

ASX Announcement | 27 October 2022

Bigtincan Holdings Ltd

September 2022 Quarterly Report & Appendix 4C

Operating cash flow positive quarter and strong cash receipts demonstrate benefit of global business and enterprise focus

Q1 FY23 Cash Flow Highlights

- Total quarterly customer cash receipts of \$37.7m, an increase of 162% vs Q1 FY22, and up from \$31.3m in Q4 FY22, an increase of 20% Qtr on Qtr.
- Positive operating cash flow quarter, with cash operating payments of \$37.5m (including \$2.8m of one-off severance and other costs related to business adjustments conducted in the Quarter).
- Capitalised investments reduced by 25% from \$4.7m in Q4 FY22 to \$3.5m in Q1 FY23, as development projects were completed and new products came to market.
- Bigtincan achieved its fourth consecutive operating cash positive quarter, and fifth in six quarters.
- Bigtincan held \$35.3m cash and cash equivalents as at 30 September 2022 and is on track to achieve cash flow breakeven in FY23.

Q1 FY23 Trading Highlights and Outlook

- Reached the 12-month anniversary of Brainshark acquisition, achieving positive financial and strategic benefits for Bigtincan's multi-Hub business model.
- Bigtincan won market recognition including 2022 Sammy Award, and Software Reviews Sales Enablement Emotional Footprint.
- New customer wins in the Quarter included: HSA Insurance, Assurant, XPO Logistics, eBay. Expansion deals closed included: Cisco, Convatech, Anaplan, Cigna, Farmers, Fidelity, Seagate, Google and Allurion.
- Strong roadmap progression with new releases across all Hubs.
- Bigtincan is on track for FY23 guidance of ARR in the range of \$137-143m and revenue in the range of \$123-128m.
- FY23 positive adjusted EBITDA forecast to materially exceed FY22.

Bigtincan Holdings Limited (ASX:BTH), owner of Bigtincan and Brainshark, and Australia's largest publicly listed sales enablement platform and Software-as-a-Service (SaaS) provider of global sales training, sales content delivery and sales meeting facilitation, has today released its Appendix 4C and Quarterly activities report and is pleased to present commentary to accompany the lodgement of this report for the quarter ending 30 September 2022 ("Quarter", "Reporting Period").

Q1 FY23 Cash Flow

Bigtincan achieved its highest ever customer cash receipts for the Quarter of \$37.7m, an increase of 156% from Q1 FY22 cash receipts of \$14.7m, including \$6.0m in multiyear payments as customers continued to extend average contract lengths. During the Quarter, the movement of the USD against the AUD increased cash receipts in AUD by \$2.0m on a constant currency¹ basis vs Q4 FY22.

Quarterly cash operating payments were \$37.5m for the Quarter, inclusive of costs related to one off severance and other related costs of \$2.8m. This increase in payments was impacted by the movement in USD against the AUD with an increase in AUD payments of \$2.2m on a constant currency basis vs Q4 FY22. Fees paid to Directors in the Reporting Period were \$195k.

Net operating cash flow for Q1 FY23 was \$0.3m, and with one off business adjustments costs backed out underlying net cash from operating activities would have been \$3.1m.

Investments into long-term product development were \$3.5m for the Quarter, a 25% decrease compared with Q4 FY22, as Bigtincan completed work on identified projects whilst continuing to invest in longer term projects that impact future revenue.

The Company held total cash and cash equivalents of \$35.3m as at 30 September 2022, and remains on track to be cash flow breakeven in FY23.

Operating Cash Flow

Bigtincan achieved its fourth consecutive Quarter of positive net operating cash flow in Q1, and its fifth in the last six, with net operating cash of \$0.3m - excluding the \$2.8m in costs related to one off severances, underlying net cash from operating activities would have been \$3.1m.

Bigtincan's progress on Quarterly Cash Receipts and Net Operating Net Cash Flow is shown below.

¹ Constant currency rates are calculated by translating current period results into US dollars at the actual average exchange rates applicable in the comparable period, to show relative performance between two periods

\$m	Q1 FY20	Q1 FY21	Q1 FY22	Q1 FY23
Customer Receipts	5.3	4.5	14.4	37.7
Net cash from / (used in) operating activities	(2.5)	(6.5)	(4.9)	0.3

Anniversary of the completion of the Brainshark Acquisition

During the Quarter, Bigtincan passed the 12-month anniversary of the completion of the Brainshark acquisition. During this period Bigtincan successfully:

- Completed product integration with new user experiences, unified user access, and connected data platform.
- Integrated teams, systems and infrastructure.
- Incorporated the Brainshark brand into the group globally.
- Contributed to marginal ARR of multi-Hub deals hitting 31% (as per Bigtincan's FY22 results presentation available on the ASX or at <https://investor.bigtincan.com>). During the Quarter, Brainshark business was 48% of total deals by number which included cross sell and upsell of Learning Hub to existing Bigtincan Content Hub customers.
- Improved Brainshark MRR retention rate to levels historically achieved by Bigtincan.
- Generated NPAT of \$3.6m for FY22 from the Brainshark operations and improved gross margin in line with Bigtincan historical rates.
- Achieved \$3.9m in cost synergies for FY22.

Growing User Adoption

Based on the work done by the team in 2H FY22, Bigtincan is pleased to update investors of the impact of investments into the Brainshark platform that take advantage of Bigtincan's focus on user success.

As of October 2022, impacts from these investments included;

- User Sessions time across the Learning Hub increased 34% compared to pre acquisition.
- My Enrollments system usage increased by 97%.
- Increased usage of key functions like Search (increased 650%) and filters (increased 90%) demonstrated the benefits of integration with Bigtincan systems.

Market Development and Company Recognition

During the Reporting Period, Gartner released their annual Market Guide where Bigtincan was recognised as having all the capabilities recommended by Gartner for a successful deployment. A copy of the Gartner report is available on the Bigtincan website for investors to download.

In July, Bigtincan was recognised as a Leader in the Software Reviews Sales Enablement Emotional Footprint study. A copy of this report is also available on Bigtincan's website.



Bigtincan was also awarded the 2022 Sammy Award for Product of the Year during the Quarter, and was the only sales enablement platform in the category. Data on the Sammy Awards and the full list of winners is available here: <https://lnkd.in/eQbXi2Uf>

This ongoing recognition of the market position of Bigtincan is confirmation of the ability of the business to compete and win in the global market.

Product and Technology Update

Bigtincan continued its track record of quarterly releases with over 56 capabilities and enhancements released across the 3 core Hubs. Key highlights include:

Content Hub

- Hub Share Rooms available for all users
- New APIs available for file management

Learning Hub

- Deeper integration of Brainshark and content Hub

- Expanded UI updates in the new modernised Brainshark experience including content UI views in Brainshark
- Additional accessibility features for the Brainshark player as Bigtincan delivers a solution that helps all humans to be their best.

Engagement Hub

- Platform updates to enable enhanced 3rd party integrations
- Ongoing updates across the modernized UI
- Launch of new controls for meeting hosts

New Customer Wins and Expansion

During the Quarter, Bigtincan continued its track record of new customer wins and expansions across key vertical markets and geographic areas, with the Company announcing a \$3.3m contract extension with a global financial services company based on the Brainshark technology - showing the benefits of the complete Bigtincan platform.

Other deals and expansions in the Reporting Period included;

New wins in Q1 included: HSA Insurance, Assurant, XPO Logistics, eBay

Expansion deals closed in Q1 included: Cisco, Convatech, Anaplan, Cigna, Farmers, Fidelity, Seagate, Google and Allurion.

FY23 Outlook

Bigtincan remains on track to achieve the following guidance for FY23:

- ARR in the range of \$137m to \$143m
- Revenue in the range of \$123m-128m
- Cash flow breakeven to be achieved in FY23
- Positive adjusted EBITDA forecast to materially exceed FY22.

LiveTiles

Bigtincan submitted a non-binding conditional indicative proposal to acquire all of the shares in LiveTiles Limited ("LiveTiles") on 3 October 2022. To date, Bigtincan has received very limited engagement from the Board of LiveTiles, beyond acknowledgement of our proposal.

Whilst the Board of Bigtincan believes the combination of the LiveTiles business with Bigtincan is a compelling opportunity for shareholders, without genuine engagement from LiveTiles and the opportunity to undertake due diligence, Bigtincan is unlikely to be in a position to make a formal proposal, but reserves the right to do so.

Above Information

The above information is not and is not intended to constitute financial advice, or an offer or an invitation, solicitation or recommendation to acquire or sell Bigtincan Holdings Limited shares or other financial products in any jurisdiction and is not a disclosure document or other offering document under Australian law or any other law. Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, any forward-looking statements contained herein. This advice is for information purposes only.

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

Bigtincan is helping the world's leading brands facilitate the buying experience of the future.

Everything we offer is designed to be smart, flexible, and easily adapted to unique business processes with highly personalized experiences that people and brands love. We're on a mission to help companies deliver branded buying experiences that are engaging, personalized, provide value, and guide people to the best decisions with confidence. World-class companies like Nike, Guess, Prudential, and Starwood Hotels trust Bigtincan to enable customer-facing teams to intelligently prepare, engage, measure and continually improve the buying experience for their customers.

For more information about Bigtincan (ASX: BTH), visit: bigtincan.com or follow Bigtincan on social media:

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Appendix 4C

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

Name of entity

Bigtincan Holdings Limited

ABN

98 154 944 797

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	37,675	37,675
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(2,355)	(2,355)
	(d) leased assets	-	-
	(e) staff costs	(27,569)	(27,569)
	(f) administration and corporate costs	(7,284)	(7,284)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	35	35
1.5	Interest and other costs of finance paid	(21)	(21)
1.6	Income taxes paid	(227)	(227)
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	254	254

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses	(200)	(200)
	(c) property, plant and equipment	(52)	(52)
	(d) investments	-	-
	(e) intellectual property	(3,501)	(3,501)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(76)	(76)
2.6	Net cash from / (used in) investing activities	(3,829)	(3,829)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	163	163
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-

3.8	Dividends paid	-	-
3.9	Other – Capitalised issue costs and repayment of lease liabilities	(279)	(279)
3.10	Net cash from / (used in) financing activities	(116)	(116)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	38,959	38,959
4.2	Net cash from / (used in) operating activities (item 1.9 above)	254	254
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,829)	(3,829)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(116)	(116)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	35,268	35,268

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	35,268	38,959
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35,268	38,959

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

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

**Current quarter
\$A'000**

195
-

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

The above relates to Directors fees paid in the period.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 Total financing facilities

7.5 Unused financing facilities available at quarter end

-

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

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)	254
8.2 Cash and cash equivalents at quarter end (Item 4.6)	35,268
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	35,268
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

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

8.6

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

Answer: n/a

Answer: n/a

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

Answer: n/a

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

Answer: n/a

Compliance statement

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

Date: 27 October 2022

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

Notes

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