax Expenses

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

8. Income taxes (continued)

Deferred Tax Expense

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investment in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of tax losses because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2020	2019
	\$000	\$000
Tax losses	32,760	28,693

9. 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.

	2020 \$000	2019 \$000
Loss attributable to ordinary shareholders - Basic	(12,206)	(4,085)
Issued ordinary shares at 1 July	261,931	219,197
Effect of shares issued to convertible note holders	-	-
Effect of new shares issued	-	-
Effect of new shares issued to existing shareholders	40,871	9,015
Weighted-average number of ordinary shares at 30 June	302,802	228,212
Basic loss per share (cents)	(4.03)	(1.79)

(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.

	2020 \$000	2019 \$000
Loss attributable to ordinary shareholders - Basic	(12,206)	(4,085)
Weighted average number of ordinary shares at 30 June (basic)	302,802	228,212
Dilutive effect of share options on issue	-	-
Weighted-average number of ordinary shares (diluted) at 30 June	302,802	228,212
Diluted loss per share (cents)	(4.03)	(1.79)

10. Cash and cash equivalents

	2020 \$000	2019 \$000
Cash and cash equivalents	71,354	25,127
	71,354	25,127

	2020 \$000	2019 \$000
Reconciliation of Loss after tax to Net cash flows from Operating activities		
Loss from ordinary activities after income tax	(12,206)	(4,085)
Adjustments for non- cash expense and income items		
Amortisation of intangible assets	895	329
Depreciation of property, plant, and equipment	1,138	159
Bargain purchase gain	(876)	-
Renumeration expense from acquisition	2,286	-
Share based payments	1,201	460
Bad debts written off	141	28
Unrealised foreign exchange	(47)	143
Operating cash flows used in before movements in working capital	(7,468)	(2,966)
Change in assets and liabilities		
Changes in trade receivables	349	(2,419)
Changes in other current assets	(760)	(1,075)
Changes in trade and other payables	(187)	555
Changes in other current liabilities	47	(1,249)
Changes in provisions	454	108
Changes in income tax payables	-	(7)
Changes in deferred income	9,401	500
Net cash flows from/ (used in) operating activities	1,836	(6,553)

11. Trade and other receivables

	2020	2019
	\$000	\$000
Trade receivables	5,672	5,895
Provision for doubtful debts	(920)	(794)
Other receivables	2	2
	4,754	5,103

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

	2020	2019
	\$000	\$000
Balance at 1 July	794	447
Created during the year	126	375
Utilised / reversed during the year	-	(28)
Balance at 30 June	920	794

12. Other assets

	2020	2019
	\$000	\$000
Current		
Other receivables – Government grants	221	1,525
Prepayments	2,092	593
Other current assets	943	378
	3,256	2,496
Non-current		
Employee loan	393	331
	393	331

During the year, the Group extended its agreement to provide a loan to an employee which has accumulated to a total of US\$275K 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 expenses in profit or loss.

13. Property plant and equipment

	Computer equipment \$000	Office furniture \$000	Right of use assets \$000	Total \$000
Cost				
Balance at 1 July 2018	269	95	-	364
Additions	151	45	-	196
Balance at 30 June 2019	420	140	-	560
Balance at 1 July 2019	420	140	1,167	1,727
Additions	297	33	1,614	1,944
Acquired through business combination	-	-	148	148
Balance at 30 June 2020	717	173	2,929	3,819
Accumulated depreciation				
Balance at 1 July 2018	182	19	-	201
Depreciation charge for the year	124	35	-	159
Balance at 30 June 2019	306	54	-	360
Balance at 1 July 2019	306	54	-	360
Depreciation charge for the year	140	27	971	1,138
Balance at 30 June 2020	446	81	971	1,498
Carrying value				
At 30 June 2019	114	86	-	200
At 30 June 2020	271	92	1,958	2,321

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

13. Property plant and equipment (continued)

Depreciation

Depreciation is calculated to write off the cost of property, plant, and equipment less their estimated residual values, using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative period are as follows

Class of plant and equipment	Depreciation rates
Office equipment	33%
Computer equipment	50%
Right of use asset	Term of lease

The fixed assets' residual values and useful lives are reviewed and adjusted if appropriate at each financial year end.

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14. Intangible assets

	Goodwill \$000	Intellectual property \$000	Licenses \$000	Customer relationships \$000	Development costs (WIP) \$000	Total \$000
Cost						
Balance at 1 July 2018	-	819	14	6	-	839
Additions	-	-	-	-	1,817	1,817
Acquisitions through business combinations	7,497	2,453	-	831	-	10,781
Disposals	-	-	-	-	-	-
Balance at 30 June 2019	7,497	3,272	14	837	1,817	13,437
Balance at 1 July 2019	7,497	3,272	14	837	1,817	13,437
Additions	-	-	-	-	3,481	3,481
Acquisitions through business combinations	10,134	4,712	-	627	-	15,473
Disposals	-	-	-	-	-	-
Balance at 30 June 2020	17,631	7,984	14	1,464	5,298	32,391
Accumulated amortisation						
Balance at 1 July 2018	-	197	5	4	-	206
Amortisation expense	-	232	2	95	-	329
Balance at 30 June 2019	-	429	7	99	-	535
Balance at 1 July 2019	-	429	7	99	-	535
Amortisation expense	-	678	2	215	-	895
Balance at 30 June 2020	-	1,107	9	314	-	1,430
Carrying value						
At 30 June 2019	7,497	2,843	7	738	1,817	12,902
At 30 June 2020	17,631	6,877	5	1,150	5,298	30,961

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The recoverable amount of the cash generating unit (“CGU”), which is the lowest level within the Group for which information about goodwill is monitored by internal management, is determined based on a value in use calculation which requires the use of cash flow projections based on approved financial budgets, which is extrapolated over a five-year period. The growth rate used does not exceed the long-term average growth rate for the market in which the segment operates. The discount rate used reflects the Group’s pre-tax weighted average cost of capital. Goodwill is maintained and monitored at the Group level.

14. Intangible assets (continued)

Intellectual Property

Intellectual property acquired as part of a business combination is recognised separately from goodwill. The intellectual property assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Customer Relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Development Costs (WIP)

Costs that are directly associated with the development of software are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- It can be demonstrated how the software will generate future economic benefits;
- Technical, financial, and other resources necessary to complete the development of and sell the software are available;
- There is an ability to use or sell the software product; and
- The expenditure attributable to the software during its development can be reliably measured.

Other development expenditure that does not meet these criteria, which includes research activities and the expenditure on maintenance of computer software, is expensed as incurred.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Intangible assets have finite useful lives. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset from the date available for use. Goodwill is not amortised, but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

14. Intangible assets (continued)

The estimated useful lives for the current and comparative periods are as follows:

Development costs	3-4 years
Intellectual property	10 years
Licenses	10 years
Customer relationships	7-10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Other Intangible Assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Impairment Testing for CGUs Containing Goodwill

At 30 June 2020, the Group considers the operation of a single CGU, the lowest level for which information is available and monitored for internal management purposes is the consolidated Group. This reflects the management of assets and synergies across the Group and is consistent with the Group's segment reporting.

The recoverable amount of the single CGU, is based on value in use, estimated using discounted cash flows. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately \$39.2m (2019: \$34.6m). Management has performed sensitivity analysis and assessed reasonably possible movement on key assumptions and has not identified any instances that could cause the carrying amount of the CGU, over which goodwill is monitored to exceed its recoverable amount. Key assumptions used in the estimation of the recoverable amount are set out below:

	2020
Post-tax discount rate per annum	15.0%
Pre-tax discount rate per annum	18.5%
Perpetuity growth rate	2..5%

15. Trade and other payables

	2020	2019
	\$000	\$000
(a) Trade payables		
Trade payables	1,368	1,555
	1,368	1,555
(b) Other Payables		
Accrued expenses	1,193	415
Other trade payables	1,928	724
Deferred consideration	2,498	1,935
	5,619	3,074

Trade and other payables represent liabilities for services that remain unpaid at 30 June 2020 and arise when the Group is obliged to make a future payment in respect to the service agreement. They are usually settled on payment terms of 30 days.

Deferred consideration includes amount to be paid to the selling shareholders of Zunos Technologies Pty Ltd (Zunos) and Xinnovation, Inc (Xinn). The payment to Zunos shareholders relates to the third earn-out payment which equals to 1 x Recurring Revenues from Zunos products and services earned during the period 1 July 2019 to 30 June 2020. The payment to Xinn represents the second payment as part of total purchase consideration as disclosed in note 23.

16. Deferred revenue

	2020	2019
	\$000	\$000
Current		
Subscription and support	18,478	9,048
Product related professional services	34	63
	18,512	9,111
Non-current		
Subscription and support	1,124	499
	1,124	499

The Group generally invoices customers in advance of the services through either upfront fee, annual, quarterly, or monthly payments.

All amounts recognised relating to deferred revenue are assessed for current or non-current classification. Current deferred revenue is revenue that will be recognised over the twelve months to 30 June 2020 and reflects the value of the advance payments.

17. Provisions

	2020	2019
	\$000	\$000
Current		
Employee benefits	942	488
	942	488
Non-current		
Employee benefits	125	64
	125	64

Reconciliation of carrying amounts at the beginning and end of the period

	2020	2019
	\$000	\$000
Balance at 1 July	552	428
Additional provision recognised during the period	937	600
Utilised / reversed during the period	(422)	(476)
Balance at 30 June	1,067	552

Employee Benefits

Provision for employee benefits represent amounts payable for accrued annual leave and long service leave.

18. Leases

	2020 \$000	2019 \$000
Current		
Lease liabilities	889	-
	889	-
Non-current		
Lease liabilities	1,186	-
	1,186	-

(i) Definition of a Lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in below.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and IFRIC 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

(ii) As a Lessee

As a lessee, the Group leases many assets, namely properties 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. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms with less than 12 months. The Group recognises the leases payments associated with these leases as an expense on a straight-line bases over lease term.

(iii) As a Lessee – Leases Classified as Operating Leases under AASB 117

Previously, the Group classified property leases as operating leases under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: The Group applied this approach to all leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

18. Leases (continued)

(iii) As a Lessee – Leases Classified as Operating Leases under AASB 117 (continued)

The Group used a number of practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(iv) Significant Accounting Policy

Policy applicable from 1 July 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 July 2019.

As a lessee

The Group recognises a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjustment for certain remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of recognised lease liabilities, initial direct costs inherent to the lease, and the expected costs to make good the leases asset, less any incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, 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 Group determined its incremental borrowing rate by obtaining interest rates from various external financing sources and make certain adjustments to reflect the terms of the lease and the type of asset leased.

18. Leases (continued)

The lease payments include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in a option renewal period of the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Trade and other payables' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options the assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

Policy applicable before 1 July 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

18. Leases (continued)

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(v) Transition

On transition, leases classified as operating leases under AASB 117, leases liabilities were measured at the present value of the remaining

lease payments discounted at the Group's incremental borrowing rate as at 1 July 2019. The weighted average rate applied is 4.98%.

(vi) Impact on Transition

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

	1 Jul 2019
Right-of-use assets recognised in property, plant, and equipment	1,167
Lease liabilities	(1,167)

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as follows:

	\$000
Operating lease commitments as at 30 June 2019	1,409
Less:	
Impact of discounting	(47)
Commitments relating to short-term and low value leases	(195)
Lease Liabilities as at 1 July 2019	1,167

18. Leases (continued)**(vii) Impact for the period**

As a result of the application of AASB 16, the carrying value and movements of the Group's right of use assets and lease liabilities during the year ended 30 June 2020 are set out as below:

	2020
	\$000
Right-of-use (ROU) assets	
ROU assets recognised in property, plant, and equipment	1,167
Additions	1,614
Additions through business combination	148
Depreciation	(971)
Closing balance	1,958
Lease liabilities	
Lease liabilities recognised	1,167
Additions	1,614
Additions through business combination	148
Payments	(899)
Unwinding of interest on lease liabilities	45
Closing balance	2,075
Amounts recognised in profit or loss	
2020 – Leases under AASB 16	
Interest on lease liabilities	45
Expenses relating to short term leases	414
Depreciation	971
2019 – Operating leases under AASB 117	
Lease expense	1,050
Amounts recognised in statement of cash flows	
Total cash outflow for leases	854

18. Leases (continued)

Some property leases contain extension options exercisable by the Group up to 3 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$1,413 thousand.

19. Financial instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments are initially measured at fair value, adjusted for transaction costs, unless they are classified as fair value through profit or loss in which case transaction costs are expensed in the consolidated statement of profit or loss immediately.

Classification and Subsequent Measurement

The Group financial assets and financial liabilities, which comprises cash and cash equivalents, trade receivables, other current receivables, other current assets, trade and other payables and other current liabilities are all classified and measured at amortised cost on initial recognition.

Financial instruments classified and measured at amortised cost on initial recognition are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains, and losses and impairment are recognised in the consolidated statement of profit or loss.

The effective interest method is used to allocate interest income or interest expense over the relevant period within finance income and expense in profit or loss and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Derecognition of Financial Instruments

Financial assets are derecognised when the contractual rights to the cashflows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is discharged, cancelled, or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

20. Impairment

Financial Assets

The Group recognises loss allowances for Expected Credit Losses ('ECLs') on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs: - debt securities and bank balances for which credit risk {i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

20. Impairment (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

21. Financial Instruments – Risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk Management Framework

The company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management determines concentration risk by geographic region.

The risk management committee has established a credit policy under which new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of between one and three months for its customers.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivable.

21. Financial Instruments – Risk management (continued)**(i) Credit risk (continued)***Trade and other receivables (continued)*

As at 30 June 2020, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	2020	2019
	\$000	\$000
USA	5,077	5,378
United Kingdom (UK)	21	19
Australia	347	108
Europe	212	178
Others	15	212
Total	5,672	5,895

As at 30 June 2020, the aging of trade and other receivables that were not impaired was as follows:

	2020	2019
	\$000	\$000
Neither past due nor impaired	3,325	2,994
Past due 1-30 days – not impaired	269	207
Past due 31-90 days – not impaired	712	868
Past due 91-120 days – not impaired	71	161
Past due greater than 120 days – not impaired	375	871
Past due greater than 120 days - impaired	920	794
Total	5,672	5,895

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

Cash and cash equivalents

The group held cash and cash equivalents of \$71,354,000 at 30 June 2020 (2019: \$25,127,000).

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Group's reputation.

21. Financial Instruments – Risk management (continued)**(ii) Liquidity risk (continued)***Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

30 June 2020					
Non-derivative financial liabilities	Carrying amount \$000	3 months or less \$000	3 to 6 months \$000	6 to 12 months \$000	More than 12 months \$000
Trade and other payables	1,368	1,368	-	-	-
Lease liabilities	2,075	222	222	445	1,186
Other liabilities	6,120	4,874	745	-	501
	9,563	6,464	967	445	1,687

30 June 2019					
Non-derivative financial liabilities	Carrying amount \$000	3 months or less \$000	3 to 6 months \$000	6 to 12 months \$000	More than 12 months \$000
Trade and other payables	1,555	1,555	-	-	-
Other liabilities	4,881	3,074	-	-	1,807
	6,436	4,629	-	-	1,807

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currencies of Group companies. The functional currency of the Group companies is primarily the US dollar (USD).

21. Financial Instruments – Risk management (continued)**(iii) Market risk (continued)***Exposure to currency risk*

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

30 June 2020	USD \$000	GBP \$000	Euro \$000	Others \$000
Cash and cash equivalents	8,042	331	-	-
Trade and other receivables	3,521	11	115	-
Trade and other payables	(761)	(12)	-	-
Net statement of financial position exposure	10,802	330	115	-

30 June 2019	USD \$000	GBP \$000	Euro \$000	Others \$000
Cash and cash equivalents	2,018	347	-	-
Trade and other receivables	3,772	11	110	201
Trade and other payables	(920)	(26)	-	-
Net statement of financial position exposure	4,870	332	110	201

Currency risk – sensitivity analysis

The following significant exchange rate have been applied:

	Average rates		Year-end spot rate	
	2020	2019	2020	2019
USD	0.6714	0.7156	0.6863	0.7013
GBP	0.5329	0.5527	0.5586	0.5535

A reasonably possible strengthening (weakening) of the USD and GPB against all other currencies at 30 June would affect the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

21. Financial Instruments – Risk management (continued)

<i>Effect in thousands of AUD</i>	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2020				
USD	1,749	(1,749)	(1,224)	1,224
GBP	66	(66)	(46)	46
30 June 2019				
USD	772	(772)	(540)	(540)
GBP	67	(67)	47	(47)

Interest rate risk

Given the short term and non-interest-bearing nature of the Group's financial assets and liabilities, the Group is exposed to an insignificant risk arising from interest rate fluctuations.

22. Related parties**Key Management Personnel**

The Key Management Personnel are defined under AASB 124 Related Party Disclosures to include Non-Executive Directors, Executive Directors and those persons with authority and responsibility for planning, directing, and controlling the activities of the Group for the year. For 2020 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

	2020	2019
Key management personnel compensation comprised the following:	\$000	\$000
Short-term employee benefits	782	749
Post-employment benefits	7	7
Share based payments	400	-
Total	1,189	756

22. Related parties (continued)

Short Term Employee Benefits

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

Post-Employment Benefits

Amounts of superannuation contributions during the financial 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.

Transactions with Key Management Personnel (KMP)

At 30 June 2020, there are no loans outstanding to / from KMP. (2019: \$Nil).

As at 30 June 2020, the Directors of the Company control 8.12% (2019: 16.8%) of the voting shares of the Company.

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 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.

22. Related parties (continued)

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 2020	Ownership interest 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%
- Zunos Pty Ltd	AUS	100%	100%
- Zunos Inc	USA	100%	100%
- Core Search Technology Pty Ltd	AUS	100%	100%
- Asdeq Labs Pty Ltd	AUS	100%	-
- 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 Bigtincan Mobility LLC			
- Xinnovation, Inc	USA	100%	-

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23. Business Combination

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 eleven months from 19 July 2019 to 30 June 2020, Veelo contributed revenue of \$1,170,000 and loss of (\$807,000) to the Group's results.

The statement of financial position of the acquired entity, Veelo, Inc upon completion of the acquisition was as follows:

	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 \$206,000 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.

23. Business Combination (continued)

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 ten months to 30 June 2020, Asdeq contributed revenue of \$460,000 and profit of \$56,000 to the Group's results.

The statement of financial position of the acquired entity, Asdeq Labs Pty Ltd upon completion of the acquisition was as follows

	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 \$84,000 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.

23. Business Combination (continued)**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 nine months to 30 June 2020, XINN's contributed revenue of \$1,889,000 and loss of (\$515,000) to the Group's results.

The statement of financial position of the acquired entity, Xinnovation, Inc upon completion of the acquisition was as follows

	Fair value at acquisition date
	\$000
Cash and equivalents	19
Trade and other receivables	161
Fixed assets	4
Other assets	17
Trade and other payables	(590)
Unearned revenue	(1,259)
Other liability	(141)
Identifiable intangibles	
- Software	2,010
- Customer contracts and relationships	410
Net identifiable assets acquired	631
Cash consideration	6,564
Deferred consideration	745
Shares issued in business combination	1,367
Total consideration	8,676
Goodwill recognised on acquisition of Xinnovation, Inc	8,045

23. Business Combination (continued)

Acquisition of Xinnovation, Inc (XINN) (continued)

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 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, this milestone was not achieved so there are no liabilities recognised.

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 \$2.286m. This is captured as Product development expense in the consolidated statement of profit or loss for the period ended 30 June 2020.

Acquisition-Related Costs

The Group incurred acquisition-related costs of \$495,000 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.

24. Equity-settled share-based payment arrangements

Share-Based Payment with Employees

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 an Employee Share Option Plan (ESOP) 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.

During FY 2020 options exercise prices were ranging from \$0.07 to \$0.80.

24. Equity-settled share-based payment arrangements (continued)

Grant date/employees entitled	Number of Instruments	Vesting conditions	Contractual life of options
Options granted to key management personnel			
On 12/05/2012	3,629,915	Service vesting condition	7 years
On 29/10/2012	266,906	Service vesting condition	7 years
On 18/06/2013	1,067,622	Service vesting condition	7 years
On 15/12/2013	189,503	Service vesting condition	7 years
On 16/05/2014	2,228,661	Service vesting condition	7 years
On 01/01/2020	3,000,000	Service vesting condition	7 years
Total	10,382,607		
Options granted to employees/consultants			
On 12/02/2012	160,143	Service vesting condition	7 years
On 21/07/2012	162,812	Service vesting condition	7 years
On 12/08/2012	10,676	Service vesting condition	7 years
On 15/09/2012	133,453	Service vesting condition	7 years
On 15/10/2012	266,906	Service vesting condition	7 years
On 21/10/2012	26,691	Service vesting condition	7 years
On 22/10/2012	13,345	Service vesting condition	7 years
On 15/11/2012	80,072	Service vesting condition	7 years
On 23/12/2012	106,762	Service vesting condition	7 years
On 15/03/2013	1,668	Service vesting condition	7 years
On 15/04/2013	133,453	Service vesting condition	7 years
On 09/06/2013	53,381	Service vesting condition	7 years
On 15/08/2013	13,345	Service vesting condition	7 years
On 15/09/2013	13,345	Service vesting condition	7 years
On 16/05/2014	1,265,132	Service vesting condition	7 years
On 19/03/2015	907,479	Service vesting condition	7 years
On 03/05/2015	220,864	Service vesting condition	7 years
On 14/05/2015	112,100	Service vesting condition	7 years
On 16/05/2015	40,036	Service vesting condition	7 years
On 16/05/2016	13,345	Service vesting condition	7 years
On 01/07/2016	40,036	Service vesting condition	7 years
On 12/09/2016	346,977	Service vesting condition	7 years
On 16/05/2016	399,024	Service vesting condition	7 years
Total	4,521,045		
On 12/09/2017	5,352,345	Service vesting condition	7 years
On 30/09/2017	604,502	Service vesting condition	7 years
On 10/12/2018	1,460,336	Service vesting condition	7 years
Exercised options	(7,830,428)		
Forfeited options	(1,975,610)		
On 01/01/2020	2,896,500	Service vesting condition	7 years
On 01/04/2020	2,512,500	Service vesting condition	7 years
Total share options as at 30 June 2020	17,923,797		

24. 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 at 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 2020	Weighted average exercise price 2020 (in \$)	Number of options 2019	Weighted average exercise price 2019 (in \$)
Outstanding at 1 July	18,527,100	0.18	17,860,499	0.19
Forfeited during the year	(1,974,110)	0.22	(212,000)	-
Exercised during the year	(7,248,693)	0.08	(581,735)	-
Granted during the year	8,619,500	0.18	1,460,336	0.19
Outstanding at 30 June	17,923,797	0.24	18,527,100	0.18

Expenses recognised in profit or loss

	2020 \$000	2019 \$000
Share-based payments	1,068	301
	1,068	301

Share-based payment with non-employees

On 24 March 2016, the Group entered into a warrant agreement with a channel partner. Under the terms of the agreement, the channel partner has the right to purchase up to 5% of shares of the Company when aggregate sales to channel partner customers exceed a specific revenue target within a 5 year period. In this circumstance the warrants will vest on achieving the condition. Alternatively, the warrants may vest and may be exercised if a certain event including a sale event occurs within 5 years. In this circumstance the proportion of warrants that will vest is based on when the sale event occurs. Warrants will become exercisable once they vest. As at 30 June 2020, no warrants have vested.

24. Equity-settled share-based payment arrangements (continued)

On 18 December 2018, the Group entered into an option agreement with an advisory firm that has broad market expertise in capital markets. In accordance with the agreement advisor is reasonably required to provide advisory services. In exchange for this, the Group agreed to issue to the advisor three tranches of options provided that the agreement is not terminated, and services are provided to the Group:

	Number of options 2020	Weighted average exercise price 2020 (in \$)	Number of options 2019	Weighted average exercise price 2019 (in \$)
Outstanding at 1 July	3,000,000	-	-	-
Exercised during the year	(3,000,000)	-	-	-
Granted during the year	-	-	3,000,000	0.53
Outstanding at 30 June	-	-	3,000,000	0.53

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.

Expenses recognised in profit or loss

	2020 \$000	2019 \$000
Share-based payments	47	159
	47	159

Tranche	Number of options	Exercise price	Vesting period
1	1,000,000	\$0.49	Upon expiry of 12 months (from 18 December 2018)
2	1,000,000	\$0.53	8 months (after 18 December 2018)
3	1,000,000	\$0.56	4 months (after 18 December 2018)

Measurement of fair values

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 using Black-Scholes model with the assumptions:

- expected volatility has been based on an evaluation of the historical volatility of at the company's share price;
- compounded risk-free interest rate was estimated based on an average rate of 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;

25. Equity and reserves

(a) Share capital

	2020	2019
Ordinary shares	<i>Number of shares (000's)</i>	
Shares at 1 July	261,931	219,197
New Shares issued	100,467	13,206
New shares issued to existing shareholders	16,160	29,528
Balance at 30 June	378,558	261,931

	2020	2019
Movement in share capital – Ordinary Shares	\$000	\$000
Balance at 1 July	65,279	49,770
Share issue proceeds	67,611	16,585
Directly attributable issue costs	(3,368)	(1,076)
Balance at 30 June	129,522	65,279

All shares rank equally regarding Group's residential 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 share options and recognised as an expense. Upon exercise of options, 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.

26. Parent entity disclosures

As at and throughout the financial year ended 30 June 2020, the parent entity of the Group was Bigtincan Holdings Limited.

	2020	2019
	\$000	\$000
Results of parent entity		
Loss for the year	(3,155)	(3,035)
Total comprehensive loss for the year	(3,155)	(3,035)
Financial position of the parent entity at year end:		
Current assets	58,296	21,140
Total assets	73,671	31,265
Current liabilities	3,851	223
Total liabilities	3,851	223
Total equity of parent entity comprising of:		
Share capital	129,522	65,279
Share based payment reserve	5,613	4,412
Accumulated losses	(39,002)	(35,847)
Total equity	96,133	33,844

Parent entity contingent liability

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.

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27. Auditors remuneration

The following fees were paid or are payable at 30 June 2020 for services provided by KPMG as the Group's auditor during the financial year:

	2020	2019
	\$000	\$000
Audit services	295	193
Other services		
Taxation compliance services	50	-
Total	345	193

28. 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.

29. Subsequent events

No other matters or circumstances have arisen since the end of financial year which significantly affected or could materially affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

BIGTINCAN HOLDINGS LIMITED

DIRECTORS' DECLARATION | For year ended 30 June 2020

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

1. The consolidated financial statements and notes that are set out on pages 34 to 85 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made to the Directors by chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.
4. The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at Sydney, 30th day of September 2020.



Tom Amos
Chairman



Wayne Stevenson
Director



Independent Auditor's Report

To the shareholders of Bigtincan Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Bigtincan Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2020
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

The **Key Audit Matters** we identified are:

- Revenue recognition; and
- Acquisition accounting.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to Note 4 to the Financial Report (\$31m)

The key audit matter

The Group generates revenue from selling subscriptions and support services to customers for accessing its cloud-based application (Bigtincan Hub) and from other product related professional services.

Our audit attention focused on revenue recognition across these services due to its importance and significance to shareholders. The Group has incurred losses over a number of financial years and has also incurred a loss in the current financial year. Therefore, revenue is seen as the key performance indicator and consequently, it necessitated greater involvement of the audit team and a high portion of audit effort was applied to gather sufficient audit evidence.

How the matter was addressed in our audit

- We examined the Group's revenue recognition policies for each type of service for consistency with the requirements of AASB 15 *Revenue from contracts with customers*.
- We identified and tested, on a sample basis, the key internal controls surrounding each revenue stream. The key control was in relation to approval of customer invoicing, and matching the term of subscription period and the type of service against customer agreements and/or purchase orders.
- We tested statistical samples of revenue transactions during the year, from each revenue stream, by checking them to underlying records and inspecting the terms and conditions of the associated signed customer contract for consistency to the Group's timing and measurement of revenue recognition.
- We recalculated the amount of revenue to be recognised for the financial year and the amount of revenue to be deferred as at balance date for a sample of revenue transactions. We assessed this with specific reference to the period over which the service is provided, obtained from the invoice issued to the customer based on the purchase orders and compared this to the amount recorded by the Group.

Accounting for acquired businesses	
Refer to Note 22 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The accounting for acquired businesses is a key audit matter due to the size of the transactions and the level of judgement in the calculations.</p> <p>The key areas of judgment included:</p> <ul style="list-style-type: none"> - determination of the purchase consideration; - identification of acquired intangible assets, such as customer contracts and software; and - the assumptions and estimates used when performing intangible asset valuations. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> - Obtaining the Purchase Agreement to understand the structure, key terms and conditions and nature of certain payments. We evaluated the accounting treatment of the acquisition consideration against the criteria in the Accounting Standards to determine whether the acquisition had been appropriately accounted for. - We tested acquisition date opening balances and checked to underlying documentation including assessment of fair values as at acquisition date. - Working with our valuation specialists, we reviewed the Group's valuation of identifiable intangible assets and useful life estimates. - Assessing the mathematical accuracy of the Group's calculation of goodwill and bargain purchase arising on acquisition. - Assessing the appropriateness of the business combination disclosure in the financial statements.

Other Information

Other Information is financial and non-financial information in Bigtincan Holdings Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Bigtincan Holdings Limited for the year ended 30 June 2020, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 22 to 31 of the Directors' report for the year ended 30 June 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Julie Cleary

Partner

Sydney

30 September 2020

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ASX Information

BIGTINCAN HOLDINGS LIMITED

ASX INFORMATION | For year ended 30 June 2020

ASX INFORMATION

Substantial shareholders

The substantial shareholders (greater than 5%) as at 18th September 2020 were:

	No Shares	%
NATIONAL NOMINEES LIMITED	44,427,735	11.78
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,136,203	10.12
MRS LAI SUN KEANE	22,285,143	5.91
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,551,295	5.72
CITICORP NOMINEES PTY LIMITED	20,698,085	5.49

Distribution of shareholders as at 18th September 2020

Range of Holding	Holders	Shares
1-1,000	2,209	1,594,602
1,001-5,000	5,447	14,783,863
5,001-10,000	2,327	17,468,413
10,001 - 100,000	2,671	66,799,061
100,001 - over	191	276,370,542
	12,845	377,016,481

Shareholders with less than a marketable parcel -414

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

BIGTINCAN HOLDINGS LIMITED

ASX INFORMATION | For year ended 30 June 2020

Twenty Largest Shareholders as at 18th September 2020 – 60.63%

	Number of Shares	Percentage of capital held
NATIONAL NOMINEES LIMITED	44,427,735	11.784
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,136,203	10.115
MRS LAI SUN KEANE	22,285,143	5.911
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,551,295	5.716
CITICORP NOMINEES PTY LIMITED	20,698,085	5.490
UBS NOMINEES PTY LTD	15,182,854	4.027
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	9,678,312	2.567
JENSEN COHEN HOLDINGS PTY LTD <JENSEN COHEN SUPERFUND A/C>	9,576,866	2.540
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	7,116,852	1.888
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,113,670	1.887
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	5,005,303	1.328
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	4,375,926	1.161
BNP PARIBAS NOMS PTY LTD <DRP>	3,661,054	0.971
SBCVC FUND IV PTE LTD <CO # 201115559C A/C>	3,462,784	0.918
SOUTHERN CROSS IIF TRUSCO PTY LTD <STHN CROSS IIF CWEALTH A/C>	3,462,784	0.918
BOND STREET CUSTODIANS LIMITED <SALTER - D64848 A/C>	2,779,919	0.737
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDAI; [*] A/C>	2,698,785	0.716
PAUL STANSBURY	2,602,579	0.690
AOTEAROA INVESTMENT COMPANY PTY LIMITED <ROBERTS INVESTMENT NO2 A/C>	2,506,438	0.665
GINGA PTY LTD <T G KLINGER SUPER FUND A/C>	2,266,842	0.601
TOTAL	228,589,429	60.63

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Corporate Directory

Directors

Tom Amos (Chairman)

Wayne Stevenson

David Keane

John Scull

Auditors

KPMG

Level 38

Tower Three

300 Barangaroo Avenue

Sydney NSW 2000

Company Secretary

Mark Ohlsson

Solicitors

Dentons

16/77 Castlereagh Street

Sydney NSW 2000

Registered Office

Level 6, 338 Pitt Street

Sydney NSW Australia 2000

Share Registry

Computershare Investor Services Pty Limited

Head Office

Level 6, 338 Pitt Street

Sydney NSW 2000

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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