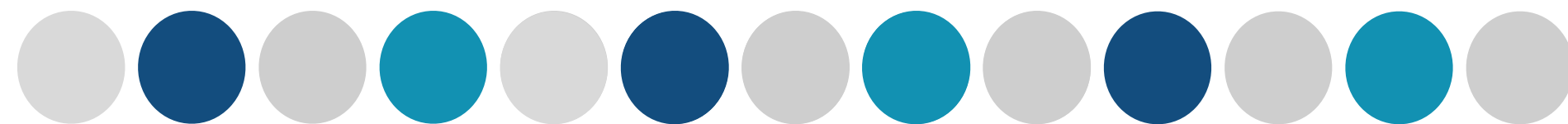


BPS Technology Limited



AGM Presentation 1H2017 Guidance
28 November 2016

❖ **Vision and Purpose**

- We help businesses perform better
- Business Performance Solutions “BPS”

❖ **What do we do?**

- BPS builds transactional, loyalty and rewards platforms that attract customers to merchants

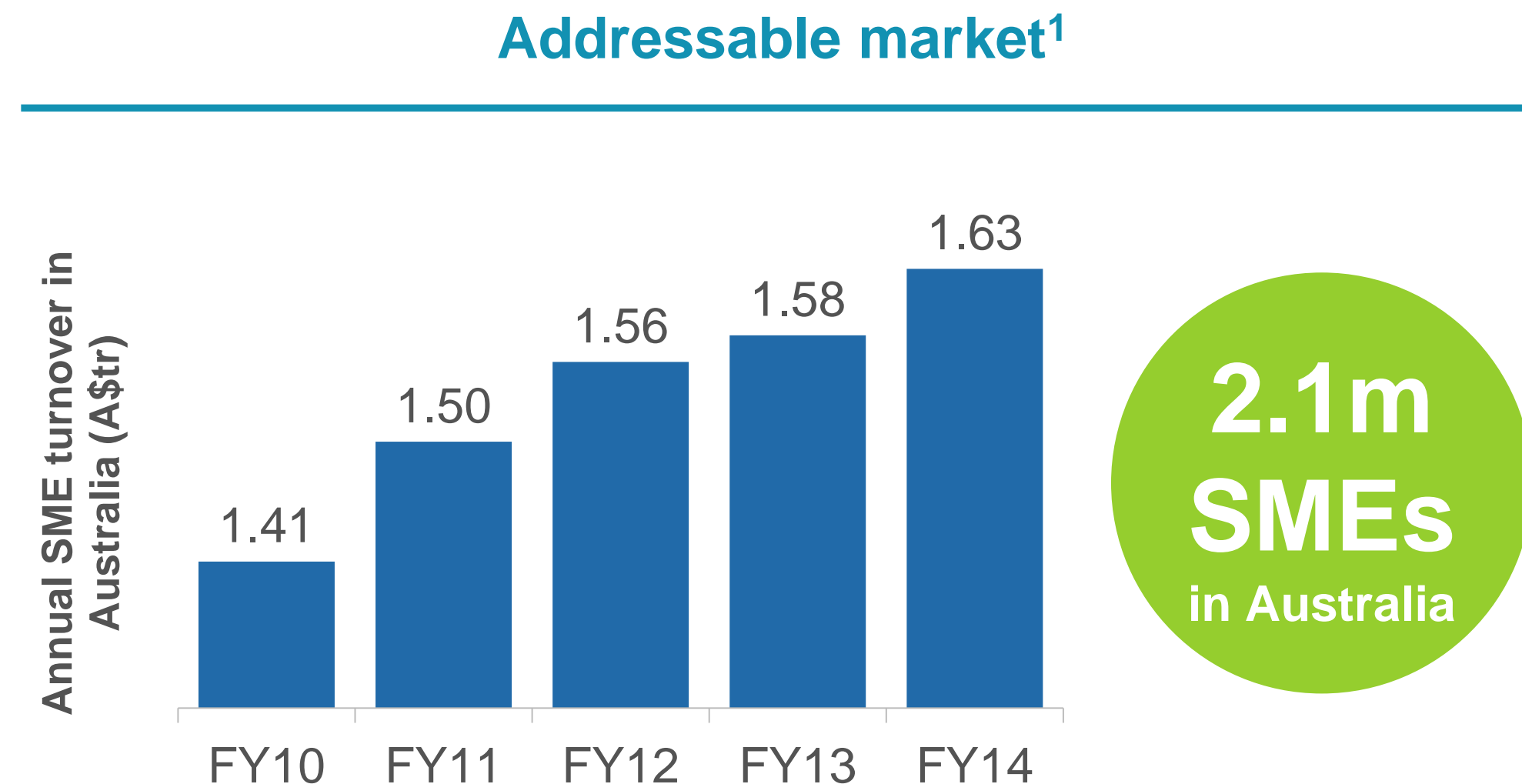
❖ How do we do it?

- Business to Business “B2B” trading platform – Bartercard
24,000 Merchants transacting in 8 countries
- Business to Consumer “B2C” deals platform – Entertainment Publications
12,000 Merchants, 18,000 NFPs, 550,000 Consumers in Aus and NZ
- Loyalty and rewards mobile payment platform – bucqi
300 Merchants, 3,000 Users in Gold Coast and Wellington
- Trade Exchange Software Services – TESS
white labelling of BPS trading platform

❖ How do we make money?

- Transactional marketing fee on every transaction over the platforms – 6.5%
- Monthly marketing fee to Merchants: \$39 - \$99
- Book and digital sales revenue: \$65 - \$75
- Advertising income
- Licence and franchise sales
- Other fees

Taking advantage of favourable business and industry fundamentals, BPS can further monetise the merchant base and expand its reach



- ✓ Scalable business producing strong network effects
- ✓ Large addressable market (~A\$1.6 trillion SME turnover)
- ✓ Rapidly growing cashless / smartphone transactions
- ✓ Strong government focus on small business, with tax cuts and increased protections – ‘small business is the engine room of our economy’

1. Source: ABS

Monetise

- ❖ Make the EP digital app transactional
- ❖ Collaboration with digital marketing specialist, Gruden Group
- ❖ Partnership with Get Capital and Honan Insurance to deliver tailored business finance and insurance packages
- ❖ Agreement with BPS merchants, including Morlife, to facilitate sales and distribution into China on Alibaba’s 1688.com

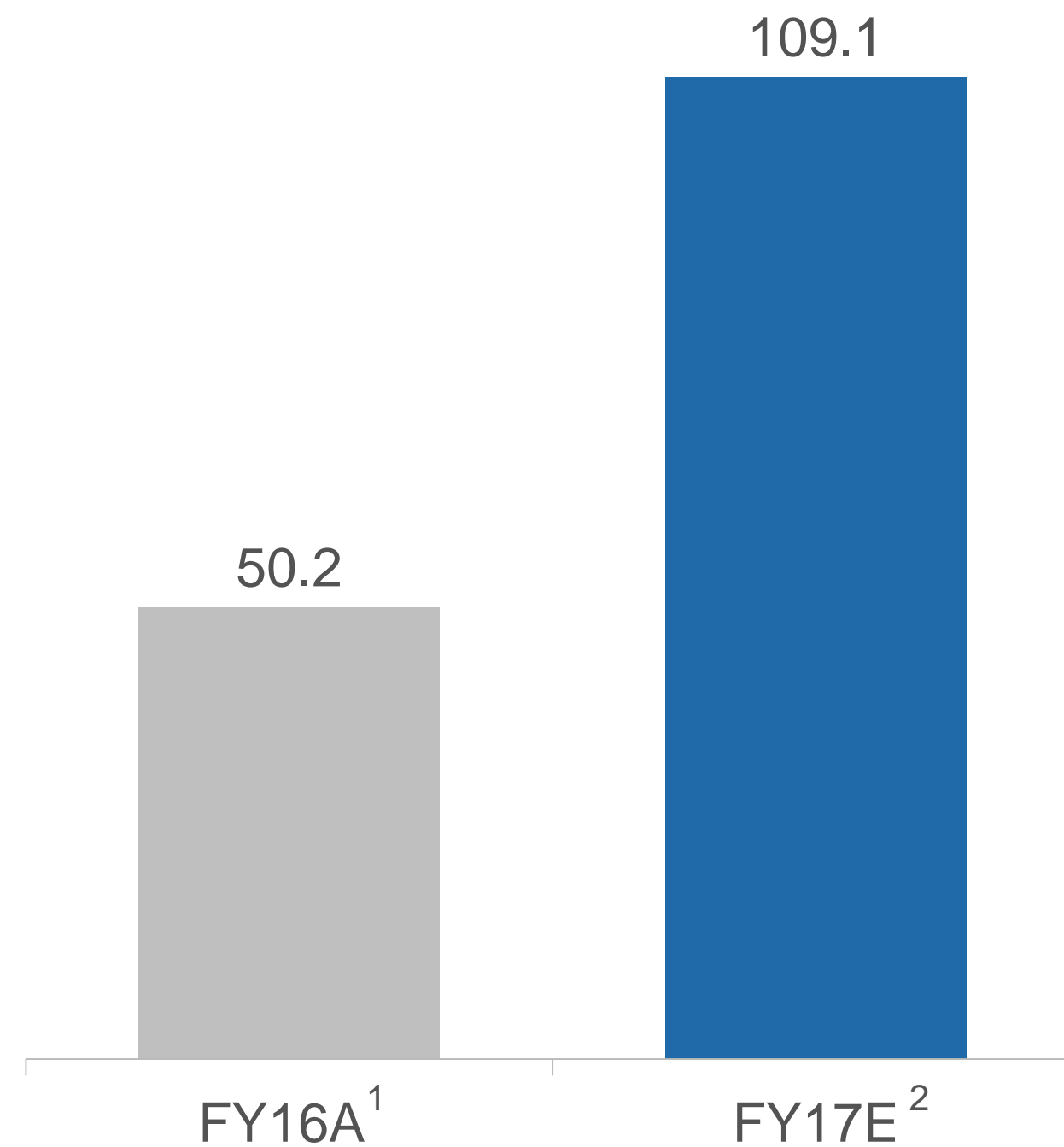
Scale

- ❖ Leverage EP data base
- ❖ Continue to buy back profitable city Bartercard franchises in Australia
- ❖ Expand the U.S. franchise footprint –18 franchises already
- ❖ Acquire bolt-on SME based businesses

- ❖ The acquisition of Entertainment has had a significant impact on the financial profile of BPS
- ❖ BPS now has a network of circa **36,000 SMEs, 18,000 NFPs and 550,000 paying consumers**

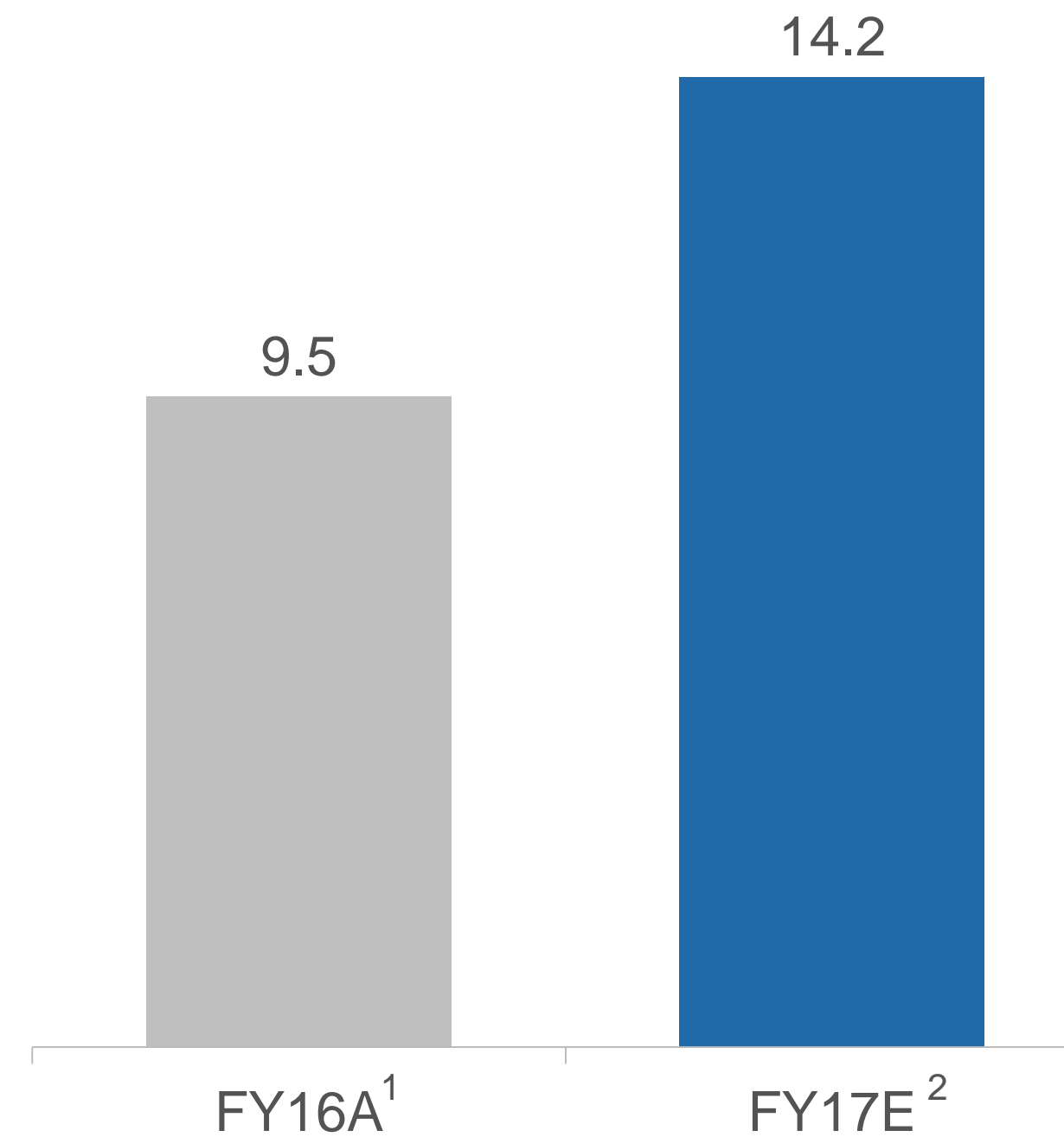
REVENUE (\$m)

Projected 118% increase in revenue



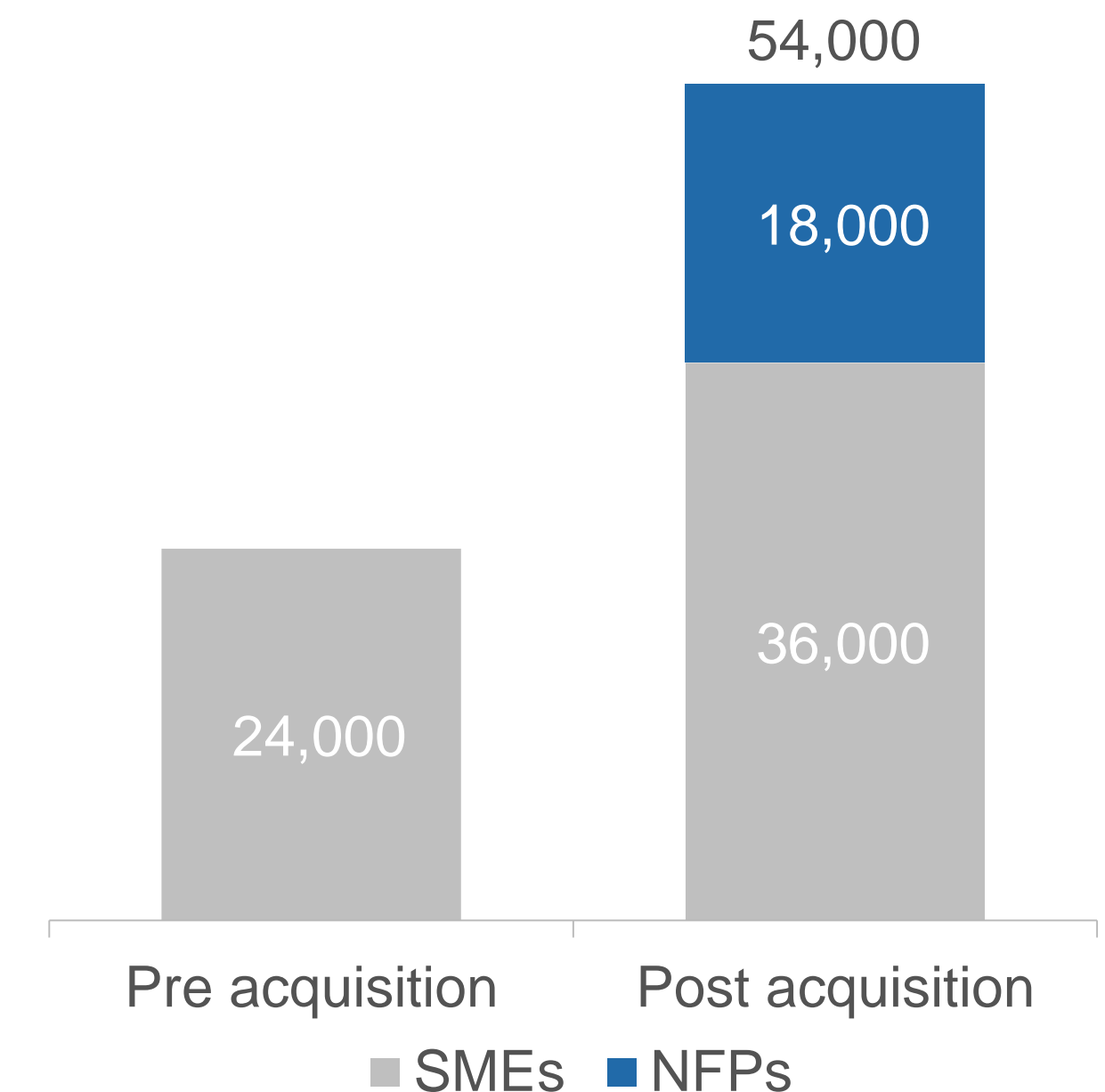
EBITDA (\$m)

Projected 49% increase in EBITDA



MERCHANT / NFP NETWORK

BPS can now access the network of SMEs and NFPs within Entertainment



1. BPS financial results for FY16A are actual and have been audited. Excludes revenue and cost synergies

2. FY17E figures are based on the pro forma income statement on slide 37

- ❖ **Revenues expected to exceed \$55m** against \$25m of the prior six month period, being **an increase of 120%**
- ❖ **EBITDA expected to exceed \$6.8m** against \$4.6m of the prior six month period, being **an increase of 48%**
- ❖ **Earnings per share expected to exceed 7.1c** against 6.0c of the prior six month period, being an **increase of more than 15%**
- ❖ **Dividend Yield 5.3%** – fully franked
- ❖ **Return on equity of 18%** projected for the full year

- ❖ **Payments, loyalty and rewards space highly rated**
- ❖ **Peers**
 - EML Payments
 - Mint Payments
 - Mobile Embrace
 - After Pay
 - SmartPay
 - Grays E Commerce
- ❖ **BPS is the largest, most profitable and pays dividends**

- ❖ **Strong return on investment opportunity**
- ❖ **Dividend Yield exceeds 5%**
- ❖ **Capital light with strong cashflows < \$10m**
- ❖ **High return on equity – 18%**
- ❖ **Large customer base and Revenues over \$100m**

BPS Technology Limited Annual General Meeting 2016

CEO's Speech

Thank you Mr Chairman, Fellow Directors, Shareholders, Staff and members of the Press again welcome.

The key fundamentals of BPS Technology Limited remain strong. We are a capital light business with high returns on equity and ready to scale in the exciting space of payments, rewards and digital platforms.

Our key strategies remain unchanged:

- Fully integrate Entertainment Publications into our business and optimise its performance.
 - Grow further the Entertainment business through better strategies to attract an even greater range of merchants, offer new tools for Not-For-Profits to penetrate a larger proportion of their supporters, and vastly improve the mobile application as used by the consumers by making it transactional.
We will incorporate features like payment, the "Now Book It" booking software, family pack downloads and geographical offerings.
 - Grow the existing Bartercard business by investing in our customer acquisition strategy of attracting more merchants to our marketplace to accelerate growth.
 - Expand our geographical footprint further with new franchise sales in the USA and licencing new countries for both Bartercard and Entertainment
 - At a BPS level, increase our focus on streamlining all Divisions of our international operations to ensure we are operating as lean and efficiently as possible
 - Grow the bucqi platform in Australia, New Zealand and the USA over the next two years and integrate it into Entertainment and as a white label offering
 - Roll out the TESS White Label Software to other Trade Exchanges and Directory based organisations
 - As a medium term goal, continue a focus on the identification and acquisition, on favourable terms, of profitable, bolt-on businesses that can integrate either vertically or horizontally into our business.
- These acquisition targets will, as a key fundamental, have at their core the capacity to bring consumers to merchants, create or facilitate transactions, and earn fees from those transactions
 - Where ever possible we will seek to acquire these businesses by using a combination of cash, current debt facilities and, when the share price is right, use equity
 - We will work closely with our Stock Brokers and our Bankers and put in place funding lines that will best protect shareholder value whilst capitalising on the opportunities available in the market place.



- Conclude on opportunities to use our existing technologies and expertise in payments to address the needs of the underbanked population which in return will deliver to us new revenue streams and additional profits.

Already we have seen that our investments in mobile technology, payments and loyalty systems are gaining traction. The future for the Bartercard and Entertainment business is in the digital, mobile-first and online markets.

In this coming year we will roll out an enhanced Bartercard Trading Platform where members will be able to digitally list their annual trading capacity. This will in turn present buyers with hundreds, if not thousands, of buying opportunities. If this was to be a physical store the shelves would be packed full and the variety available would be immense.

For Bartercard, this is not so much a radical change but a commitment to the evolution of the business model that will see every members' capacity to buy and sell enhanced.

Members want the capacity to transact easily on any mobile device. They want to instantly receive payment for their goods and services but also receive rewards when they buy.

In the year ahead, our Tech Team will work with Entertainment to make their existing mobile app not only transactional but also give it the capacity to book restaurant tables directly from the consumers mobile device, select the table, redeem the special offer when they get there and pay the bill – all from their phone.

Earlier this year we announced a number of partnerships and these are now starting to generate some traction.

The partnership with GET Capital has been launched in one region and in just first two weeks we have settled 4 applications worth more than \$250,000 dollars with in excess of a further 20 applications in the pipeline.

Our Insurance offer with Honan will also soon be live.

We now have 14 companies listed with SmartTrans and Alibaba to export their services and products into China.

We have identified a further 1,200 businesses in our network to approach on the same basis to help build the businesses further.

Bucqi has been undergoing further enhancements and testing in both Australia and New Zealand.

We now have interest from a major shopping centre to use this technology to attract customers to merchants in that centre. This program will commence in the early part of next year. If successful the program will be rolled out to further shopping centres.

BPS has also been selected as an endorsed Technology Provider to the 2018 Commonwealth Games. We look forward to playing a much larger role in promoting the potential of the Gold Coast and its businesses to the world.

The market place has started to recognise the real potential of our extensive SME and consumer base that we are unlocking with the technologies and expertise we have in these areas.

We are regularly being approached by local and global businesses with offers to partner with them.

We are encouraged by our results for the first 4 months and looking forward to delivering on the guidance we have already given.

Thank you.