Bigtincan Holdings Limited

2021 Annual Report

ABN: 98 154 944 797

Table of contents

01 Chairman's Report

Dear Shareholder,

On behalf of the Board of Directors, it is my pleasure to present the 2021 Annual Report for Bigtincan Holdings Limited (ASX: BTH), our fourth full year as an ASX listed entity.

FY21 was a strong year for Bigtincan Holdings notwithstanding the impact of the Global pandemic with the Group recording continued growth and expansion across a number of markets and the completion of four acquisitions. Throughout this year, the Group delivered a very solid financial result for our shareholders, with total revenue increasing to $43.9m (up 41% on FY20), adjusted EBITDA loss of ($6.1m) in line with the EBITDA loss of ($6.7m) in FY20, and a very strong cash position of $56.3m as at 30 June 2021.

The results for the financial year 2021, demonstrate the progress of our business model, its strong underlying unit economics, the benefits of our organic growth engine, and the impact of the targeted acquisitions made during the year. Annualised Recurring Revenue (ARR) rose to $53.1m which was $17.3m (48%) higher than at 30 June 2020. 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. Our technology team also delivered a large number of new capabilities in the year satisfying the needs of new and existing customers. MRR retention rate was stable at 88% in line with the prior year.

During the year we continued our inorganic strategy to continue our mission of creating the buying experience of the future for our customers.

We continued to actively pursue inorganic opportunities with the acquisitions of Agnitio A/S, ClearSlide Inc, VoiceVibes Inc and Vidinoti SA. These acquisitions each provide innovation opportunities by adding strategic new technologies. They have also provided geographical expansion to the Group which now has a presence in Europe, primarily Denmark and Switzerland.

Throughout FY2021, the Group has proactively managed its response in relation to Covid-19. When the pandemic first emerged we were able to quickly adapt to remote working. Ensuring that our employees stayed informed and connected, whether in virtual or face to face environments together with a number of health and well-being initiatives have been key priorities during the year.

We are pleased to report that notwithstanding the impact of the pandemic and the global and dispersed nature of our operations, all parts of the business have operated effectively. In addition, 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. As a consequence, the Group has received no financial assistance or grants from respective governments during the financial year.

The Group has had an excellent year which could not have been achieved without the hard work, commitment and passion of our Chief executive Officer, David Keane, the Bigtincan executive team and all employees. I would also like to thank my fellow Board members for their support and guidance to the business.

Bigtincan is well positioned to take advantage of the many exciting growth opportunities ahead. Globally the fundamentals for the sales enablement sector remain strong, particularly as we emerge from the impacts of the Global pandemic.

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

02 Chief Executive Officer's Report

The 2021 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.

FY21 Financial Performance Overview

For the 12 months to 30 June 2021, total revenue from ordinary activities was $43.9m, representing a growth rate of 42% from FY20.

During the period Bigtincan continued to invest in the capabilities and resources necessary to support customer growth adding new people, infrastructure investments in technology and data science, and growing customer success teams. As at 30 June 2021, ARR rose to $53.1m which was $17.3m (48%) higher than at 30 June 2020. Over 95% of the revenue generated by Bigtincan comprises subscription and support service fees and represents an ARR stream for Bigtincan as these subscription and support arrangements are generally contracted 12 months in advance. ARR growth was driven in part by Bigtincan's effective investment in sales and marketing expanding existing customer contracts and winning a number of significant new customers. In addition, the technology team delivered new capabilities in the six months targeted at satisfying the needs of existing and new customers. Customer retention has remained stable at around 89% from June 2020. This remains a key area of focus at Bigtincan where investments in customer success have been made during the period to deliver industry leading customer care to all Bigtincan customers.

The Group made a loss after tax of $13.9m compared to a loss after tax of $12.2m in the prior year. The loss remained consistent with last year as incremental revenues were re-invested in the business.

Operating expenses which exclude finance, depreciation, amortisation and interest increased by 31% over the prior year due to continued investments into additional sales resources, marketing activities to promote the Bigtincan solution and geographical expansion. Also, during the year Bigtincan increased the level of investment going into software development costs to accelerate product enhancements.

The Group grew staff resources in FY21 by 44% to 230 employees through both organic growth and acquisition.

FY21 Operational Review

During FY21 Bigtincan continued to deliver on its priority of innovation in product development, releasing over 100 versions of software across various 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.

The Group continued to invest in the technology team to design and build the product. we see this investment to be important in 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 which is differentiating our solution by creating the professional experiences our customers value.

In addition, as part of the strategy to continue to add additional value to the Bigtincan solution for enterprise customers,

During the year the Group the Group announced and completed the acquisitions of Agnitio, Clearslide,Voicevibes and Vidinoti, each adding distinct capabilities, customers and resources to

Bigtincan. In addition the balance sheet was further bolstered with an additional capital raise in December 2020 of $35m which enabled the acquisition of Clearslide. Following the completion of these acquisitions the Group finished the year with a strong balance sheet and remains well funded to execute its plans in FY21 and beyond.

These developments in FY21 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

FY21 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 fastest 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 Officer

03 Operating and Financial Overview

About Bigtincan

Bigtincan (ASX:BTH) is a leading software development Group with technology offerings focused on the sales enablement and engagement market. Since listing on the Australian Securities Exchange in March 2017 Bigtincan has continued to expand its original Software as a Service (SaaS) application platform known as "Bigtincan Hub". Originally conceived, designed and delivered with a focus on the Sales Enablement software market the Group has expanded into complimentary sectors of the market including sales coaching, learning and engagement. Bigtincan Hub continues to evolve with increased product enhancements and features while still continuing to provide a secure, artificial intelligence powered solution for mobile workforces that enables sales and service organisations and their employees to better engage, connect and win with customers.

Bigtincan is an international business continues to expand its global footprint while maintaining its registered head office in Sydney Australia. The global go-to-market strategy continues to be led from Boston, Massachusetts, USA, with sales resources throughout the USA, Tokyo, London, Denmark, Switzerland and Sydney. Research and development is cantered in Sydney and supported by development canters in Tasmania, Denmark, Ukraine, 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

As a high growth SaaS business, Bigtincan focuses on SaaS metrics as a measure of business performance and for reporting and management purposes. These measures are not recognised under Australian Accounting Standards (AAS) or International Financial Reporting Standards (IFRS) and 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	FY2021	FY2020	Variance (%)
ARR end of period	$53.1m	$35.8m	48%
Gross profit margin	85%	85%	-
MRR retention rate	89%	89%	-

ARR as measured by Bigtincan relates to software subscriptions and support services. For the year ended 30 June 2021, ARR was $53.1m an increase of 48% on the prior corresponding period, reflecting the growth in contracted, recurring annualised revenue. The primary driver of this growth related to new customers adopting the Bigtincan platform in addition to 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 continue to be:

- Sale and deployment of Bigtincan Hub into enterprise customers and cross selling new technology into existing 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 $8.3m in ARR from acquired businesses throughout FY21.

The Monthly Recurring Revenue (MRR) retention rate for FY21 was in line with the prior year of 88%. This is due to the investments the Group continues to make in customer care and retention program.

Financial Summary

Results from Core Operations	**2021 $000**	**2020 $000**
Revenue from subscription and support services	42,544	29,455
Revenue from product related professional and contract services	1,330	1,551
Total Operating Revenue	**43,874**	**31,006**
Cost of revenue	6,634	4,772
Operating Gross Profit	**37,240**	**26,234**
Gross margin	*85%*	*85%*
Total Operating Expenses	**52,400**	**39,893**
Percentage of total operating revenue	*119%*	*129%*
Operating Loss	**(14,302)**	**(12,164)**
Percentage of total operating revenue	*(33%)*	*(39%)*
Net Loss after Tax	**(13,890)**	**(12,206)**
Percentage of total operating revenue	*(32%)*	*(39%)*

Adjusted EBITDA	**2021 $000**	**2020 $000**
Loss before income tax	(15,030)	(12,132)
Add back:		
Net finance costs / (income)	728	(32)
Depreciation and amortisation	2,617	2,033
Underlying EBITDA	(11,685)	(10,131)
Adjusted for the removal of various non-cash, one-time, irregular, and non-recurring items:		
Bargain purchase adjustment	-	(876)
Remuneration arising from business combination	240	2,286
Acquisition costs	3,635	785
Share based payments	1,720	1,201
Adjusted EBITDA	**(6,090)**	**(6,735)**

Total Operating Revenue

During the period, the Group grew Total Operating Revenue by 42% from $31m in 2020 to $43.9m with subscription and support revenue increasing by 44% increasing from $29.5m in FY20 to $42.5m in FY21. This growth in revenue reflected the Group's focus on optimising pricing and building a sustainable subscription-based model with our customers.

The increasing operating revenue reflects the continuing progression of:

- New customers wins during the year and organic expansion in the existing customer base;
- Expansion in the product range with new capabilities and software releases across all platforms (IOS, Android, Web); and
- The impact of acquisitions completed during FY21 with a focus on complimentary leading technology and enterprise customer bases.

Cost of Revenue and Operating Gross Profit

Cost of revenue includes those expenses directly related to hosting, provision of customer support, operations personnel and related costs and contractor fees relating to project specific software activities.

The increase in the cost of revenue from the prior period was driven by the additional customer volume reflected in the revenue growth (42%) and the costs from acquisitions. The gross profit margin was in line with the prior year of 85%

Operating Expenses

Operating expenses grew by 31% to $52.4m for the year primarily as a result of investment in:

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

Within the operating expenses is a business combination related cost from the Agnitio, ClearSlide, Voicevibes and Vidinoti acquisition of $3.6m (note 22).

Net Loss After Tax

With the continued investment in the group by growing the business the FY21 loss after tax was $13.9m compared to $12.2m in FY20. After adjusting for non-recurring and acquisition items, Adjusted EBITDA was a loss of $6.1m for FY21 a decrease of $0.6m from the Adjusted EBITDA loss of $6.7m in FY20.

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 faced by the Group but is not an exhaustive list.

Bigtincan Operates in a Competitive Industry

The financial performance of Bigtincan is heavily dependent on the strength of the sales enablement, sales engagement and mobile content industry. The market remains attractive and highly competitive with many companies operating in this space ranging from large multinational 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 businesses not be achieved Bigtincan may fail 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.

04 Director's 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 2021 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.

2. Information on Directors (continued)

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.

2. Information on Directors (continued)

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	22,406,658
John Scull	6,925,568
Tom Amos	431,630
Wayne Stevenson	504,292

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 8 - 13.

9. Dividends

Bigtincan Holding Limited has not paid, recommended, or declared dividends for the year ended 30 June 2021 (2020: nil)

Shareholder returns	2021	2020
Loss attributable to owners of the company	(13,890,000)	($12,206,000)
Basic and diluted loss per share	(4.31)	(4.03)
Dividend paid	Nil	Nil
Dividend per share	Nil	Nil

10. Significant Changes in the State of Affairs

- On 8 October 2020, Bigtincan acquired 100% of Agnitio A/S, a Danish company that provides a leading solution for remote selling for life sciences customers creating digital sales rooms for customer engagements;

- On 25 September 2020, Bigtincan issued 925,483 ordinary shares which related to the part payment for purchase of Zunos Technologies Pty Ltd announced to the market 18 June and 31 July 2018;

- On 23 Dec 2020, Acquisition of Clearslide Inc, a sales engagement technology platform leader for the purchase price of US $16.25m;

- On 6 January 2021, Bigtincan issued 52,238,806 ordinary shares at A$0.67 per new share under its$35m institutional capital raising whereby funds raised were to be applied to fund future acquisitions, organic activities and provide working capital;

- On 15 January 2021, Bigtincan acquired 100% of Voicevibes, a Baltimore, Maryland based company and leader in voice analytics for US$1.2Million;

- On 6 May 2021, Bigtincan issued 1,300,000 ordinary shares In consideration for a Confidential Agreement as disclosed to ASX on the 23rd December, 2020; and

- On 26 June 2021, the Company issue of 392,612 fully paid ordinary shares in BTH in connection with the acquisition of Vidinoti, SA.

11. Coronavirus (COVID-19) Pandemic

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

On 8 September 2021, the Group successfully completed the acquisition of Brainshark, Inc, a Delaware Corporation for approximately A$116m. The acquisition was funded by equity raise: 1) On 25 August 2021, the placement and institutional entitlement offer, raising A$79.4m and 2) On 10 September 2021, the retail entitlement offer, raising A$57.1m. The total equity raise amounted to A$136.5 million.

Other than matters described above, 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 no 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 will 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 2021.

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 (refer note 26):

- 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 2021 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).

05

Director's Report

Remuneration Report

Remuneration Report

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 2021 financial year.

In our last report to shareholders we signalled the work which was in progress to benchmark executive remuneration to similar sized entities and comparable companies and to implement a remuneration framework which links remuneration to the Groups business strategy and drivers. This is aimed at ensuring greater alignment between executive remuneration and the delivery of sustainable shareholder returns.

The key principles which underpin this framework and which were reported last year have remained consistent, namely:

- 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 Board believes that an appropriately structured remuneration framework underpins a strong performance-based culture and assists in driving shareholder returns.

The remuneration framework which has been implemented 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 predetermined 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.

Integral to the integration of the various acquisitions made during the year, the Group has realigned its organisation structures and key responsibilities to recognise the changing nature of the Group. This has also involved harmonising remuneration arrangements for those staff in acquired entities.

For 2021 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 42% to $43.9m together with a 48% growth in ARR to $53.1m;
- 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 four 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 2021 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

Remuneration Report (audited)

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 2021 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 2021 performance outcomes
5. Remuneration details for non-executive directors and executive KMP
6. Chief executive officer remuneration
7. Non-executive directors and executive KMP remuneration
8. Directors' interests

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 2021. 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 controlling 2qw of material activities of the Group during the course of 2021.

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. We recognised last year that there were many disparities between the compensation arrangements inherited from the various acquisitions made since listing and sought, with the help of independent remuneration consultants, to conduct a benchmarking exercise to enable our framework to move towards best practice.

This framework has been progressively implemented and provides a clear, transparent and easily understood performance management process with employees 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. This framework will also be applied to all staff acquired through the various acquisitions which have been made.

2. Remuneration framework overview (continued)

The Board will continue to seek appropriate independent advice on an ongoing basis to ensure that the framework and remuneration components continue to align with business strategies, key external stakeholder expectations and current market best practice.

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 and provided recommendations in relation thereto. GRG was paid $62,150 (inclusive of GST) for the remuneration recommendations in respect of reviewing the amount and elements of remuneration.

The protocols included the prohibition of GRG providing advice or recommendations to key management personnel before the advice or recommendations were given to members of the remuneration committee and not unless GRG had approval to do so from members of the remuneration committee.

These arrangements were implemented to ensure that GRG would be able to carry out its work, including information capture and the formation of its recommendations, free from undue influence by members of the key management personnel about whom the recommendations may relate.

The board is satisfied that the remuneration recommendations were made by GRG free from undue influence by members of the key management personnel about whom the recommendations may relate.

The board undertook its own inquiries and review of the processes and procedures followed by GRG during the course of its assignment and is satisfied that its remuneration recommendations were made free from undue influence.

These inquiries included arrangements under which GRG was required to provide the Board with a summary of the way in which it carried out its work, details of its interaction with key management personnel in relation to the assignment and other services and respond to questioning by members of the board after the completion of the assignment.

3. Executive remuneration

For 2021, 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.

The table below represents the target remuneration mix for group executives in the current year. The short-term incentive is provided at target levels, and the long-term incentive amount is provided based on the value granted in the current year.

	Fixed remuneration	At risk – Short term incentive	At risk – Long term incentive
Tom Amos	100%	-	-
Wayne Stevenson	100%	-	-
John Scull	100%	-	-
David Keane	40%	9%	51%

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 2021 performance outcomes

The Group delivered strong operational and solid financial performance for the 2021 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 FY21 financial highlights for these measures is summarised below:

Financial Highlights FY21	
Operating Revenue	Up 42% to $43,874,000
Annualised Recurring Revenue (ARR)	Up 48% to $53,100,000
Monthly Recurring Revenue (MRR)	Up 48% to $4,425,000
MRR Retention Rate	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 2021 year did not exceed the $600,000 cap agreed to by the Company at the 2020 Annual General Meeting. The current agreed annual Non-Executive Director Fees to be paid are:

- Independent Chairman $150,000
- Independent Non-Executive Director $115,000 (including roles as Chair of the Audit Committee and Chair of the Remuneration Committee)
- Non-Executive Director $100,000

5. Remuneration details for non-executive directors and executive KMP (continued)

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 1.5 million Performance Share Appreciation Rights (PSARs) in relation to FY21 long term variable remuneration be issued to David Keane. These PSARs will vest at the end of 3 years and when the performance based vesting condition are satisfied. These arrangements were approved at the 2020 Annual General Meeting of shareholders. Other FY22 entitlements will be recommended in the 2021 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 2021 are:

2021	Salary and Fees	Cash Bonus	Post-Employment Benefits	Other Long-Term Incentives	Share Based Payments	Total
	$000	$000	$000	$000	$000	$000
Tom Amos	150	-	-	-	-	150
Wayne Stevenson	105	-	10	-	-	115
John Scull	100	-	-	-	-	100
David Keane[1]	543	118	-	-	696	1,357
Total	**898**	**118**	**10**	**-**	**696**	**1,722**

1. David Keane is paid in USD and during FY21 was reimbursed $179,000 for additional relocation expenses.

7. Non-executive directors and executive KMP remuneration (Continued)

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**

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.

	2021	2020	2019	2018	2017
Loss attributable to owners of the Company	14,455,000	12,232,000	4,106,000	6,610,000	6,002,000
Dividends paid / declared	Nil	Nil	Nil	Nil	Nil
Change in share price	0.40	0.22	0.20	0.10	(0.3)

The loss attributable to owners of the company amounts for 2017 to 2021 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, Options and Rights at the date of Report

Director	Ordinary Shares	%	ESOP (Options)	Rights (PSARs)
David Keane[1]	22,406,658	4.11	3,000,000	1,500,000
John Scull[2]	6,925,568	1.27	-	-
Tom Amos[3]	431,630	-	-	-
Wayne Stevenson[4]	504,292	-	-	-

Notes in relation to the table of director's remuneration

[1] Shares held by Lai Sun Keane, spouse of David Keane are 21,406,429 shares and shares held by David Keane are 1,000,229shares. In FY21, David Keane was issued 1,500,000 PSARs. 3,000,000 options were issued to David Keane in prior years.

[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 though Wave Link Systems Pty Ltd, a company in which Tom Amos' voting power exceeds 20%. As part of the September 2021 capital raise, Tom acquired 58,326 ordinary shares at an exercise price of $1.05.

[4] Wayne Stevenson holds shares through Rangitata Nominees Pty Ltd, a company in which Wayne Stevenson's voting power exceeds 20%. As part of the September 2021 capital raise, Wayne acquired 100,859 ordinary shares at an exercise price of $1.05.

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

"Options" or "Rights" are the opportunity to subscribe for one Ordinary Share in the capital of the Company

Movement 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 2020	New shares acquired	Shares Disposed	Held at 30 June 2021
David Keane	25,065,472	-	(2,180,146)[1]	22,885,326
John Scull	10,925,568	-	(4,000,000)[2]	6,925,568
Tom Amos	373,304	-	-	373,304
Wayne Stevenson	403,433	-	-	403,433

8. Directors' interests (continued)

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

Notes in relation to the table of movement in shares held

[1] Relates to shares directly disposed by David Keane during the year.

[2].4,000,000 shares were disposed by Southern Cross IIF Trusco Pty Ltd and SBCVC Fund IV Pte Ltd during the year.

Movement in Share Options and Rights:

	Held at 1 July 2020	Granted Options and Rights during the year	Exercised	Held at 30 June 2021	Vested during the year	Vested and exercisable at 30 June 2021
Options						
David Keane	3,000,000	1,500,000	-	4,500,000	1,312,500	1,875,000
John Scull	-	-	-	-	-	-
Tom Amos	-	-	-	-	-	-
Wayne Stevenson	-	-	-	-	-	-

	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	-	-	-	-	-	-

[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.

8. Directors' interests (continued)

Exercise of options granted as compensation

During the reporting period nil options (2020: 800,717) were exercised previously granted as compensation under the employee share option plan.

Options granted during the year

During the reporting period nil options (2020: 3,000,000) were granted during the year.

Performance Share Appreciation Rights (PSARs) granted during the year

During the reporting period 1,500,000 PSARs (2020: nil) were granted during the year.

Share options vested during the year

During the reporting period 1,312,500 options (2020: 562,500) vested and became exercisable.

Unvested options and rights

As at 30 June 2021, there were 2,625,000 (2020: 2,347,500) unvested Options and PSARs outstanding.

Other transactions with key management personnel

A number of key management personnel (KMP), or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

From time to time, Directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

Tom Amos
(Chairman)
30 September 2021

Wayne Stevenson
(Director)
30 September 2021

KPMG

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 2021 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

Julie Cleary

Partner

Sydney

30 September 2021

06 Financial Report

Consolidated statement of profit or loss and other comprehensive income

For year ended 30 June 2021

	Note	2021 $000	2020 $000
Revenue	*3(a)*	43,874	31,006
Cost of revenue	*5(a)*	(6,634)	(4,772)
Gross profit		**37,240**	**26,234**
Other income	*3(b)*	858	1,495
Sales and marketing expenses		(23,258)	(18,498)
Product development expenses		(17,833)	(15,726)
General and administration expenses		(11,309)	(5,669)
Total expense from operating activities		**(52,400)**	**(39,893)**
Total operating loss		**(14,302)**	**(12,164)**
Finance income	*6(a)*	407	84
Finance expenses	*6(b)*	(1,135)	(52)
Net finance costs		**(728)**	**32**
Loss before income tax		**(15,030)**	**(12,132)**
Income tax benefit/(expense)	7	1,140	(74)
Loss for the year		**(13,890)**	**(12,206)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(565)	(26)
Total other comprehensive loss, net of tax		**(565)**	**(26)**
Total comprehensive loss		**(14,455)**	**(12,232)**
Earnings per share			
Basic loss per share (cents per share)	*8(a)*	(4.31)	(4.03)
Diluted loss per share (cents per share)	*8(b)*	(4.31)	(4.03)

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

Consolidated statement of financial position
As at 30 June 2021

	Note	2021 $000	2020 $000
Assets			
Current assets			
Cash and cash equivalents	*9*	56,259	71,354
Trade and other receivables	*10*	15,847	4,754
Other assets	*11*	3,227	3,256
Total current assets		**75,333**	**79,364**
Non-current assets			
Property, plant and equipment	*12*	1,665	2,321
Intangible assets	*13*	64,203	30,961
Other assets	*11*	351	393
Total non-current assets		**66,219**	**33,675**
Total assets		**141,552**	**113,039**
Liabilities			
Current liabilities			
Trade and other payables	*14*	8,806	6,987
Deferred revenue	*15*	25,686	18,512
Provisions	*16*	1,262	942
Lease liabilities	*17*	813	889
Total current liabilities		**36,567**	**27,330**
Non-current liabilities			
Deferred tax liabilities	*7*	221	985
Deferred revenue	*15*	637	1,124
Provisions	*16*	206	125
Lease liabilities	*17*	463	1,186
Other non-current liabilities		11	501
Total non-current liabilities		**1,538**	**3,921**
Total liabilities		**38,105**	**31,251**
Net assets		**103,447**	**81,788**
Equity			
Share capital	*24*	163,676	129,522
Share-based payment reserve		7,573	5,613
Accumulated losses		(67,222)	(53,332)
Foreign currency translation reserve		(580)	(15)
Total shareholders' equity		**103,447**	**81,788**

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

Consolidated statement of changes in equity
For year ended 30 June 2021

	Note	Share capital $000	Share-based payment reserve $000	Accumulated losses $000	Foreign currency translation reserve $000	Total $000
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	*24*	64,243	-	-	-	**64,243**
Equity settled share-based payments	*23a*	-	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**
Balance at 1 July 2020		**129,522**	**5,613**	**(53,332)**	**(15)**	**81,788**
Loss for the year		-	-	(13,890)	-	**(13,890)**
Other comprehensive income (net of tax)		-	-	-	(565)	**(565)**
Total comprehensive loss		**-**	**-**	**(13,890)**	**(565)**	**(14,455)**
Transactions with owners						
Issue of ordinary shares, net of transaction costs	*24*	33,873	-	-	-	**33,873**
Issue of ordinary shares related to business combinations	*22d*	281	-	-	-	**281**
Equity settled share-based payments	*23a*	-	1,960	-	-	**1,960**
Total transactions with owners		34,154	1,960	-	-	**36,114**
Balance at 30 June 2021		**163,676**	**7,573**	**(67,222)**	**(580)**	**103,447**

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

Consolidated statement of cashflows
For year ended 30 June 2021

		2021 $000	2020 $000
Cash flows from operating activities	*Note*		
Cash receipts from customers		44,829	39,702
Cash paid to suppliers and employees		(58,274)	(40,813)
Cash used in operations		**(13,445)**	**(1,111)**
Interest received		407	34
Government grant/taxes received		221	2,913
Net cash (used in)/from operating activities	*9*	**(12,817)**	**1,836**
Cash flows from investing activities			
Acquisition of property, plant, and equipment	*12*	(278)	(330)
Capitalised development cost	*13*	(5,952)	(3,481)
Acquisition of businesses, net of cash acquired		(29,020)	(11,609)
Net cash used in investing activities		**(35,250)**	**(15,420)**
Cash flows from financing activities			
Proceeds from issue of share capital		36,250	62,499
Proceeds from exercise of options		-	1,440
Repayment of lease liabilities		(901)	(854)
Transaction cost on issue of shares		(2,377)	(3,274)
Net cash from financing activities		**32,972**	**59,811**
Net (decrease)/increase in cash and cash equivalents		**(15,095)**	**46,227**
Cash and cash equivalents at 1 July		71,354	25,127
Cash and cash equivalents at 30 June	*9*	**56,259**	**71,354**

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

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 2021 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 consolidated financial statements are general-purpose financial statements, which have 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 consolidated financial statements comply 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 revenue, product development, sales and marketing and general and administration which are described in Note 5.

The consolidated financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 30th September 2021.

2. Basis of preparation (continued)

(i) Principles of consolidation (continued)

(a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

2. Basis of preparation (continued)

(i) Principles of consolidation (continued)

(b) Subsidiaries

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.

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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 are translated into 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 into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

2. Basis of preparation (continued)

(iii) Functional and presentation currency (continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into AUD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AUD at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

(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 Commission (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 taxes	7
Intangible assets	13
Lease term	17
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.

2. Basis of preparation (continued)

(vi) Going concern basis of preparation (continued)

The Group recorded a loss after tax for the year ended 30 June 2021 of $13.9m (2020: loss of $12.2m) and net cash flows used in operating activities is $12.8m (2020: net cash flows from operating activities of $1.8m). As at 30 June 2021, the Group's current assets exceeded current liabilities by $38.8m (2020: $52.0m) and its total assets exceeded total liabilities by $104.3m (2020: $81.8m).

(vii) Changes in accounting policies

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, *Configuration or customisation costs in a cloud computing arrangement*, effective immediately with retrospective application. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if so, over what time period the expenditure is expensed. The Group's accounting policy has historically been to recognise all costs related to configuration and configuration of cloud computing arrangements in the consolidated statement of profit or loss as they are incurred. The Group has concluded that the decision has not had a material effect on the Group's consolidated financial statements.

A number of other standards and amendments to standards are effective from 1 July 2020 but they do not have a material effect on the Group's consolidated financial statements, or they have been early adopted in preparing the 30 June 2021 consolidated financial statements.

(vii) Standards on issue but not yet effective

A number of new standards and amendments to standards are effective for annual reporting periods beginning after 1 July 2020 and earlier application is permitted

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements once applied:

- Annual Improvements to IFRS Standards 2018-2020
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

3. 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 2021:

	2021 $000	2020 $000
(a) Operating revenue		
Revenue from subscription and support services	42,544	29,455
Revenue from product related professional and contract services	1,330	1,551
	43,874	**31,006**

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.

3. Revenue (continued)

Revenue recognition and measurement (continued)

(ii) Product related professional and contract 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.

Costs of obtaining a customer contract

AASB 15 requires that incremental costs associated with acquiring a customer contract, such as sales commissions, be recognised as an asset and amortised over a period that corresponds with the period of the benefit. Where the Group records such costs in prepayments.

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.

	2021 $000	2020 $000
(b) Other income		
Government grants	803	595
Other*	54	900
	858	**1,495**

*For the year ended 30 June 2020, “Other” includes a bargain purchase amount of $876,000.

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.

4. 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.

	2021 $000	2020 $000
Segment revenue		
Subscription and support services	42,544	29,455
Professional and contract services	1,330	1,551
	43,874	**31,006**

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

	2021 $000	2020 $000
Revenue by location		
Australia	1,554	1,782
United States of America	39,137	28,191
Rest of the world	3,183	1,033
	43,874	**31,006**

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

	2021 $000	2020 $000
Non-current assets by geographic location		
Australia	26,293	22,821
United States of America	34,524	10,806
Rest of the world	5,402	48
Total	**66,219**	**33,675**
Segment loss before tax	**(15,030)**	**(12,132)**

5. 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 share based 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.

5. Expenses (continued)

General and administration expenses

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

	2021 $000	2020 $000
(a) Cost of revenue		
Employee benefits expense	1,886	1,271
Other costs	4,748	3,501
	6,634	**4,772**

	2021 $000	2020 $000
(b) Other major operating expenses (by nature)		
Professional fees	1,987	2,279
Advertising and marketing expenses	1,850	2,420
Other operating expenses	8,349	5,190
Depreciation and amortisation	2,617	2,033
Share based payment expense	1,960	1,115
	16,763	**13,037**

	2021 $000	2020 $000
(c) Employee benefits expense		
Wages and salaries	34,572	26,294
Post-employment benefits	1,065	562
	35,637	**26,856**

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.

5. Expenses (continued)

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 plan such as superannuation where the employer contributes a fixed proportion of the employee's income.

Share-based payments

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.

6. Finance income and costs

	2021 $000	2020 $000
(a) Finance income		
Interest income	407	31
Foreign exchange gains	-	53
	407	**84**

6. Finance income and costs (continued)

(b) Finance cost

Other finance costs	94	52
Foreign exchange Loss	1,041	-
	1,135	**52**

7. Income taxes

	2021 $000	2020 $000
Amounts recognised in profit or loss		
Current tax expense	111	74
Deferred tax expense	(1,251)	-
Total income tax (benefit)/expense	**(1,140)**	**74**

Reconciliation of effective tax rate		
Loss before tax from continuing operations	(15,030)	(12,132)
Tax using the Company's domestic tax rate (30%: 2020: 30%)	**(4,509)**	**(3,640)**
Effect of tax rates in foreign jurisdiction	105	(211)
Tax effect of:		
- Permanent differences	(7)	321
- Recognition of previously unrecognised deductible temporary differences	(709)	-
- Recognition of previously unrecognised tax losses	(62)	-
- Current year losses for which no deferred tax asset is recognised	4,042	3,604
Income tax (benefit)/expense	**(1,140)**	**74**

Deferred tax liabilities	**2021 $000**	**2020 $000**
Intangible assets	**(221)**	**(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.

7. Income taxes (continued)

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.

Tax consolidation

The Company and its wholly owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity, Bigtincan Holdings Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

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.

7. Income taxes (continued)

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.

	2021 $000	2020 $000
Deductible temporary differences	990	1,699
Tax losses	15,909	11,929
	16,899	**13,628**

8. 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.

	2021 $000	2020 $000
Loss attributable to ordinary shareholders - Basic	**(13,890)**	**(12,206)**
Issued ordinary shares at 1 July	302,802	261,931
Effect of shares issued to convertible note holders	-	-
Effect of shares issued under business combination	281	-
Effect of new shares issued to existing shareholders	19,285	40,871
Weighted-average number of ordinary shares at 30 June	**322,368**	**302,802**
Basic loss per share (cents)	**(4.31)**	**(4.03)**

8. Earnings per share (EPS) (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share has been calculated by diving the profit/ (loss) attributable to equity holders of the Group by weighted average number of ordinary shares outstanding during the year.

	2021 $000	2020 $000
Loss attributable to ordinary shareholders - Basic	**(13,890)**	**(12,206)**
Weighted average number of ordinary shares at 30 June (basic)	322,368	302,802
Dilutive effect of share options on issue	-	-
Weighted-average number of ordinary shares (diluted) at 30 June	**322,368**	**302,802**
Diluted loss per share (cents)	**(4.31)**	**(4.03)**

9. Cash and cash equivalents

	2021 $000	2020 $000
Cash and cash equivalents	56,259	71,354
	56,259	**71,354**

	2021 $000	2020 $000
Reconciliation of loss after tax to net cash flows from Operating activities		
Loss from ordinary activities after income tax	**(13,890)**	**(12,206)**
Adjustments for non- cash expense and income items		
Amortisation of intangible assets	1,325	895
Depreciation of property, plant, and equipment	1,292	1,138
Bargain purchase gain	-	(876)
Renumeration expense from acquisition	-	2,286
Share based payments	1,960	1,115
Bad debts written off	488	141
Unrealised foreign exchange	61	39
Operating cash flows from/(used in) before movements in working capital	**5,126**	**(7,468)**
Change in assets and liabilities		
Changes in trade receivables	(4,377)	349
Changes in other current assets	323	(760)
Changes in trade and other payables	(3,171)	(187)
Changes in other current liabilities	(490)	47
Changes in provisions	401	454
Changes in deferred income	3,261	9,401
Net cash flows (used in)/ from operating activities	**(12,817)**	**1,836**

10. Trade and other receivables

	2021 $000	2020 $000
Trade receivables	14,775	5,672
Indemnification asset*	2,797	-
Provision for doubtful debts	(1,730)	(920)
Other receivables	5	2
	15,847	**4,754**

* During the year, the Group acquired Clearslide Inc. Included in the liabilities assumed was an amount related to provision for sales taxes. Per the terms of the acquisition, the Group is indemnified over this amount. Therefore, a receivable has been recorded by the Group in relation to amounts claimable from the former shareholders against any historical Clearslide sales tax obligations paid by the Group.

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

	2021 $000	2020 $000
Balance at 1 July	920	794
Created during the year	1,298	267
Utilised during the year	(488)	(141)
Balance at 30 June	**1,730**	**920**

11. Other assets

	2021 $000	2020 $000
Current		
Other receivables – Government grants	-	221
Prepayments *	2,501	2,092
Other current assets	726	943
	3,227	**3,256**
Non-current		
Employee loan **	351	393
	351	**393**

* Included in this amount are prepaid sales commission amounting $704,000 (2020: $676,000 which are incremental costs of obtaining a new customer contract. These costs are amortised over the contract period.

11. Other assets (continued)

** 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.

12. Property plant and equipment

	Computer equipment $000	Office furniture $000	Right of use assets $000	Total $000
Cost				
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**
Balance at 1 July 2020	**717**	**173**	**2,929**	**3,819**
Additions	278	-	102	380
Acquired through business combination	159	97	-	256
Balance at 30 June 2021	**1,154**	**270**	**3,031**	**4,455**
Accumulated depreciation				
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**
Balance at 1 July 2020	**446**	**81**	**971**	**1,498**
Depreciation charge for the year	368	27	897	1,292
Balance at 30 June 2021	**814**	**108**	**1,868**	**2,790**
Carrying value				
At 30 June 2020	**271**	**92**	**1,958**	**2,321**
At 30 June 2021	**340**	**162**	**1,163**	**1,665**

12. Property plant and equipment (continued)

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.

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

The property, plant and equipment's residual values and useful lives are reviewed and adjusted if appropriate at each financial year end.

13. Intangible assets

	Goodwill $000	Intellectual property $000	Licenses $000	Customer relationships $000	Development costs (WIP) $000	Total $000
Cost						
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**
Balance at 1 July 2020	**17,631**	**7,984**	**14**	**1,464**	**5,298**	**32,391**
Additions	-	-	-	-	5,952	5,952
Acquisitions through business combinations	22,944	3,813	-	1,948	-	28,705
Effects of movements in exchange rates	125	(215)	-	-	-	(90)
Balance at 30 June 2021	**40,700**	**11,582**	**14**	**3,412**	**11,250**	**66,958**
Accumulated amortisation						
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**
Balance at 1 July 2020	-	1,107	9	314	-	1,430
Amortisation expense	-	929	1	395	-	1,325
Balance at 30 June 2021	**-**	**2,036**	**10**	**709**	**-**	**2,755**
Carrying value						
At 30 June 2020	**17,631**	**6,877**	**5**	**1,150**	**5,298**	**30,961**
At 30 June 2021	**40,700**	**9,546**	**4**	**2,703**	**11,250**	**64,203**

13. Intangible assets (continued)

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.

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.

13. Intangible assets (continued)

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 other than Goodwill 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.

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

Development costs	3-4 years
Intellectual property	5-10 years
Licenses	10 years
Customer relationships	5-10 years

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

13. Intangible assets (continued)

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 2021, 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 cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $62.8m (2020: $39.2m). 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:

	2021	2020
Post-tax discount rate per annum	12.0%	15.0%
Pre-tax discount rate per annum	15.0%	18.5%
Revenue growth rate (average of next five years)	18.5%	22.1%
Perpetuity growth rate	2.5%	2.5%

14. Trade and other payables

	2021 $000	2020 $000
Trade payables	2,278	1,368
Accrued expenses	1,167	1,193
Other payables	5,361	1,928
Deferred consideration	-	2,498
	8,806	**6,987**

Trade and other payables represent liabilities for services that remain unpaid at 30 June 2021 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).

15. Deferred revenue

	2021 $000	2020 $000
Current		
Subscription and support	24,212	18,478
Product related professional services	1,474	34
	25,686	**18,512**
Non-current		
Subscription and support	637	1,124
	637	**1,124**

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 and reflects the value of the advance payments.

16. Provisions

	2021 $000	2020 $000
Current		
Employee benefits	1,262	942
	1,262	**942**

Non-current		
Employee benefits	206	125
	206	**125**

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

	2021 $000	2020 $000
Balance at 1 July	1,067	552
Additional provision recognised during the period	235	937
Utilised / reversed during the period	166	(422)
Balance at 30 June	**1,468**	**1,067**

Employee Benefits

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

17. Leases

	2021 $000	2020 $000
Current		
Lease liabilities	813	889
	813	**889**

Non-current		
Lease liabilities	463	1,186
	463	**1,186**

17. Leases (continued)

	2021 $000	2020 $000
Amounts recognised in profit or loss		
Leases under AASB 16		
Interest on lease liabilities	81	45
Expenses relating to short term leases	240	414
Depreciation	897	971

	2021 $000	2020 $000
Amounts recognised in statement of cash flows		
Total cash outflow for leases	901	854

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.

As a lessee

As a lessee, the Group leases many assets, namely properties and office equipment. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and 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.

17. Leases (continued)

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 making certain adjustments to reflect the terms of the lease and the type of asset leased.

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 separately 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.

18. 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's 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.

18. Financial instruments (continued)

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.

19. 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

19. Impairment (continued)

Financial assets (continued)

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.

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.

19. Impairment (continued)

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than 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

20. Financial Instruments – Risk management

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

- Credit risk
- Liquidity risk
- Market risk

20. Financial Instruments – Risk management (continued)

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 analyse 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 each 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.

As at 30 June 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

20. Financial Instruments – Risk management (continued)

(i) Credit risk (continued)

	2021 $000	2020 $000
USA	11,455	5,077
United Kingdom (UK)	1,135	21
Australia	905	347
Europe	1,156	212
Others	124	15
Total	**14,775**	**5,672**

As at 30 June 2021, the aging of trade receivables that were not impaired was as follows:

	2021 $000	2020 $000
Neither past due nor impaired	9,237	3,325
Past due 1-30 days- not impaired	1,274	269
Past due 31-90 days- not impaired	844	712
Past due 91-120 days- not impaired	579	71
Past due greater than 120 days- not impaired	1,111	375
Past due greater than 120 days- impaired	1,730	920
Total	**14,775**	**5,672**

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 $56,259,000 at 30 June 2021 (2020: $71,354,000).

(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 conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

20. 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 2021

Non-derivative financial liabilities	Carrying amount $000	Contractual cash flows $000	3 months or less $000	3 to 6 months $000	6 to 12 months $000	More than 12 months $000
Trade payables	2,278	2,278	2,123	155	-	-
Lease liabilities	1,276	1,322	272	228	350	472
	3,554	**3,600**	**2,395**	**383**	**350**	**472**

30 June 2020 Non-derivative financial liabilities	Carrying amount $000	Contractual cash flows $000	3 months or less $000	3 to 6 months $000	6 to 12 months $000	More than 12 months $000
Trade payables	1,368	1,368	1,368	-	-	-
Lease liabilities	2,075	2,170	232	234	475	1,229
	3,443	**3,538**	**1,600**	**234**	**475**	**1,229**

(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).

20. 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 2021	**USD $000**	**GBP $000**	**Euro $000**	**Others $000**
Cash and cash equivalents	9,817	139	6	188
Trade and other receivables	14,457	1,001	426	1,862
Trade and other payables	2,454	52	21	30
Net statement of financial position exposure	**26,728**	**1,192**	**452**	**2,080**

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**	**-**

Currency risk – sensitivity analysis

The following significant exchange rate have been applied:

	Average rates		**Year-end spot rate**	
	2021	**2020**	**2021**	**2020**
USD	0.7645	0.6714	0.7518	0.6863
GBP	0.5449	0.5329	0.5429	0.5586

20. Financial Instruments – Risk management (continued)

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.

Effect in thousands of AUD	Profit or loss		Equity, net of tax	
30 June 2021	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	3,950	(3,950)	(2,750)	2,750
GBP	244	(244)	(171)	171
30 June 2020				
USD	1,749	(1,749)	(1,224)	1,224
GBP	66	(66)	(46)	46

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.

21. 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 2021 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

21. Related parties (continued)

Key Management Personnel (continued)

Key Management Personnel Compensation

Key management personnel compensation comprised the following:	2021 $000	2020 $000
Short-term employee benefits	1,016	782
Post-employment benefits	10	7
Share based payments	696	400
Total	**1,722**	**1,189**

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 2021, there are no loans outstanding to / from KMP (2020: $Nil).

As at 30 June 2021, the Directors of the Company control 7.4% (2020: 8.12%) 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 favourable 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.

The ultimate parent entity and the ultimate parent of the consolidated group is Bigtincan Holdings Limited.

21. Related parties (continued)

Set below is a list of material subsidiaries of the Group:

Name	Principal place of business	Ownership interest 2021	Ownership interest 2020
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%	100%
- Asdeq Software Pty Ltd	AUS	100%	100%
- Agnitio A/S	DNK	100%	-
- Vidinoti SA	CHE	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%	100%
- Clearslide Inc.	USA	100%	-
- Voicevibes Inc	USA	100%	-

22. Business combinations

22a. Acquisition of Agnitio A/S

On 8 October 2020, the Group acquired 100% of the shares and voting interests in Agnitio A/S (Agnitio).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Agnitio are inputs (patented technology and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Taking control of Agnitio will enable the Group to expand its presence in Europe and getting access to Agnitio's patented technology. The acquisition is also expected to provide the Group with an increased share of the Life Sciences market through access to Agnitio's customer base. The Group also expects to reduce costs through economies of scale.

In the nine months to 30 June 2021, Agnitio contributed revenue of $1,454,000 and loss of $211,000 to the Group's results. Details of consideration and the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following table.

22. Business combinations (continued)

22a. Acquisition of Agnitio A/S (continued)

	Fair value at acquisition date $000
Cash and equivalents	8
Trade and other receivables	234
Property, plant and equipment	8
Other assets	133
Trade and other payables	(187)
Unearned revenue	(403)
Other liability	(634)
Deferred tax liability	(198)
Intangible assets:	
- Software	642
- Customer contracts and relationships	697
Net identifiable assets acquired	300
Purchase consideration – fully paid in cash	3,395
Goodwill recognised	**3,095**

Purchase consideration

The Group has agreed to pay the selling shareholders an acquisition price which is approximately DKK 15million plus an earn-out payment of up to a maximum of DKK7.5million.

Acquisition-related costs

The Group incurred acquisition-related costs of $476K relating to external legal fees, due diligence costs and other transaction costs. These amounts have been included in administrative expenses in the consolidated interim statement of profit or loss and other comprehensive income.

Measurement of fair values – Identifiable intangible assets

Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

22. Business combinations (continued)

22a. Acquisition of Agnitio A/S (continued)

Goodwill

The goodwill is attributable mainly to the skills and technical talent of Agnitio's work force and the synergies expected to be achieved from integrating the company into the Group's existing Bigtincan Hub. None of the goodwill recognised is expected to be deductible for tax purposes.

22b. Acquisition of Clearslide, Inc.

On 31 December 2020, the Group acquired 100% of the shares and voting interests in Clearslide, Inc (Clearslide).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Clearslide are inputs (patented technology and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Taking control of Clearslide will enable the Group to expand its presence in North America and getting access to Clearslide's patented technology. The acquisition is also expected to provide the Group with additional annual recurring revenue in the same market segment through a strong and diverse customer base.

In the six months to 30 June 2021, Clearslide contributed revenue of $5,657,000 and profit of $700,000 to the Group's results. Details of consideration and the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following table.

22. Business combinations (continued)

22b. Acquisition of Clearslide, Inc.(continued)

	Fair value at acquisition date $000
Cash and equivalents	1,058
Trade and other receivables	6,265
Fixed assets	100
Other assets	335
Trade and other payables	(721)
Unearned revenue	(3,023)
Other liability	(3,393)
Identifiable Intangibles	
- Software	1,969
- Customer contracts and relationships	1,296
Net identifiable assets acquired	3,886
Purchase consideration – fully paid in cash	22,321
Goodwill recognised	**18,434**

Purchase consideration

The Group has agreed to pay the selling shareholders an acquisition price which is USD 16,250,000.

Acquisition-related costs

The Group incurred acquisition-related costs of $2,504,000 relating to external legal fees, due diligence costs and other transaction costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

Measurement of fair values – Identifiable intangible assets

Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

22. Business combinations (continued)

22b. Acquisition of Clearslide, Inc. (continued)

Goodwill

The goodwill is attributable mainly to the skills and technical talent of Clearslides' work force and the synergies expected to be achieved from integrating the company into the Group's existing Bigtincan Hub. Goodwill recognised is expected to be deductible for tax purposes in the United States of America.

22c. Acquisition of Voicevibes Inc

On 15 January 2021 the Group acquired 100% of the shares and voting interests of Voicevibes, Inc (Voicevibes).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Voicevibes are inputs (patented technology and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Taking control of Voicevibes will enable the Group to expand its presence in North America and getting access to Voicevibes' patented technology. The acquisition is expected to provide the Group with one of the world's largest data sets in measuring human perception of voice. The Group also expects to reduce costs through economies of scale.

In the six months to 30 June 2021, Voicevibes contributed revenue of $21,000 and loss of $236,000 to the Group's results. Details of consideration and the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following table.

22. Business combinations (continued)

22c. Acquisition of Voicevibes Inc (continued)

	Fair value at acquisition date $000
Cash and equivalents	81
Fixed assets	4
Trade and other payables	(1)
Deferred tax liability	(285)
Identifiable Intangibles	
- Software	1,202
Net identifiable assets acquired	**1,001**
Cash consideration	1,624
Deferred consideration	129
Total Consideration	1,753
Goodwill recognised	**752**

Purchase consideration

The Group has agreed to pay the selling shareholders an acquisition price which is USD 1,260,000.

Acquisition-related costs

The Group incurred acquisition-related costs of $266K relating to external legal fees, due diligence costs and other transaction costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

Measurement of fair values – Identifiable intangible assets

Relief-from-royalty method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned.

Goodwill

The goodwill is attributable mainly to the skills and technical talent of Voicevibe' work force and the synergies expected to be achieved from integrating the company into the Group's existing Bigtincan Hub. Goodwill recognised is expected to be deductible for tax purposes in the United States of America.

22. Business combinations (continued)

22d. Acquisition of Vidinoti SA

On 25 June 2021, the Group acquired 100% of the shares and voting interests in Vidinoti, SA (Vidinoti).

Included in the identifiable assets and liabilities acquired at the date of acquisition of Vidinoti are inputs (patented technology and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business. Taking control of Vidinoti will enable the Group to expand its presence in Europe and getting access to Vidinoti's patented technology. The Group also expects to reduce costs through economies of scale.

In the 5 days to 30 June 2021, Vidinoti's profit contribution was not material to the Group's results. Provisional details of consideration and the fair value of identifiable assets acquired, liabilities assumed, and goodwill determined are set out in the following table. These values are provisional as the Group is still pending information used to determine the fair value of assets acquired on acquisition. Amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at acquisition date and if known, would have affected the measurement of the amounts recognized as of that date.

	Fair value at acquisition date $000
Cash and equivalents	64
Trade and other receivables	(3)
Fixed assets	1
Other assets	5
Other liability	(55)
Net identifiable assets acquired	**12**
Cash consideration	393
Shares issued in business combination	281
Total Consideration	**674**
Goodwill recognised (provisional)	**662**

22. Business combinations (continued)

22d. Acquisition of Vidinoti SA (continued)

Purchase consideration

At completion a cash payment of approximately CHF273,000 was made by Bigtincan. Also, at completion, 392,612 fully paid ordinary shares in the capital of Bigtincan were issued to the sellers at an issue price of $1.01 per share (equating to CHF275,000). Of the shares issued, 114,662 shares (being the shares issued to 2 key executives) are subject to voluntary escrow restrictions for 12 months (as to 50%) and 24 months (as to 50%) and are subject to forfeiture if the executive is a bad leaver from the Company's employment during the escrow period. The 114,662 shares issued to 2 key executives form part of post combination services and are accounted as a share based payment arrangement under AASB 2 *Share Based Payments.* Shares amounting to 277,950 forms part of consideration under AASB 3 *Business Combinations*.

Acquisition-related costs

The Group incurred acquisition-related costs of $254K relating to external legal fees, due diligence costs and other transaction costs. These amounts have been included in administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

Goodwill

The goodwill is attributable mainly to the skills and technical talent of Vidinoti's work force and the synergies expected to be achieved from integrating the company into the Group's existing Bigtincan Hub. None of the goodwill recognised is expected to be deductible for tax purposes.

22e. Financial results of all acquisitions

If the acquisition date for all acquisitions that occurred during the year had been as of 1 July 2020, the results of Bigtincan Holdings Limited, being the combined entity including a full year of the results for Agnitio, Clearslide, Voicevibes and Vidinoti would have been:

	2021 **$000**
Revenue	50,437
Loss before tax	(14,585)

22. Business combinations (continued)

22f. Reconciliation to statement of cash flows

2021 Acquisitions	Cash consideration paid $000	Cash acquired $000	Net cash paid $000
Agnitio	(3,395)	8	(3,387)
Clearslide	(22,321)	1,058	(21,263)
Voicevibes	(1,624)	81	(1,543)
Viditnoti	(393)	64	(329)
Deferred consideration paid for prior year acquisitions (refer Note 14)	(2,498)	-	(2,498)
Acquisition of businesses, net of cash acquired	**(30,231)**	**1,211**	**29,020**

23. 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

During FY 2021 options exercise prices were ranging from $0.07 to $1.16.

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

Share-Based Payment with Employees (continued)

Share Option Plan (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 01/01/2021	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 15/04/2013	133,453	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 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**		

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

Share-Based Payment with Employees (continued)

Share Option Plan (continued)

Grant date/employees entitled	Number of Instruments	Vesting conditions	Contractual life of options
Options granted to key management personnel			
Options granted to employees/consultants			
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 01/01/2021	2,896,500	Service vesting condition	7 years
On 01/04/2021	2,512,500	Service vesting condition	7 years
Exercised options	(2,454,505)		
Forfeited options	(499,375)		
option Granted FY21	4,189,800	Service vesting condition	7 years
Total share options as at 30 June 2021	**19,159,717**		

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

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

Share-Based Payment with Employees (continued)

Share Option Plan (continued)

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 2021	Weighted average exercise price 2021 (in $)	Number of options 2020	Weighted average exercise price 2020 (in $)
Outstanding at 1 July	17,923,797	0.24	18,527,100	0.18
Forfeited during the year	(499,375)	0.54	(1,974,110)	0.22
Exercised during the year	(2,454,505)	0.11	(7,248,693)	0.08
Granted during the year	4,189,800	0.67	8,619,500	0.18
Outstanding at 30 June	**19,159,717**	**0.34**	**17,923,797**	**0.24**

Expenses recognised in profit or loss

	2021	2020
	$000	$000
Share-based payments	1,616	1,068
	1,616	**1,068**

Performance Share Appreciation Rights

On 1 July 2020, the Group granted 1,500,000 Performance Share Appreciation Rights (PSARs) to the Chief Executive Officer that entitle him to ordinary shares after 3 years. The PSARs are subject to performance hurdles and vest on 30 June 2023.

Expenses recognised in profit or loss

	2021	2020
	$000	$000
Share-based payments	344	-
	344	**-**

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

Share-Based Payment with Employees (continued)

Measurement of fair values

The fair value of the employee share options has been measured using the Monte Carlo simulation 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 5Y government bonds
- Number of years to exercise the options equals the service period

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 2021, no warrants have vested.

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 2021	Weighted average exercise price 2021 (in $)	Number of options 2020	Weighted average exercise price 2020 (in $)
Outstanding at 1 July	-	-	3,000,000	-
Exercised during the year	-	-	(3,000,000)	-
Granted during the year	-	-	-	-
Outstanding at 30 June	**-**	**-**	**-**	**-**

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.

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

Share-based payment with non-employees (continued)

Expenses recognised in profit or loss

	2021	2020
	$000	**$000**
Share-based payments	-	47
	-	**47**

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 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.

24. Equity and reserves

(a) Share capital

Ordinary shares	2021	2020
		Number of shares (000's)
Shares at 1 July	376,562	260,090
New Shares issued	-	100,312
New shares issued to existing shareholders	38,646	16,160
Shares issued in business combination	115	-
Balance at 30 June	**415,323**	**376,562**

Movement in share capital – Ordinary Shares	2021 $000	2020 $000
Balance at 1 July	129,522	65,279
Share issue proceeds	36,250	67,611
Shares issued in business combination	281	-
Directly attributable issue costs	(2,377)	(3,368)
Balance at 30 June	**163,676**	**129,522**

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.

24. Equity and reserves (continued)

(ii) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

25. Parent entity disclosures

As at and throughout the financial year ended 30 June 2021, the parent entity of the Group was Bigtincan Holdings Limited.

Results of parent entity	**2021 $000**	**2020 $000**
Loss for the year	(2,894)	(3,155)
Total comprehensive loss for the year	(2,894)	(3,155)
Financial position of the parent entity at year end:		
Current assets	49,346	58,296
Total assets	**156,392**	**126,283**
Current liabilities	522	3,633
Total liabilities	**522**	**3,633**
Total equity of parent entity comprising of:		
Share capital	163,676	129,522
Share based payment reserve	7,573	5,613
Accumulated losses	(15,379)	(12,485)
Total equity	**155,870**	**122,650**

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.

26. Auditors remuneration

The following fees were paid or are payable at 30 June 2021 for services provided by KPMG as the Group's auditor during the financial year:

	2021 $000	2020 $000
Audit services	370	295
Taxation compliance services	109	50
Total	**479**	**345**

27. 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.

28. Subsequent events

On 8 September 2021, the Group successfully completed the acquisition of Brainshark, Inc, a Delaware Corporation for approximately A$116m. The acquisition was funded by equity raise: 1) On 25 August 2021, the placement and institutional entitlement offer, raising A$79.4m and 2) On 10 September 2021, the retail entitlement offer, raising A$57.1m. The total equity raise amounted to A$136.5 million.

Other than matters described above, 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.

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 36 to 95 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 2021 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 2021.

4. The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standard

Signed in accordance with a resolution of the Directors:

Dated at Sydney, 30th day of September 2021.

Tom Amos	Wayne Stevenson
Chairman	*Director*

KPMG

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 2021 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 2021;
- 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.

Key Audit Matters

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

- Subscription and support revenue recognition; and
- Accounting for acquired businesses.

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.

Subscription and support revenue recognition

Refer to Note 3 to the Financial Report ($42.5m)

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group primarily generates revenue from selling subscriptions and support services to customers for accessing its software as a service (SaaS) application platform (known as "Bigtincan Hub").

Subscription and support revenues are recognised over time and are considered a key audit matter due to:

• The significant importance of revenue as a key performance indicator to the Group and its shareholders, given the Group's historical losses, expansion and strategic growth in the future.

• The high portion of audit effort applied to gather sufficient appropriate audit evidence given the volume of transactions.</td><td>Our procedures included:

• We examined the Group's revenue recognition policies for each type of subscriptions and support services revenue contract 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 new subscription and support revenue. The key control was in relation to the approval of invoices. This approval involves management matching the term of the subscription period, pricing and the type of service against signed purchase orders or service agreements from customers.

• We tested a sample of new subscription and support revenue invoices. We:

o checked the invoices selected to the underlying terms and conditions, including price, start and end dates, of the associated signed purchase orders or service agreements; and

o checked the start dates of the signed purchase orders or service agreements to the dates of active status on the Bigtincan Hub.

o recalculated the subscription and support revenue expected to be recognised for the year and the amount deferred as at the balance date. We did this by calculating a rateable basis using the price, start and end dates of the services provided to the customers. These were compared to the amounts recorded by the Group.

• We obtained the year-end deferred revenue reconciliation which details new and existing subscriptions and support revenue contract terms and value. On a sample basis, we:

o checked the opening balances to the prior year's closing deferred revenue reconciliation, including</td></tr>
</table>

	service periods and value; and ○ recalculated the amount of subscription and support revenue expected to be recognised for the financial year and the amount of subscription and support revenue expected to be deferred as at balance date. We did this this by calculating a rateable basis using the price, start and end dates of the services provided to the customers. These were compared to the amounts recorded by the Group.

Accounting for business combinations	
Refer to Note 22 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The accounting for business combinations was considered a key audit matter due to: • The financial significance of the transactions to the Group. • The significant judgements made by the Group in relation to the purchase consideration and the purchase price allocation (PPA), in particular the identification and determination of the fair value of the intangible assets acquired. These factors and the complexity of acquisition accounting required significant audit effort and involvement of senior audit team members in assessing this key audit matter.	Our procedures included: • We obtained the Purchase Agreement for each transaction to understand the structure, key terms and conditions, and nature of certain payments. • We evaluated the accounting treatment of the transactions against the criteria of a business combination in the accounting standards. • Checked the fair value of the assets and liabilities at acquisition date to underlying financial accounting records and external valuation reports for intangible assets. • Worked with our valuation specialists to evaluate the Group's valuation of intangible assets acquired. This included: - Considering the objectivity, competence, experience and scope of the Group's external valuation experts; - Examining and assessing the key assumptions in the Group's external valuation expert reports prepared in relation to the identification and valuation of intangible assets including: - comparing the key assumptions and useful lives applied by the Group in determining the value of the Group's identifiable intangible assets to comparable acquisitions, industry data and knowledge of the terms and conditions of the underlying Purchase Agreements and against the accounting standard requirements. - assessing forecast earnings assumptions by using our industry experience, inquiries with previous business owners and historical financial information of the acquirees. • Checking the mathematical accuracy of the Group's

KPMG

	calculation of goodwill arising on each acquisition. • Assessing the Group's business combination disclosures in the financial report against our understanding obtained from our testing and the requirements in the accounting standards.

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
- assessing the Group and Company'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 and Company 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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 2021, 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 33 of the Directors' report for the year ended 30 June 2021.

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

KPMG

KPMG

Julie Cleary

Partner

Sydney

30 September 2021

07
ASX Information

ASX INFORMATION

Substantial shareholders

The substantial shareholders (greater than 5%) as at 18th September 2021 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 2021

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.

Twenty Largest Shareholders as at 18th September 2021 – 66.65%

	Number of Shares	Percentage of capital held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	76,168,656	13.98
NATIONAL NOMINEES LIMITED	57,628,344	10.58
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	31,195,000	5.73
UBS NOMINEES PTY LTD	30,269,622	5.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,419,283	5.22
CITICORP NOMINEES PTY LIMITED	27,101,118	4.97
MRS LAI SUN KEANE	20,885,143	3.83
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	20,343,626	3.73
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	13,914,639	2.55
JENSEN COHEN HOLDINGS PTY LTD <JENSEN COHEN SUPERFUND A/C>	8,823,875	1.62
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	7,217,873	1.32
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	6,437,254	1.18
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	6,181,583	1.13
BNP PARIBAS NOMS PTY LTD <DRP>	5,472,626	1.00
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	5,332,874	0.98
AOTEAROA INVESTMENT COMPANY PTY LIMITED <ROBERTS INVESTMENT NO2 A/C>	4,830,014	0.89
BOND STREET CUSTODIANS LIMITED <SALTER - D79836 A/C>	4,082,043	0.75
SBCVC FUND IV PTE LTD <CO # 201115559C A/C>	3,462,784	0.64
SOUTHERN CROSS IIF TRUSCO PTY LTD <STHN CROSS IIF CWEALTH A/C>	3,210,380	0.59
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,108,947	0.39
TOTAL	**363,085,684**	**66.65**

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