

BPS TECHNOLOGY EARNINGS GUIDANCE AND INVESTOR UPDATE

3 July 2015

BPS Technology Limited (ASX:BPS) ("BPS") is pleased to announce guidance for its inaugural full year financial results as an ASX listed company for the year ended 30 June 2015, and the following investor update.

Key FY15 highlights

- Operations expanded to eight countries, with over \$600 million transacted by 54,000 business cardholders. Expectation of Bartercard being operational in 10 countries by the end of FY16
- EBITDA is expected to be between \$9.5 million and \$10.0 million, in-line with the prospectus forecast of \$9.893 million
- Earnings per share between 11.2 and 12.0 cents per share are expected, exceeding the prospectus forecast of 11.11 cents per share
- Anticipating to pay a FY15 dividend in excess of 5 cents per share (2.25 cent per share dividend was paid in April 2015)
- Key license sale agreements under the Bartercard platform have been completed for expansion into South Africa, India and China
- Trade Exchange Software Services (TESS) platform has been completed for the global trade exchange body, IRTA, and delivered for final testing
- BPS's business to consumer mobile application platform, bucqi, was deployed in June 2015

FY15 forecasts in line with key prospectus forecasts

Commenting on the guidance forecast for FY15, BPS Technology CEO, Trevor Dietz, said: "Since listing on the ASX in September last year it has been a very productive period for BPS. Importantly, we are pleased to announce that we expect our inaugural full year results will be in line, or ahead, of key prospectus forecasts."

"BPS has entered into a number of strategic agreements and alliances that are set to drive continued growth of the Group's various business platforms, and we expect these will deliver positive results in FY16. The planned rollout of bucqi, which was forecast to deliver revenues of \$2.8 million for FY15 (see update on bucqi below), was delayed until June 2015. As a result we now anticipate revenues of at least \$48 million against prospectus forecast of \$51.6 million."

"The Company is in a strong financial position with zero bank borrowings and a cash balance exceeding \$2 million, and has access to bank facilities for attractive opportunities if they arise. BPS is anticipating to deliver a total FY15 unfranked dividend exceeding 5 cents per share", said Mr Dietz.

Update on Bartercard expansion

Bartercard, operator of the world's largest barter trade exchange, continued its expansion over the financial year announcing key license agreements into South Africa, India and China. In addition, Bartercard strengthened its control of its Australian, UK and USA operations by reacquiring key franchise areas in order to remove restrictions on growth.

The agreement reached in late December for an exclusive license of the Bartercard system in the People's Republic of China has now been superseded with a new Licensee appointed on similar terms after the original contracted party failed to meet its obligations within set timeframes. BPS expects the China operation to begin to generate additional revenue in the second half of FY16 and accelerate in the following year.

The Chinese license will see the progressive roll out of Bartercard across twenty-one identified provinces across the country over several years and follows on from contracts already signed for South Africa that BPS announced in November. Both countries will be using the new software provided by BPS's software subsidiary – TESS.

Update on TESS and bucqi

The development of TESS has now been completed and delivered for testing to IRTA, the global governing body of the trade exchange industry. It is expected over FY16 that the TESS platform will also be white labelled for other trade exchanges and business community groups allowing them to trade and transact amongst themselves and with the BPS marketplace.

TESS completed its first License sale for India and received payment of \$375,000.

During June 2015 BPS deployed its business to consumer mobile application platform, bucqi, to a range of selected merchants. The range of features were significantly reworked and enhanced during the last six months of the year which in turn created a delay in generating expected revenues from this product. The bucqi platform has now been integrated more closely with both the Bartercard platform and its merchants, with early results meeting expectations.

The bucqi offering is expected to be rolled out across both Australia and New Zealand, and BPS believes that it will be an increasingly significant revenue contributor to the group in coming years.

Outlook

Commenting on the outlook for BPS Technologies, Mr Dietz said:

"When BPS Technology listed in September 2014 we operated in seven countries. We now have contracts in place to operate in ten countries. The continued geographic expansion of the Bartercard business and the further take-up of both the TESS and bucqi platforms will ensure there is continued growth for the Company in FY16 and beyond.

"The increasing importance in loyalty and rewards programs in generating new business for merchants, growth in digital currencies, and the structural shift to cloud-based systems and mobile devices means BPS Technologies is ideally placed to capitalise on a number of exciting opportunities."

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About BPS Technology Limited (ASX:BPS)

BPS Technology Limited is a leading provider of technology platforms and management systems in the digital currency space for Small to Medium Enterprises (SME's). Its transactional technology platforms and systems help to attract customers to its SME merchants. BPS generates revenues from transactions conducted across its platforms centered round its 24,000 SME merchant base.

The Group currently operates in eight countries, has seventy plus offices across the world and employs almost 400 staff to support its 54,000 cardholder base who currently generate more than \$600m in transaction value annually.

BPS is keenly looking to expand its operations via mergers and acquisitions of profitable businesses across the world who are in the Fin Tech space, particularly those addressing the SME markets. Our focus remains on how we can help connect a consumer with a merchant and have them undertake a transaction across one of our platforms from which we will earn a fee.

The Company listed on the ASX on 9 September 2014. Its Board of Directors and Senior Management have extensive financial management and corporate governance experience as well as in the management of and the development of software that supports the Trade Exchange, loyalty and rewards, transaction and payment industries

About Bartercard

Bartercard operates the world's largest trade exchange. It allows small to medium business to conduct business transactions without the use of cash. There are more than 54,000 cardholders in 8 countries using the platform on a regular basis. Bartercard transactions can be conducted online, via its mobile app or across more than 7,000 bank EFTPOS terminals.

About bucqi

bucqi is a disruptive technology based around a loyalty and rewards platform designed for SMEs combined with a robust and innovative mobile payment app for both merchants and consumers. This payments platform has been two years in the making and has a number of patents pending. It allows consumers to easily pay for goods and services without taking out their wallet or swiping their credit card and they earn and redeem reward points via a wide range of participating merchants.

About TESS

TESS (Trade Exchange Software Services) is a software platform which was developed to support all trade exchanges globally. It is the only software recognised and recommended as preferred software by the International Reciprocal Trade Association (IRTA) - the global governing body of the industry. TESS produces versions of its software created to service small, medium, large and enterprise level exchanges and it addresses a market that is highly fractured and unsupported which in turn creates an opportunity for TESS to become a market disruptor in an industry dominated by small software providers with limited resources.