

## BPS TECHNOLOGY CONTINUES ON GROWTH PATH

SOUTHPORT, QLD, Monday 22 February 2016:

BPS Technology Limited (ASX: BPS) is pleased to announce its financial results for the half-year to 31 December 2015 (H1FY16), which saw the company achieve a Net Profit after Tax of \$3.5 million, an increase of 7.3 percent on the same period last year.

### Key H1 FY16 highlights

- Revenue of \$25.1 million, exceeding prior corresponding period (H1FY16: \$24.9 million)
- EBITDA of \$4.7 million, up 4 percent (H1FY16: \$4.5 million)
- Earnings per share of 6.0 cents, up 7.2 percent (H1FY16: 5.6 cents)
- 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 merchants joining the Bartercard Company network up 39 percent for the half year
- Bucqi launched in three Queensland centers with more than 170 merchants and 1,800 consumers participating
- TESS delivered software to IRTA; record levels of monthly trading now being recorded regularly

Commenting on the results, BPS Technology CEO, Trevor Dietz, said the Company's performance reflects the strong fundamentals that have been put in place during the prior periods.

"We are pleased to have achieved growth and importantly, provide our shareholders with an interim dividend. The BPS business is in the unique position of having a well-established and performing business in Bartercard, complemented with high growth opportunities represented by the Bucqi and TESS businesses. We continued to grow our new merchant numbers over the half and remain well positioned for continued new member growth over the second half of FY16", said Mr. Dietz.

### Continued strong performance driven by growth in Bartercard business

During the period, Bartercard continued to buy back large and strategic franchises with the purchase of two metro franchises in the Brisbane region. This was consistent with the Company's strategy of acquiring franchises that can accelerate the joining of new merchants and assist with the rollout of BPS's 'bucqi' platform.

"The new sales model introduced into the Bartercard operations in Australia, New Zealand, the UK and USA has been successful with new member acquisition up by 39 percent on the prior half year. In the medium to long term we expect this to significantly improve the quality of our earnings as members under the new model pay a minimum \$99 per month as opposed to \$39 per month under the old model with additional fees generated from transactions", said Mr. Dietz.

Bartercard has also remained focused on generating growth from its international operations. "Our offshore operations represent an important growth avenue for the business. We are pleased with

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the level of growth being achieved from some of our international operations, albeit off a low base. Bartercard USA, for example, achieved revenue growth of 124 percent over the half", Mr. Dietz said.

### **TESS and bucqi continue to make progress**

BPS Technology made headway with its white labelled trade exchange technology "TESS" during the period. In August 2015, TESS delivered its much anticipated software to the International Reciprocal Trade Association (IRTA) replacing its aging Universal Currency (UC) Trading Platform. This platform allows member trade exchanges to trade with other members. Almost immediately following the implementation of TESS, IRTA recorded a substantial jump in transaction numbers and dollar value across the platform and has since regularly experienced record monthly trading numbers. As an example IRTA issued a media release which highlighted that following the launch of the new software and for the subsequent 3 months, trading had increased across the new platform by 39% as compared to the same period of the previous year.

Representatives of TESS attended IRTA's convention in North America late last year to demonstrate the software. Following this, the company received expressions of interest from a number of Trade Exchanges of various sizes from across the world. It is anticipated that TESS will start converting a select number of these exchanges in the second half of the year.

BPS Technology also deployed bucqi, its mobile loyalty, rewards and payments application for SMEs, in three Queensland regional centers during the period. The company spent a considerable amount of time in further enhancing the functionality of bucqi over the period to ensure it adequately met the needs of both consumers and merchants. The latest developments eliminated the need for merchants to have a bank supplied EFTPOS terminal to conduct either bucqi or Bartercard transactions. Currently there are already more than 170 merchants on-boarded and 1,800 consumers that have registered to use bucqi with the merchant and consumer base expanding daily.

The New Zealand launch of bucqi will commence in Wellington NZ in the first week of March 2016.

### **Dividend and outlook**

Reflecting the continued performance of the business the Directors have declared an interim FY16 unfranked dividend of 2.0 cents per share. The record and payment date will be 4<sup>th</sup> April 2016 and 22<sup>nd</sup> April 2016 respectively.

Commenting on the outlook for BPS Technology for the remainder of FY16, Mr. Dietz said, "The Company remains focused on driving further growth through the continued success of its new sales model in Bartercard. In addition, international expansion will also remain a focus for Bartercard, with operations expected to commence in India in April 2016 and China to follow shortly thereafter.

"Further expansion and broadening of the business base is being targeted with a focus on acquiring suitable Trade Exchanges in North America and Europe together with other merchant-rich business models that can add considerable value and synergies.

With the rollouts of our TESS software and bucqi technology now underway, we expect these to become increasingly important drivers of growth for the business going forward”.

“With the proliferation of loyalty programs and digital currencies, and the structural shift to cloud-based systems and mobile devices, BPS is well placed to achieve continued growth”, said Mr. Dietz.

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**About BPS Technology Limited (ASX:BPS)**

BPS Technology Limited is an ASX listed company whose subsidiaries operate in 8 countries which will expand to 10 by June 2016. More than 25,000 SMEs 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.

**About Bartercard**

Bartercard is 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 on-line, 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 SMEs combined with a robust and innovative mobile payment app for both merchants and consumers. 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 will launch in New Zealand in March 2016.

**About TESS**

TESS (Trade Exchange Software Services) is a software platform developed to support all trade exchanges globally. It is the only software recognised and recommended as preferred software by the International Reciprocal Trade Association (IRTA) - the largest professional body governing of the industry globally. TESS produces versions of its software created to service small, medium, large and enterprise level exchanges. IRTA uses TESS supplied software to run its Universal Currency (UC) trading platform that allows members trade exchanges to trade between themselves seamlessly.