

BPS TECHNOLOGY LIMITED INVESTOR PRESENTATION

22 NOVEMBER 2017



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AGENDA

- ❖ Overview of BPS
- ❖ Summary of Operating Segments
- ❖ Board and Key Management
- ❖ FY17 Financial Highlights
- ❖ Pro-forma Balance Sheet
- ❖ Growth Strategy and Outlook
- ❖ Offer Overview
- ❖ Appendices



FY17 Financial Snapshot and Outlook

Revenue: \$110.5 million- up 120%

EBITDA: \$13.7 million- up 45%

Outlook for FY18: As stated in ASX announcement dated 15 November 2017, the Board has reviewed the BPS financial results for the 4 months to 31 October 2017 and currently expects Revenues and Earnings for FY18 to be no less than that reported for FY17, being \$110 million and \$10.3 million respectively.

Key Market Statistics

ASX code: BPS

Market Capitalisation: ~\$50m

Shares on issue: 92,222,771

Listed on ASX: Sep 2014

Dividend: All BPS shares including shares issued under the Placement will be entitled to a final FY17 dividend of 2.25 cents per share. The indicative Record Date for that dividend will be on or before 15 December 2017 with an indicative Payment Date on or before 10 January 2018

EB Book and App Sales: 590,000

Merchants: 36,000

Not For Profits: 20,000

BPS Technology Limited (BPS) is involved in driving customers to merchants through its trading and payments platforms:

- Entertainment Publications – Australia and New Zealand’s leading entertainment deals platform includes 12,000 merchants, 20,000 NFP’s, 590,000 App and Book sales, combined 3.5m total consumer reach Entertainment and Frequent Values
- Bartercard – A global trade exchange facilitating business-to-business transactions between 24,000 SME members world-wide to the value of \$600 million each year
- TESS (Trade Exchange Software Services) – the only multisite, multinational, multicurrency trade exchange platform for barter which already operates in several countries and more than 75 offices across the globe
- bucqi – Consumers earn portable rewards called “bucqs” by purchasing from any merchant. Consumers may then spend those bucqs with participating merchants creating loyalty within the bucqi network

Board and management

- Further to the ASX announcement dated 26 September 2017, the full board of BPS is committed to the succession plan of the CEO which is scheduled to occur no later than February 2018



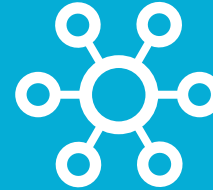
DEALS



INCENTIVES

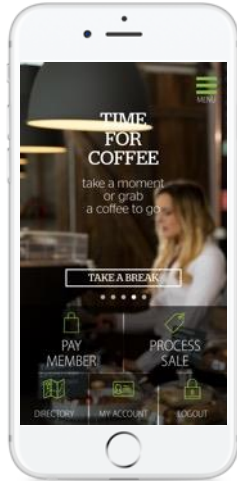


REWARDS



CHANNEL ENABLEMENT

BPS IS A MARKETING AND PAYMENTS PLATFORM PROVIDER

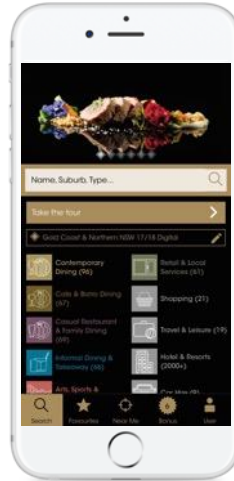


DEALS



A B2B platform that acts as a sales channel for **deals** between businesses utilizing cash plus/or an alternate digital currency (trade dollars) for payment. Effectively monetizes spare capacity.

Business is in transition from analog to full digital.

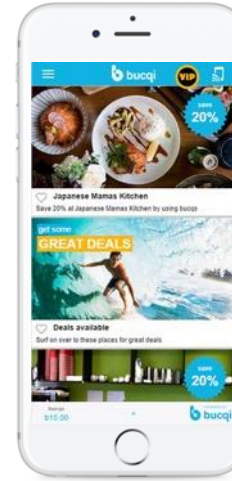


INCENTIVES



A B2C platform for restaurants, shops and hotels to offer ongoing unique lifestyle discount **incentives** to subscribers, staff, members & clients. Offered also as Frequnt Values platform to large Corporates.

Also undergoing Digital Transformation



REWARDS



A mobile payment and rewards platform offering consumers instant dollar for dollar **rewards** (bucqs) at any business and redemptions across participating merchants.

Now with Visa Debit Card - makes earning points so much easier.

36,000 merchants, 20,000 not for profit groups & 1.5 million consumers
Transacting in excess of \$1 billion per year



CHINESE TOURISTS IN AUSTRALIA TARGETED FY2018 & BEYOND



Alipay™ API is added to the Entertainment™ or Frequent Values™ mobile application

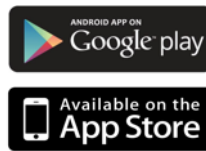


20% of \$8.9 billion spent on food and drink by Chinese tourists who want to use Alipay™.

BPS Technology and Alipay™ are meeting an unmet need.



Tourist coming into Australia download the Entertainment™ or Frequent Values™ Mobile App.



Tourist use the app to search Alipay™ merchants.



Tourist enjoys one of the thousands of Entertainment™ & Frequent Values™ venues.



Tourist pays with Alipay™ using the same Mobile Entertainment™ or Frequent Values™ app they used to find the venue.



Payment is distributed to Alipay™, Entertainment™ or Frequent Values™ and the Merchant.



Murray d'Almeida,
Independent Non-Executive Chairman
Founded Retail Food Group (ASX:RFG); Chair Barrack Street Investments Limited, Director Global Masters Limited and Tripe Energy Limited



Garth Barrett,
Independent Non-Executive Director
More than 40 years' experience in strategic planning, M&A, financial systems, risk analysis and operations management; many years as partner at national and international chartered accounting firms including Deloitte



Trevor Dietz,
CEO BPS
30 years digital, finance, payments, M&A experience, Investor & Public Relations, has delivered technology and business systems and managed global operations



Tony Wiese,
CFO BPS
Chartered Accountant with 25 years financial and executive management, listed two companies, 10 years as Executive Director of listed public companies, completed over 25 acquisitions



Brian Hall,
CEO and co-founder of Bartercard;
27 years in sales and marketing management, developer of systems and technology in a multi national franchise network. Trading platforms specialist



Susan Minnekeer
General Manager
Improvements and delivery of digital services and technology



Andrew McIntyre
Chief Technology Officer
Big data, mobile app, fintech specialist



Heidi Halson
Executive Director
Entertainment
Tourism & Hospitality specialist



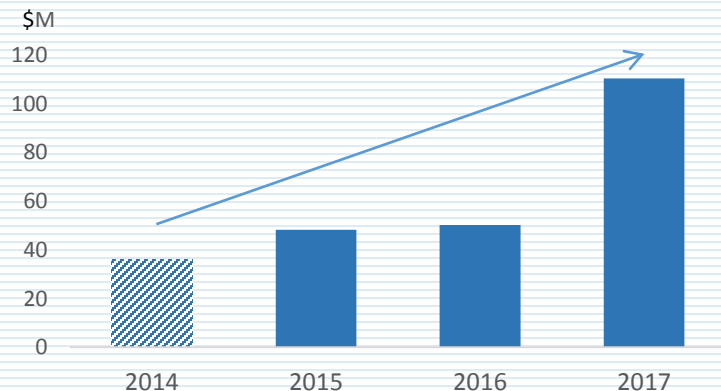
Phil Scott
Inventor of bucqi
Computer engineer, mobility specialist

4 YEAR GROWTH IN EARNINGS OF 21% PA

REVENUE

\$110.5m +32% pa

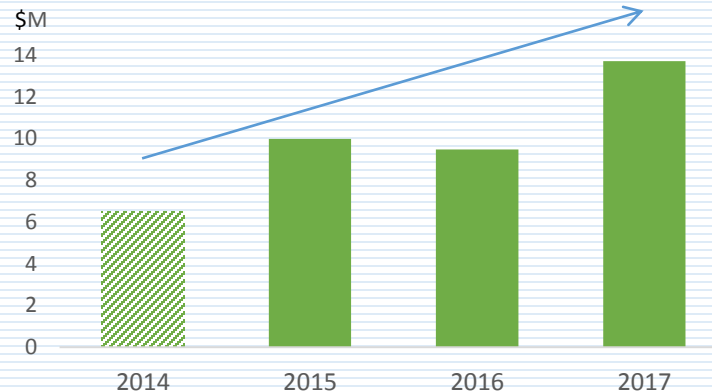
Revenue in FY17 increased 120% on prior year
Entertainment acquisition contribution: \$65.8m



EBITDA

\$13.7m +21% pa

EBITDA in FY17 increased 45% on prior year
Entertainment contribution: \$6.0m



FINANCIAL HIGHLIGHTS - FY17

- ❖ EPS of 12.1 cents – above guidance of 11.8 cps
- ❖ Sales revenue up 120% to \$110.4m
- ❖ EBITDA up 45% to \$13.7m
- ❖ Dividend per share of 2.25 cents, fully franked
- ❖ Cash generated increased to \$12.8m from \$5.1m in FY2016
- ❖ Net debt reduced from \$7.7m to \$4.9m (gearing 7%)

PRO-FORMA BALANCE SHEET AT 30 SEPTEMBER 2017

Simplified pro-forma balance sheet at 30 September 2017 (for illustrative purposes)

	Actual 30 September 2017	Capital raising	Pro-forma 30 September 2017
Cash	3,383,698	9,500,000	12,883,698
Trade & Other Receivables	13,112,920		13,112,920
Inventory	4,734,552		4,734,552
Other current	8,743,738		8,743,738
Current Assets	29,974,908	9,500,000	39,474,908
Prop, Plant & Equip	3,379,599		3,379,599
Intangible Assets	73,786,017		73,786,017
Other non Current	14,949,944		14,949,944
Non Current Assets	92,115,560		92,115,560
TOTAL ASSETS	122,090,468	9,500,000	131,590,468
Trade Payables and Accruals	5,858,826		5,858,826
Current Debt	7,369,034		7,369,034
Provisions and Other Liabilities	29,996,813		29,996,813
Long term Debt	7,000,000		7,000,000
TOTAL LIABILITIES	50,224,673		50,224,673
NET ASSETS	71,865,795	9,500,000	81,365,795
Issued Capital	54,477,700	9,500,000	63,977,700
Reserves	17,388,095		17,388,095
TOTAL EQUITY	71,865,795	9,500,000	81,365,795

KEY LEVERS FOR GROWTH & BOTTOM LINE IMPROVEMENT

SIX SIMPLE REVENUE LEVERS - IN ADDITION TO \$6.0M IN COST REDUCTIONS OVER NEXT THREE YEARS

-
- ❖ **Add 10,000 Consumers using digital apps**
 - will generate additional EBITDA of \$460,000 in year one growing to \$1.3m in year three
-
- ❖ **Redirect more people into income generating activities – sell more Frequent Value Plans**
 - 4 additional major Frequent Values sales
 - will generate \$640,000 in year one growing to \$1.4m in year three
-
- ❖ **Sell Frequent Values Country Licenses**
 - will generate \$150,000 in year one growing to \$510k in year three
-
- ❖ **Increase Gift Card Sales**
 - will generate \$75,000 in year one growing to \$350k in year three
-
- ❖ **Add 4,000 SMEs over next three years**
 - will generate additional EBITDA of \$252k in year one growing to \$600k in year three
-
- ❖ **Add 500 more Not-For-Profits (NFPs)**
 - with each NFP selling 100 EB apps they will
 - in total generate additional EBITDA of \$1.02m in year one growing to \$3.0m in year three

Sources & uses of funds

Sources	\$m
Equity Raising	10
Total sources	10

Uses	\$m
Replace the convertible note repaid in August 2017	5.5
Accelerate the digitisation process and production of a transactional app for entertainment	2.0
Accelerate the digital migration of the Bartercard Business	2.0
Transaction costs	0.5
Total	10

Equity offer details and timetable

Equity offer details

Offer size and structure	\$10m institutional placement followed by SPP
Offer price	\$0.45 per share
Ranking of new shares	Pari passu with existing fully paid ordinary shares on issue
Share Purchase Plan (SPP)	BPS intends to offer an SPP to eligible shareholders. Under the SPP all eligible shareholders will have the opportunity to subscribe for up to A\$15,000 worth of shares at the same price as the Placement. BPS reserves the right to scale back applications where the aggregate application monies received exceeds A\$2 million
Dividend	All BPS shares including shares issued under the Placement will be entitled to the final FY17 dividend of 2.25 cents per share. The indicative Record Date for that dividend will be on or before 15 December 2017 with an indicative Payment Date on or before 10 January 2018

Timetable

Event	Date
Announcement of Trading Halt	21 November 2017
Placement	22 November 2017
Resumption of trading	23 November 2017
Settlement of placement	28 November 2017
Quotation of placement shares	29 November 2017
SPP	Details to be provided

APPENDICES



PLATFORM REVENUE GENERATORS



❖ Entertainment Books and App Platform

- average \$65.00 per region
- 590,000 subscribers
- 12,000 merchants in Australia and New Zealand

❖ Frequent Values Books and App Platform

- large Corporates pay for white label offers (\$200k to \$750k)
- ~900,000 users

❖ Entertainment Corporate Platform

- Gift Card sales from major business chains generate ~\$21m in revenues at a ~4.0% margin

❖ In FY18 will offer associated revenue generating deals via buccji, Alibaba, AliPay, Finance Plus, Export Plus, Honan Insurance

Entertainment provides a valuable network of SMEs, NFPs and consumers

- ❖ Entertainment provides restaurant and activity guides that contain special offers from SMEs across Australia and NZ
- ❖ Memberships are available in two formats – the Entertainment Book (in print) and the Entertainment Digital Membership (smartphone app)
- ❖ The Entertainment network consists of:
 - 12,000 SMEs (predominantly in the tourism and hospitality sector) and 18,000 NFPs¹
 - 590,000 Members, giving total reach of ~1.5 million users and over 1 million homes across Australia and New Zealand
- ❖ Entertainment has over 200 staff split across sales and support and operates in 21 specific geographical areas throughout Australia and NZ
- ❖ Digital membership has gone from zero to 42% in 3 years
 - Targeting +50% of Entertainment members using digital in FY18
- ❖ Print quantities reduced in FY17 by 50,000 units saving ~\$350,000pa
- ❖ FY17 revenue of \$65.8m and FY17 EBITDA of \$6.0m





PLATFORM REVENUE GENERATORS

Bartercard enables SMEs to use Trade Dollars to pay for the exchange of goods and services plus gain cash business via new sales channels e.g. Alibaba. Every transaction will earn a fee. The business model is being transitioned from high cost analog to lower cost digital.

- ❖ Bartercard members pay a monthly fee
 - minimum \$39 per month
 - up to \$249 per month
 - ~70% paying \$39 per month
- ❖ Bartercard members pay transaction fees of 6.5% cash and 1.0% Trade Dollars on every transaction
 - global average is circa 6.0% on cash fees
- ❖ Bartercard charges a variety of other fees – joining fee, late payment, featured advertising, overdrawn fees, etc.
- ❖ Royalties of 8% from revenues generated by existing Bartercard Licensees
- ❖ Sale of new country BPS Platform Licences via BPS Global that will include Bartercard plus the Entertainment and Frequent Values Platforms
 - upfront \$0.2m to \$2.0m depending on the territory

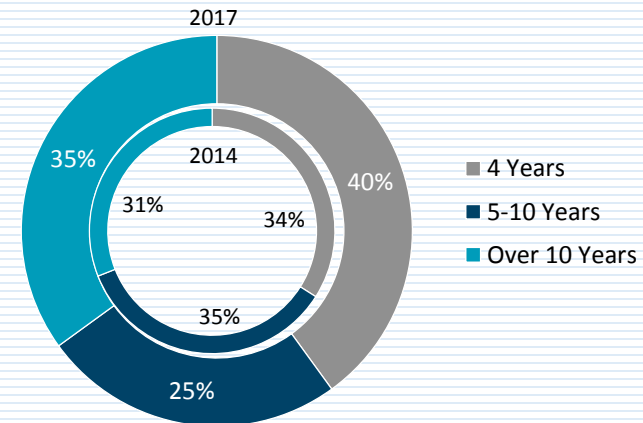
Profitable business, longstanding network of merchants, focused on transition to digital transactions

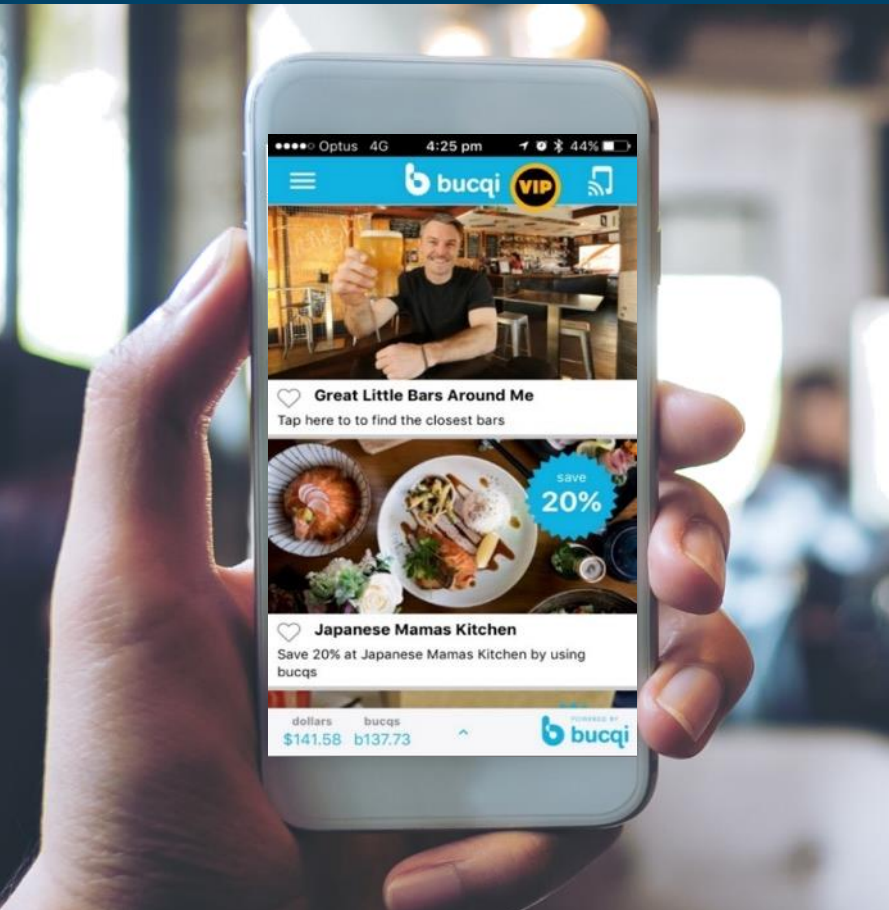
- ❖ The world's largest multi-national trade exchange¹, built up over 26 years
- ❖ Key statistics:
 - \$600m annual transaction value
 - 24,000 merchants and 50,000 cardholders
 - 78 offices across 9 countries
 - 500 staff
- ❖ Stable and highly cash generative business – future revenue growth driven by pivoting existing business to capture full cash, part cash/trade and full trade transactions
- ❖ Fees are earned on every transaction
- ❖ New mobile transactional technology – totally paperless
- ❖ Consolidating &/or removing non performing domestic franchisee businesses – now control 82% of members
- ❖ FY17 revenue of \$44.6m and FY17 EBITDA of \$14.2m²

1. Based on transactional value and number of transactions

2. BPS financial results for FY17 are actual and have been audited

Merchants by Duration





bucqi is the exciting new digital rewards app that customers use to save money by accumulating and spending bucqs with participating retailers.

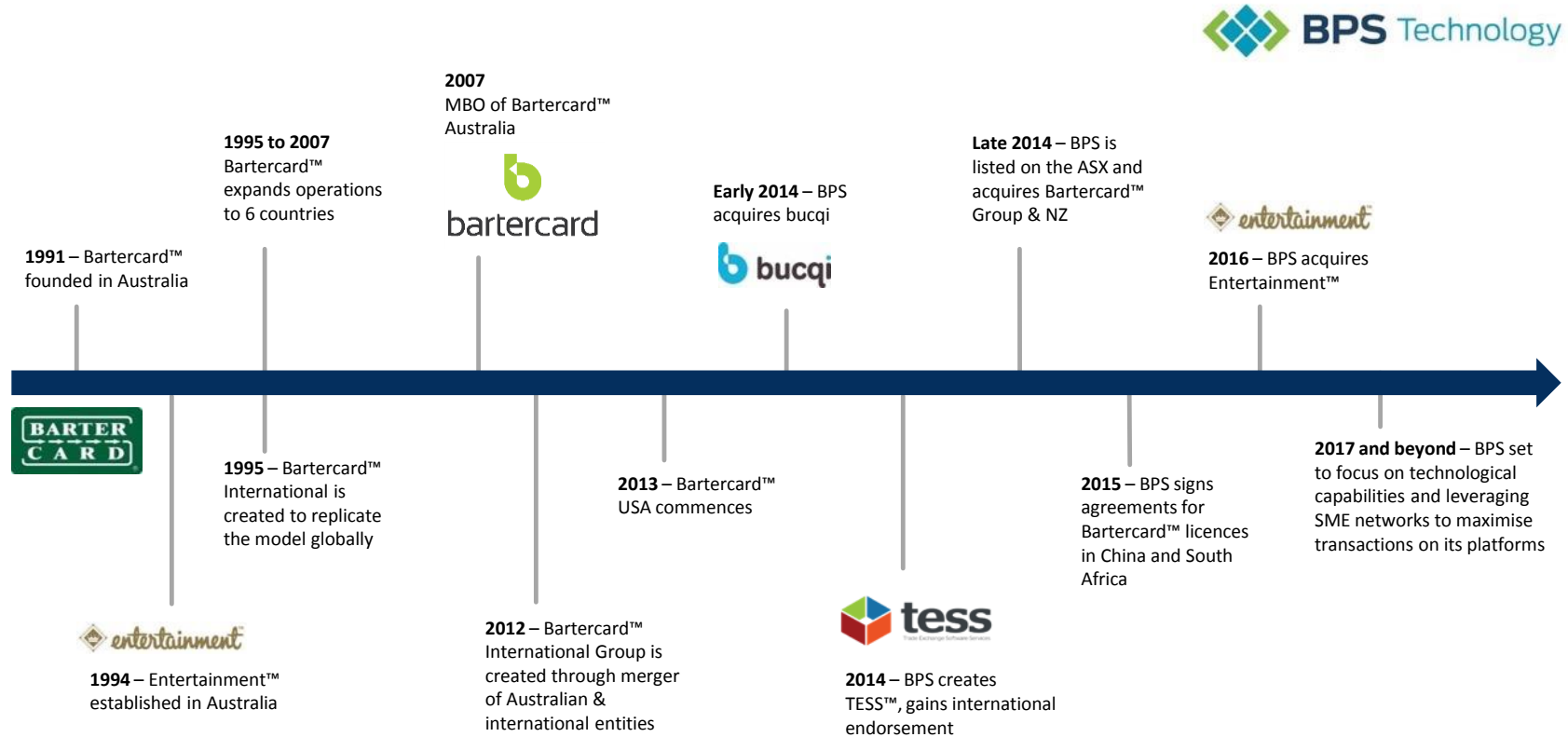
bucqs

bucqs are the rewards customers can earn everywhere and then spend later at selected bucqi merchants.



APP TRANSFORMATION

- ❖ Visually appealing
- ❖ Matching existing behaviours
- ❖ Familiar look, feel and operation
- ❖ Easy to rebrand for partners
- ❖ Integrated gamification
- ❖ Instant visual feedback
- ❖ Consumer engagement challenges





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