



BPS Technology Limited (BPS)

to be re-named to

incentiapay

Capital Raising

Investor Presentation

February 2018

FINANCIAL ADVISOR, LEAD MANAGER AND UNDERWRITER



Important Notice

This Presentation (**Presentation**) has been prepared by BPS Technology Limited ACN 167 603 992 (**BPS**). This presentation relates to BPS' acquisition of the majority of assets of Gruden Group Limited ACN 125 943 240 (**Gruden**) and a fully underwritten 2 for 3 non-renounceable entitlement offer of ordinary shares in BPS (**Shares**) to be made under section 708AA of the *Corporations Act* 2001 (Cth) (**Corporations Act**) (**Offer**) as modified by the Australian Securities and Investments Commission.

The Offer will be made to:

- eligible institutional shareholders of BPS (**Institutional Entitlement Offer**); and
- eligible retail shareholders of BPS (**Retail Entitlement Offer**).

By attending an investor presentation or briefing, or accepting, assessing or reviewing this Presentation, you represent and warrant that you are entitled to receive this presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

Summary information

The information contained in this Presentation is of a general nature and in summary form. No representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. None of Moelis Australia Advisory Pty Limited ACN 72 142 008 446 (**Financial Advisor, Lead Manager, Underwriter**), nor any of their respective advisers, nor the advisers to BPS or any other person including clients named in this document, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the Corporations Act.

Statements in this Presentation are made only as of the date of this Presentation unless otherwise stated and the information in this Presentation remains subject to change without notice.

The historical information in this Presentation is, or is based upon, information that has been released to the market. It should be read in conjunction with BPS's other periodic and continuous disclosure announcements to ASX available at www.asx.com.au.

Not an offer

This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law and does not constitute an invitation to subscribe for or buy any Shares in BPS, including in any jurisdiction in which it would be unlawful, or a solicitation to engage in or refrain from engaging in any transaction. In particular, this presentation may not be distributed or released to any person, and the Shares may not be offered or sold, in any country outside of Australia (including, but not limited to, the United States) except to institutional and professional investors, and to the extent permitted pursuant to the applicable exemptions from any prospectus or registration requirements in certain countries, as contemplated in the International Offer Restrictions.

The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding whether to apply under that offer. Anyone who wishes to apply for Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the retail offer booklet and entitlement and acceptance form.

Not investment advice or a recommendation

This presentation does not constitute investment or financial product advice, nor is it a recommendation to acquire Shares. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice. In particular, this presentation is not intended to be relied upon as advice to any person and does not take into account the financial situation, objectives or needs of any person.

This presentation may not be relied on to make an investment or other financial decision, and it is advised you take independent professional advice and make your own assessment in relation to the information before making any investment decision in relation to BPS and any participation in the Offer. An investment in BPS is subject to investment risk including possible loss of income and principal invested. Please see the 'Key Risks' Section of this Presentation for further details.

Financial Advisor, Lead Manager, Underwriter

The ***Financial Advisor, Lead Manager, Underwriter***, its affiliates, directors, officers, employees, partners, agents or associates may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from BPS.

Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented as at or for the year ended 30 June 2017 or half year ended 31 December 2017 unless stated otherwise. BPS's results are reported under Australian Accounting Standards. The historical information included in this Presentation is based on information that has previously been released to the market. Investors should note that this presentation contains pro forma and forecast financial information. In particular a pro forma balance sheet as at 31 December 2017 has been prepared by BPS based on the reviewed BPS 1H FY18 balance and the reviewed Gruden 1HFY18 balance sheet and certain acquisition adjustments. The Pro forma and forecast financial information, and the historical information, provided in this Presentation is for illustrative purposes only and is not represented as being indicative of BPS' views on its future financial condition and/or performance.

This presentation includes “non-IFRS financial information” under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission, including EBITDA and underlying EBITDA. BPS believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of BPS. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.

Future performance

This Presentation contains certain 'forward looking statements' including statements regarding or based on BPS's current belief, intent, assumptions or expectations with respect to the financial condition and performance, results of operations, business plans and objectives of management, capital adequacy, risk management practices and specific or general provisions. Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include statements regarding outcome and effects of the equity raising. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of BPS, its officers, employees, agents and associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct and may result in outcomes that differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statement and the assumptions on which those assumptions are based.

Refer to the 'Key Risks' section of this Presentation for a summary of certain risk factors that may affect BPS.

Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Disclaimer

No party other than BPS has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Presentation. Any information or representation not contained in this Presentation may not be relied upon as having been authorised by BPS in connection with the Offer. To the maximum extent permitted by law, BPS, the **Financial Advisor, Lead Manager/Underwriter** and their respective affiliates, officers, employees, agents and advisers disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or due to information being omitted from this Presentation, whether by way of negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and, with regards the **Financial Advisor, Lead Manager, Underwriter**, its affiliates, officers employees, agents and advisers, take no responsibility for any part of this Presentation. The **Financial Advisor, Lead Manager, Underwriter** makes no recommendation as to whether you or your related parties should participate in the Offer nor does it make any representations or warranties to you concerning this Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the **Financial Advisor, Lead Manager, Underwriter** or any of its affiliates in relation to the Shares or the Offer generally.

The information in this Presentation remains subject to change without notice. BPS reserves the right to withdraw or vary the timetable for the Offer without notice.

The distribution of this presentation in jurisdictions outside of Australia may be restricted by law and you should observe any such restrictions. Neither this presentation nor any copy hereof may be transmitted in the United States or distributed, directly or indirectly, in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to persons acting for the account or benefit of any "U.S. Person" as defined in Regulation S under the U.S. Securities Act 1933 (as amended) (Securities Act). The Shares have not been, and will not be, registered under the Securities Act or securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, persons in the United States, unless they have been registered under the Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

1. Introduction

- ❖ BPS Technology Limited (“BPS”, “BPS Technology” or “IncentiaPay”) is undergoing significant restructuring to reposition the business including changing its corporate name, branding and identity to IncentiaPay¹
- ❖ Management team and Board renewal process underway with the appointment of Iain Dunstan (CEO) and Darius Coveney (CFO/COO) to implement the restructuring plan announced in December 2017 and re-position IncentiaPay for growth. The Board has also been strengthened with the addition of Chris Berkefeld who has a proven track record of enhancing corporate governance
- ❖ Significant opportunity to position IncentiaPay for growth with identified and actionable initiatives, including cost rationalisations, re-allocation of capital to core growth businesses (Entertainment and AliPay) and scaling back international operations. New growth and market opportunities have been developed through Entertainment’s corporate and partnership marketing channels and the IncentiaPay partnership with AliPay capturing the Chinese tourism market
- ❖ IncentiaPay is today announcing that it has entered into a binding term sheet relating to the acquisition of the business assets of ASX-Listed Gruden Group Limited (“Gruden”) ², a digital marketing and transactional payment business with 500,000 users across 800 retail outlets handling 100,000 transactions per month
- ❖ IncentiaPay is conducting a underwritten 2 for 3 accelerated non-renounceable entitlement offer to issue 79.0m shares at an issue price of \$0.28 per share to raise approximately \$22.1m (“**Offer**”)
 - Simultaneously with the Offer entities associated with Trevor Dietz, Brian Hall and Tony Wiese will sell 9.3m shares at \$0.28 per share (“**Share Sale**”)
- ❖ IncentiaPay provides FY18 full year revenue guidance of \$110m and an underlying EBITDA³ range of \$4.5m and \$6.5m, and FY19 full year underlying EBITDA range of between \$9.0m and \$11.0m⁴

1. Change of Company name subject to Shareholder approval

2. The transaction is subject to agreement of long form documentation and the satisfaction of conditions precedent, some of which are outside the control of IncentiaPay, such as approval by Gruden’s shareholders.

3. Underlying EBITDA excludes the impact of the underlying adjustments disclosed in the BPS financial statements for the half year ended 31 December 2017 and the non-cash expense associated with any ESOP issuance under the proposed new ESOP plan. A reconciliation of the underlying EBITDA adjustments for 1H FY18 have been included on page 28 of this presentation

4. Forecast guidance is standalone BPS / IncentiaPay and does not include the impact of Gruden

Key offer metrics

7

Existing securities on issue (m)	118.5
Offer Price per Share (\$)	0.28
Shares to be issued under the Offer ¹	79.0
Accelerated Non-Renounceable Entitlement Offer for shares held on Record	2 for 3
Gross proceeds from the Offer (\$m)	22.1
Pro forma market capitalisation (\$m) ²	58.9
Discount to TERP (%)	6.0
Discount to close (%)	9.7
Discount to 5-day VWAP (%) ³	19.4
FY18 full year revenue guidance ⁴ (\$m)	110
FY18 full year underlying EBITDA range ⁴ (\$m)	4.5 – 6.5
FY19 full year underlying EBITDA range ⁴ (\$m)	9.0 – 11.0

1. Issued shares will rank pari passu

2. Based on the total Shares on issue post completion of the transaction multiplied by the TERP

3. VWAP is calculated over the period 21 February 2018 to 27 February 2018

4. Forecast guidance is standalone BPS / IncentiaPay and does not include the impact of Gruden

- ✓
 - New Board and management team (CEO and COO) in place to drive restructure and position BPS for growth
- ✓
 - Clear restructuring plan with identifiable, actionable initiatives generating significant financial impact
- ✓
 - Continued growth and monetisation of Entertainment through release of Frequent Values app
- ✓
 - Access to the growing Chinese tourism market and significant market opportunity with AliPay partnership
- ✓
 - Substantial synergies from proposed Gruden acquisition and opportunity to cross-sell existing products
- ✓
 - Compelling investment proposition at an attractive offer price
- ✓
 - Potential re-rate of the value of BPS post completion of restructure/turnaround

Investor value proposition

9

A compelling investment proposition with a self-contained, at scale ecosystem of merchants and consumers with significant data capture, an executable growth plan and attractive offer metrics

NETWORK



**28,000
SMEs**



**18,000
Not-for-Profits
("NFPs")**



**580,000
consumers**



DATA CAPTURE

22.7 million

unique user sessions in the
Entertainment app in 2017

40 million

bits of data captured by
Entertainment each month

200,000

offers redeemed each month



GROWTH PLAN

- ✓ Implement restructure and turnaround
- ✓ Scale Entertainment's B2B offering to blue chip corporates
- ✓ Expand AliPay offering to IncentiaPay network
- ✓ Optimise and integrate acquired Gruden businesses

2. Overview of IncentiaPay

Introduction to IncentiaPay

11

With a proven business model and a network of over 46,000 SME's/NFP's and 580,000 consumers, IncentiaPay's vision is to become Asia Pacific's leading rewards, deals and incentives platform

incentiapay



- B2C distribution via NFPs
- 12,000 SMEs and 18,000 NFPs
- Proven business model over 22 years



bartercard

- B2B platform with 16,000 SMEs
- ~\$600m annual transaction value
- Proven business model over 25 years



- Payment option for Chinese tourists
- Only 'M Partner' of Alipay in Australia
- Commenced roll out in December 2017

GRUDEN

- Digital marketing and payment specialist
- 500,000 users across 800 retail outlets
- Facilitates over 100k transactions per month

incentiapay

- Self-contained ecosystem and marketplace containing 28,000 SME's, 18,000 NFP's and over 580,000 consumers

incentiapay

DEALS



- ❖ A global trade exchange facilitating B2B transactions in cash plus/or an alternate digital currency (trade dollars)
- ❖ Annual transactions on Bartercard between 16,000 SME members to the value of ~\$600 million each year
- ❖ Business is transitioning from book form to digital and is being optimised for mobile
- ❖ Re-establish business as secure alternative currency

INCENTIVES



- ❖ A B2C platform for restaurants, shops and hotels to offer ongoing unique lifestyle discount incentives to subscribers. Also offered as Frequent Values to large corporates for staff, members & clients
- ❖ Undergoing digital transformation by improving user experience and integrating digital tools for NFPs
- ❖ Monetisation of digital program with consumers paying for transactions via app and mobile

Entertainment represents a significant growth opportunity for IncentiaPay through its newly developed B2B offerings (corporate and partnership marketing solutions) and AliPay partnership

IncentiaPay – an “all in one”, holistic benefits network

13

IncentiaPay is first and foremost a marketing and payments platform provider

INTEGRATE LEADING PRODUCTS

COMBINING ALL THE BENEFITS

ON ONE SINGLE PLATFORM

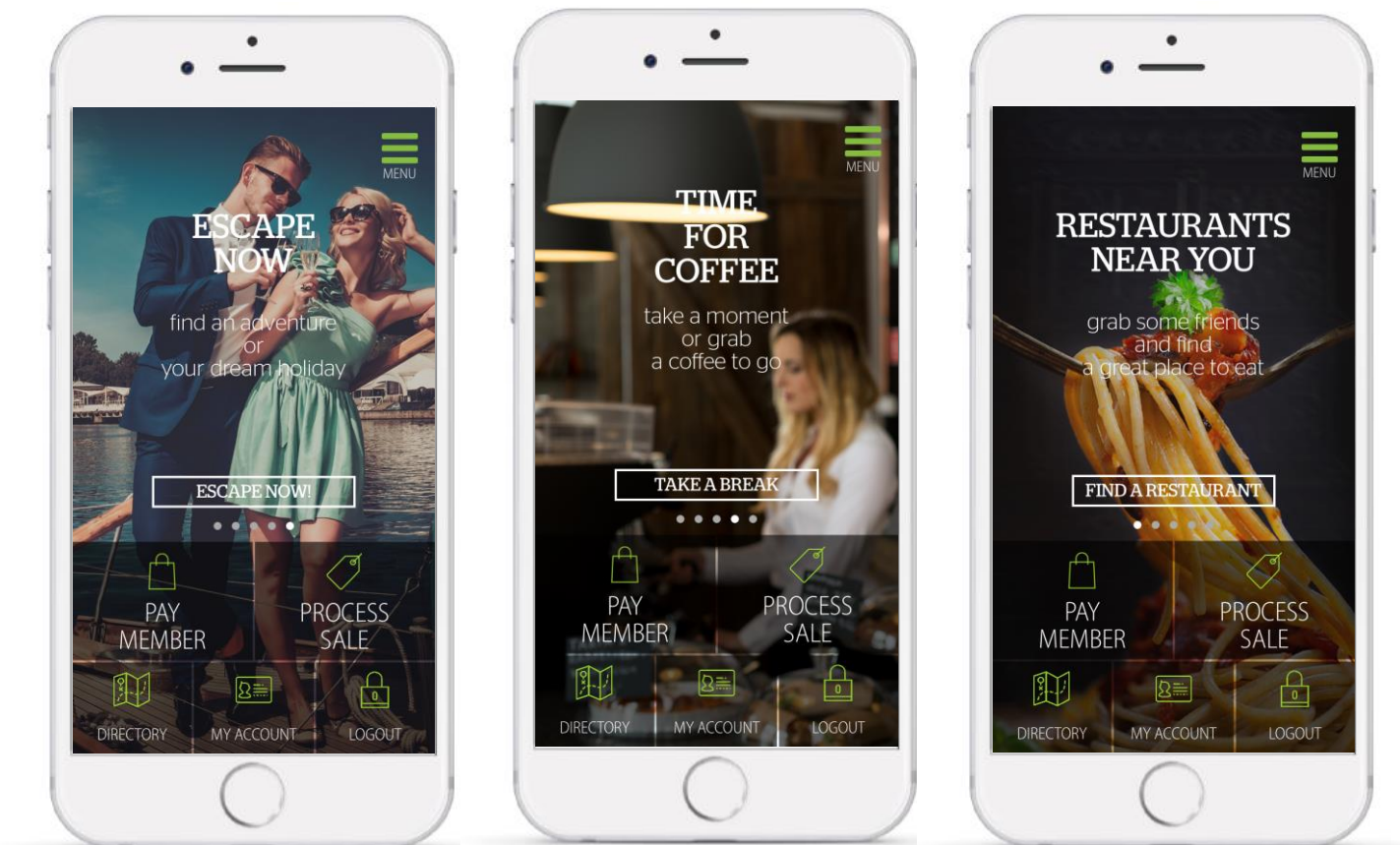



INCENTIVES


PAYMENTS


DEALS


REWARDS



Gruden's mobileDEN will enable BPS to migrate its existing assets within Bartercard and Entertainment to IncentiaPay with minimal development costs

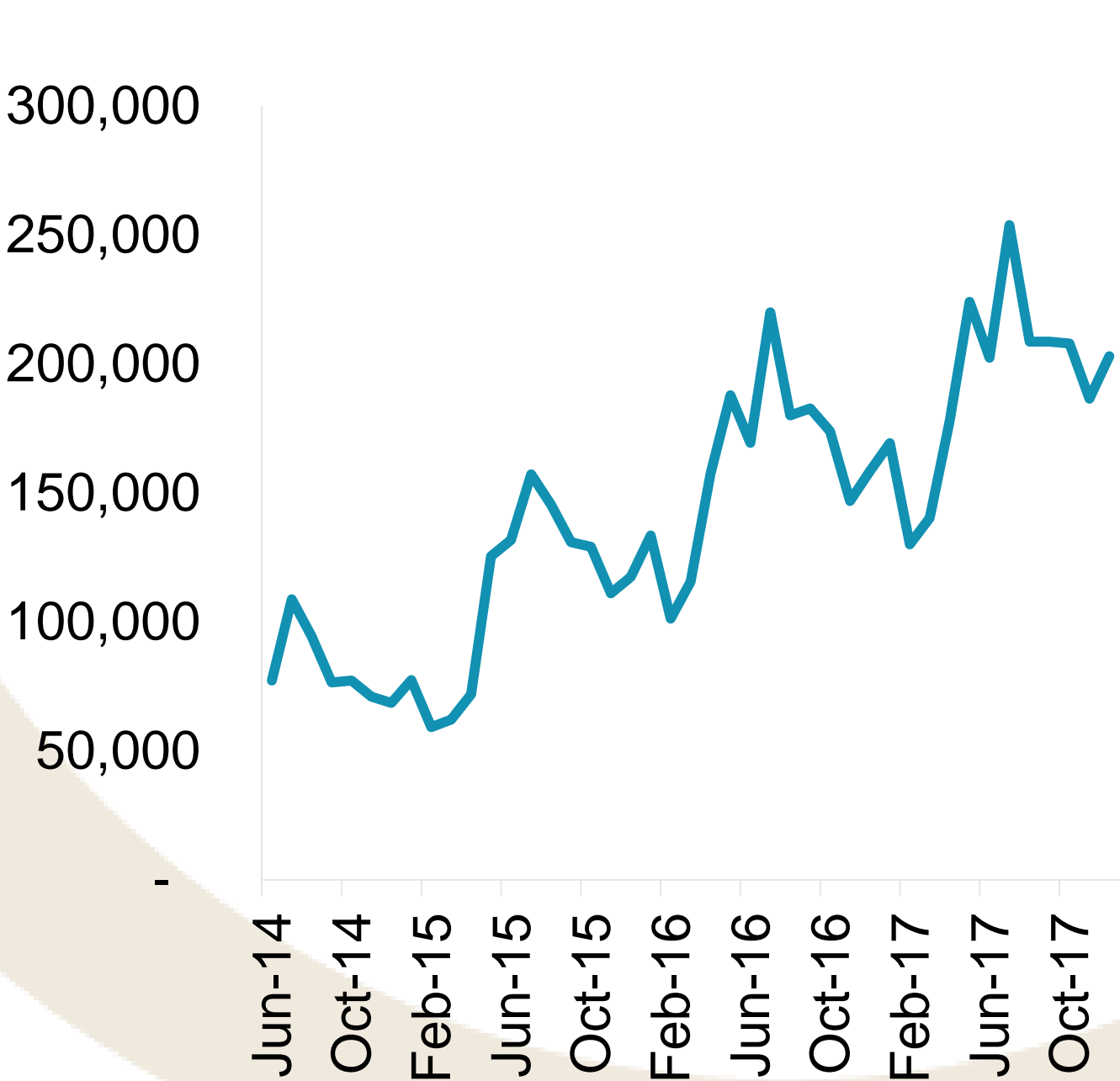
Entertainment has increased its number of digital memberships

Entertainment is an established brand and business, providing restaurant and activity guides containing special offers from over 30,000 SME's and NFP's to 2 million consumers. The proposed Gruden acquisition will add 500,000 users¹ across 800 retail outlets

- ❖ Performance of Entertainment has been strong, especially as the business transitions towards digital memberships

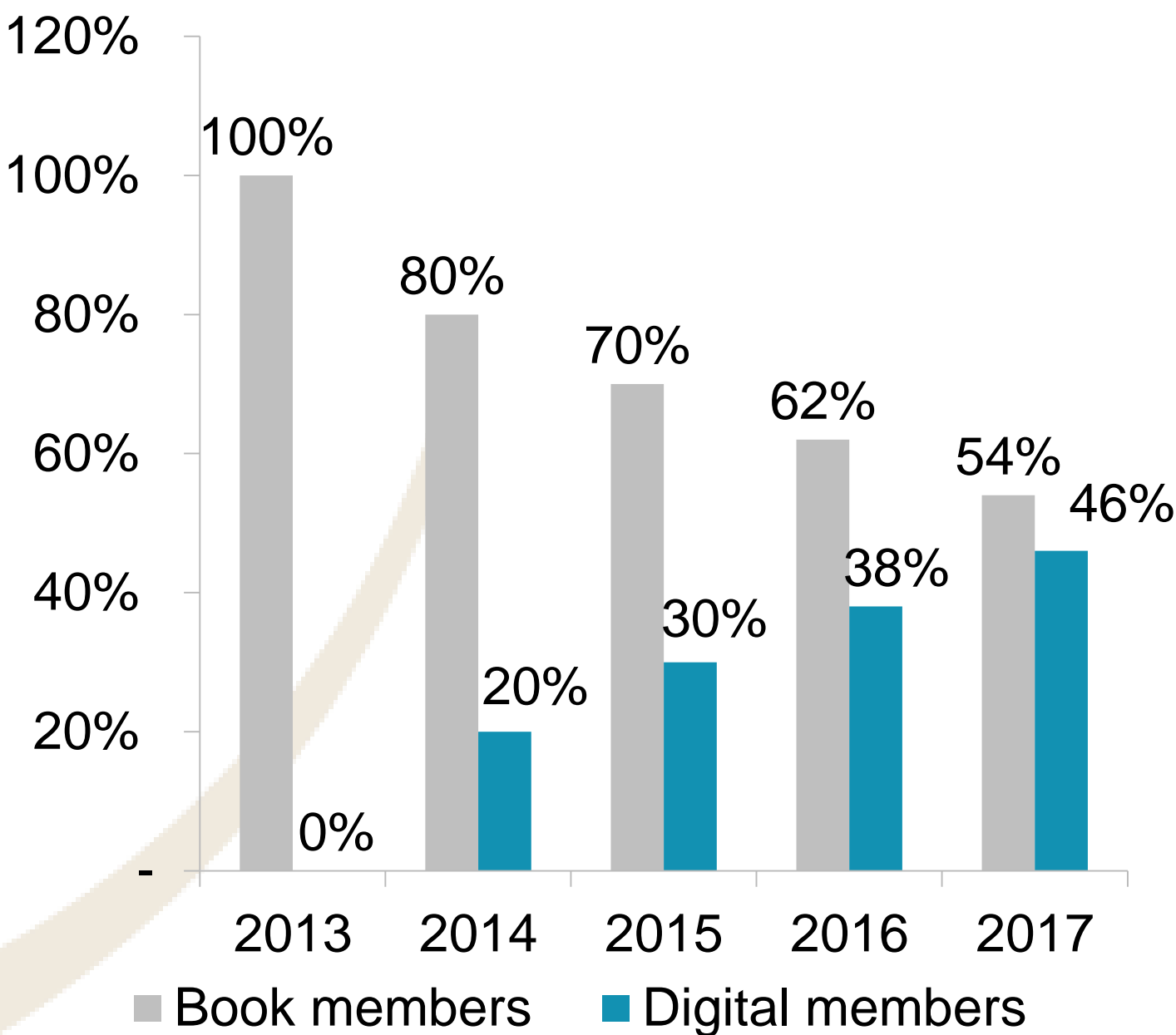
DIGITAL REDEMPTIONS

Strong growth in digital redemptions



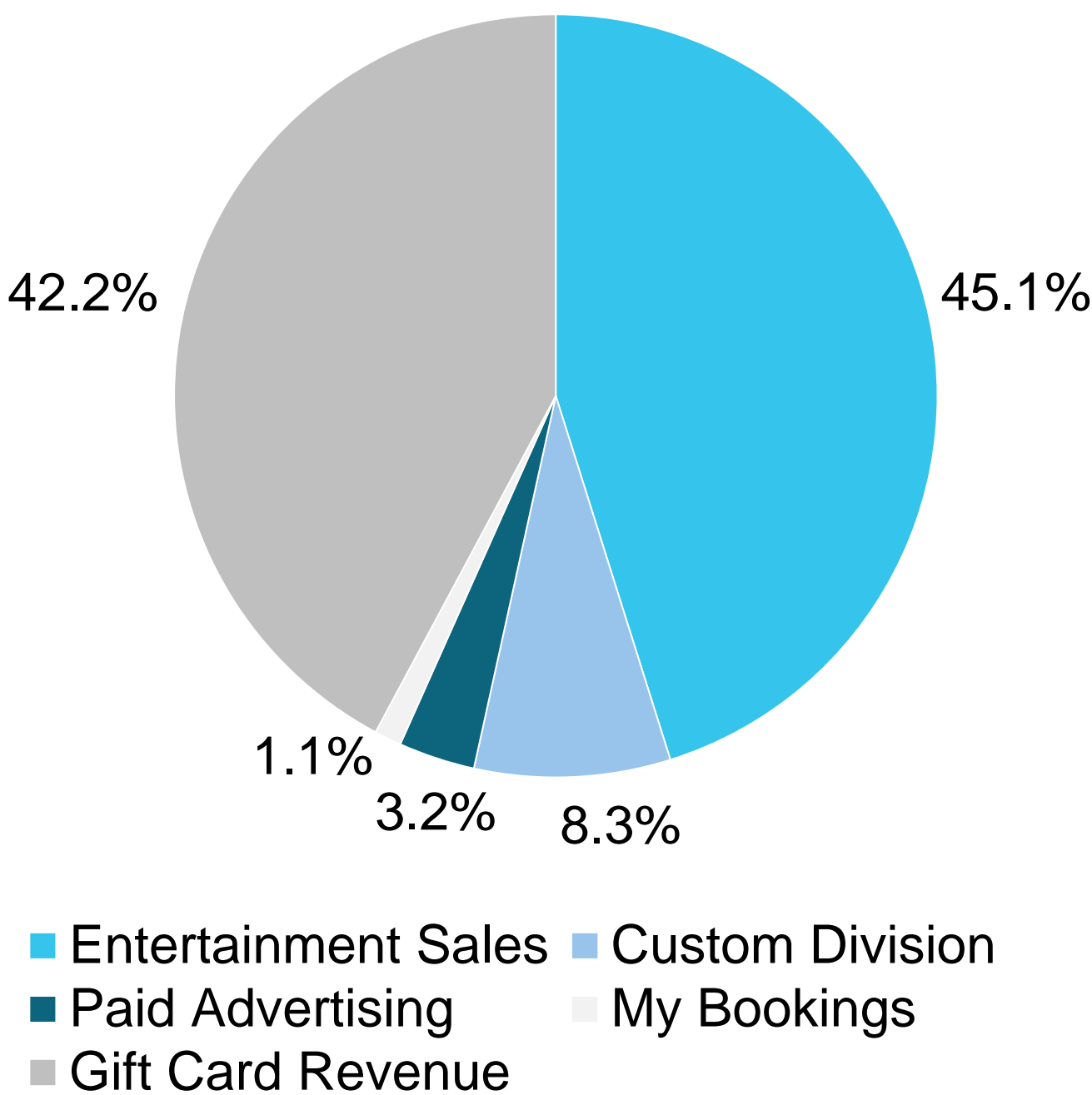
MEMBERSHIP BASE (FY17)

550,000 Members in Aus and NZ



REVENUE COMPOSITION (CY17)

Diverse revenue streams



1. Excluding consumer overlap between Entertainment Book and Gruden

Introduction to Entertainment's wholesale offerings

15

In addition to its B2C membership sales, Entertainment is leveraging its content with two B2B offerings: 1) Corporate Marketing; and (2) Partnership Marketing, both represent significant growth opportunities



Corporate Marketing Solutions

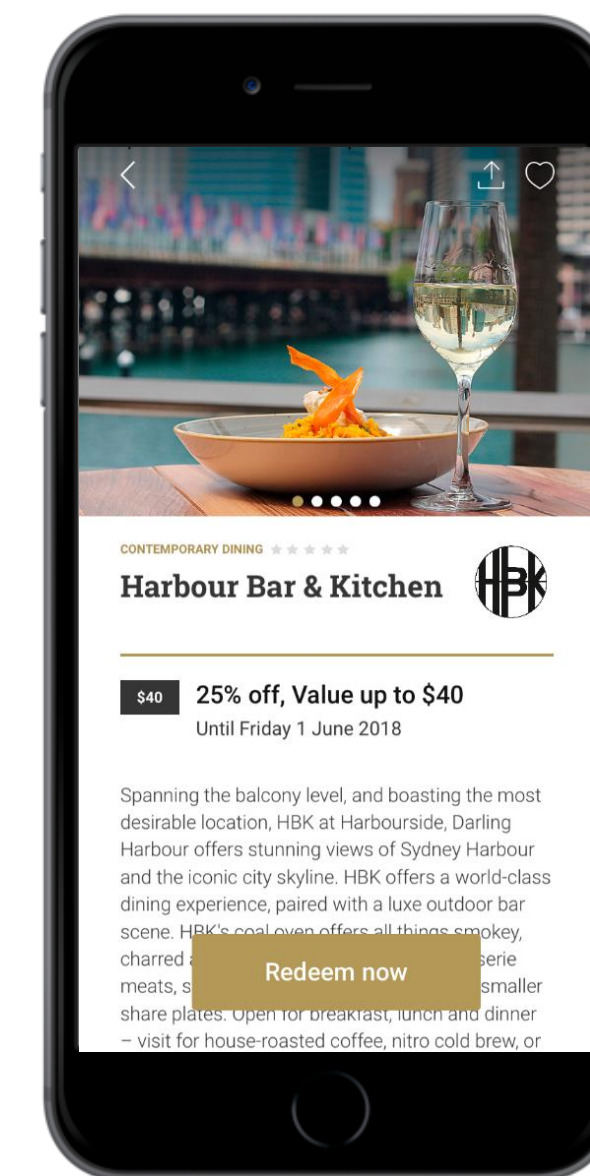
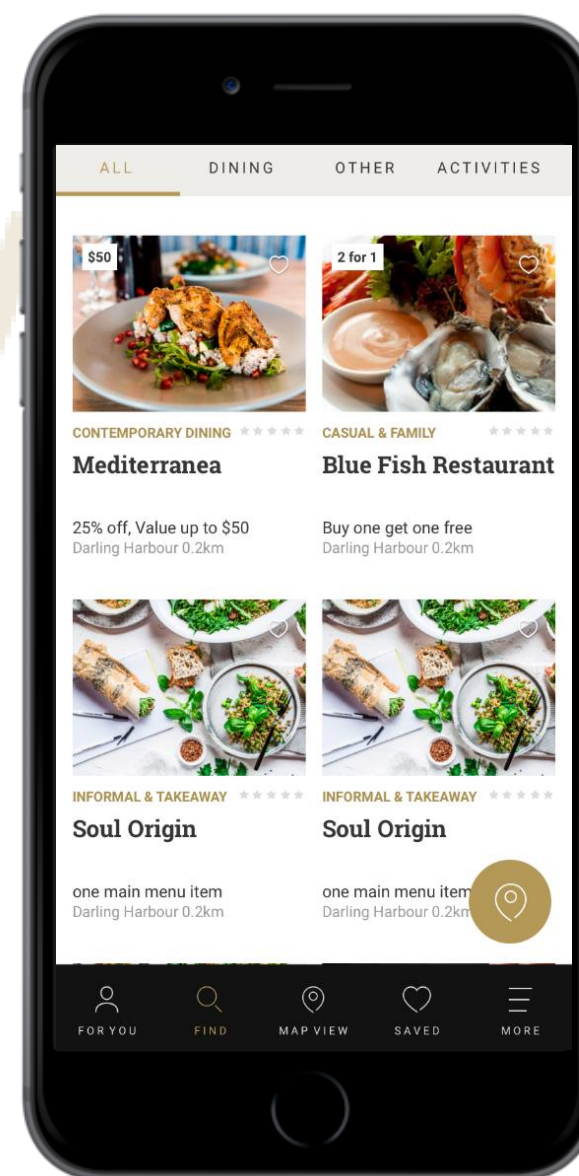
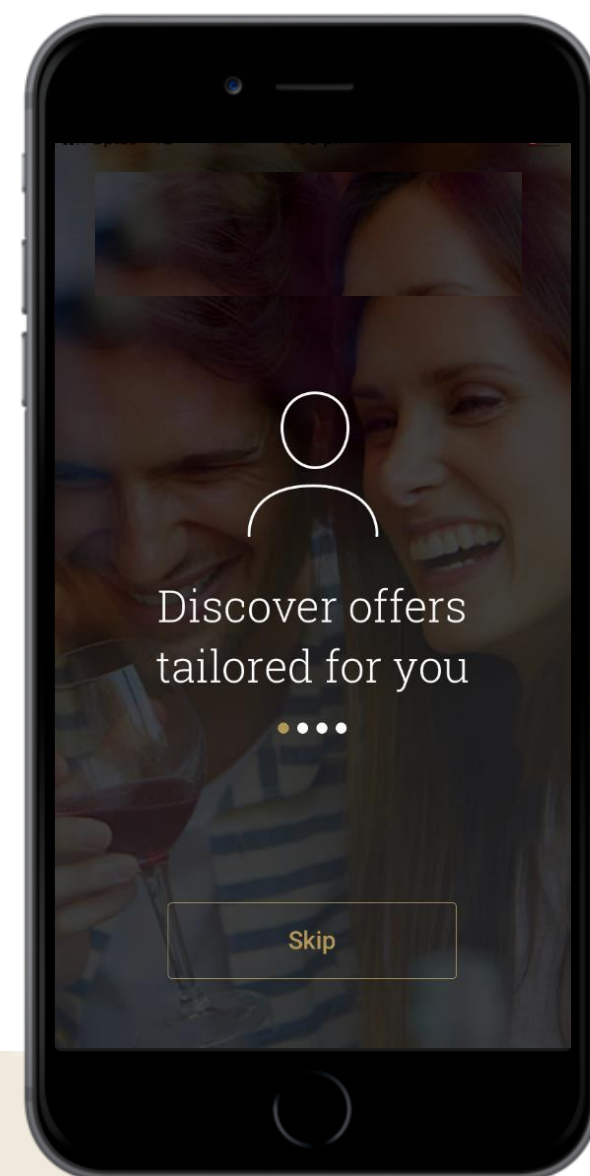
- White label package offering digital bespoke dining and entertainment deals to the corporate sector
- White label pricing for corporates ranges between \$200k and \$750k
- Blue chip client base with significant pipeline developed for 2018

Partnership Marketing Division

- Direct booking platforms for hotels, restaurants and car hire with over 2,000 partner hotels and resorts and national exclusive rates for Avis, Budget, Hertz, Europcar and Thrifty
- AliPay distribution through 4,000 Entertainment merchants
- Small business loans, insurance products, sourcing (i.e. hospitality), property, trade investment and additional payment providers

Corporate Marketing Solutions already has over 1 million Frequent Value members across a number of top tier, blue chip organisations as well as a significant pipeline built for 2018

- ❖ IncentiaPay is able to white label its unrivalled collection of “deal” content for corporates enabling them to offer a digital bespoke dining and entertainment package to their members, customers and employees
- ❖ Corporate Marketing Solutions has proven popular with corporates with over 1 million Frequent Value members across Australia’s largest organisations including ANZ, HSBC, Zurich and HCF
- ❖ Corporate Marketing Solutions is experiencing strong growth having recently added high profile chains including McDonalds, Anytime Fitness, Brumbies and Bakers Delight with a significant pipeline developed for 2018



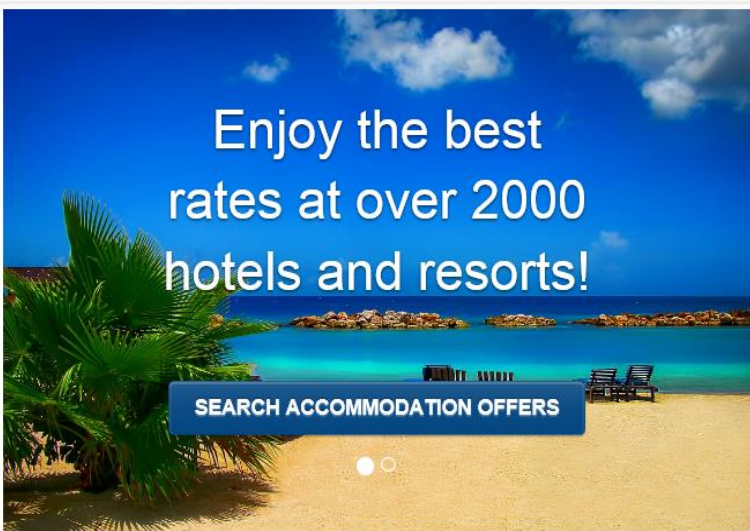
Entertainment's Partnership Marketing Division facilitates direct booking platforms for hotels, restaurants and cars

- ❖ Leverage Entertainment's deal "content" and work with leading direct booking platforms to cross sell deals and offerings
- ❖ Deals are targeted for the platform and relevant to the platform customer base
- ❖ Entertainment has over 2,000 partner hotels and resorts and exclusive national rates for car rental companies

MY BOOKINGS

[HOME](#) [ABOUT](#) [MEMBERS](#) [SEARCH](#) [FUNDRAISERS](#) [MERCHANTS](#) [CAREERS](#) [HELP](#) [CONTACT US](#)

Home > Members > Hotel and Resort Offers



Enjoy the best rates at over 2000 hotels and resorts!

SEARCH ACCOMMODATION OFFERS

Search Accommodation Offers Now!

Select country

Select state

Select region

Select area

Room type (optional)


Hotel name (optional)

8 Sep 2016


SEARCH

Additional Hotel Offers


The Entertainment™ Hotel accommodation booking engine, My Bookings™, gives Members access to exclusive rates from leading hotels and resorts. With more than 2000 properties to choose from, you'll enjoy up to 50% off rates available to the public! In addition, Members also gain access to exclusive rates from the selection of brands below. To find out more about the exclusive offers from these properties, simply click on their image below.




Mantra Up to 50% OFF



BreakFree Up to 50% OFF



Peppers Up to 50% OFF




Intercontinental Up to 20% OFF

MY CAR BOOKINGS

[SEARCH](#) [MY RESERVATIONS](#) [CUSTOMER SUPPORT](#)

Search Results

Refine Results: Company: All Size: All Transmission: All Price



SUZUKI SWIFT OR SIMILAR
ECONOMY

5 2 A/C Auto

View bonus offers

MILEAGE
UNLIMITED

RENTAL PERIOD


PICKUP TIME
21/03/2017 08:00

MELBOURNE DOWNTOWN

AUD \$73.83

+ BONUS OFFER (Click-to-View)

SELECT



TOYOTA COROLLA OR SIMILAR
COMPACT

5 2 A/C Auto

View bonus offers

MILEAGE
UNLIMITED

RENTAL PERIOD


PICKUP TIME
21/03/2017 08:00

MELBOURNE DOWNTOWN

AUD \$84.66

+ BONUS OFFER (Click-to-View)

SELECT



NISSAN MICRA MANUAL (OR SIMILAR)
ECONOMY

4 1 A/C Manual

View bonus offers

MILEAGE
UNLIMITED

RENTAL PERIOD

PICKUP TIME
21/03/2017 08:00

MELBOURNE CITY

AUD \$92.42

+ BONUS OFFER (Click-to-View)

SELECT

PARTNERSHIP FUNDRAISING



For a limited time, when you purchase an Entertainment Membership from us, you'll receive a BONUS \$10 Woolworths WISH eGift Card! What a win!

IncentiaPay's partnership with AliPay

18

IncentiaPay is the only 'M Partner' of AliPay in Australia and will offer merchants a simple payment option to target Chinese tourists



Tourists download the Mandarin version of the Entertainment or Frequent Values mobile app



Tourists use the app to search one of the thousands of Entertainment & Frequent Values venues



Tourists pay with AliPay using the app. The payment is distributed to AliPay, Entertainment and the merchant (via revenue share of transaction/discount amount)



- ❖ BPS underwent significant turbulence and instability in calendar year 2017 and shareholder value has been eroded as a result
- ❖ Renewal process commenced with the appointment of Iain Dunstan as CEO in November 2017 and the appointment of Darius Coveney as CFO/COO in February 2018 with the resignation of previous senior management and board members
- ❖ The Board has also been strengthened with the addition of Chris Berkefeld who has over 25 years experience serving on public and private company boards in Australia, Asia and Europe. Chris has a proven track record of enhancing corporate governance and realising value for shareholders. The majority independent Board will improve corporate governance
- ❖ New management will continue the restructuring program as set out in December 2017:
 - Combine the management of the Bartercard Australian and New Zealand businesses, delivering significant efficiency gains;
 - Integrate the Entertainment and Bartercard businesses by adopting a shared services model;
 - Scale back ongoing investment in the international businesses;
 - Close or sell non-core operations; and
 - Redeploy capital resources into core growth businesses including Entertainment and AliPay
- ❖ BPS remains a strong revenue business, with significant upside and a renewed focus on its key strengths in payments, rewards and deals

Restructuring plan and initiatives

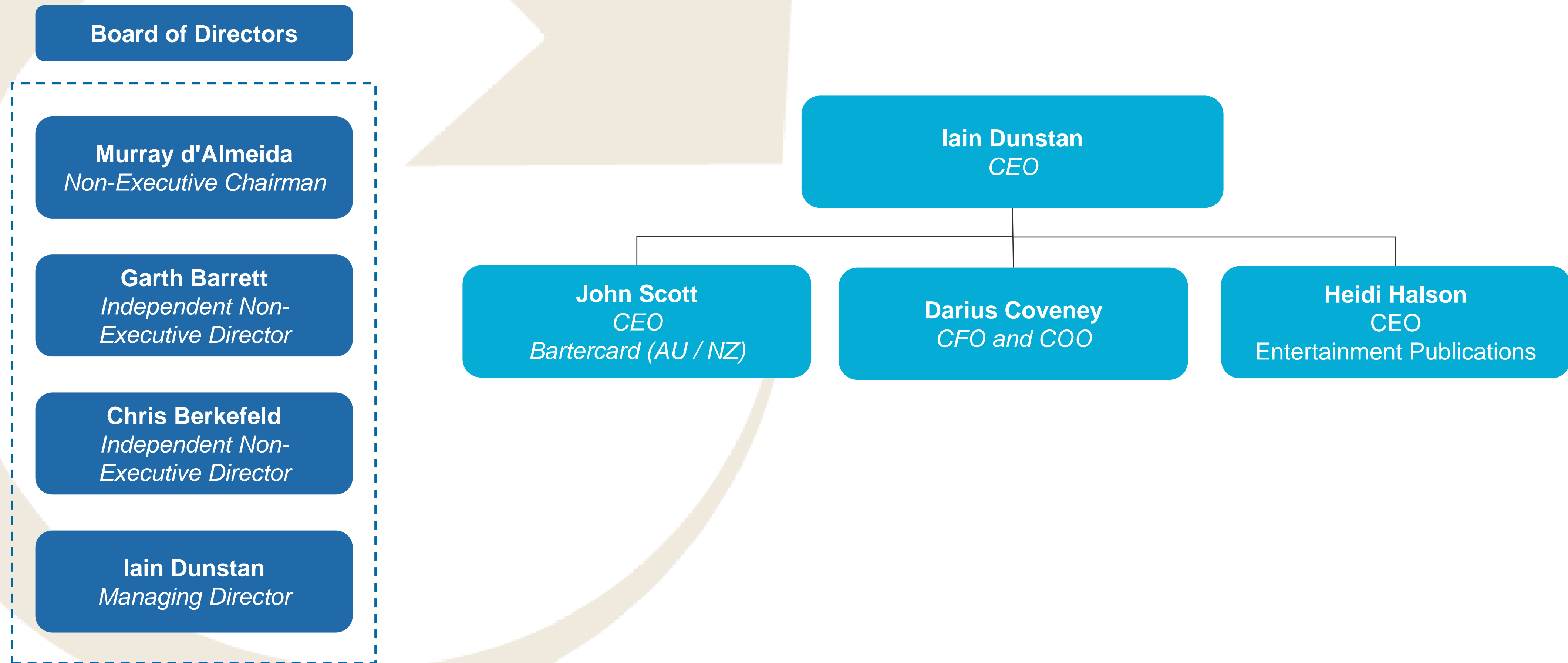
20


Initiative	Description	Impact
Rationalise costs	<ul style="list-style-type: none">Combine the management of the Bartercard AUS and NZ businessesIntegrate a shared service model for Entertainment and BartercardProcurement efficiencies through adopting group buying initiativesReduce operating expenses (e.g. printing, telecommunications, rent and insurance)	
Scale back international operations	<ul style="list-style-type: none">Scale back investment in the Bartercard international businessesDivest US and UK Bartercard businesses	<ul style="list-style-type: none">Headcount savings of ~\$4m per annumRental and other savings of ~\$2m per annum
Re-deploy capital	<ul style="list-style-type: none">Increase focus on core business - allocate capital to growth businesses (Entertainment and AliPay). Focus on continued delivery of AliPay customersOn-board additional Partner Plus customersAccelerate the digitisation and migration of Entertainment	

New governance and management structure

21

Streamlined senior management structure with experienced Board and management team





3. Proposed acquisition of Gruden

Key terms of the proposed acquisition of Gruden

23

Binding term sheet	<ul style="list-style-type: none">▪ IncentiaPay has entered into a binding term sheet in respect of the proposed acquisition of the business assets of the Gruden Group (ASX:GGL). The proposed acquisition is subject to agreement of long form documentation and the satisfaction of various conditions precedent, including that the transaction be approved by Gruden shareholders
Total consideration	<ul style="list-style-type: none">▪ \$8.0m
Cash consideration	<ul style="list-style-type: none">▪ \$0.25m
Scrip consideration	<ul style="list-style-type: none">▪ \$7.75m being 27.7m BPS shares to be issued at the Offer Price
Management	<ul style="list-style-type: none">▪ BPS intention is to retain the existing senior management team to continue the development of ongoing projects
Completion	<ul style="list-style-type: none">▪ If the acquisition of Gruden proceeds, completion is expected for mid 2018, subject to conditions precedent including shareholder and regulatory approval as well as no breaches of the business purchase agreement

Established in 1995, Gruden provides digital marketing and transactional payment services to the quick service restaurant, leisure, hospitality and retail sectors

- ❖ Gruden enables digital transformation for corporates, brands and governments to better attract, understand, engage and transact directly with their customers
- ❖ Gruden has built up a blue chip client base with 70% of revenue derived from long term contracts with the following customers: Red Rooster, Oporto, Coffee Club, Starbucks, Betta Group, Secure Parking and Government
- ❖ Gruden employs approximately 60 staff across five office locations

Revenue stream	Description	1H FY18	% Revenue
Performance marketing	▪ Using data analytics to connect brands and customers and offering digital marketing services such as PPC, SEO and social media	\$2.5m	34.7%
Government	▪ Providing a new range of services to government in the area of Managed Cloud Services (possible as Gruden is one of two AWS Certified Government Partners)	\$2.7m	37.5%
Digital services	▪ Helps enterprise and corporates map out, define and derive their digital transformational roadmap to compete and stay relevant in the new digital age	\$1.2m	16.7%
mobileDEN	▪ mobileDEN is a loyalty, ordering and customer engagement solution handling over 100,000 transactions per month from 800 merchant outlets and 500,000 active registered members	\$0.8m	11.1%
Total		\$7.2m	

Benefits of the proposed acquisition

25

✓	Proposed Gruden acquisition enables IncentiaPay to further penetrate the quick service restaurant and hospitality sectors
✓	Access to Gruden's blue chip customer base (e.g. Red Rooster, Oporto, Starbucks and Betta Group)
✓	Revenue and cost synergies – duplication of business functions and cross-selling opportunities (e.g. AliPay and mobileDEN)
✓	Product/feature enrichment – integrating Gruden's digital marketing and transactional capabilities with IncentiaPay's payments and rewards platform further entrenches IncentiaPay's offering into its SME/NFP network
✓	Well-rounded and dynamic management team with strong experience in technology, media and digital sectors
✓	60,000 registered merchants who have opted in for marketing and who transact via Gruden owned OSBC Tender Platform for State and AustTender for Federal Government



4. IncentiaPay reviewed 1H FY18 results

Overall revenues remain steady

- ❖ Overall revenues grew 3% compared to 1H FY17
 - Revenues for Bartercard declined 15% vs 1H FY17
 - Offset by 15% increase in revenues for Entertainment for vs 1H FY17
- ❖ Investments in a number of non-strategic assets did not produce the expected returns and will be divested
 - UK and US operations
 - Underperforming Bartercard licences
 - Underperforming software assets
- ❖ Contraction to focus on Asia-Pacific region
- ❖ Headcount reduction begun in December 2017 with ~\$200k per month reduction already achieved with an additional ~\$150k per month to be realised over next 6 months.
- ❖ Consolidation of the premises has begun with in excess of ~\$1m p.a. rent/lease savings to be achieved going forward

INCOME STATEMENT HALF YEAR ENDED 31 DECEMBER 2017

	Half-year ended 31-Dec-17 \$'000	Half-year ended 31-Dec-16 \$'000
Total Revenue	55,942	55,910
Operating Costs	(53,304)	(49,008)
Underlying EBITDA	2,638	6,902
Balance sheet write-downs:		
- Development costs	(6,519)	-
- Bartercard franchise related intangibles (goodwill)	(6,992)	-
- Bartercard franchise related inventories	(1,892)	-
- Goodwill related to Bartercard UK operations	(4,987)	-
- International rights related to Bartercard	(941)	-
- Investment in unlisted entity	(1,500)	-
- Inventory balances related to Bartercard	(1,540)	-
- Goodwill related to the Bartercard business	(4,035)	-
- Other balance sheet items	(1,714)	-
Total balance sheet write-downs	(30,120)	-
Provision for restructuring costs	(4,500)	-
Redundancy costs booked	(254)	-
EGM costs	(543)	-
Other one-off expenses	(399)	-
Total one-off expenses	(35,815)	-
Reported EBITDA	(33,177)	6,902
Depreciation and amortisation expense	(3,876)	(715)
Net finance costs	(684)	(320)
Profit Before Income Tax	(37,737)	5,867
Tax Expense	1,200	(308)
Net profit for the period	(36,538)	5,559

BALANCE SHEET AS AT 31 DECEMBER 2017

	As at 31-Dec-17 \$'000	As at 31-Dec-16 \$'000
Assets		
Cash and cash equivalents	9,221	11,508
Trade and other receivables	13,853	10,913
Inventories	-	6,362
Other assets	9,128	4,991
Trade and other receivables	-	1,191
Property, plant and equipment	3,360	2,948
Deferred tax assets	3,234	3,325
Intangible assets	55,021	72,934
Other financial assets	-	1,500
Total assets	93,817	115,672
Liabilities		
Trade and other payables	10,342	9,975
Borrowings	6,705	6,186
Current tax liabilities	83	215
Deferred revenue	13,677	13,715
Provisions	9,289	1,871
Trade and other payables	-	-
Provisions	2,736	573
Borrowings	6,896	14,000
Total liabilities	49,728	46,535
Net assets	44,089	69,137
Equity		
Issued capital	66,605	54,589
Reserves	(570)	(34)
Retained earnings	(21,946)	14,582
Total equity	44,089	69,137

CASH FLOW STATEMENT HALF YEAR ENDED 31 DECEMBER 2017

	Half-year ended 31-Dec-17 \$'000	Half-year ended 31-Dec-16 \$'000
<i>Cash flows from operating activities</i>		
Receipts from customers	52,646	66,110
Interest paid	(625)	(320)
Payments to suppliers and employees	(59,320)	(64,056)
Tax paid	72	(716)
Net cash provided by operating activities	(7,228)	1,018
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	(162)	(584)
Purchase of intangibles	(3,380)	(1,830)
Acquisition of subsidiaries net of cash acquired	-	(23,509)
Net cash used in investing activities	(3,542)	(25,923)
<i>Cash flows from financing activities</i>		
Net proceeds from issue of shares	11,298	25,862
Repayment of loans	(1,637)	(957)
Repayment of convertible notes	(5,000)	(5,000)
Net proceeds from borrowings	-	12,426
Net proceeds from convertible notes	-	5,000
Dividends paid	-	(1,824)
Net cash provided by financing activities	4,661	35,507
Net increase/(decrease) in cash held	(6,109)	10,602
Cash and cash equivalents at beginning of financial period	15,330	906
Cash and cash equivalents at the end of the financial period	9,221	11,508

- ❖ Based on the 1H FY18 results, and taking into account the restructuring plan initiatives, the following key financial metrics are provided. Forecast guidance is standalone BPS / IncentiaPay and does not include the impact of Gruden

FY18 full year revenue guidance¹ (\$m)	110
FY18 full year underlying EBITDA range¹ (\$m)	4.5 – 6.5
FY19 full year underlying EBITDA range¹ (\$m)	9.0 – 11.0

- ❖ BPS remains a strong underlying business. The renewed management team and board will pursue a restructuring plan and focus on re-positioning IncentiaPay for growth to drive revenue and profitability
- ❖ A range for underlying EBITDA is provided reflecting some uncertainty on the execution timing of the restructuring and cost rationalisation program
- ❖ Underlying EBITDA figures exclude the impact of any future ESOP issuance. The current proposed ESOP issuance is expected to have a non-cash cost of \$0.7m in FY18 and \$1.8m in FY19

1. Forecast guidance is standalone BPS / IncentiaPay and does not include the impact of Gruden. Guidance is based on the continuation of existing market conditions and trends and does not include any significant assumed changes in current market conditions.

Pro forma balance sheet

32

PRO FORMA BALANCE SHEET AS AT 31 DECEMBER 2017

\$m	BPS standalone	Impact of the capital raise ¹	BPS pro forma ²	Impact of Gruden acquisition	Combined Group pro forma ³
Cash	9.2	20.4	29.6	1.8	31.4
Receivables	13.9	-	13.9	1.6	15.5
Other current assets	9.1	-	9.1	0.4	9.5
Total current assets	32.2	20.4	52.6	3.8	56.4
Goodwill	36.4	-	36.4	2.7	39.1
Intangibles	18.6	-	18.6	4.9	23.5
PPE	3.4	-	3.4	0.2	3.5
Other non-current assets	3.2	0.5	3.7	0.1	3.8
Total non-current assets	61.6	0.5	62.1	7.8	69.9
Total assets	93.8	20.9	114.7	11.6	126.4
Payables	10.3	-	10.3	1.1	11.4
Accruals	-	-	-	1.4	1.4
Borrowings - current	6.7	-	6.7	-	6.7
Unearned revenue	13.7	-	13.7	0.7	14.3
Other current liabilities	9.4	-	9.4	0.6	9.9
Total current liabilities	40.1	-	40.1	3.8	43.9
Other non-current liabilities	2.7	-	2.7	0.3	3.0
Borrowings - non-current	6.9	-	6.9	-	6.9
Total non-current liabilities	9.6	-	9.6	0.3	9.9
Total liabilities	49.7	-	49.7	4.0	53.8
Net assets	44.1	20.9	65.0	7.6	72.6
Common Stock	66.6	20.9	87.5	7.8	95.3
Retained Earnings	(21.9)	-	(21.9)	(0.2)	(22.1)
Comprehensive Inc. and Other	(0.6)	-	(0.6)	-	(0.6)
Total Equity	44.1	20.9	65.0	7.6	72.6

1. Impact of the capital raise represents receipt of gross proceeds of \$22.1 million less \$1.7 million of transaction costs. A deferred tax asset of \$0.5 million has been recognised in relation to the transaction costs
2. The BPS pro forma balance sheet as at 31 December 2017 has been derived from BPS's reviewed financial statements for the half year ended 31 December 2017
3. The Combined Group pro forma balance sheet represents the BPS pro forma balance sheet as at 31 December 2017, after adjusting for the acquisition of Gruden for gross consideration of \$8.0 million less \$0.2 million of transaction costs, as if the acquisition had taken place as at 31 December 2017. The consolidation of the assets and liabilities of Gruden as at 31 December 2017, has been derived from Gruden's reviewed financial statements for the year ended 31 December 2017 and adjusted to remove borrowings of \$0.5 million which are not being transferred as part of the transaction. At the time of this presentation a purchase price allocation exercise is not able to be undertaken. Accordingly, for the purposes of the Combined Group pro forma balance sheet, no adjustments have been made to the carrying values of Gruden's assets and liabilities, and the excess between the purchase price and the net assets is reflected in goodwill. BPS will undertake a detailed purchase price allocation exercise post-acquisition which may result in changes to the fair value of assets and liabilities acquired and / or give rise to the recognition of separately identifiable intangible assets
4. On 9 January 2018, BPS paid a final FY17 dividend of \$2.7 million. This dividend has not been adjusted in the pro forma BPS balance sheet as at 31 December 2017

5. Capital Raising overview

- ❖ Fully underwritten 2 for 3 accelerated non-renounceable entitlement offer to issue 79.0m shares at an issue price of \$0.28 per share to raise approximately \$22.1m
- ❖ Securities issued under the Entitlement Offer will rank equally with existing BPS shares
- ❖ Simultaneously with the Offer, entities associated with Trevor Dietz, Brian Hall and Tony Wiese will sell 9.3m shares at \$0.28 per share
- ❖ Moelis Australia Advisory Pty Ltd (“Moelis”) is acting as Financial Advisor, Lead Manager and Underwriter of the Offer
- ❖ Post capital raise, BPS plans to renegotiate overall debt facilities

Sources of funds	(\$m)
Cash proceeds from the Offer	22.1
Total sources	22.1

Uses of funds	(\$m)
Working capital	15.4
Gruden acquisition (cash component) and transaction costs ¹	0.5
Paydown of debt facility	4.5
Costs associated with the Offer	1.7
Total uses	22.1

1. Subject to Gruden and BPS Shareholder approval and other customary closing conditions for a transaction of this nature

Indicative timetable

35

Trading halt	Wednesday, 28 February 2018
ASX 1H18 results announcement	Wednesday, 28 February 2018
Announce capital raising and proposed acquisition	Wednesday, 28 February 2018
Trading resumes	Friday, 2 March 2018
Entitlement Offer record date	Friday, 2 March 2018
Retail Entitlement Offer opens	Wednesday, 7 March 2018
Settlement of the Institutional Entitlement Offer	Friday, 9 March 2018
Allotment and ASX quotation of Institutional Entitlement Offer	Monday, 12 March 2018
Retail Entitlement Offer closes	Friday, 16 March 2018
Results of Retail Entitlement Offer announced	Tuesday, 20 March 2018
Settlement of the Retail Entitlement Offer securities	Thursday, 22 March 2018
Allotment of Retail Entitlement Offer securities	Friday, 23 March 2018
ASX quotation of Retail Entitlement securities	Monday, 26 March 2018
Dispatch holding statements	Tuesday, 27 March 2018

Note: Dates and times are indicative only and subject to change without notice. BPS reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Rules and Corporations Act. All dates above are Sydney, Australia time.

Key offer metrics and ownership structure

36

Existing securities on issue (m)	118.5
Offer Price per Share (\$)¹	0.28
Shares to be issued under the Offer (m)	79.0
Accelerated non-renounceable entitlement offer for shares held on Record	2 for 3
Gross proceeds from the Offer (\$m)	22.1
Pro forma market capitalisation (\$m)²	58.9
Discount to TERP (%)	6.0
Discount to close (%)	9.7
Discount to 5-day VWAP (%)³	19.4
FY18 full year revenue guidance⁴ (\$m)	110
FY18 full year underlying EBITDA range⁴ (\$m)	4.5 – 6.5
FY19 full year underlying EBITDA range⁴ (\$m)	9.0 – 11.0

1. Issued shares will rank pari passu

2. Based on the total Shares on issue post completion of the transaction multiplied by the TERP

3. VWAP is calculated over the period 21 February 2018 to 27 February 2018

4. Forecast guidance is standalone BPS / IncentiaPay and does not include the impact of Gruden

❖ An EGM will be called to approve the following resolutions

1. Change of Company Name
2. Ratification of previous issues of Shares
3. Approval of issue of consideration Shares to Gruden Group Limited
4. Approval of Employee Share Option Plan (ESOP)
5. Ratify the appointment of BPS directors



6. Board and Management



Murray d'Almeida
Non-Executive Chairman

- Murray d'Almeida has over 35 years of diverse national and international business experience having commenced his career as an accountant in Perth
- Mr d'Almeida founded Retail Food Group Limited (ASX:RFG) and led its global expansion
- Mr d'Almeida's current board roles include: Chairman of Management Resource Solutions Plc; Chairman of Barrack Street Investments Ltd; Director of Global Masters Fund Ltd; Member Gold Coast Light Rail Business Advisory Board; Councillor at Southern Cross University; Director of Tasmania Magnesite NL; Trustee of Currumbin Wildlife Foundation; Chairman of the Bartercard Charity Foundation



Garth Barrett
Independent Non-Executive Director

- Garth Barrett has more than 40 years experience in strategic planning, merger and acquisitions, financial systems, risk analysis and operations management
- Mr Barrett is a chartered accountant having worked at partner in national and international Chartered Accounting firms
- Mr Barrett is an expert in financial and management advisory, reporting and accounting system implementation



Iain Dunstan
Managing Director

- Iain Dunstan has more than 30 years experience in the technology and finance industry, including an extensive listed company background
- Most recently, Mr Dunstan was CEO of ASX-listed Rubik Financial Limited and facilitated the sale of Rubik to Temenos Group in May 2017
- Mr Dunstan was the Founder and CEO of ASX listed company Bravura Solutions Limited which he grew to an enterprise with over 700 employees operating in nine countries around the world and an annual turnover in excess of \$125 million
- In 2007 Mr Dunstan won the Ernst & Young Entrepreneur of the Year award in the Technology, Communications, e-Commerce and Life Sciences category



Chris Berkefeld
Independent Non-Executive Director

- Chris Berkefeld has over 25 years experience serving on public and private company boards. Mr Berkefeld is currently a Non-Executive Director of Tellus Holdings Ltd and Hiway Group Limited
- Mr Berkefeld has previously held Non-Executive Director positions at MRS Limited, Permacast WA, Wagner Group, HSE Mining Group, Brambles Europe NV and Brambles Australia Ltd. Mr Berkefeld was at Brambles for 25 years, reaching CEO and Managing Director of BIS and Cleanaway
- Mr Berkefeld was Chair of the Board of Permacast WA and advised on strategy, governance and succession as well as Chair of the Audit Committee of HSE Mining Group (a subsidiary of the John Swire Group). Mr Berkefeld was Chairman of WSN Environmental Solutions (NSW Government) through its privatisation in 2010



Iain Dunstan
CEO

- See Board of Directors



Darius Coveney
CFO and COO

- Darius Coveney has over 20 years experience in the technology and finance industry, across Australia, Asia, Europe and the Americas Australian listed company experience includes 3 years in the combined role of CFO/COO at Rubik Financial Limited, including managing the sale of that business to Temenos Group, in May 2017
- Mr Coveney spent 10 years at Macquarie Group rising to Division Director, Finance, EMEA and 5 years at Ernst and Young Corporate finance
- Mr Coveney is a graduate member of the Australian Institute of Company Directors and a member of the Institute of Chartered Accountants in Australia



John Scott
CEO Bartercard

- John Scott was appointed CEO of Bartercard ANZ in December 2017 having been CEO of Bartercard NZ since January 2013. Mr Scott has been instrumental in revitalising the strategic focus of the organisation, developing its next group of leaders and introducing new technologies and ways of servicing their customer membership
- Mr Scott has over 20 years experience in New Zealand based senior management roles - previously as General Manager with Dun & Bradstreet and prior to that as the Auckland Manager with Thomson Reuters, He has a strong track record in leadership and change management



Heidi Halson
CEO Entertainment

- Heidi Halson started with Entertainment Publications of Australia in 1994 as the District Manager for Melbourne. With Melbourne as a success, Ms Halson successfully established new offices in Australia and New Zealand. As General Manager for both Entertainment Publications Australia and New Zealand, Ms Halson oversees all aspects of the business in both countries
- Ms Halson holds a Bachelor of Arts degree in Hospitality Administration / Management and Economics (1985) from Washington State University and has held positions in restaurant management as well as sales management prior to her role with Entertainment Publications

7. Key Risks

General / market risks

Share price risk – There are general risks associated with an investment in the share market. As such, the value of Shares may rise above or fall below the Offer Price, depending on the financial position and operating performance of BPS. Further, broader market factors affecting the price of BPS shares are unpredictable and may be unrelated or disproportionate to the financial or operating performance of BPS. Such factors may include the economic conditions in Australia and overseas, investor sentiment in the local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other government policies, national and international political and economic instability or the instability of national and international financial markets, interest and inflation rates and foreign exchange rates. Volatility in global credit markets could negatively impact the value of the Shares.

Failure to comply with laws and regulation – BPS is subject to substantial regulatory and legal oversight in Australia. The agencies with regulatory oversight of BPS and its subsidiaries include, among others, ASX and ASIC. Failure to comply with legal and regulatory requirements may have a material adverse effect on BPS and its reputation among customers and regulators and in the market. BPS has compliance frameworks, policies and procedures in place to manage the risk of non-compliance.

Reputation – Reputation risk may arise through the actions of BPS and adversely affect perceptions of BPS held by the public, shareholders, regulators or rating agencies. These issues include appropriately dealing with potential conflicts of interests, legal and regulatory requirements, ethical issues, privacy laws, information security policies and sales and trading practices. Damage to BPS's reputation may have an adverse impact on BPS's financial performance, capacity to source funding and liquidity, cost of sourcing funding and liquidity and by constraining business opportunities.

Trade Exchange Industry – Bartercard has an established history of operation within the trade exchange industry. Despite this, should the prevailing economic conditions in the industry change such that there is a significant reduction in the value or volume of transactions, there is likely to be an adverse impact upon the financial performance and/or financial position of BPS.

Changes in Law and Government Policy – With the rise in digital currencies like bitcoin, there is increasing risk of changes to laws and regulations in relation to digital currencies. There is a risk such changes could impact on BPS' ability to offer its platforms or result in penalties and other liabilities in the event that BPS fails to take account of such laws and regulations. BPS has developed a strategy to ensure it places its concerns in front of any Government body seeking to implement changes which may adversely affect the Company's operations.

Competition – New technologies are constantly emerging in each of the areas in which BPS operates and the cost of developing, launching and bringing to market these competing technologies continues to fall. The payments space is particularly competitive with many well-funded international competitors. Failure to compete successfully in other countries against current or future competitors would materially impact BPS' business. An inability to adapt to technological advancement may negatively impact the ability to attract customers and have a material adverse effect on the business of BPS.

Exchange Rate Risk – BPS is forecast to derive income from operations in other countries and this may increase as the Company expands its operations. Strengthening of the Australian dollar may have a material negative impact on the Company's earnings.

Personnel – BPS' success, in part, depends upon the continued performance, efforts, abilities and expertise of its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of these personnel without replacement could have an adverse impact on the successful operation, management and marketing of BPS' product/service offerings and platforms. Further, a substantial increase in labour costs for employees or contractors may have an adverse impact on the financial performance and/or financial position of BPS.

Third Party Failure – BPS is reliant on a number of third party contractors. These third parties provide essential services on an outsourced basis including software and/or product development activities. Accordingly, BPS is reliant on contractors properly performing their contractual obligations and performance failures may have an adverse effect on BPS. BPS is also an extensive user of third party provided I.T. hardware and software platforms, systems and infrastructure. BPS is reliant on these suppliers properly performing their contractual obligations, performance failures and unreasonable price increases may have a material adverse effect on BPS. A failure by any of these suppliers to provide those services or a failure of their systems may adversely affect BPS' ability to provide services to its customers.

Service Delivery Failure – BPS relies on its intellectual property to provide its customers with its service. There may be a failure to deliver the service as a result of numerous factors including human error, power loss, improper building maintenance of landlords in leased or licenced premises via earthquake, flood and other natural disasters, industrial disruption, sabotage, vandalism and other factors. Any material failure in service delivery will have a material adverse effect on the business of BPS.

Internet/Hosting – BPS is reliant on continued access to the internet and on the parties that host BPS' cloud based platforms. Accordingly should internet or hosting service be disrupted for prolonged periods, then the service that BPS provides to its customers will be compromised which in turn could impact BPS.

Security and Unauthorised Use – Security risks are a factor in all internet-based systems. Any breach of security in BPS' platforms could have several negative impacts including as a result of the nonperformance of the platforms, the loss of confidential information and damage to the reputation of BPS' platforms. The laws relating to trade secrets, copyright and trade marks assist to protect its proprietary rights. Despite these measures there can be no guarantee that unauthorised use or copying of technology owned or developed by BPS will be prevented. Any such claims could impact BPS' ability to licence its platforms in their current forms or require BPS to pay damages and / or licence fees to the party claiming infringement.

Funding – There is no certainty that BPS will remain well funded, especially if existing financial resources are invested in growth or the development of BPS' technology platforms and that investment does not generate a timely return.

Insurance – BPS has insurance including Directors' and Officers insurance, which it believes to be commensurate within industry standards and adequate having regard to the business activities of BPS. However, there is a risk that BPS' insurance coverage will be insufficient to meet a very large claim or a number of large claims, that BPS is unable to secure insurance to satisfactorily cover all anticipated risks or that the cost of insurance will increase beyond anticipated levels. Accordingly, BPS could be adversely impacted by increases in the cost of insurance premiums or an ability to access adequate insurance coverage.

Litigation Risk – BPS is not currently involved in any material litigation and the Directors are not aware of any facts or circumstances that may give rise to any material litigation. However, given the scope of BPS' activities and the wide range of parties it deals with, BPS may in the future be exposed to potential litigation from third parties such as customers, regulators, employees and business associates.

Acquisition risks

Completion risk – There is a risk that the acquisition of Gruden may not complete due to a failure to satisfy a condition precedent in the sale and purchase agreement. The conditions precedent include shareholder approval and a capital raising. If the acquisition does not complete, there is no guarantee that BPS will seek to return that capital, even if it has excess capital as a result.

Key employees – Gruden has a core management team with key experience in the markets in which the businesses operates and responsibility for some key client relationships. Failure to retain some of the core management team post acquisition may have a material adverse effect on BPS's ability to deliver the expected benefits of the acquisition in the short to medium term.

Reliance on information provided – BPS undertook a due diligence process in respect of Gruden, which relied in part on the review of financial and other information provided by the vendors of Entertainment. Despite making reasonable efforts, BPS has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, BPS has prepared (and made assumptions in the preparation of) the financial information relating to Entertainment on a stand-alone basis and also the financial information relating to BPS post-acquisition included in this Presentation in reliance on limited financial information and other information provided by Entertainment. BPS is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by BPS in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of BPS and the enlarged group may be materially different to the financial position and performance expected by BPS and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material adverse effect on BPS.

Acquisition analysis – BPS has undertaken financial and business analysis of Gruden in order to determine its attractiveness to BPS and whether to pursue the acquisition. To the extent that the actual results achieved by Gruden are weaker than those indicated by BPS analysis, there is a risk that the profitability and future earnings of the operations of the enlarged group may differ (including in a materially adverse way) from the current performance as reflected in this presentation.

Integration risk – The acquisition of Gruden involves the integration of the Gruden business, which has previously operated independently to BPS. There is a risk that the integration of Gruden may be more complex than currently anticipated, encounter unexpected challenges or issues or take longer than expected, divert management's attention from other areas of the BPS business or not deliver the expected benefits. This may affect BPS's operating and financial performance.

Historical liability – If the acquisition of Gruden is successfully completed, there is a risk that BPS, as the new owner of Gruden, may become directly or indirectly liable for any liabilities that the Gruden businesses have incurred in the past, which were not identified during due diligence or which are greater than expected, and for which there is no protection for BPS (in the form of insurance, representations and warranties and indemnities). Such liability may adversely affect the financial performance or position of BPS post-acquisition.

Acquisition accounting – In accounting for the acquisition, no adjustments have been made to the carrying values of Gruden's assets and liabilities, and the excess between the purchase price and the net assets is reflected in goodwill. BPS will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of Gruden post-acquisition, which may give rise to a materially different fair value allocation to that used for the purposes of the financial information set out in this Presentation. Such a scenario will result in a reallocation of the fair value of assets and liabilities acquired to or from goodwill and also an increase or decrease in depreciation and amortisation charges in the enlarged group's income statement (and a respective decrease or increase in net profit after tax).

Change of control – The acquisition of Gruden may trigger change of control clauses in some material contracts to which Gruden is a party. Where triggered, the change of control clauses will in most cases require counterparty consent. If any of the material contracts containing a change of control clause are terminated or renegotiated on less favourable terms, it may have an adverse impact on BPS's financial performance and prospects.



8. Foreign jurisdictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") in BPS in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly