

CHAIRMAN's AGM ADDRESS - 28 November 2014

My fellow shareholders – welcome to the very first Annual General Meeting of BPS Technology Limited.

As you would all be aware the Company listed on the Australian Stock Exchange on September 9 2014 which means that this AGM details the results of the Company only to 30 June 2014 – that is to say the Company's set up phase. As such the Accounts and the Notes to Accounts are brief.

As part of these proceedings there will be a series of resolutions put to the shareholders and we will come to those in due course.

I will also provide a brief update on the Company's progress since listing and provide shareholders with the opportunity to ask questions.

Trading:

The Group's Profit After Tax for the first 4 months to October 2014 has been in line with management expectations. Revenue for the 4 months came in at \$14m, EBITDA at \$1.8m, and Profit after Tax at \$1.3m.

This, coupled with our best forecast months of November, December and June still to come, gives us confidence to reaffirm the full year guidance as per the Prospectus, including an interim dividend of 2.25 cents per share payable in April 2015 and a final dividend of a further 5 cents per share payable in October 2015, giving a total dividend of 7.25 cents per share, based on the Prospectus pay-out ratio of 65%.

Share price

We note that the share price has declined from the opening price of 100 cents per share to its current level of 78 cents per share.

We have no evidence why a small number of investors or their brokers have decided to sell at less than what they paid in such a short period. Volumes of share trades in this past month have been very low and these small trades have caused the share price to fall below issue price. We do not believe the current share price is reflective of their true value.

The reaffirmed dividend of 7.25 cents per share represents a very attractive dividend yield of 9.4% at the current share price.

Progress to date

BPS Technology Limited has been operating as a Publicly Listed Company for just eighty one (81) days. In those eleven (11) short weeks the company has completed transactions which saw:

1. The purchase and integration into the business of BPS Technology Limited of:
 - Bartercard Australia
 - Bartercard UK
 - Bartercard USA
 - Bartercard New Zealand, and
 - Bartercard International
2. The assignment of the numerous contracts and Licenses for Bartercard's Licensees in Thailand, the United Arab Emirates and Cyprus

3. The launch of the Bucqi and Tess platforms
4. The on-boarding of in excess of three hundred thirty (330) employees and contractors across four (4) countries into their new Companies

I am pleased to advise that all of the above initiatives have been successfully achieved.

Just two weeks after our listing, Trevor Dietz and Brian Hall travelled to Mexico to attend the world congress of Barter Exchanges hosted by the International Reciprocal Trade Association (IRTA) with a view to:

- a) Introducing our TESS Software to the global market – the TESS software carries the endorsement of IRTA as the preferred software for use by Trade Exchanges and Complementary Currency Systems worldwide, and
- b) Engage in discussions with the operators of other Trade Exchanges with a view to establishing closer financial and operational ties.

The Company is in early discussions with several Trade Exchanges from a number of countries including those in North America and Europe which, if successful, will substantially increase the geographic coverage and member base of the Group's business.

Also as a result of this trip, we have had inquiries from and discussions with a number of Exchanges from around the world for them to adopt our white labelled version of the TESS technology which is due to be deployed in the new-year as per our original schedule.

This is a pleasing result given that we have not as yet launched the full marketing campaign for the TESS Technology product.

The first sale of the TESS technology to India remains on track as per our Prospectus.

I am also pleased to announce that, in just these past few days, a Heads of Agreement have been signed for the establishment of Bartercard in the key Greater Johannesburg Region, the economic capital of South Africa, with further Provinces expected to come on stream throughout 2015 and 2016. This initial transaction alone is valued at \$500,000.

The Bartercard platform continues to expand. We have concluded our acquisition of the entire New Zealand Bartercard operation and have successfully introduced a change in the fee structures applying to that country that brings New Zealand in line with all other countries. As a result this change will add up to a further \$1m in incremental profit to BPS on an annualized basis.

A new CEO was appointed in the UK in mid-September and this has had an immediate positive effect with three new franchisees due to start operations prior to the end of 2014.

Our operation in the USA continues to consolidate its position reaching its first \$250,000 trading month in October 2014. Discussions are underway with interested parties to further expand the USA membership base by focusing on adding additional franchises and the conversion of other smaller independent regional Trade Exchanges to the Bartercard Brand.

Our plans to achieve 100,000 card holders globally by the end of FY 2016 remains on track.

BPS continues to evolve

Ladies and Gentlemen the rewards and payment space is crowded. The Market is searching for disruptive payment and loyalty technologies that can unite merchants and consumers. The leading contenders in is this race - and I suggest there will be a few – will not necessarily be those

traditionally associated with hard wired terminal infrastructure or slow moving large corporate structures burdened by legacy networks that they are reluctant to abandon.

The Market is seeking a fresh approach.

Loyalty points are, in essence, an alternate digital currency and the company that can quickly integrate imaginative software for the management of loyalty points and cash payment systems will have a substantial advantage going forward.

We believe our recent enhancements to the Bucqi and Bartercard platforms outlined below today will ideally position BPS to participate meaningfully in this exciting market space.

Commencing December 2014 the Bucqi Platform will be offered to all Small to Medium Enterprise (SME) business owners currently using Bartercard in Australia at no additional cost. These Bartercard members will now be able to offer as a reward to their everyday customers who shop with cash at their businesses the Trade Dollars they have earned in the course of their normal trading with other Bartercard members. Unlike all other point reward systems these reward trade dollars will have a true dollar for dollar redemption value.

This represents a very significant step in the expansion of Bartercard's business model into the broader consumer market place and provides an exclusive valuable alternative use for Trade dollars by Bartercard members.

Further, the Bucqi Platform has been enhanced so that, subject to agreement with our loyalty program providers, it will be able to accept and redeem the loyalty points associated with any other major points based loyalty system such as airline points or credit card points.

Importantly this means that Bartercard should no longer be regarded solely as a closed "monetary-like" system but rather now has real portability across the whole economy with the potential for trade dollars to be spent by everyday consumers almost anywhere where BPS/Bartercard operates. This should greatly enhance the commercial advantages to SME's of adopting the Bartercard and Bucqi platforms.

In Bartercard, BPS Technology already owns and manages one of the world's largest and most successful alternative currency systems and now, combined with our Bucqi technology, can unite cash payments and loyalty programs in a way not previously available. The linkage of the Bucqi Platform to the Bartercard Platform is a major evolution in both product lines and Trevor Dietz will expand on this exciting development in his presentation.

I am also pleased to announce that the Bucqi technology will be adopted by one of Australia's largest Travel Reward Companies – RewardsCorp Holdings Pty Ltd who have over 200,000 consumers linked to their platform.

A Heads of Agreement have just been signed for this initiative.

RewardsCorp is part of the Ignite Travel Group which is headed up by Randall Deer who is recognized as one of Australia's upcoming businessmen.

This is a very exciting opportunity and BPS is very pleased to be so closely associated with an award winning company that has received such positive press in BRW and like publications. I am unable to give financial guidance just yet on what this opportunity will deliver and further announcements will follow when the formal contracts are signed.

We are continuing our discussions with a large number of sporting clubs, charity groups and commercial organisations – all of these groups recognise the benefits that Bucqi offers them from transactions conducted by their members, supporters and customers.

These combined initiatives and developments, we believe, will ensure the Bucqi platform exceeds its stated growth forecasts for the number of merchants and consumers on the platform.

This provides that most elusive product in the loyalty rewards market space – multiple merchants where various points based reward systems can be redeemed with ease by consumers.

For us we are on an exciting journey. We are just eleven weeks into that journey and already the signs of progress are there to see. It is a long journey – but one to which the entire Board and the Company is committed.

At this point I would also like to thank my co- directors who, in a very short period of time, have immersed themselves in the BPS business and each made valuable contributions. I look forward to working with them and the management team in the exciting year ahead.

On behalf of my fellow Directors I thank you for your attendance and your support.

I will now hand over to Trevor Dietz to deliver his address.