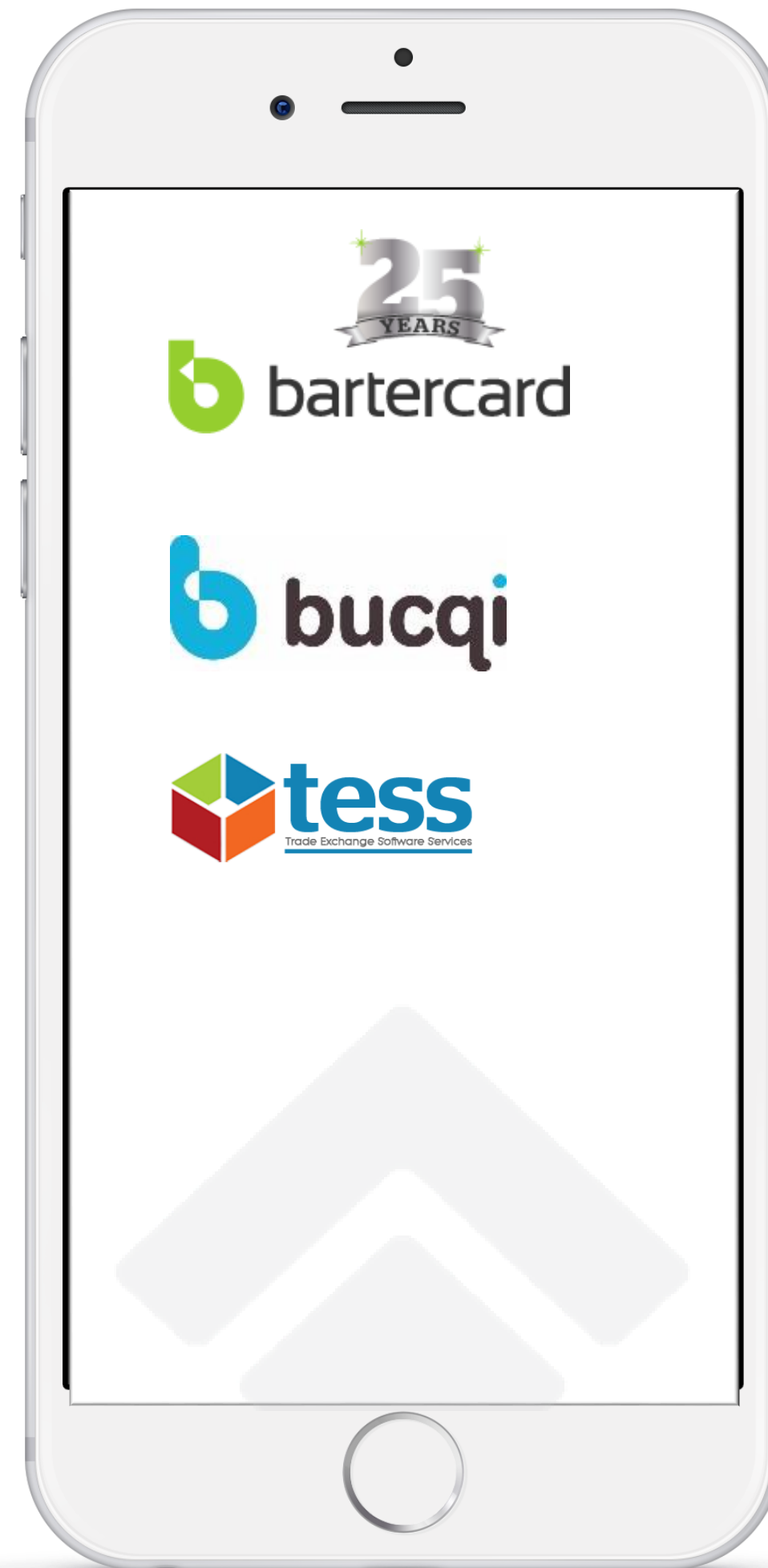


# Disruptive Business Payment Systems linking SMEs Globally



**‘Business Payment Systems’**



**“It is impossible to produce a superior performance unless you do something different from the majority”**

**- John Templeton  
(renowned US Investor)**

March 2016



# OUR VISION AND MISSION – BPS is gaining recognition

2

- ▶ The world's number one in digital payments and reward platforms
- ▶ Providing a captive market of motivated buyers and sellers using our leading digital payment and rewards platforms
- ▶ Disruptive Business Payment Platforms linking SMEs globally



SKAFFOLD'S TOP 50 STOCKS FOR 2016									
RANKINGS (3-JAN-16)			ASX CODE	COMPANY	SKAFFOLD SCORE	FORECASTS		MARKET PRICE	DISCOUNT <sup>1</sup>
GROWTH	INCOME	DISCOUNT				3YR GROWTH (%PA)	DIVIDEND YIELD		
35	35	1	NST	Northern Star Resources	A1	8.1%	2.6%	\$2.78	45.9%
37	3	2	CCV	Cash Converters International	A2	7.8%	8.9%	\$0.53	37.2%
43	1	3	GFY	Godfreys Group	B2	6.3%	14.2%	\$1.72	34.7%
41	38	4	SHJ	Shine Corporate	A2	6.7%	2.4%	\$1.98	32.1%
7	49	5	BPS	BPS Technology	A2	25.1%	0.0%	\$1.14	27.8%
49	20	6	FLT	Flight Centre Travel Group	A2	3.5%	4.0%	\$39.89	15.9%
24	45	7	3PL	3P Learning	A1	11.9%	1.7%	\$2.01	8.9%
32	16	8	NCK	Nick Scali	A1	9.1%	4.3%	\$4.27	8.6%

#5 in Money Magazine Top 50 Share Buys, February 2016

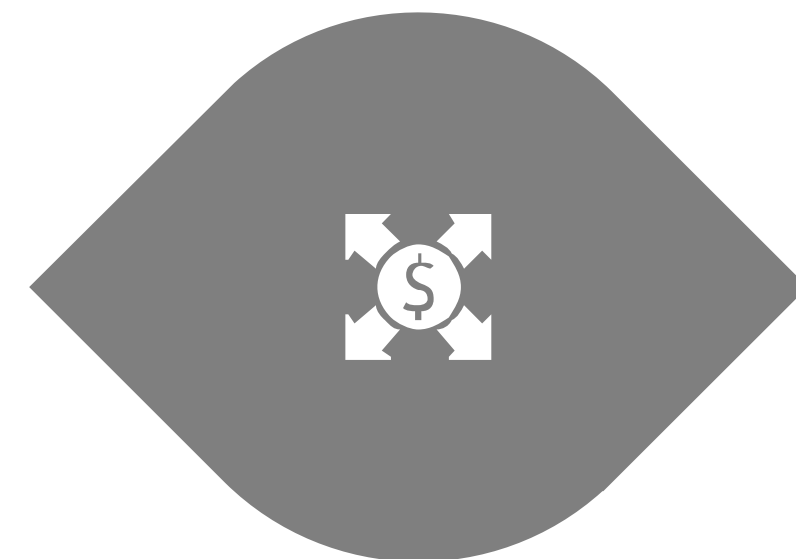
# OUR BUSINESS

3

Addressing both **B2B** and **B2C** with special focus on **SMEs**



**Merchants**



**Growing Business**



**Digital Payments**



**Consumers**



**World Leading Software**



# BPS Technology at a glance

Three highly complementary and scalable businesses



- ❖ Disruptive technology based around a loyalty platform designed for SMBs combined with a robust and innovative mobile payment app for both merchants and consumers.
- ❖ Bartercard transactions now able to be done using bucqi terminals and App.



- ❖ Bartercard operates the world's largest trade exchange by Transactional Value and Fees Generated. 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 CY16.
- ❖ Bartercard transactions can be conducted across more than 7,000 bank EFTPOS terminals and now bucqi terminals



- ❖ TESS (Trade Exchange Software Services) is the software platform developed to service Bartercard's trade exchange
- ❖ Its the only software recognised and recommended as preferred software by IRTA – the largest governing body of the industry globally
- ❖ IRTA now using TESS software – record trading levels achieved
- ❖ Addresses the needs of a fractured market

# The BPS Merchant and Consumer Ecosystem

Addressable Market Opportunity

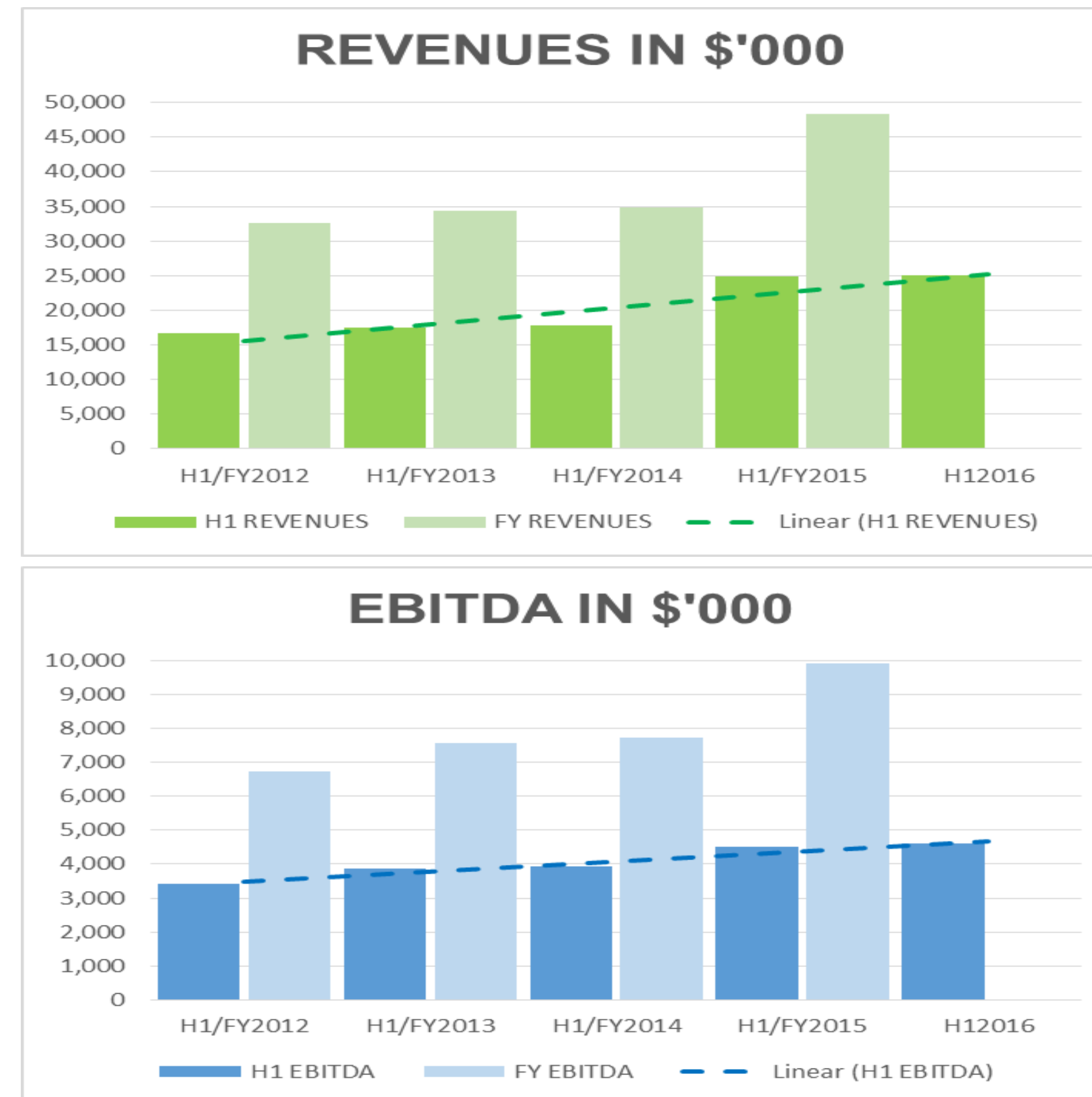


Revenue generated at every interface

Share Information	
Issuer	BPS Technology Limited
ASX Ticker	BPS
Share Price	\$0.86 <sup>1</sup>
P/E Multiple	6.26
Dividend Yield	6.03% <sup>1</sup>
Market Cap	\$49.37m <sup>1</sup>
Shares on Issue	58.5m
Directors*	Mr Murray d'Almeida Mr Trevor Dietz Mr Brian Hall Mr Tony Wiese Mr Tony Lally Mr Andrew Pipolo
*Directors & Management hold 58+% of issued stock	
Major Shareholder	SG Hiscock & Co, 6%
IPO Date	9 September 2014

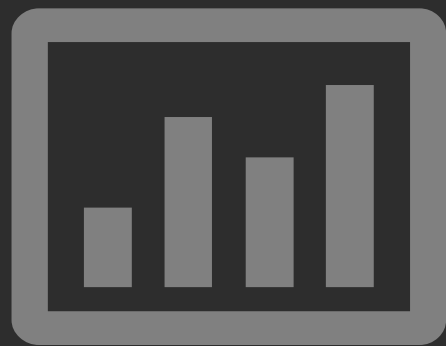
<sup>1</sup> As at close of trading 29 February 2016

## A History of Profit and Growth



# FIRST HALF 2016 INVESTMENT HIGHLIGHTS

7



## REVENUE

—  
Revenue for the half  
year period of  
\$25.05m up on last  
year's record of  
\$24.9M



## EBITDA

—  
EBITDA of \$4.7m -  
4.0% up on last year's  
record achievement



## NPAT

—  
Net Profit After Tax of  
\$3.5m - up 7.3% on the  
same period last year



## EPS

—  
Earnings Per Share up  
7.2% to 6.0cents;  
interim dividend of  
2.0cents declared



# BPS Technology Highlights

Key H1FY16 financial metrics

- ✓ Revenue of \$25.1 million, exceeding prior corresponding period (H1FY15: \$24.9 million)
- ✓ EBITDA of \$4.7 million, up 4% (H1FY15: \$4.5 million)
- ✓ Earnings per share of 6.0c, up 7.2% (HY15: 5.6c)
- ✓ Cash position as at 31 December 2015 of \$2.4 million with zero bank borrowings
- ✓ Interim dividend of 2.0 cents per share unfranked declared

- ✓ New Sales Model resulted in 39% growth in new Merchants
- ✓ Bartercard USA operations revenues up 124%
- ✓ Acquisition of further 2 large franchises in Australia – over 70% of Members now managed by company owned sites

- ✓ bucqi launched in 3 Queensland regional centres with more than 170 Merchants and 1,800 Consumers participating
- ✓ TESS delivered software to IRTA\* that saw record levels of trading recorded – highest ever achieved



# THE BPS BOARD

## Executive and Non-Executive Directors

9

### **Murray d'Almeida –**

Founded Retail Food Group (ASX:RFG); Director Pacific Environment, Chair Management Resources Solution, Chair Barrack Street Investment

### **Andrew Pipolo –**

Managing Director PayPal Australia, Head eCommerce MasterCard Europe and Country Manager Australia MasterCard

**Tony Lally –** CEO Sunsuper, Senior roles Deutsche Asset Mgmt (Japan & India), Deloitte and CBA

**Trevor Dietz –** 30yrs banking and digital payments, has delivered technology and business systems and run global operations

**Tony Wiese –** 25yrs financial management, listed two companies, completed over 20 acquisitions

**Brian Hall –** Bartercard co-founder; 27yrs in Sales and Sales Management, develop systems and technology in a major franchise network



**Tony Wiese**

Chief Financial Officer

**Trevor Dietz**

Chief Executive Officer

**Brian Hall**

Managing Director

**Tony Lally**

**Murray d'Almeida**

Chairman

**Andrew Pipolo**

## Management has track record of delivery

- Proven: Trade Exchange industry, digital payment platforms, software design, implementation and international rollout
- Proven: Systems to drive merchant activity beyond initial adoption
- Extensive experience in Corporate Governance & Strategy, the Payments Industry and Public Capital Markets



# MEET SOME OF THE GLOBAL LEADERSHIP TEAM

10



**Andrew  
McIntyre**

**Chief Technology Officer**  
Big Data, Mobile App, Fin Tech Specialist



**Clive van  
Deventer**

**CEO Bartercard Australia**  
Tourism & Hospitality, Sales & Marketing  
Specialist



**John Scott**

**CEO Bartercard  
New Zealand**  
Sales, Marketing, Financial, Multi Site  
Specialist



**Paul Bolte**

**CEO Bartercard USA**  
Sales Management, Franchising Specialist



**Phil Scott**

**Inventor of bucqi**  
Computer Engineer, Mobility Specialist



**Phil Ciniglio**

**CEO Bartercard Europe**  
Franchising, Sales, Marketing Specialist








## OVERVIEW OF TRADE EXCHANGES

### — 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



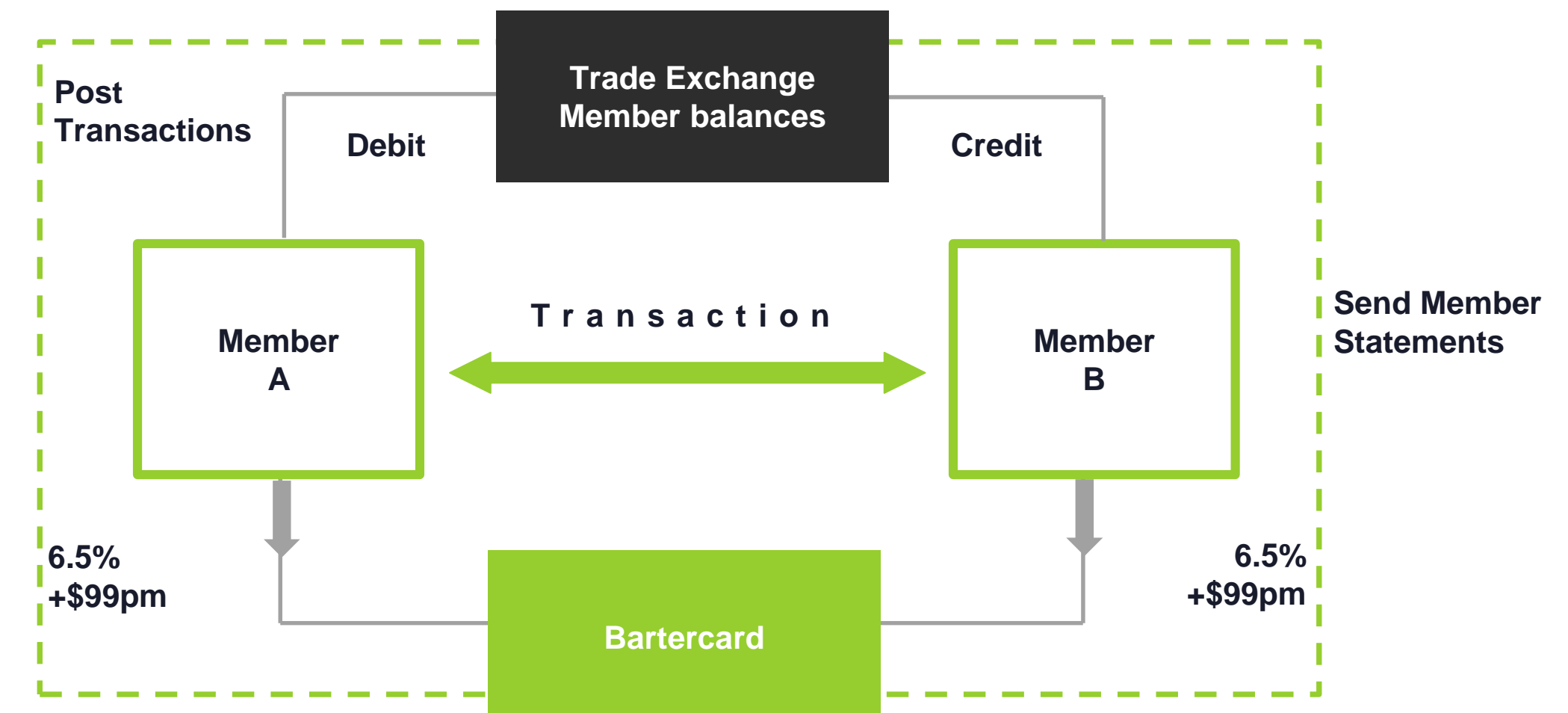
## How it works...

-  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
-  When a merchant buys goods or services its trade account is debited and the seller's trade account is credited
-  Trade Transactions priced same value as cash
-  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
-  At month's end, Bartercard sends each merchant a Statement/Invoice detailing every transaction including Bartercard's cash fees
-  Bartercard's cash fees can be debited directly from merchants' bank accounts (via DDR) or paid by normal means
-  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





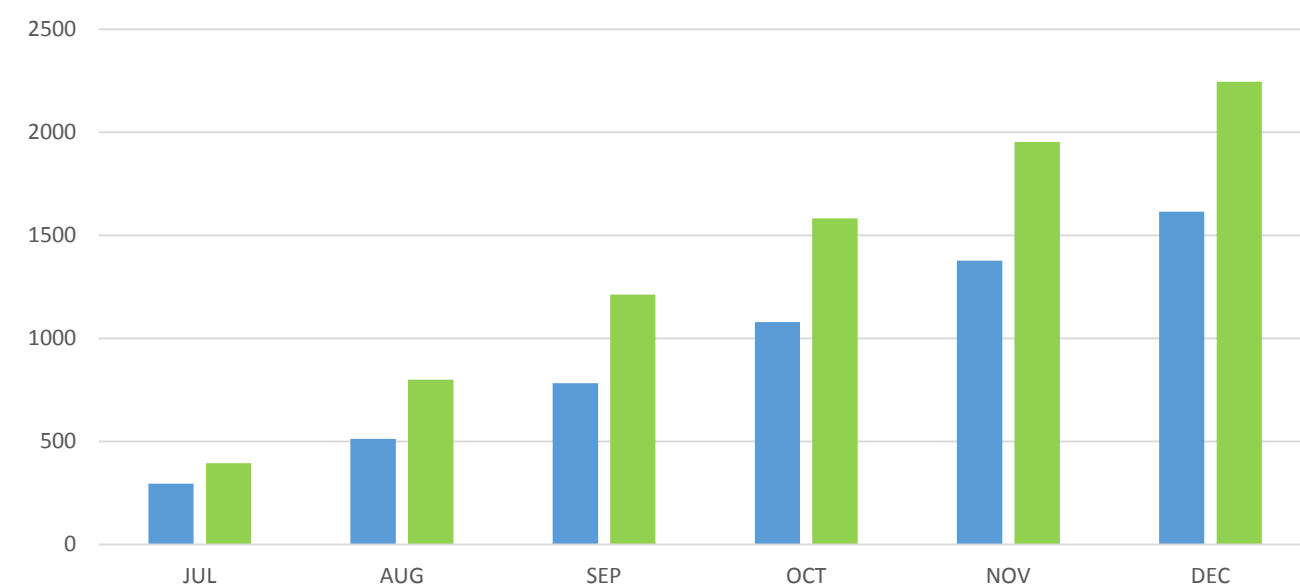
- ❖ New sales model has been a success with new member acquisition up by 39% half year on half year
- ❖ India and China to commence operations this year
- ❖ Bartercard Group now controls 70% of members giving it a secure strategic footprint for growth of Bartercard and bucqi in major population areas

## Focus for 2016 and beyond.....

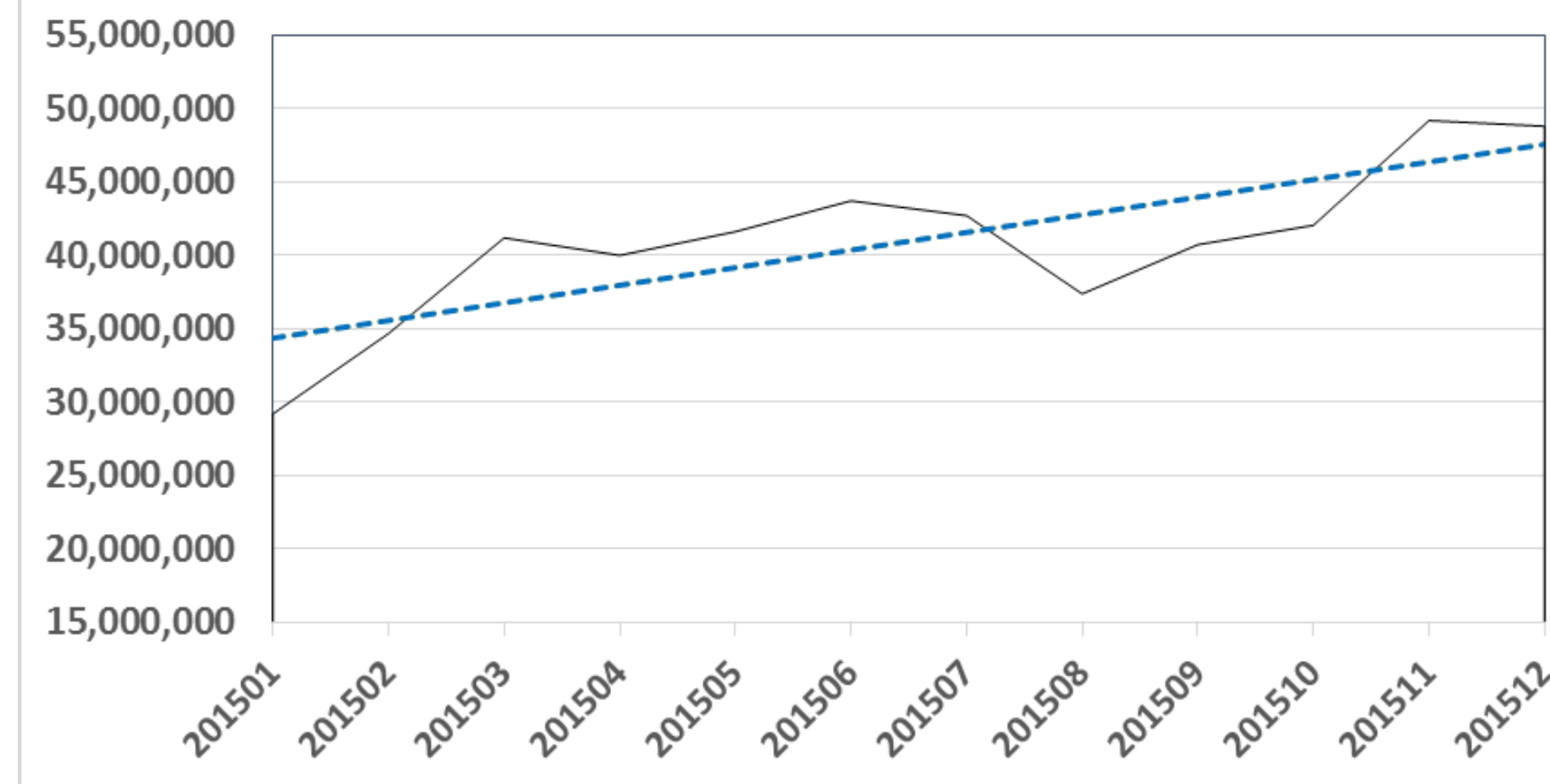
Further International Expansion with a focus on North America, Europe and Asia

1HY2016

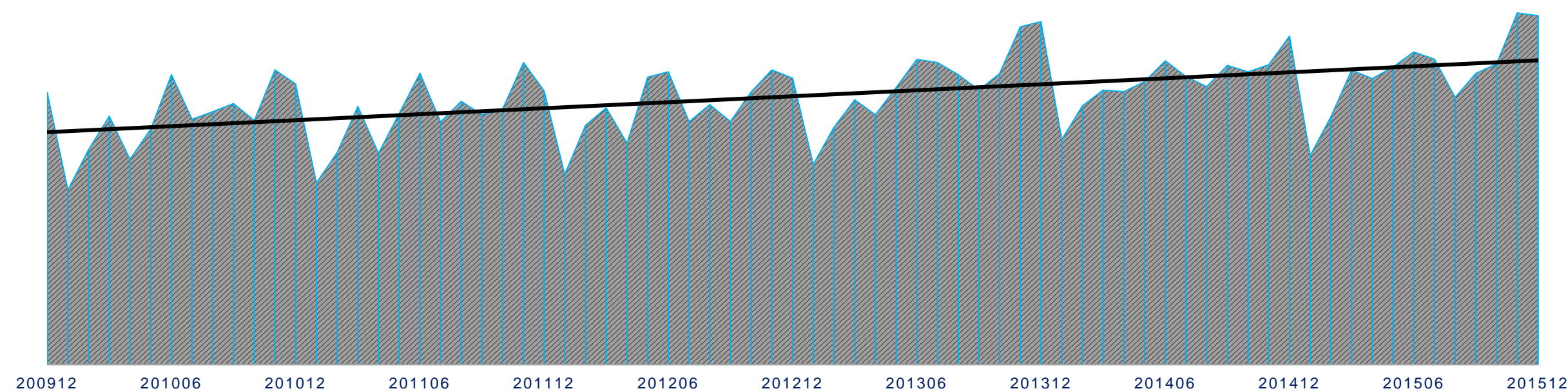
Cumulative Monthly New Member Sales YTD  
Comparison to previous period



12 Month Total Trade Volume



6 Year Transactional Trend



8 Countries – 75 Offices – 600+ Staff – 24,000+ Merchants (SMEs) – 50,000+ Card Holders

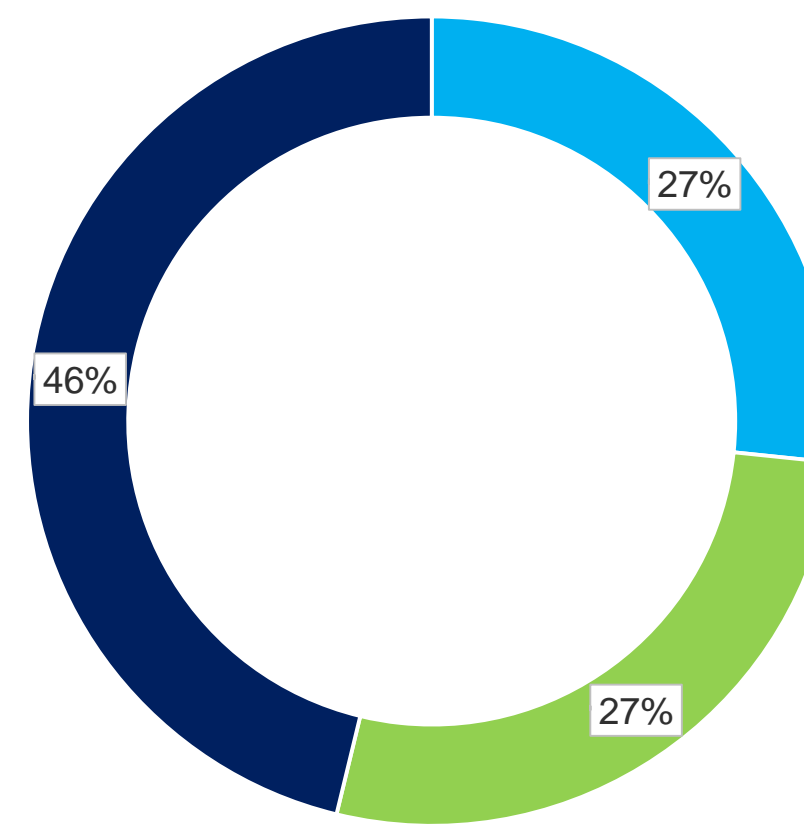


# bartercard - deep relationships with Merchants

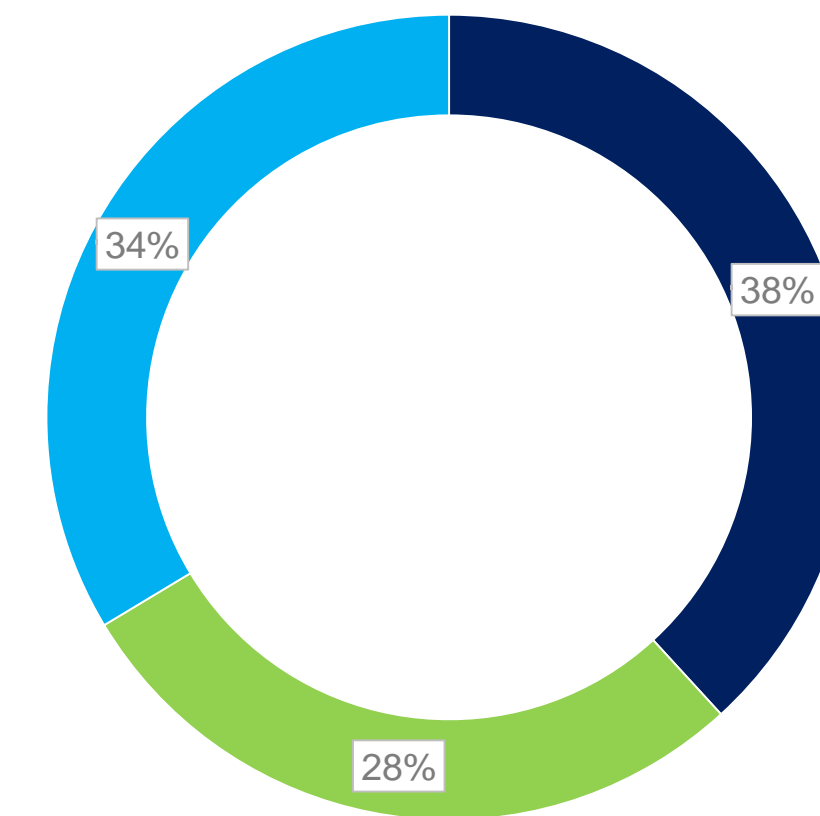
15

Key Transactional Data for  
the 12 months to  
31 December 2015

Merchants by Duration\*

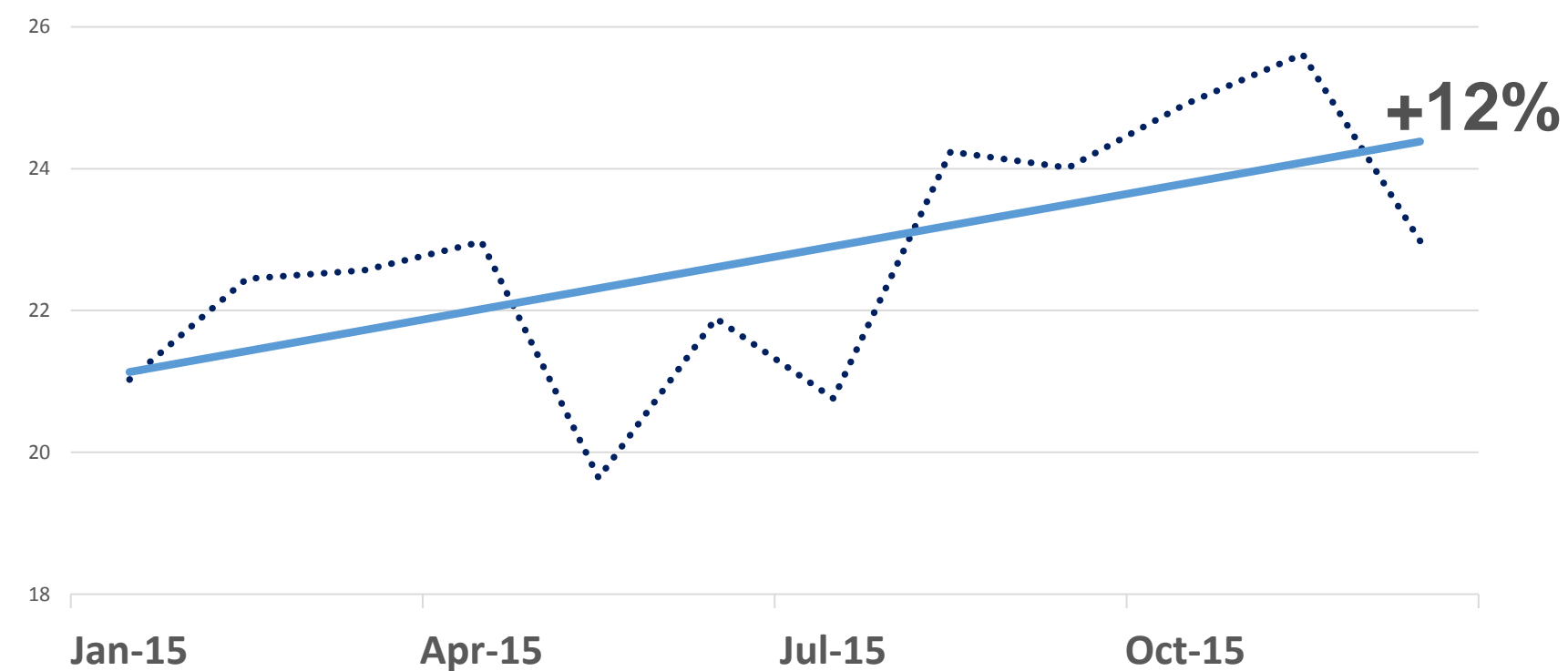


12mth Trade Volume  
by Merchants Duration\*

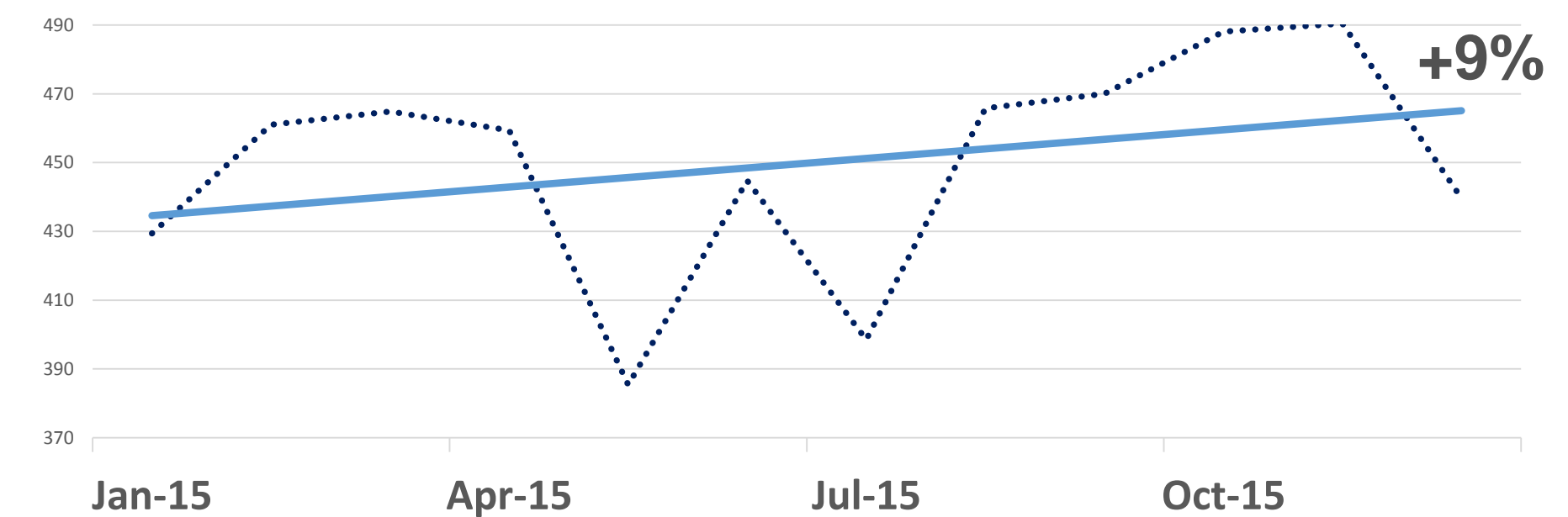


Over 10 years 5-10 Years 4 Years

Average Cash Fees / Transaction



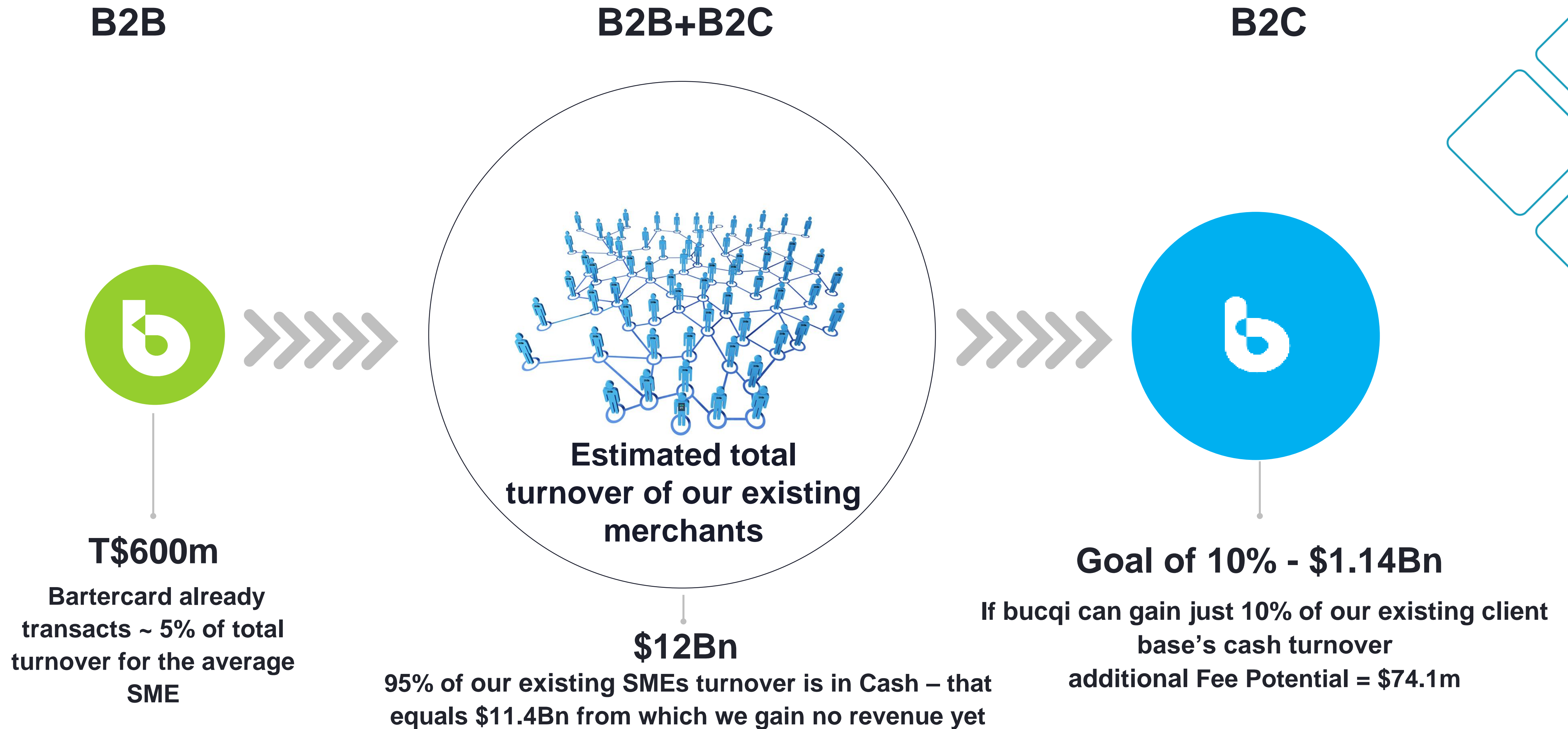
Average Billable Trade Volume /  
Transaction



Consistent Usage over many years – integral to SMEs business – 54% of Merchants >5yrs

# How BPS will gain a bigger share of its existing market base

16



# bucqi – driver of future growth

17

**Disruptive payments platform with best value consumer loyalty program**

- ❖ New platform developed allowing Bartercard Merchants to pay consumers digital reward – one “bucq” equal in value to one Trade Dollar
- ❖ Consumers able to save and redeem “bucqs” at a wide variety of merchants
- ❖ Most valuable reward program – consumers get a minimum 20% reward or redemption on every transaction



- ❖ Merchants can accept “bucqs” and credit back to their Bartercard Account for re-issue
- ❖ Roll out bucqi across Queensland commenced
- ❖ bucqi also able to handle other points based rewards programs
- ❖ Bucqi merchant tablet and software able to undertake a Bartercard transaction

**Launch in New Zealand March 2016**

**Introduce C2C model in later part of FY2016**

**Goal is to have 3,750 Bartercard Merchants accepting bucqi by end of 2016**



## For Consumers

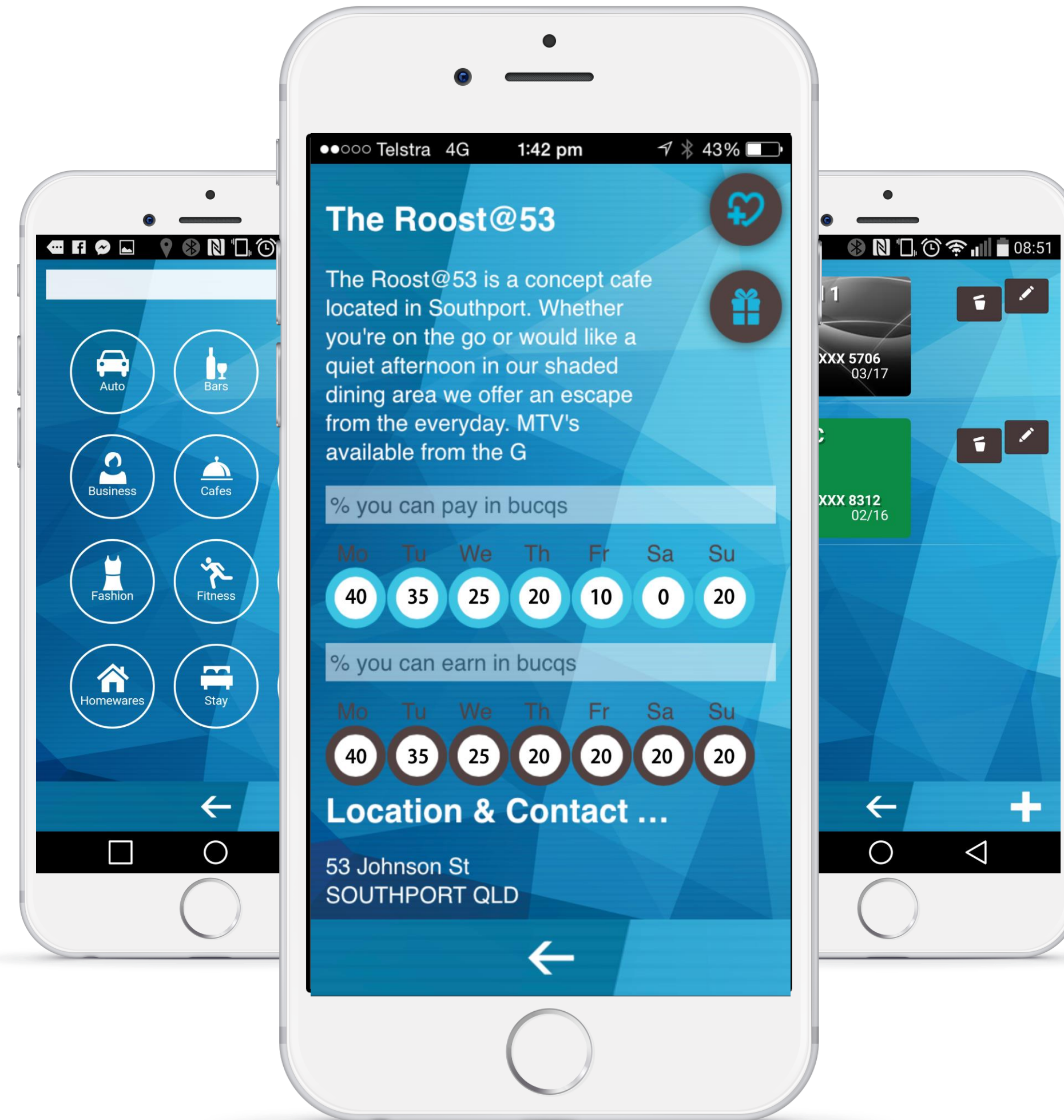
**FREE & EASY TO USE**  
Simply download the bucqi App



**VERSATILE AND CONVENIENT**  
Ideal for micro payments and  
one place to store all your  
rewards



**MANAGEMENT & REWARDS**  
Easy to use merchant  
directory and directional  
mapping; special offers



## For Merchants



**REAL TIME PAYMENTS & IMPROVED SECURITY**  
Cash currency without  
handling cash and with  
reduced possibility of fraud



**POWERFUL MARKETING TOOL**  
Attracting new customers with  
smart campaign tracking

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

# bucqi - a merchant centric loyalty program

20

A loyalty platform for SMEs  
– 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 globally



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\*



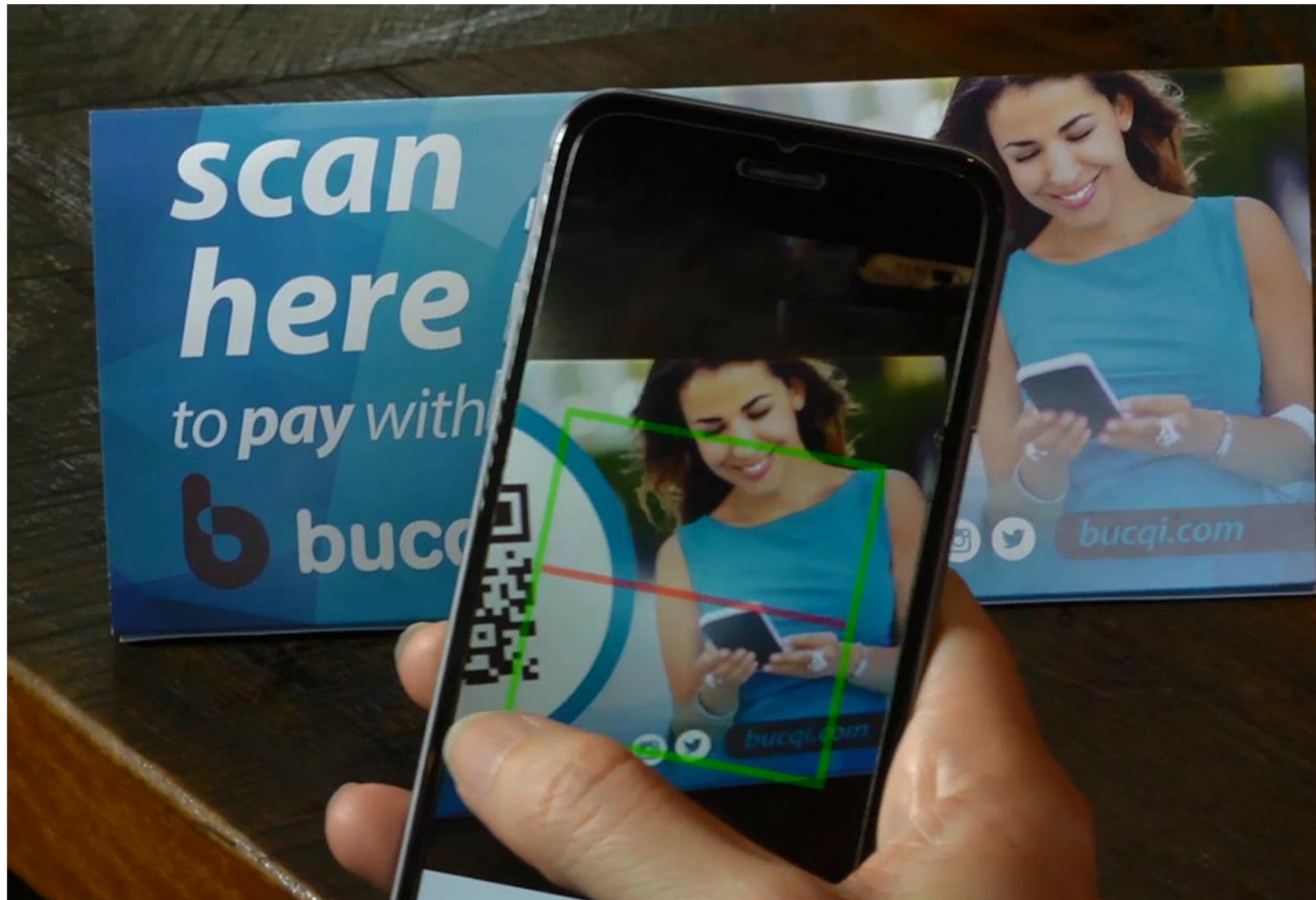
**Consumers use their  
Smartphone to pay**



# bucqi - a merchant centric loyalty program

20

**Attracting more cash-paying consumers to merchants**





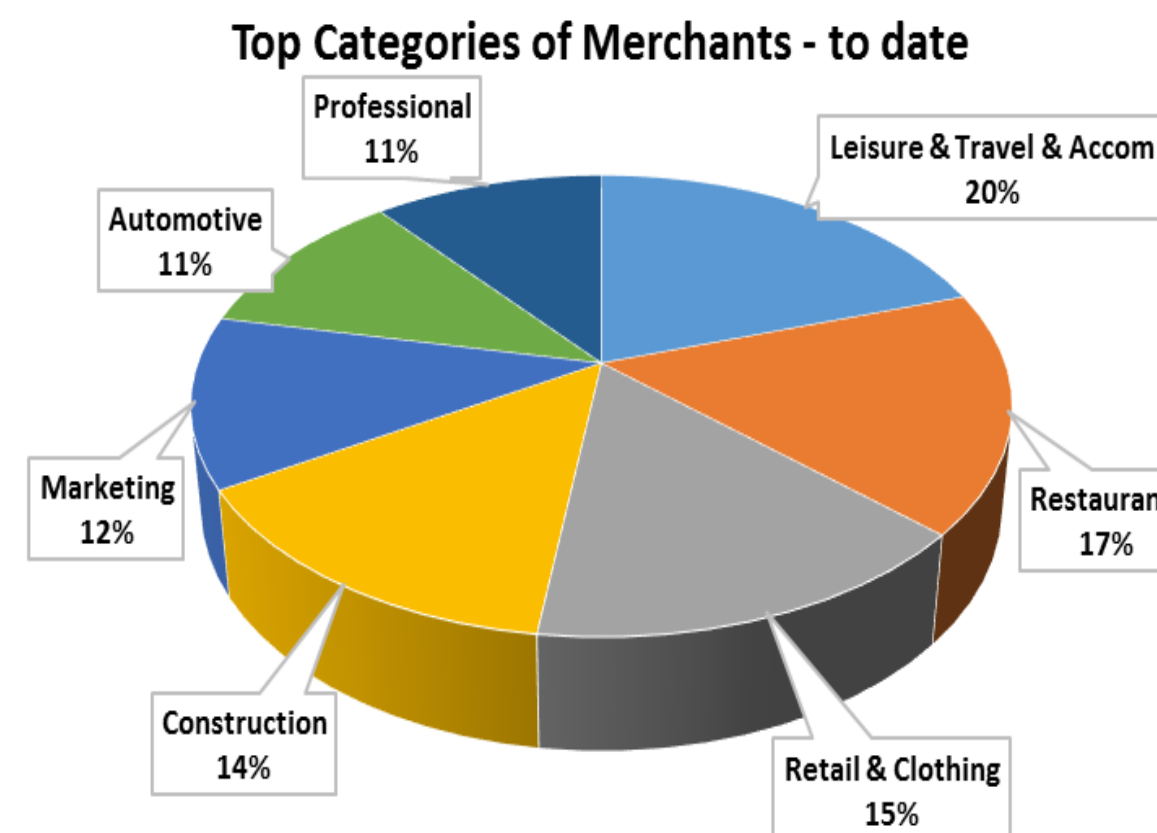


## Additional Income for Clubs/Charities

One percent (1.0%) of every transaction will be paid to clubs/charities etc. sponsoring bucqi to their supporter base – supporters simply download the bucqi app and transact with their club/charity benefiting automatically – so simple



- ❖ bucqi has gained firm expressions of interest from 2,500 merchants already
- ❖ bucqi has exclusive access to more than 24,000 merchants across 8 countries



- ❖ bucqi targets closed user groups e.g. sporting or non for profit clubs
- ❖ bucqi has access to more than 300 such groups
- ❖ bucqi targets large “loyalty points” based systems like airlines, franchise chains, credit card companies

# White labelled cloud-based software platform

22



**TESS is a multi-site, multi-national, multi-currency Trade Exchange platform**

**Participants securely trade their goods and services globally 24/7 using mobile, desktop or other internet-enabled devices**

**TESS the only software recommended by IRTA, the largest governing body for Trade Exchanges globally**

**The TESS Platform settles ~1.8m+ transactions worth ~\$600m+ annually on behalf of Bartercard's ~50,000+ card holders**

**Seeking to capture a major share of the US\$19.4 billion\* not currently being traded through Bartercard**

**Recognised as the world's leading software platform by IRTA supporting more SMEs, settling more transactions and used by more people than any other provider**



## An industry step change

**Cutting edge, stable scalable software for  
Trade Exchanges and other alternate  
currency systems**

## So Far in 2016

**IRTA/UC Interchange implemented  
successfully**

**UC set a New Trading Record – in the first 3  
months transactions up 39% over last year -  
the most growth in trading in UC's  
seventeen year history**

## Focus for the remainder of 2016

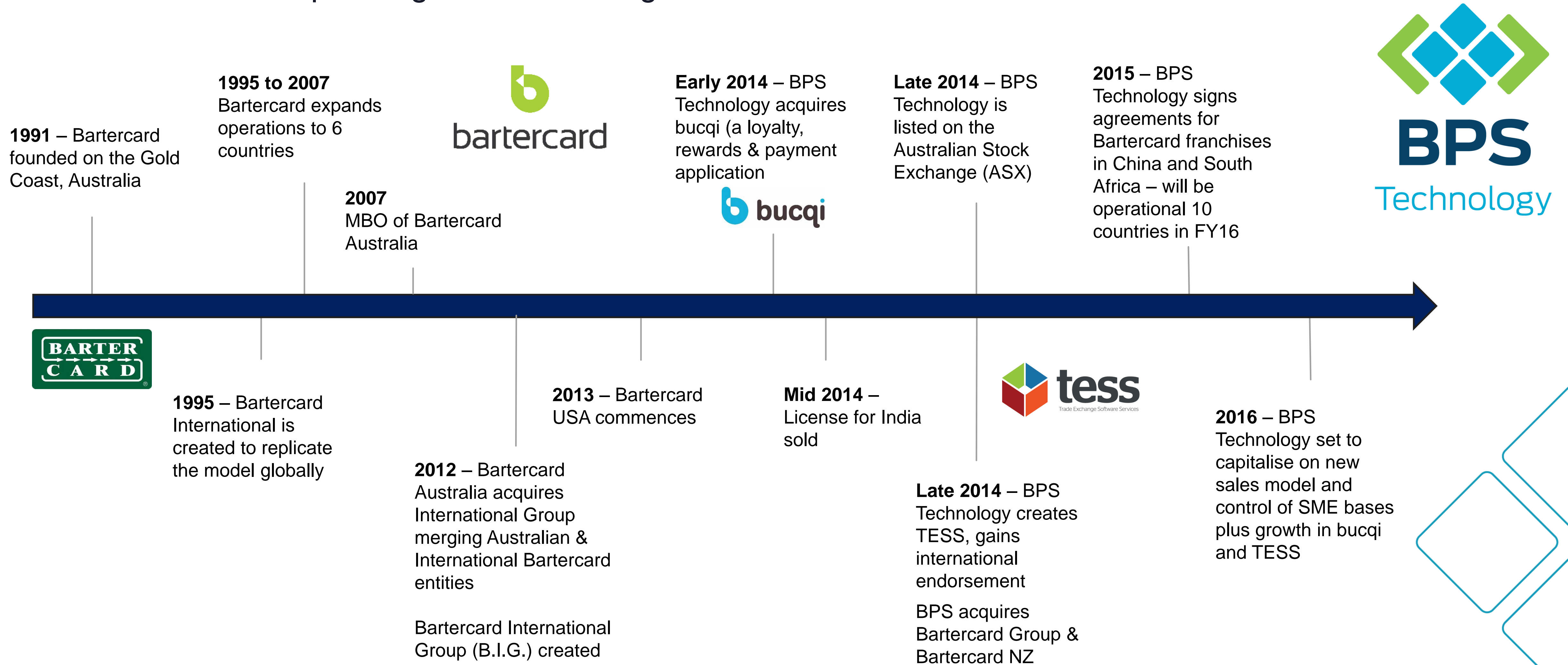
**New Software for Bartercard Group  
being delivered**

**Expand deployment of TESS  
Software**

**Supply of Enterprise level software to  
major Trade Exchanges**



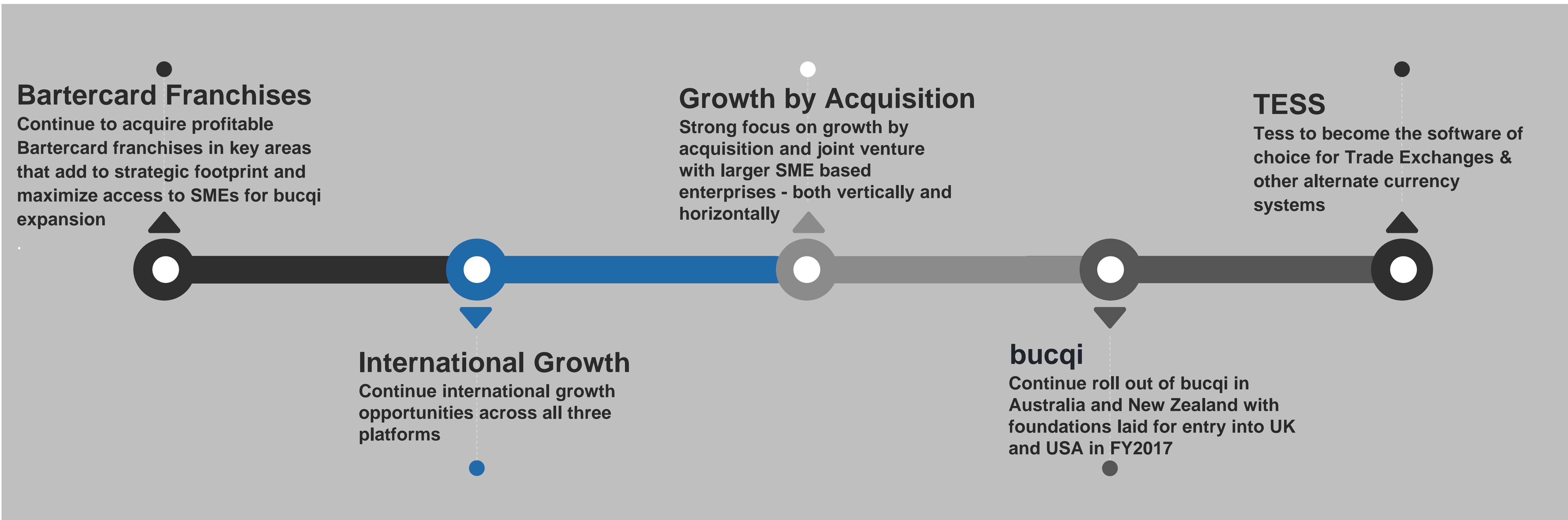
## Operating Trade Exchanges Platforms and Software for 25 Years



# FY2016 Outlook

25

growing business across **all three platforms**





# In Summary – executing on our business plans

26

- ❖ Revenue of \$25.1 million, exceeding prior corresponding period (H1FY15: \$24.9 million)
- ❖ EBITDA of \$4.7 million, up 4% (H1FY15: \$4.5 million)
- ❖ Earnings per share of 6.0c, up 7.2% (HY15: 5.6c)
- ❖ Interim dividend of 2.0 cents per share unfranked declared
- ❖ New Sales Model resulted in 39% growth in new Merchants
- ❖ Bartercard USA operations revenues up 124%
- ❖ Acquisition of further 2 large franchises in Australia – over 70% of Members now managed by company owned sites
- ❖ bucqi launched in 3 Queensland regional centres with more than 200+ Merchants and 2,000+ Consumers participating
- ❖ TESS delivered software to IRTA that saw record levels of trading recorded – highest ever achieved
- ❖ Laid the foundation for growth in FY17
- ❖ Executive directors and management team own 58% of issued shares
- ❖ Well positioned to capitalise on various growth opportunities on our platforms



## LIMITED PURPOSE

This presentation is issued by BPS and has been provided on an information basis solely and is not an offer or invitation to invest.

## FORWARD LOOKING STATEMENTS

This presentation may include forecast financial information based on the best estimate assumptions of BPS. The basis of preparation and presentation of the forecast financial information, to the extent relevant, is consistent with the basis of preparation and presentation for the historical financial information. The forecast financial information presented in this presentation is unaudited. This presentation also contains forward looking statements which are identified by words such as 'may', "could", 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. The forward looking statements in this presentation are based on BPS's current expectations about future events. The forecast financial information and forward looking statements are subject to various risk factors, uncertainties and assumptions that could cause BPS's actual results, performance or achievements to differ materially from those expressed in any forward looking statement made by, or on behalf of, BPS and the forecast financial information.





# Disruptive Business Payment Systems linking SMEs Globally



## BPS

### Technology

‘Business Payment Systems’

