

ASX Announcement

28 July 2020

Bigtincan Holdings Ltd June 2020 Quarterly Report & Appendix 4C

53% Growth in ARR to \$36m with Digitization and Mobility Trends Driving the Ongoing Growth of Sales Enablement

Highlights from Operating Activities

- Customer cash receipts increased 89% to \$10.4m, from the June 2019 Quarter of \$5.5m.
- Cash operating payments increased 74% to \$12.3m, against \$7.1m for the previous corresponding quarter.
- Annualised Recurring Revenue (ARR) year on year growth of 53% to \$35.8m, with organic ARR growth of 40% to \$32.7m. 5-year ARR CAGR of 50%.
- Cash and cash equivalents of \$71.9m at the end of the June Quarter.
- Successful capital raising completed comprising a \$35m institutional placement and \$7.5m Share Purchase Plan for retail shareholders.
- Bigtincan reiterates guidance - on track to deliver 30-40% organic revenue growth in FY20 and expects retention to remain stable.

Bigtincan Holdings Limited (ASX:BTH) ("Bigtincan", the "Company"), a global software company providing a leading AI-powered sales enablement automation platform, has today released its Appendix 4C, and is pleased to present commentary on activities in Q4 FY20, to accompany the lodgement of this cash report for the quarter ending 30 June 2020 (the "Quarter", "Reporting Period").

CEO and Co-founder, David Keane, commented: "Bigtincan closed FY20 with a strong quarter, achieving a total ARR as at 30 June of \$35.8m, up 53% from 30 June 2019, with organic ARR growth of 40% to \$32.7m and a 5-year CAGR of 50%, demonstrating the ongoing success of our organic growth engine, together with the benefits of strategic M&A activities.

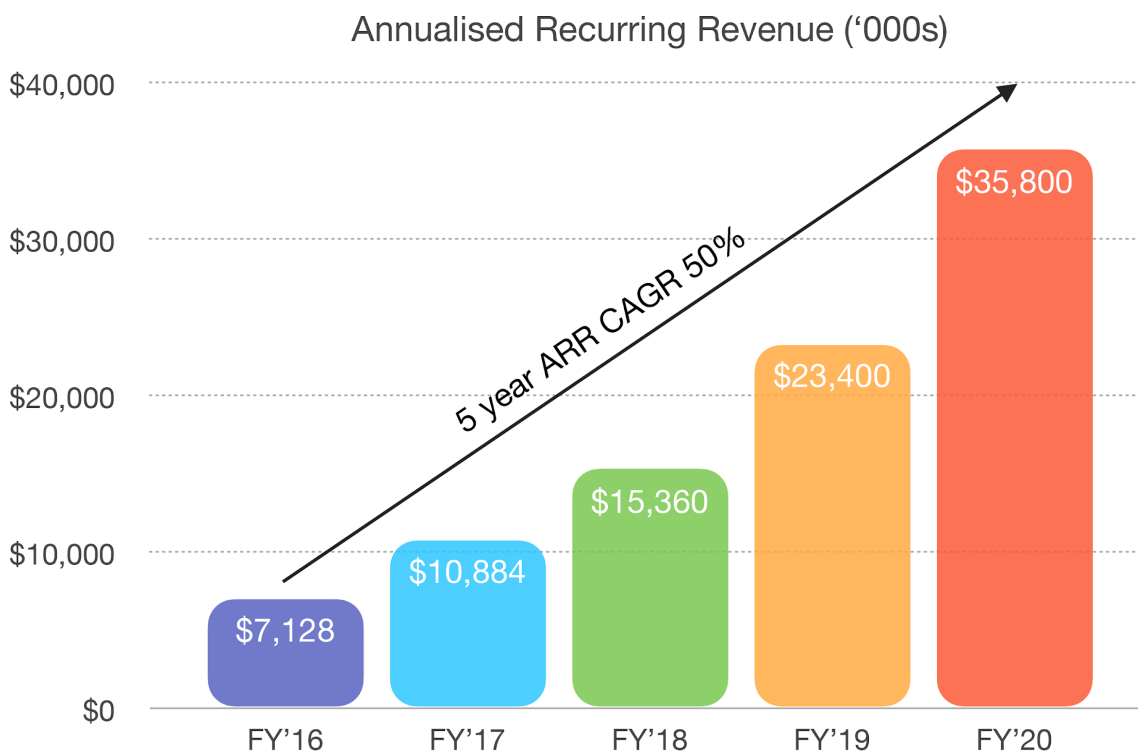
Bigtincan also grew cash receipts by 89% against the previous corresponding quarter ("PCQ") in a traditionally strong fourth quarter to \$10.4m, delivering total FY20 operating cash flows at positive \$1.3m. To ensure that the Company is well positioned to take advantage of market opportunities, Bigtincan completed an oversubscribed institutional placement and associated Share Purchase Plan ("SPP") to raise a total of \$42.5m before costs.

During the Quarter, the Company continued to focus on ensuring the health, safety and productivity of Bigtincan's global team, with 96% of staff working completely remotely prior to office facilities beginning to open up late in the Quarter, further demonstrating the strength of our globally diverse organisation. Bigtincan continued to compete for and win important new deals and new customers in key verticals, and gained important external validation of our technology through industry awards.

In addition we continued to develop key technology that will deliver long term value for shareholders, with software releases on iOS, Windows, and the Web. I would like to thank the entire Bigtincan team for a fantastic job in executing our strategy in what were challenging global conditions this quarter."

ARR Growth

At 30 June 2020, Bigtincan had \$35.8m in ARR across its business segments, an increase of 53% over 30 June 2019. Organic ARR was \$32.7m, representing 40% growth over 30 June 2019, demonstrating the ongoing strength of the organic growth engine at Bigtincan. Over the past 5 financial years, Bigtincan has delivered a compound annual growth rate (CAGR) in ARR of 50%.



Market Commentary on Impact of Global Pandemic - Digital and Mobility

According to International Data Corporation (IDC) Worldwide Digital Transformation Spending Guide*, spending on the digital transformation of business practices, products, and organizations is predicted to continue at a solid pace despite the challenges presented by the COVID-19 pandemic. This focus on digitization and Bigtincan's unique strength in mobility, provides Bigtincan with opportunities for tailwinds going into FY21. Bigtincan's ability to address counter-cyclical market sectors (life sciences, technology, telecommunications), was demonstrated over the past quarters, with new customers and expansions in Technology, Financial Services and Life Sciences.

During the Quarter, the Company saw no impact on payment terms from enterprise customers, or had extended potential bad debt exposure.

Whilst overall market conditions for FY21 remain uncertain, Bigtincan commences the new financial year well positioned for future growth.

Cash Position and Commentary

Customer cash receipts for the Quarter were \$10.4m, an increase of 89% over the PCQ in the traditionally strong fourth quarter. Cash growth for the Quarter was driven by large customer deals signed at the end of the 2019 calendar year, and in the first six months of calendar 2020. In addition, during the Quarter the Company received \$1.5m in Government grants.

Total Operating cash payments for the Quarter were \$12.3m, a 74% increase over the previous corresponding period.

Full year FY20 total net cash from operating activities was \$1.3m, with overall cash usage after investments in PP&E and software development of (\$2.4m) for the 12 months.

Bigtincan continued its program to fund longer-term development projects, with \$1.1m of costs allocated to capitalised software development. These projects are important to the future of the business and are long term strategic programs providing ongoing investments in data science and AI technologies.

As at 30 June 2020, Bigtincan had \$71.9m in cash and cash equivalents, and is well funded to execute on its growth plans.

New Customer Wins

During the Quarter, a number of new customers were added to the Bigtincan family in important vertical markets like Axogen in life sciences, and expansion in financial services. We also saw increased adoption in the technology sector with additional competitive market wins that drove the organic revenue growth including a company in the top 4 of the 10 largest tech companies in the world according to the Forbes Global 2000 for 2019 and expansions with multiple global financial services customers.

Market Validation

During the Reporting Period, Bigtincan won the coveted SIIA CODiE award for Best Sales Enablement Platform. The prestigious CODiE Awards run by the Software & Information Industry Association (SIIA), recognises companies producing the most innovative business technology products around the world. The SIIA CODiE Awards is the only peer-reviewed program to showcase business and education technology's finest products and services. Commenting on the CODiE Award, Co-Founder and CEO, David Keane, said:

"Our vision of helping every customer-facing person be more confident and effective is even more important as our whole world becomes more digital and mobile. We are proud to help hundreds of thousands of people around the world do more than ever before with our software, and this award shows the progress we are making towards achieving that goal."

More information on the award is available on Bigtincan's website here -

<https://www.bigtincan.com/company/press-releases/bigtincan-recognized-siia-best-sales-enablement-platform-2020/>

Awareness and Community Support Program - Coronavirus and Working Remotely Courses Update

During the Quarter, Bigtincan continued to offer enterprise customers free access to the Company's Coronavirus and Working Remotely Courses released at the beginning of the pandemic. This program is designed to assist businesses suffering during the pandemic by showing the importance of Bigtincan's mobile first solution and its contribution to the sales enablement community.

Details of this program are available on the Bigtincan website.

Capital Raising Program

During the Reporting Period, Bigtincan undertook a successful capital raise of \$42.5m (before costs) comprising the institutional placement of \$35m of fully paid ordinary shares and a SPP for retail shareholders of approximately \$7.5m, at the issue price of \$0.67 per share. The funds will be used to take capitalise on SaaS market tailwinds as the market pace of digitisation and mobilisation of work accelerates, take advantage of M&A opportunities and continue to grow technology investments.

FY20 Progress

Bigtincan remains on track to deliver 30-40% organic revenue growth in FY20 and expects retention to remain stable.

ABOVE INFORMATION

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[1] Bigtincan uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Annualised Recurring Revenue (ARR) represents contracted, recurring revenue on an annualised basis.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
Bigtincan Holdings Limited		
ABN	Quarter ended ("current quarter")	
98 154 944 797	30 JUNE 2020	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	10,438	39,702
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(446)	(2,797)
	(d) leased assets	-	-
	(e) staff costs	(9,417)	(31,368)
	(f) administration and corporate costs	(2,451)	(7,165)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	34
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,531	2,913
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(333)	1,319

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	(11,609)
	(c) property, plant and equipment	(30)	(209)
	(d) investments	-	-
	(e) intellectual property	(1,059)	(3,481)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-

	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(14)	(251)
2.6	Net cash from / (used in) investing activities	(1,103)	(15,550)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	42,403	62,499
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,440	1,440
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Capitalised issue costs	(1,998)	(3,273)
3.10	Net cash from / (used in) financing activities	41,845	60,666

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	31,468	25,442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(333)	1,319
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,103)	(15,550)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	41,845	60,666
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	71,877	71,877

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	71,877	31,468

5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	71,877	31,468

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
155
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments:

The above relates to Directors fees paid in the period.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 Unused financing facilities available at quarter end

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(333)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	71,877
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	71,877
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	215

If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2020

Authorised by: **Tom Amos, Chairman – Bigtincan Holdings Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.