

ASX Announcement

12 November 2024

CLARIFICATION STATEMENT

We refer to the letter to Bigtincan Holdings Limited (“Bigtincan”) (ASX: BTH) shareholders from Forager Funds Management Pty Ltd (“Forager”) dated 6 November 2024, as well as The Australian Financial Review (“AFR”) article ‘*Forager fundie seeks to spill ASX tech minnow’s board*’ dated 7 November 2024.

The Bigtincan Board continues to unanimously recommend that Bigtincan shareholders vote in favour of the IAAC transaction (announced on 21 October 2024), both in the absence of a superior proposal and subject to an independent expert concluding in their report (and continuing to conclude) that the scheme is in the best interests of Bigtincan shareholders.

Bigtincan also confirms that in response, it has issued a Letter to Shareholders today to the ASX.

Bigtincan confirms it remains in compliance with ASX Listing Rule 3.1.

Authorised by: **Board of Directors of Bigtincan Holdings Limited**

12 November 2024

Dear Shareholders,

Following the release of our Full Year 2024 Results on 29 August 2024, I am writing to you to clarify a number of matters raised by Shareholders and through the media recently.

During this important time in the Company's evolution, we continue to positively, constructively, and actively engage with our Shareholders. We remain committed to the highest levels of governance and transparency throughout our business and appreciate and respect the views of our Shareholders.

With the decision in front of Shareholders to take advantage of the opportunity to partner with one of the world's leading investment groups to take Bigtincan's "Aussie history" and build on the work done by the Company to take the business to NASDAQ, there has been media reporting of some shareholder messaging that is not factual, and the Board wishes to provide context and correct this misinformation.

As Shareholders will appreciate there has been a general re-rating of technology stocks over the past two years – Bigtincan has not been immune to this. However, in the case of Bigtincan, this re-rating has been exacerbated by other actions including the transacting of share sales that suppressed the share price, the spreading of misleading, and in some cases such as in the recent Forager Funds letter to Bigtincan Shareholders, out of date financial information, and selective disclosure of information by parties who were subject to non-disclosure agreements. These actions have impacted customer confidence, market confidence in the Company and the Board, and caused a disconnect between the traded market value of the Company and its underlying value.

A Period Characterised by Numerous Non-Binding and Conditional Change of Control Proposals

The Company has received circa 14 unsolicited non-binding indicative proposals over the past 24 months, including a number associated with major shareholder SQN. The Directors have at all times worked to evaluate these non-binding and highly conditional proposals consistent with their duties. For the avoidance of doubt, none of the NBIOS received have been binding offers, nor have they been capable of being presented to, or accepted by, Shareholders due to the conditions included in the proposals. To characterise these as otherwise is misleading. In contrast, the Investcorp proposal is a binding proposed transaction that the Shareholders can now consider.

While the Company was not required to disclose the NBIOS, in respect to one of these NBIOS in late 2022, in the interests of keeping Shareholders fully informed the Company was required to respond to media articles which contained misleading information concerning a reported 80c offer which was, in fact, another unsolicited, conditional, incomplete and indicative expression of interest which was incapable of being put to Shareholders or even executed given, among other things, the party who tabled the NBIO had not proved funds.

Capital Raising

The Company has undertaken a number of capital raises over the past two years. These have been undertaken to enable the Company to achieve its transition to a cash-flow positive position and to build its market leading AI capability in a highly competitive product-led market. All Shareholders were provided the opportunity to participate in these capital raises, and the Company was pleased with the participation by all major Australian Shareholders, including Forager Funds.

Factoring

As the Company transitioned towards a cash-flow positive position over the past three years it utilised invoice discount facilities (i.e. factoring) to provide consistent cash flow to manage the time lag between invoicing and payments. This is common practice for SaaS technology companies, has been fully disclosed in the Company's Annual Financial Statements, and does not artificially inflate the Company's cash position.

FY24 Free Cash Flow Positive with Sustainable Underlying EBITDA Growth

The Company has been very focused on the successful transition to a cash-flow positive position over the past 18 months. Recent reporting by one of the Company's Shareholders, Forager Funds, is not based on the most recent annual performance period and does not recognise the progress made as reported in our most recent Annual Report. For the period ended 30 June 2024 the Company disclosed positive cash-flow of \$6.2m while also delivering - underlying EBITDA growth of \$16.2m (+95% on pcp). The CEO and his team have streamlined the business and refocused on core profitable customers, while at the same time realigning the organisation structures and investing in AI capabilities through GenieAI technologies. As a product based SaaS company, ongoing investment in product is essential to retain customers and competitive advantage.

Board Engagement

The Forager Funds letter to Shareholders indicated that the Bigtincan Board and CEO had refused to engage with them. That is factually not correct. The Board and CEO have never refused to constructively engage with any shareholder and the Board has made offers to engage with Forager Funds directly, most recently in August 2024.

In line with the Company's good governance practices, the Board continues to welcome and receive feedback and open communication from all Shareholders.

Current Proposals Before Shareholders

The Board has been very focused on the improvement in the performance of the business as demonstrated by the FY24 results, and at the same time has considered all proposals it has received.

The Board has a responsibility to assess proposals, ensure they are genuine, in the best interests of the Company and all Shareholders and, if so, are able to be executed including being fully funded.

The Board notes that Shareholders may now have two proposals to consider. One of these proposals, from Investcorp, is an unconditional binding offer and recommended by the Board to Shareholders at the forthcoming AGM. The purpose of the vote at the AGM is to allow Shareholders to express a view on whether or not they support the Investcorp transaction. If the AGM vote succeeds, it is the first step in a process that will require a subsequent meeting of all Shareholders, to approve a final transaction, amongst other matters.

The other proposal, from Vector, at this stage is a non-binding and indicative proposal. The Board has exercised its 'fiduciary out' to the exclusivity provisions under and in accordance with the scheme implementation deed with Investcorp, which allows the Board to engage in discussions with Vector about its non-binding indicative proposal and provide Vector with access to due diligence information as the Board sees fit.

The Bigtincan Board continues to unanimously recommend that Bigtincan Shareholders vote in favour of the Investcorp AI Acquisition Corp ("IAAC") transaction (announced on 21 October 2024), in the absence of a superior proposal and subject to an independent expert concluding in their report (and continuing to conclude) that the Scheme is in the best interests of Bigtincan Shareholders.

Remuneration Strike

At the 2023 AGM the Company received a "first strike" in regard to its Remuneration report. Following the AGM the Board received feedback that the areas of concern provided at the AGM were the reduction in market capitalisation, the need for Board renewal, and the delivery of remuneration outcomes that align with the creation of shareholder value.

As outlined on page 22 of the 2024 Annual Report, the Board determined that the remuneration framework remained largely fit for purpose but required stronger alignment of reward to Shareholder experience via a rebalance of equity to cash award. A structured program of renewal commenced to add additional skills to the Board, which resulted in the appointment of software industry leader and independent Non-Executive Director Mr. Timothy Ebbeck on 7 June 2024, and the proposed appointment of Akash Agarwal. Furthermore, a program of transformation was completed to rapidly improve the profitability of the business and to achieve a sustainable operating cash flow breakeven position on an ongoing basis which the results for FY24 have demonstrated.

In relation to the matter of the Company's share price performance prior to the 2023 AGM, it is important to point out that the Board believes there were a number of actions undertaken by various parties which exacerbated the decline in the Company's share price and which were beyond the control or influence of the Bigtincan Board or management.

Director Nominations

The 2024 Notice of Annual General Meeting includes resolutions relating to the appointment of two Board endorsed Independent Non-Executive Directors, Timothy Ebbeck (appointed to the Board in June 2024), and Akash Agarwal. Both of these Directors are independent and bring the relevant skills and experiences to the Board that are most suited to the Company's current business and future needs.

A further two potential directors, Earl Eddings and Tony Toohey, have been nominated by a party associated with Forager Funds. Both of these proposed additional non-Board endorsed Non-Executive Directors were interviewed by the Board to determine whether their skills and experience met the Board Skills Matrix and requirements.

The Board formed a view that neither of the two non-Board endorsed nominees had the complementary skills sought by the Board and outlined in its Board Skills Matrix. Accordingly, The Board has recommended voting against their appointment.

Summary

The Board has worked to transition Bigtincan to a more sustainable, cash generative company as represented in the results for the past financial year and recognised in the value being ascribed to the business in the proposed transaction with Investcorp. This has been achieved against a backdrop of a challenging customer market, misinformation and some shareholder activism. The Board has been focused on the future and creation of shareholder value over the medium to longer term.

Bigtincan will proceed with the steps to complete the Investcorp sponsored deal should Shareholders approve it at the AGM, providing a short term immediate value increase for all Shareholders, as well as a longer term opportunity to participate in a market resurgence in sales enablement, driven by the AI technology leadership of an Australian business that continues to get the global recognition it deserves.

The Board endorsed resolutions put forward to the upcoming AGM provide a platform for the Company to move forward, and for Shareholders to provide an indication of their preferred direction, without being locked out of other strategic options.

The Board reaffirms its recommendations as it takes into account the needs of all Shareholders and provides a sustainable way forward for the Bigtincan business.

Yours faithfully

Tom Amos
Chairman