

Chairman's Address - BPS Technology Limited Annual General Meeting 2015

Dear Fellow Shareholders, Ladies and Gentlemen, Staff of BPS Technology Limited – welcome to the Company's first full year results since listing. Technically this is our second AGM but last year's meeting was reporting on a zero trading period before we actually were listed on the ASX which occurred on 9 September 2014.

The Company and its Management undertook a considerable task in the nine months post September 2014.

The Company did achieve some important key milestones namely:

- Revenue \$48.1 million – slightly below prospectus forecasts due to the delay in the launch of bucqi
- EBITDA of \$10.1 million - exceeding prospectus forecast of \$9.9 million driven by a strong performance of Bartercard
- NPAT \$7.9 million – exceeding prospectus forecast of \$6.5 million, driven by Bartercard and a more favorable tax outcome
- EPS 14.88 cents exceeding prospectus forecast of 11.11 cps
- Full Year Dividend of 5.5 cents per share unfranked.

I would take this opportunity to highlight that:

- Management retains 58% of the issued stock – they are motivated to ensure success
- There are no dilutive staff options outstanding
- Institutional support remains sound as does support from high net worth individuals
- The Shares are trading above their issue price.

Our share price is currently trading in the range of \$1.13 to \$1.19 which is a Price Earnings ratio of only 8 times. This P/E is still below the market average of 15 which indicates considerable upside in the price.

The share price tracked through part of the year at a rate lower than its issue price. This was as a direct result of a USA fund deciding to sell all their ASX holdings (including ours) due to the deterioration of the Australian Dollar. This fund sold more than 1.5 million BPS shares into the market shortly after the Company listed. We were not contacted prior to this action and hence had no opportunity to place the shares with other funds.



It is pleasing to note that BPS has retained the strong support of several well-known Institutions, some of which have increased their stake in our Company and by all indications are looking at us as a medium to long term investment.

We will continue in our efforts to educate the investor market place about our business and this will remain a key focus of our Investor Relations Strategy throughout FY 16.

Our key strategies remain unchanged:

- Grow the existing Bartercard business by investing in our customer acquisition strategy of attracting more merchants to our marketplace to accelerate growth.
- Expanding our geographical footprint further by licencing new countries
- Increase our focus on streamlining our international operations to ensure we are operating as lean and efficiently as possible
- Grow the bucqi platform in Australia and New Zealand over the next two years
- Roll out the TESS White Label Software to other Trade Exchanges
- Conclude on a number of profitable bolt-on acquisitions currently under investigation that can integrate either vertically or horizontally into our business. Our acquisition targets will attract 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 cash, current debt facilities and equity. We will work closely with our Bankers to 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.

BPS Technology Limited has had a remarkable year. The Board remains excited by the prospects ahead.

I will now hand over to our Chief Executive Officer, Mr Trevor Dietz, for his presentation to shareholders after which we will continue with the AGM as well as allowing time for questions at the end of the meeting.

Thank you.