

**BPS** Technology

'Business Payment Systems'

***'Providing a captive market of motivated buyers and sellers using our leading digital currencies and reward systems'***

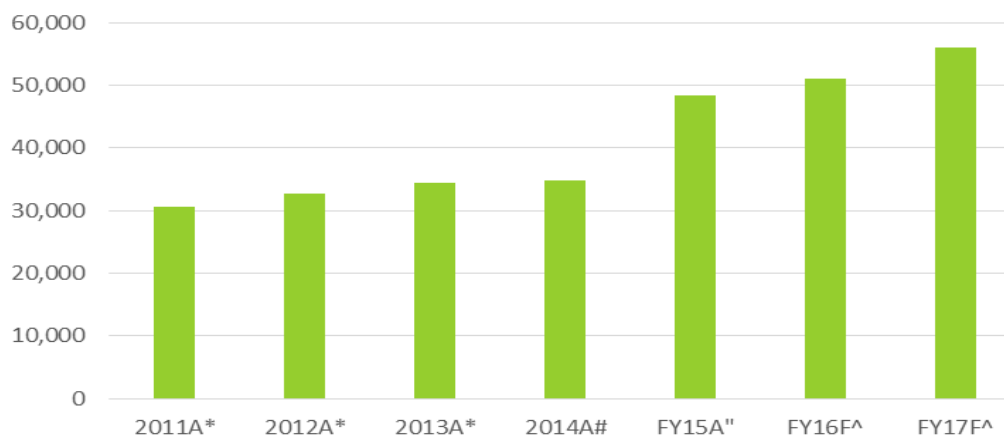


# BPS Technology – corporate overview

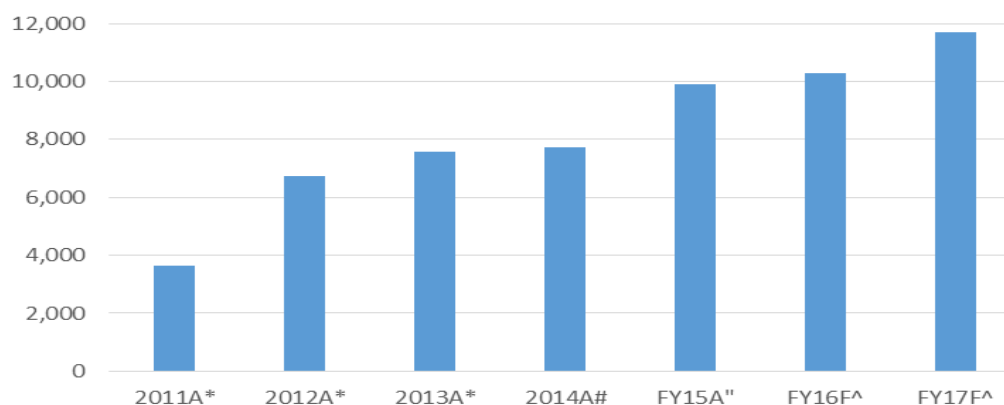
## Share information

<b>Issuer</b>	BPS Technology Ltd
<b>ASX Ticker</b>	BPS
<b>Share Price</b>	\$0.83 <sup>1</sup>
<b>P/E</b>	7.5 <sup>2</sup>
<b>Dividend Yield</b>	8.7% <sup>3</sup>
<b>Market Cap</b>	\$48.6m
<b>Shares on Issue</b>	58.5m
<b>Directors*</b>	Mr Murray d'Almeida Mr Trevor Dietz Mr Brian Hall Mr Tony Wiese
<b>*Directors &amp; Management hold 58+% of issued stock</b>	Mr Tony Lally Mr Andrew Pipolo
<b>IPO Date</b>	9 September 2014

## REVENUES in \$'000



## EBITDA in \$'000



\*Bartercard Actual

#Bartercard Normalised

"BPS Group Forecast

^Patersons' Forecast

# Key investment highlights

## A profit-generating company with significant growth opportunities

- Operational in 8 countries with \$600m transacted by 54,000 business cardholders
- EBITDA is expected to be between \$9.5m and \$10m against prospectus forecast of \$9.893m
- Net profit after tax expected to exceed \$6.5m forecast, strong balance sheet, zero borrowings, \$2.2m in cash <sup>1</sup>
- Earnings per share between 11.2 and 12.0 cents expected, exceeding prospectus forecast of 11.11 cents
- Anticipating FY15 dividend in excess of 5 cents per share (2.25 cents per share dividend paid April 2015)
- Trade Exchange Software Services (TESS) platform delivered for testing and use by IRTA <sup>2</sup>, the global trade exchange body
- Disruptive payments and loyalty rewards technology, bucqi, deployed in June 2015 capitalising on growing importance of B2C and loyalty rewards programs
- Highly experienced board and management team with high ownership of the business (+58%)
- Strong focus on growth by acquisition and joint venture both vertically and horizontally

# Leadership Team

## Board of Directors has deep experience



### **Murray d'Almeida** – Non-Executive Chairman

- **Corporate Governance & Strategy**
- Previous Roles: Founded and expanded globally Retail Food Group (ASX:RFG)
- Director Pacific Environment, Chair Management Resources Solution, Chair Barrack Street Investment (multiple other notable board positions)



### **Andrew Pipolo** – Independent Non-Executive Director

- **Payments Industry**
- Previous Roles: - Managing Director PayPal Australia, Head eCommerce for MasterCard Europe and Country Manager Australia for MasterCard



### **Tony Lally** – Independent Non-Executive Director

- **Public Capital Markets**
- Previous Roles: CEO of Sunsuper (third largest superannuation fund in Australia), Senior funds management roles at Deutsche Asset Management (Japan & India), Deloitte and Commonwealth Bank Australia

### **Philip Scott**, GM Mobile Payment Systems



- Created bucqi
- Software & Hardware developer focused on consumer market

### **Peter Fenton**, GM Digital Strategy Implementation



- 20+ yrs experience with rolling out new technologies
- Previously owned a Trade Exchange in Canada

### **Scott Chappel**, Head Software Innovation & Development



- Proficient with multiple development languages & methodologies
- Developed retail Point of sale systems

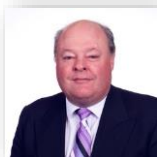
## Management has track record of delivery

- *Proven: Trade Exchange industry, digital payment systems, software design, implementation and international rollout*
- *Proven: Systems to drive merchant activity beyond initial adoption*



### **Trevor Dietz**, CEO BPS Technology Ltd & Director (22 years at Bartercard)

- 30 yrs experience banking and barter digital currency
- Proven ability to delivery technology and business systems
- Proven ability to efficiently run a global operation



### **Tony Wiese**, CFO & Director (8 years at Bartercard)

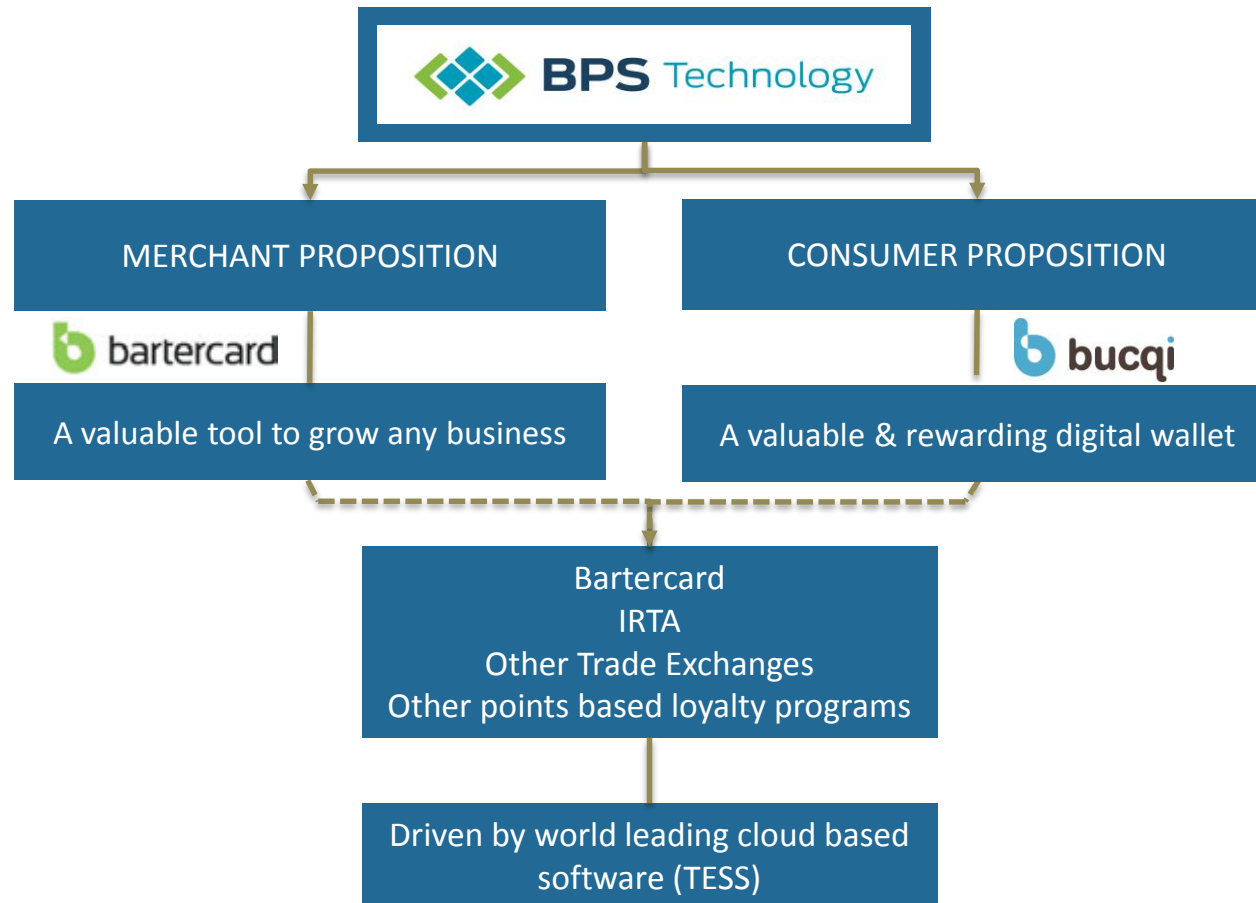
- 25 yrs experience in financial management
- Previously successfully listed two companies
- Completed over 20 acquisitions with those companies



### **Brian Hall**, CEO Bartercard Group & Director (24 years at Bartercard)

- Bartercard co-founder
- 26 yrs experience in Sales and Sales Management
- Experience developing systems and technologies to drive sales and manage a franchise network

# BPS Technology addresses both B2B and B2C markets with a special focus on SMBs



# Bartercard trade exchange platform



## Existing Bartercard footprint



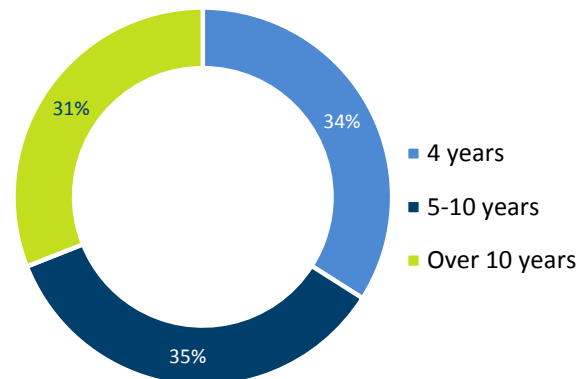
## Worlds largest..

- Operating for 24 years, highly sophisticated operations
- Mix of franchise and directly owned operated
- Currently operating in 8 countries through 75 offices with 600 staff ~24,000 merchants (SMBs) including ~54,000 cardholders
- Alternate multi currency, multi lingual high volume transactional platform

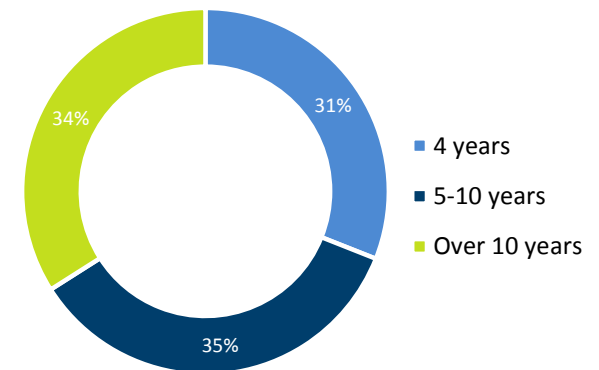
## Deep relationships with merchants..

- Consistent usage over many years
- Becomes an integral part of SMBs business
- 66% of merchants have been trading with Bartercard for more than 5 years
- Trusted relationship and strong loyalty to the Trade Exchange channel and the Bartercard Brand

## Merchants by Duration



## 12mth Trade Volume by Merchants Duration



# Bartercard Economics

## Driving Consumers to Merchants



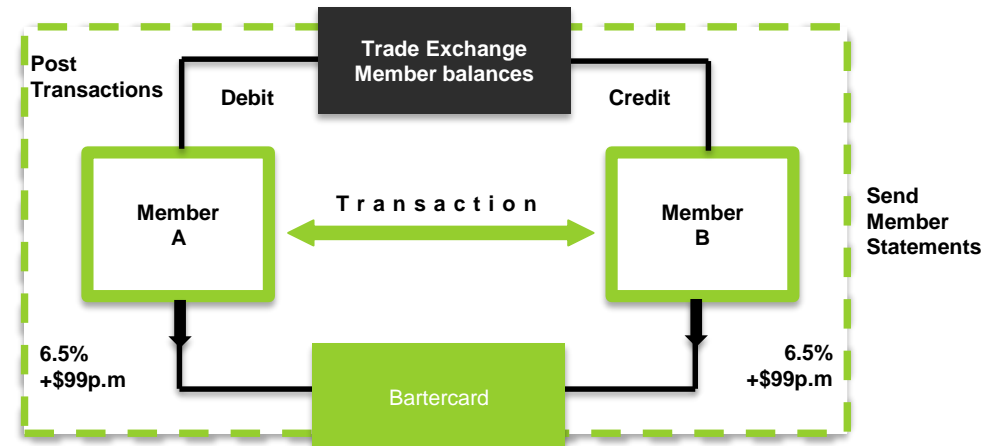
### How it works...

1. Upon joining, merchants sign a membership contract/agreement. Based on the financial strength of their business, the Merchant can qualify for a small initial, interest free line of credit in Trade Dollars – the merchant's first transaction can be a purchase
2. When a merchant buys goods or services its trade account is debited and the seller's trade account is credited
3. Trade Transactions priced same value as cash
4. A merchant in debit owes that value (in their goods & services) to all other members of the Exchange and if a merchant is in credit all members of the Exchange owe that merchant that value in their own goods/services
5. At month's end, Bartercard sends each merchant a Statement/Invoice detailing every transaction including Bartercard's cash fees
6. Bartercard's cash fees can be debited directly from merchants' bank accounts (via DDR) or paid by normal means
7. Bartercard provides Account Managers to service merchants requests and promote trading between merchants

### Economics...

- Bartercard charges both buyer and seller 6.5% of the value of all their transactions (i.e. both sides of the transaction)
- Bartercard charges ongoing monthly support fees
- The more trading that occurs the more money Bartercard makes
- Bartercard has operated through several up and down economic cycles over many years
- **Bartercard (BPS) never has any liability for any merchant credit or debit balance**

Transaction and Fee Flow Chart





# bucqi merchant centric loyalty program

## Attracting more cash-paying consumers to merchants

- A loyalty platform for SMBs – robust and innovative mobile payment app for both merchants and consumers
- Consumers pay by scanning a QR code using a mobile device – low cost to merchants – integrates into Point of Sale (POS)
- Bartercard members able to pay rewards to consumers using Trade Dollars – consumers receive “bucqs” in their bucqi digital wallet
- Consumers can redeem “rewards” across a broad range of businesses and locations
- bucqi Platform has been enhanced so that it can accept and redeem the loyalty points associated with other major points based loyalty system such as airline points or credit card points\*



**Consumers want portability of points – bucqi delivers**



# bucqi for consumers & merchants *'No terminal or card needed'*

## For Consumers

### Free & Easy to Use

- *Simply download the Bucqi App*

### Versatile

- *Ideal for micro payments*

### Convenient

- *Easy to use merchant directory and directional mapping*

### Management & Rewards

- *One place to store all your rewards*

### Special Offers From Merchant

- *Rewards in various forms*

### Better Security

- *No sensitive information transmitted*



## For Merchants

### Real Time Payments

- *Cash currency*

### New Consumers

- *Take part in promotions*

### Powerful Marketing Tool

- *M-commerce platform*

### Own Loyalty Program

- *Automatically builds the program*

### Commission Income

- *Merchant commission income*

### Consumers Metrics

- *Smart campaign tracking*

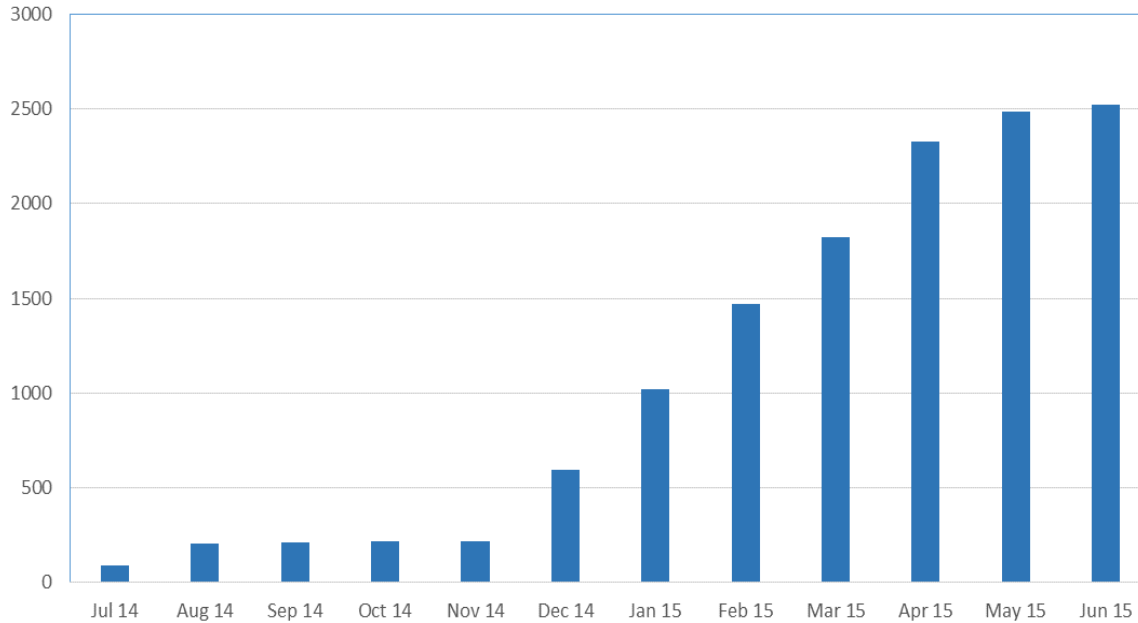
### Improved Security

- *No cash handling*
- *Reduced possibility of fraud*

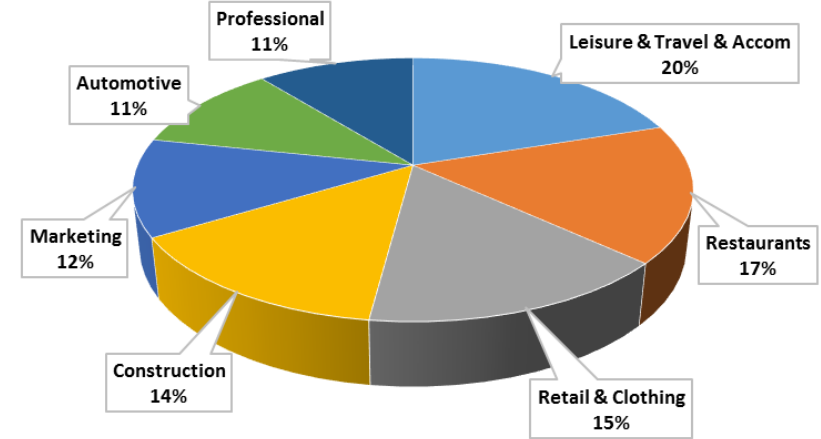
# Bringing bucqi to scale

## Early response exceeding expectations

Total bucqi Merchants by Month



Top Categories of Merchants - to date



### ROLL-OUT DATES FOR bucqi

Aug-15	Sep-15	Sep-15	Oct-15	Oct-15	Nov-15	Nov-15	Nov-15	Dec-15	Feb-16
Toowoomba	Cairns	Wellington	SE Queensland	WA	Sydney	Melbourne	Auckland	Adelaide	Hobart

# Bringing bucqi to scale

## Early response exceeding expectations

### Merchants:

In just five months bucqi has gained firm expressions of interest from more than 2,700 merchants

bucqi has exclusive access to more than 24,000 merchants across 8 countries

### Consumers:

bucqi will target closed user groups e.g. sporting clubs, non for profit groups

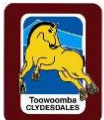
bucqi has access to more than 300 such groups

these groups will receive a share of revenues paid by Merchants

bucqi will target large “loyalty points” based systems like airlines, franchise chains, credit card companies



# bucqi partnering with leading organisations.....



# TESS

## White labelled cloud-based software platform

- TESS is a multi-site, multi-national, multi-currency Trade Exchange platform
- Enables participants to securely trade their goods and services globally 24/7 using mobile, desktop or other internet-enabled devices
- TESS the only software recommended by the global governing body for Trade Exchanges
- The TESS Platform currently settles ~1.8m transactions worth ~\$600m annually on behalf of Bartercard's ~54,000 card holders
- Seek to capture a share of the US\$19.4 billion\* not currently being traded through Bartercard
- Recognised as the world's leading platform by International Reciprocal Trade Association (IRTA)

# What is BPS Technologies

## Three highly complementary and scalable businesses



**bartercard**  
(core business – profitable)

- *Bartercard is the world's largest trade exchange. It allows small to medium business to conduct \$600m of additional business without the use of cash*
- *54,000 card holders in 8 countries but expanding to 10 countries in FY16*



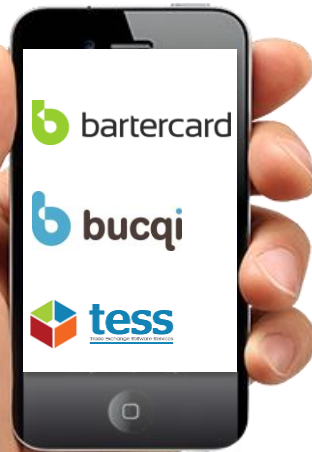
(growth business)

- *Disruptive technology based around a loyalty platform designed for SMBs combined with a robust and innovative mobile payment app for both merchants and consumers.*
- *Now in roll out phase in Australia and New Zealand, other countries to follow FY17*
- *Expected to increase the revenues to both BPS and Bartercard*



(growth business)

- *TESS (Trade Exchange Software Services) is a software platform which was developed to service Bartercard's trade exchange*
- *Its the only software recognised and recommended as preferred software by IRTA\* - the global governing body of the industry*
- *Addresses the needs of a fractured market*
- *Future growth market for bucqi*



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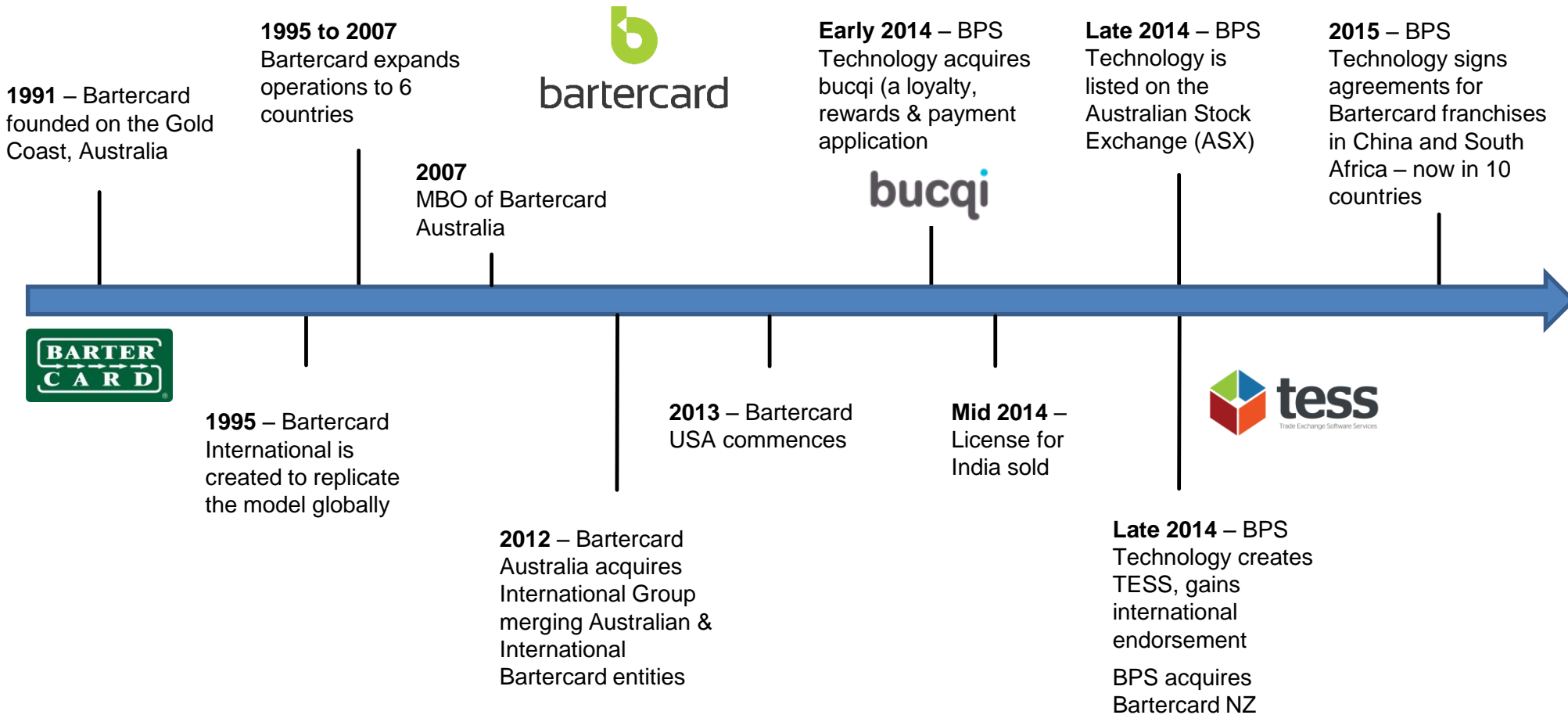


# Appendix –

1. BPS Technology History
2. Overview of Trade Exchanges
3. Disclaimer

# BPS Technology history

Operating trade exchanges platforms and software for over 24 years



# Overview of trade exchanges

Enables SMBs to trade goods & services

## What is a trade exchange?

- Trade exchanges should be considered as another sales channel for a business
- Network of merchants that seek to trade their spare capacity or stock for items that they would otherwise have to buy with cash
- A platform which standardises any good/service into an alternate digital currency – priced as if cash
- “Trade Dollars” can be stored or used for purchases at participating merchants of the trade exchange
- Settlement occurs via secure web transactions, mobile devices, SMSPOS or card based EFTPOS terminals

# Disclaimer

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