



BIG UN LIMITED AND  
CONTROLLED ENTITIES  
ABN 86 106 399 311

APPENDIX 4E

# PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

CURRENT PERIOD:  
1 July 2016 to 30 June 2017

PRIOR CORRESPONDING PERIOD:  
1 July 2015 to 30 June 2016

LODGED WITH THE ASX UNDER LISTING RULE 4.3A

# CONTENTS

Results for Announcement to the Market  
01

Review of Operations  
03

Preliminary Final Report  
08

Notes  
13



# RESULTS FOR ANNOUNCEMENT TO THE MARKET



## KEY INFORMATION

		2017	2016	% CHANGE
Revenue from ordinary activities	UP	13,973,339	2,642,832	428.73%
Net profit/(loss) for the period attributable to members	UP	(4,238,746)	(7,799,722)	46.65%

## DIVIDENDS PAID AND PROPOSED

It is not proposed to pay dividends for the year ending 30 June 2017. All cash flows were reinvested into the Company's operations and growth.

## DIVIDEND REINVESTMENT PLAN

There was no dividend reinvestment plan in operation during the financial year.

## NET TANGIBLE ASSETS PER SHARE

	2017 \$/share	2016 \$/share
Net tangible assets per share	(0.0065)	0.0113

## CONTROL GAINED OR LOST OVER ENTITIES IN THE YEAR

On 31 March 2017, the Group acquired a 100% interest in BHA Media Pty Ltd.



# REVIEW OF OPERATIONS



## BUSINESS OVERVIEW

The core activity of the company is the development of a global, video-driven ecosystem that targets B2B2C services by integrating video listings, social media and an innovative mobile video review application. The business operates across a three-pillar model with each pillar feeding and sharing video content across its own ecosystem.

The first pillar is the creation of high quality, affordable video licencing packages for small to medium sized businesses. The videos are curated and hosted on the Big Review TV platform. Revenue is generated through licence subscription fees (Video Saas) paid by businesses wanting to use the video content for marketing purposes.

The second pillar is the repurposing of video content for the production of online TV shows that are suitable for syndication to third parties and sponsorship by large brands. The TV shows also provide the ability for BIG to sell content and advertising slots to advertisers who target small to medium sized businesses. Online shows also appeal to small businesses who are willing to pay a premium license fee for inclusion in shows.

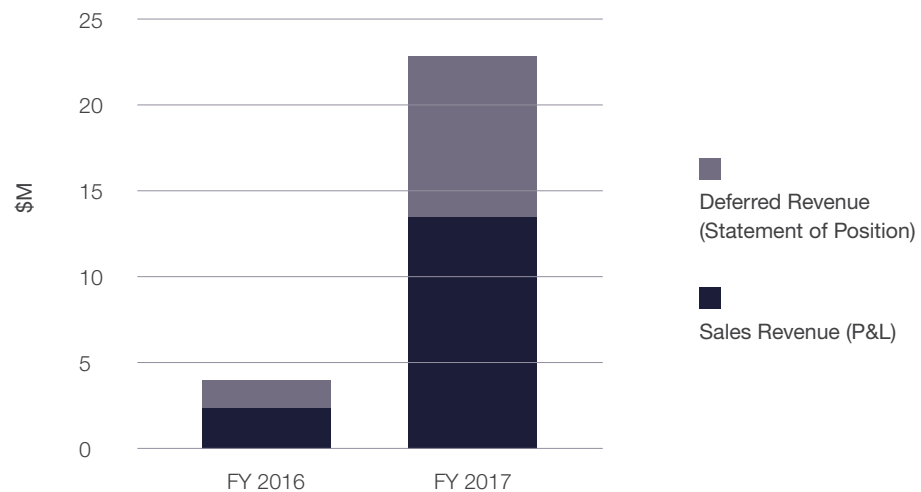
The wholly owned video library created by pillar one currently contains over 120 terabytes of video content and video data that is suitable for repurposing into other video technology products in addition to creating online shows.

The third pillar is the company's video platform and mobile video review app which enables customers to search for and review businesses, creating and sharing their own review via social media channels.

The first and second pillars are generating revenue for BIG. Revenue from the third pillar is anticipated following technology enhancements that will provide consumer insights, analytics and data to businesses.

## FINANCIAL AND OPERATIONAL REVIEW

Sales Revenue in the 2017 financial year was \$13.49 million (2016: \$2.36 million) an exceptional increase of 473%. This was driven by growth in video subscription revenue as the company continues to convert an increasing amount of customers in its sales pipeline. BIG takes the conservative approach to recognise revenues on video subscriptions, where delivery is ongoing through the membership, over the 12 months resulting in a significant deferred revenue balance for the year.



## REVIEW OF OPERATIONS

Strong sales were also a result of strong growth in the Company's member base, a key driver of sales, which grew by 241% to 62,000 members and subscribers as at 30 June 2017 as a result of both organic growth and acquisitions.

The company received \$12.81 million in video revenue (2016: \$1.78 million) and \$0.68 million in sponsorship fees (2016: \$0.57 million) representing its ability to generate additional revenue streams via the increasing demand from corporates for advertising and sponsorship opportunities targeted at SMEs.

The Company's cash receipts totalled \$21.52 million for the 2017 financial year. Revenue for the period comes primarily from the sale of licenced video content produced from Australia-wide operations. The significant difference between cash receipts from operations and sales revenue is due to the revenue recognition of the sales contracts. In many cases, the Company receives cash payment upfront on 12 month contracts, however, the accounting treatment sees the sales revenue recognised proportionately over the life of the contract as the services are provided.

Big Review TV's ability to generate strong cash flow resulted in its Australian operations becoming cash flow positive from the December 2016 quarter. This has further resulted in achieving positive net cash used in operating activities for the 2017 financial year.

Big Un Limited and its controlled entities reported a net loss after income tax for the year ended 30 June 2017 of \$4.24 million (2016: loss of \$7.80 million). The decrease in loss can be attributed to a strong improvement in the gross margin to 27.4% (2016: negative margin of 33.0%), reflecting the Company's continuing effectiveness and efficiency in the provision of professionally produced and edited video content and the delivery of video Saas.

Following the success of the business model in Australia, the expansion included substantial investment in growing the sales team and new production teams to establish the capacity required to meet additional demand in Australia and acceleration of strategic expansion in overseas markets. In addition, in line with public company and strategic requirements, the Company experienced an increase in consultant and contractor fees.

## GLOBAL EXPANSION

The company continued to grow internationally in the 2017 financial year, building infrastructure, capacity and human resource for accelerated growth. Big Review TV can now boast a presence in London in the UK, Austin, New York and San Francisco in the US and Singapore, Hong Kong, Vancouver, and Auckland.

During the year, BIG invested heavily in collating video content for its video library that would be relevant for its international target markets, providing the company with a strong platform on which to market its services through the UK and USA.

Since its commencement in March 2015, UK operations have seen significant growth with over 1,500 London businesses now filmed and the filming of three episodes of Wayfarer Executive Travel featuring big UK brands including British Airways.

Operations in the United States have continued to expand and during the 2017 financial year and the US teams have now on-boarded over 1,500 businesses. The Company has established a sales centre in Austin, TX which can service both east and west coast sales opportunities. BIG is currently actively engaged in negotiating US partnership opportunities with sponsors in the US. In June 2017, Marriott International signed with BIG to produce US filmed video content for Marriott's newly released mobile app.



## PRODUCT DEVELOPMENT

During the 2016 financial year, the Company introduced specialist video packages tailored to the not-for-profit (NFP) sector and corporates. Following a positive response to the concept of video packages from larger organisations the Company started to offer corporate packages tailored to the requirements of specific industry sectors that are delivered over a 12 month period. These Corporate Packages range in price from \$12,000 to \$24,000 and have made a significant impact upon revenue growth and recurring revenue streams.

During the 2017 financial year the Company invested in and developed its auto-gen technology which allows the company to automatically generate large volumes of promotional video utilising content from its existing 120 terabyte video library. This technology allows the company to deliver targeted short videos to potential and existing customers across all of its markets. The automated technology also creates efficiencies in the production process by eliminating the need to film smaller value video packages on site. Access to over 100,000 hours of video content from its own video library allows BIG to provide low-cost videos to customers in a time efficient manner and provides a greater time capacity for bespoke and higher-revenue generating video products and projects.



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## STRATEGIC PARTNERSHIPS

A significant part of the Company's growth strategy continues to be the development of partnerships and strategic alliances with other relevant businesses and organisations.

2017 saw the forming of a joint venture agreement with The Intermedia Group Pty Ltd (TIG) through which it has jointly produced the Wayfarer Executive Travel Series. The show combines both existing BIG video content and new content in a format that holds significant appeal to advertisers and sponsors.

TIG is one of Australia's largest business to business publishers and has extensive reach into Australian business decision makers, managers and owners. TIG engages their audience on a daily basis through a suite of print, digital and face to face media. Its online and print publications include Professional Beauty, Hospitality, Australian Hotelier, Bars and Clubs, Hotel Management, Appliance Retailer, Spa and Clinic, Timeout Magazine, Fox Sports Venues and Instyle. It has readership of over 500,000 professionals throughout Australia and New Zealand. BIG has access to this audience and is able to market its video products in a targeted way using the auto-gen technology. In March 2017, the Company completed its acquisition of TIG's hair, beauty and aesthetics publishing division BHA Media Pty Ltd (BHA). BHA is the hair and beauty arm of TIG, and has historical advertising revenue of \$3m per annum and relationships with over 36,000 publication subscribers.



## OUTLOOK

The Company is in a strong position to capitalise on the investment made throughout the 2017 year into their technology, their human resources and their business relationships. Cashflows from operating activities were positive for the 2017 financial year, enabling the company to direct cashflow into domestic and overseas expansion and to build a large cash surplus.

The Company has been able to offer increased services, both video SaaS and a broader range of online services including the ability for customers to manage their video marketing strategies in one place. The auto-gen technology will continue to see an increased gross margin on production and further profitability to the company as the model continues to scale. In addition, the Company's substantial video content library offers additional revenue stream opportunities.

The Company's current commercial model and infrastructure has been successfully tested in overseas markets including the US, the UK, Canada, Hong Kong, Singapore and New Zealand. There remains significant growth available in local markets through utilising both the commercial partnerships formed during the year and BIG's established infrastructure. The Company will drive forward its sales strategies targeting substantial early mover opportunities in these markets.

## OTHER OPERATIONS

Whilst the focus of the consolidated group is on the business of Big ReviewTV Limited, the Group has retained an investment in Mozambican gold mining operations. It is the Group's intention to sell these assets at the time and price which best benefits the Group. The investment in gold mining operations is not part of the ongoing business model or strategy of the Group. The ultimate value of these assets cannot be readily determined and may be nil depending on issues specific to the licences or the entities which hold the licences. The carrying amount of these assets were fully impaired in the previous financial year.

Big Un Limited has no plans to pursue any other mining investment activities either directly or through acquisition of further shares with all future plans being wholly focused on the operations of Big Review TV Limited.



PRELIMINARY  
FINAL REPORT



BIG UN LIMITED CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME:  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>CONTINUING OPERATIONS</b>			
Revenue	1	13,973,339	2,642,832
Direct cost of services sold		(10,138,588)	(3,515,805)
Operating expenses			
- Provision for recovery of aged receivables		(125,688)	(74,957)
- Communication expense		(95,293)	(87,289)
- Consultant and contractor expenses		(2,656,449)	(2,411,487)
- Depreciation expense		(305,362)	(247,068)
- Employee benefit expense		(2,359,898)	(2,225,674)
- Interest expense		(13,728)	(2,561)
- Travel expenses		(576,021)	(437,280)
- Other expenses from ordinary activities		(1,941,058)	(1,438,220)
<b>Total operating expenses</b>		<b>(8,073,497)</b>	<b>(6,924,536)</b>
Loss before income tax expense		(4,238,746)	(7,797,509)
Income tax		-	-
<b>Net loss from continuing operations</b>		<b>(4,238,746)</b>	<b>(7,797,509)</b>
<b>DISCONTINUED OPERATIONS</b>			
Net loss from discontinued operations		-	(2,213)
<b>Net Loss for the year</b>		<b>(4,238,746)</b>	<b>(7,799,722)</b>
<b>EARNINGS (CENTS) PER SHARE - NET LOSS FOR THE FULL YEAR:</b>			
Basic loss per share (cents)		(1.813)	(3.592)
Diluted loss per share (cents)		(1.645)	(3.224)

The accompanying notes form part of these financial statements



# BIG UN LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION: FOR THE YEAR ENDED 30 JUNE 2017

	30 June 2017 \$	30 June 2016 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	9,200,175	3,846,922
Trade and other receivables	2,646,591	363,536
Other receivables	420,915	342,525
<b>Total Current Assets</b>	<b>12,267,681</b>	<b>4,552,983</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	97,565	112,401
Intangibles	1,868,630	633,658
Loan – LSP	405,590	-
Other financial assets held for sale	150,000	194,947
Investment in subsidiaries	50,000	-
<b>Total Non-Current Assets</b>	<b>2,571,785</b>	<b>941,006</b>
<b>TOTAL ASSETS</b>	<b>14,839,466</b>	<b>5,493,989</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,719,236	1,824,339
Deferred Revenue	9,379,482	1,685,671
Finance lease payable	838	6,585
Provisions – current	686,319	31,000
Other current liabilities	50,005	-
<b>Total Current Liabilities</b>	<b>13,835,880</b>	<b>3,547,595</b>
<b>NON-CURRENT LIABILITIES</b>		
Finance lease payable	-	838
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>838</b>
<b>TOTAL LIABILITIES</b>	<b>13,835,880</b>	<b>3,548,433</b>
<b>NET ASSETS</b>	<b>1,003,586</b>	<b>1,945,556</b>
<b>EQUITY</b>		
Issued capital	18,419,454	15,122,679
Accumulated losses	(17,415,868)	(13,177,123)
<b>TOTAL EQUITY</b>	<b>1,003,586</b>	<b>1,945,556</b>



## BIG UN LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY: FOR THE YEAR ENDED 30 JUNE 2017

	ISSUED CAPITAL ORDINARY SHARES	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$
Balance at 1 July 2016	15,122,679	(13,177,123)	1,945,556
Shares issued during the year (net of transaction costs)	3,296,775	-	3,296,775
Net loss	-	(4,238,745)	(4,238,745)
Balance at 30 June 2017	18,419,454	(17,415,868)	1,003,586
Balance at 1 July 2015	6,972,430	(5,377,401)	1,595,029
Shares issued during the year (net of transaction costs)	8,150,249	-	8,150,249
Net loss	-	(7,799,722)	(7,799,722)
Balance at 30 June 2016	15,122,679	(13,177,123)	1,945,556

# BIG UN LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS: FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers and other sources	21,516,422	4,069,471
Payments to suppliers and employees	(17,741,694)	(7,993,570)
Interest received	6,576	13,104
Interest Paid	(13,728)	(3,393)
R&D Tax Incentive Received	470,720	313,794
<b>Net cash provided by operating activities</b>	<b>4,238,296</b>	<b>(3,600,593)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment, and intangibles	(199,265)	(423,280)
Cash in business combination on acquisition	107,866	-
<b>Net cash used in investing activities</b>	<b>(91,398)</b>	<b>(423,280)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from share issue	1,212,939	6,571,949
Payment of lease liabilities	(6,585)	(6,585)
<b>Net cash provided by financing activities</b>	<b>1,206,354</b>	<b>6,565,364</b>
<b>Net increase (decrease) in cash held</b>	<b>5,353,252</b>	<b>2,541,491</b>
Cash at beginning of financial period	3,846,922	1,305,431
<b>Cash at end of financial period</b>	<b>9,200,174</b>	<b>3,846,922</b>



# NOTES



## NOTE 1: REVENUE AND OTHER INCOME

	CONSOLIDATED GROUP	
	2017	2016
	\$	\$
Video Revenue	12,810,411	1,784,428
Sponsorships	680,668	570,500
Other Sundry Income	3,865	2,213
Interest Revenue	6,577	13,065
Revenue From R&D Tax Incentive	471,818	272,626
	<u>13,973,339</u>	<u>2,642,832</u>

## NOTE 2: STATUS OF AUDIT

This report is based on financial statements that are in the process of being audited.