

12 August 2016

TRANSFORMATIVE ACQUISITION OF ENTERTAINMENT PUBLICATIONS

Highlights:

- **BPS to acquire Entertainment Publications Australia and New Zealand, a leading business-to-consumer (B2C) deals platform which produces the Entertainment Book and the Entertainment Digital Membership**
- **Acquisition set to boost BPS' growth profile with FY17E pro forma revenue growth of 118% and FY17E pro forma EBITDA growth of 49%. Significant future growth potential with the combined BPS group benefiting from a network of 36,000 SMEs, 18,000 NFPs and 550,000 paying customers ("Members")**
- **BPS successfully completes institutional placement, raising \$27.5 million to fund the Entertainment acquisition and to provide growth / working capital**
- **Institutional placement was significantly oversubscribed with strong demand received from institutional and sophisticated investors**
- **All eligible BPS shareholders invited to participate in a non-underwritten Share Purchase Plan at the same price as the placement (\$0.94 per share)**

Leading channel enablement and payments platform provider BPS Technology Limited ("BPS", "BPS Technology" or "the Company") is pleased to announce the successful completion of its underwritten \$27.5 million institutional placement.

Net proceeds of the capital raising will be used to fund the transformative acquisition of Entertainment Publications Australia and New Zealand ("Entertainment" or "Entertainment Publications"), a leading B2C deals platform with 12,000 SMEs, 18,000 NFPs and 550,000 members, and for additional growth/working capital. The consideration for the Entertainment Publications acquisition is \$22.5 million in cash and 2,659,574 in BPS shares. The combination of BPS and Entertainment brings together two proven, profitable and scalable businesses with significant growth potential.

The vendor of Entertainment Publications, Mr Ben Johnson, who will remain as Chairman of Entertainment after completion, said, "Entertainment Publications and BPS share the same culture and values, making this a natural win for both companies. They share the same vision for providing marketing solutions to businesses, value to customers, and support to community organisations and the charitable sector. It is a win-win for everyone."

As part of the acquisition process, BPS undertook a detailed financial and legal due diligence on Entertainment. Further detail on the acquisition is set out in the presentation announced to ASX.

Mr Trevor Dietz, CEO of BPS Technology said "I am delighted to welcome Entertainment into the BPS group. Entertainment is an excellent business led by an ambitious team who share our core values. We expect the joining of our longstanding, valuable business networks to deliver an increasingly compelling value proposition to merchants, consumers and not-for-profits. This acquisition brings several attractive near-term growth opportunities within reach, the benefits of which will flow to new and existing BPS partners, merchants and shareholders."

Investors will be issued approximately 29.3 million Shares under the institutional placement



at \$0.94 per Share, 8.0x FY17E pro forma earnings and a fully franked dividend yield of 5.3%.

Settlement of the unconditional Shares is expected to be completed on Wednesday, 17 August 2016. An EGM is expected to be held on or around Monday, 12 September 2016 to approve the issuance of the conditional Shares. Settlement is expected to be completed on Wednesday, 14 September 2016 for the conditional Shares.

New investors will rank pari passu and be eligible for the FY16 final dividend of 2.0cps, which is expected to be paid in October 2016.

Settlement of the acquisition is expected to occur in September 2016.

Moelis Australia Advisory Pty Ltd acted as the Lead Manager and Underwriter to the fully underwritten institutional placement.

The Company's Shares will be released from trading halt upon lodgement of this announcement with the ASX.

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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 Payments space for Small to Medium Businesses (SMBs) in 8 countries. Its technology platforms and systems help to drive customers to its SMB merchants. More than 24,000 SMBs transact in excess of 1.8m transactions worth \$600m+ per annum using its various technology platforms. BPS earns fees on all transactions over the platforms via its subsidiaries Bartercard, TESS and bucqi.

About Entertainment: Entertainment Publications is a business-to-consumer (B2C) deals platform with an established model proven over 21 years of profitable operations. Entertainment provides restaurant and activity guides with special offers from more than 12,000 SMEs to consumers across Australia and New Zealand.

About Bartercard: Bartercard operates the world's largest trade exchange. It allows small to medium businesses to conduct business transactions without the use of cash. There are 50,000+ card holders in 8 countries currently. Bartercard transactions can be conducted online, via its mobile app, across more than 7,000 bank EFTPOS terminals and on bucqi terminals.

About bucqi: bucqi is a disruptive technology based around a loyalty platform designed for SMBs combined with a robust and innovative mobile payment app for both merchants and consumers. The 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 suppliers. It has been launched in 3 regional cities in Queensland Australia and Wellington in New Zealand.