



**BPS Technology Limited (BPS) to be re-named IncentiaPay**

ACN 167 603 992

# ENTITLEMENTS OFFER

For the non-renounceable Entitlements Offer to Eligible Shareholders of New Shares on the basis of 2 New Shares for every 3 Shares held at 7:00pm (AEDT) on the record date of 2 March 2018, at an issue price of A\$0.28 per New Share, for the purpose of raising up to approximately A\$22.1m (before costs).

The Offer is fully underwritten by Moelis Australia Advisory Pty Ltd (Moelis Australia). Please refer to section 5 of this Offer Document for further details regarding the Underwriting Agreement.

**THE ENTITLEMENTS OFFER CLOSSES AT  
5:00pm AEDT ON FRIDAY 16 MARCH 2018**

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the rights attaching to the New Shares offered. This document is important and requires your immediate attention. It should be read in its entirety before deciding to participate. If you are in doubt as to whether to accept your Entitlement, you should consult your stockbroker or other professional adviser.

Financial Advisor, Lead Manager  
and Underwriter



Legal Advisor



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## Enquiries

If you have any queries regarding your Entitlement, please contact the **BPS Offer Information Line** by telephone on 1300 362 398 (within Australia) or +612 8355 1004 (outside Australia) or your stockbroker or professional adviser.

### Date of Offer Document

This Offer Document is dated 7 March 2018 and was lodged with the ASX on this date.

### Application

An application for New Shares will only be accepted on the Entitlement and Acceptance Form accompanying this Offer Document.

### Document is not a prospectus

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the rights attaching to the New Shares offered.

### Future performance and forward looking statements

This Offer Document contains certain “forward looking statements” and comments about future matters. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance”, and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Offer and the use of proceeds. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Offer Document speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward looking statements contained in this Offer Document are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of BPS, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Shareholders should refer to the “Key Risks” section of the Investor Presentation which is included in section 6 of this Offer Booklet for a non-exhaustive summary of certain general and BPS specific risk factors that may affect BPS. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors included in the Investor Presentation. Investors should consider the forward looking statements contained in this Offer Document in light of those risks and disclosures.

The forward looking statements are based on information available to BPS as at the date of this Offer Document. Except as required by law or regulation (including the Listing Rules), BPS undertakes no obligation to supplement, revise or update or otherwise forward looking statements, regardless of whether new information, future events or results or other factors affect the information contained in this Offer Document.

### Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future BPS performance including future share price performance.

### Jurisdictions

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States.

### Information and representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

### References to “you” and “your Entitlement”

In this Offer Document, references to “you” are references to Eligible Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

### Times and dates

Times and dates in this Offer Document are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Time unless expressly indicated otherwise. Refer to the “Key Information” section of this Offer Document for more details.

### Currency

Unless otherwise stated, all dollar values in this Offer Document are in Australian dollars (A\$).

### Trading New Shares

BPS will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by BPS or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should consult with your stockbroker, accountant or other professional adviser.

### Personal information

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and will use that information to assess your application for New Shares. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Share Registry at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, the Company may not be able to accept or process your application for New Shares.

### Key definitions

Capitalised terms used in this Offer Document are defined in section 7 of this Offer Document.

## Letter from the Chairman

7 March 2018

### Dear Shareholder

On behalf of the Board of BPS, I am pleased to invite you to participate in a fully underwritten 2 for 3 accelerated non-renounceable Retail Entitlements Offer to issue approximately 79.0m shares at an issue price of \$0.28 per share to raise approximately \$22.1m.

BPS is undergoing significant restructuring to reposition the business for growth including changing its corporate name, branding and identity to IncentiaPay with the goal to become Asia Pacific's leading rewards, deals and incentives platform.

BPS has also entered into a binding term sheet relating to its proposed acquisition of the business assets of Gruden, an ASX listed digital marketing and transactional payment company with 500,000 users across 800 retail outlets managing 100,000 transactions per month ("**Proposed Acquisition**"). The Proposed Acquisition is subject to a number of conditions precedent including the execution of a formal agreement, the approval of Shareholders from BPS and Gruden and no material adverse change arising in relation to Gruden or BPS. Further information is available in the Investor Presentation included in section 6 of this Offer Booklet.

### Stability and growth at BPS

Having experienced significant instability in 2017, BPS has emerged with a renewed focus. This started with the appointments of Iain Dunstan as Chief Executive Officer in November 2017 and Darius Coveney in the combined role of Chief Financial Officer and Chief Operating Officer in February 2018. Mr Dunstan and Mr Coveney will be responsible for implementing the restructuring plan announced in December 2017 and re-positioning IncentiaPay for growth.

Following the Company's major review of its organisational structure and corporate governance practices, the Board has 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. The Company intends to further strengthen the Board with the appointment of additional experienced directors.

Significant opportunities present themselves to re-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. We aim to become Asia Pacific's leading rewards, deals and incentives platform with a strong foothold in the growing Chinese tourism market.

Gruden provides digital marketing and transactional payment services to blue chip clients in the quick service restaurant, leisure, hospitality and retail sectors and provides IncentiaPay with an expanded footprint and significant cross-selling opportunities. If the Proposed Acquisition proceeds, there will also be substantial cost saving associated with the synergies from the Gruden acquisition. Further information about the Proposed Acquisition can be found in the Investor Presentation in section 6 of this Offer Booklet.

BPS is a strong revenue business, with significant upside potential and a renewed focus on its key strengths.

### Details of the Offer

As announced to ASX on Friday, 2 March, BPS successfully completed the institutional component of the Entitlement Offer. The Institutional Entitlement Offer raised approximately \$12.4 million.

Under the Retail Entitlements Offer, BPS is inviting Eligible Shareholders to participate in a fully underwritten 2 for 3 accelerated non-renounceable Entitlement Offer. The issue price is \$0.28 per Share, which represents a discount of approximately 9.7% to the closing market price on Tuesday 27 February, the last day the shares traded on ASX before the Entitlement Offer was announced. Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement will not receive any value in respect of those Entitlements.

The Offer is fully underwritten by Moelis Australia and will raise approximately \$22.1 million. The proceeds from the Offer will be used to pay down existing debt facilities, fund working capital, the costs of the Entitlement Offer and the Proposed Acquisition and its related transaction costs if it proceeds.

### Further information and application instructions

Details of the Retail Entitlements Offer and how to participate can be found in this Retail Entitlements Offer Booklet. Shareholders who are in any doubt as to how they should respond to this Retail Entitlements Offer should consult their stockbroker, accountant, solicitor or other independent professional adviser.

We look forward to your consideration of this Retail Entitlements Offer and your continued support.

Yours faithfully



**Mr Murray d'Almeida**  
Chairman  
BPS Technology Limited

# BRIEF INSTRUCTIONS FOR SHAREHOLDERS

## If you wish to accept your Entitlement in full:

- pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised customer reference number indicated so that the funds are received before 5:00pm (AEDT) on the Closing Date; or
- complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque, bank draft or money order for the amount indicated on your Entitlement and Acceptance Form.

## If you only wish to accept part of your Entitlement:

- pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised customer reference number indicated so that the funds are received before 5:00pm (AEDT) on the Closing Date; or
- complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque, bank draft or money order for the amount indicated on your Entitlement and Acceptance Form.

## If you do not wish to accept all or part of your Entitlement:

- you are not obliged to do anything. If Eligible Shareholders do not take up their entitlement, their existing interest in the Company will be diluted.

# KEY INFORMATION

## 2.1 Summary of the Offer

Entitlement	2 New Shares for every 3 Shares held on the Record Date
Number of Shares on issue as at the date of this Offer Document	118,487,094
Number of New Shares to be issued under the Offer assuming full subscription	78,991,396
<b>Number of Shares on issue on completion of the Offer assuming full subscription</b>	<b>197,478,490</b>
Issue price per New Share	\$0.28
<b>Maximum amount to be raised under the Offer</b>	<b>\$22,117,591 (before costs)</b>

## 2.2 Indicative Timetable\*

Release of Appendix 3B & Section 708AA Notice to ASX	28 February 2018
“Ex” Date	1 March 2018
Entitlement Offer Record Date	2 March 2018
Despatch Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	7 March 2018
Letter to Ineligible Shareholders	7 March 2018
Retail Entitlements Offer Opening Date	7 March 2018
Retail Entitlements Offer Closing Date	16 March 2018
ASX notified of Under Subscriptions	20 March 2018
Settlement of the Retail Entitlements Offer Shares	22 March 2018
Issue of New Shares under Retail Entitlements Offer	23 March 2018

\* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Corporations Act and the Listing Rules. The commencement of quotation of new securities is subject to confirmation from ASX.

# DETAILS OF THE ENTITLEMENTS OFFER

## 3.1 The Offer

This Offer Document invites Eligible Shareholders to participate in a pro-rata non-renounceable Entitlements Offer consisting of up to 78,991,396 New Shares in the Company on the basis of 2 New Shares for every 3 Shares held on the Record Date, at an issue price of A\$0.28 per New Share, for the purpose of raising up to approximately A\$22,117,591 before costs.

In calculating each Eligible Shareholder's entitlement to New Shares any fractional Entitlements to New Shares will be rounded up to the nearest whole number.

The proposed use of funds raised under the Offer, assuming full subscription, is set out below:

Description	(\$)	% of proceeds
Working capital	15,517,591	69.7
Gruden acquisition (cash component) and transaction costs	500,000	2.2
Paydown of debt facility	4,500,000	20.4
Costs associated with the Offer	1,700,000	7.7
<b>Total</b>	<b>22,217,591</b>	<b>100%</b>

There is no minimum subscription under the Offer.

### 3.2 Underwriting

The Offer is fully underwritten by Moelis Australia. The Underwriting Agreement is subject to standard terms and conditions. All valid applications for New Shares pursuant to this Offer Document received by the Company, from all sources, will be deemed to have been accepted in full by the Company and will go in relief of the obligations of Moelis Australia under the Underwriting Agreement.

Please refer to section 5 of this Offer Document for a summary of the material terms and conditions of the Underwriting Agreement.

### 3.3 Effect of the Offer on the Company's Capital Structure

The capital structure of the Company following completion of the Entitlements Offer (excluding Shares issued to Gruden), assuming all Entitlements are accepted in full, is set out below:

Number of Shares on issue as at the date of this Offer Document	118,487,094
Number of New Shares offered under the Entitlements Offer	78,991,396
<b>Total number of Shares on issue on completion of Entitlements Offer assuming full subscription</b>	<b>197,478,490</b>

As at the date of this Offer Document, the Company has no Options on issue. No new Options are being offered under the Entitlements Offer.

### 3.4 Entitlements and Acceptance

Participation in the Entitlements Offer is open to all retail Shareholders who are registered on the Company's register of members at 7:00pm (AEDT) on the Record Date of 2 March 2018 with a registered address in Australia and New Zealand. The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. If you do not take up your Entitlement by the Closing Date of 5:00pm (AEDT) on 16 March 2018, the Offer to you will lapse.

You may take any of the following actions:

- take up all of your Entitlement;
- take up some of your Entitlement and allow the balance of your Entitlement to lapse; or
- do nothing and allow all of your Entitlement to lapse.

In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.

A completed and lodged Entitlement and Acceptance Form, together with payment for the number of New Shares accepted, cannot be withdrawn and constitutes a binding application for, and acceptance of, the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in this Offer Document. The Entitlement and Acceptance Form does not need to be signed to be binding.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Further details regarding action required to be taken by Shareholders is contained in section 4.

### 3.5 Opening and Closing Dates

The Entitlements Offer will open for receipt of acceptances at 9:00am AEDT on 7 March 2018 and will close at 5:00pm AEDT on 16 March 2018, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change in accordance with the Listing Rules.

## Section 3. Details of the Entitlements Offer

### 3.6 Brokerage

No brokerage or stamp duty will be payable by investors for New Shares offered under the Entitlements Offer.

### 3.7 Issue of New Shares

New Shares offered by this Offer Document are expected to be issued on the date specified in the indicative timetable in section 2.2.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares prior to receiving their holding statements do so at their own risk.

### 3.8 Entitlements Offer Shortfall

Any New Shares not taken up by Eligible Shareholders may become available as Shortfall and will be dealt with in accordance with the Underwriting Agreement.

### 3.9 Rights Attaching to New Shares

The New Shares issued will rank equally with existing Shares on issue. The rights and liabilities attaching to the New Shares are set out in the Constitution of the Company and in the Corporations Act.

### 3.10 ASX Listing

The Company will make an application to ASX for Official Quotation of the New Shares. If approval is not granted by ASX, the Company will not allot any New Shares and will repay all application monies (where applicable) as soon as practicable, without interest.

### 3.11 CHESS

The Company participates in CHESS, operated by ASX Settlement, a wholly-owned subsidiary of ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company.

If an investor is broker-sponsored, ASX Settlement will send them a CHESS statement. The CHESS statement will set out the number of New Shares allotted to each holder under the Offer Document and give details of their holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

In the case of an issuer sponsored sub-register, the statement will be dispatched by the Share Registry and will contain the number of New Shares allotted under the Offer Document and the Shareholder's security reference number (**SRN**).

A CHESS statement or Issuer Sponsored statement will routinely be sent to holders at the end of any calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however a charge may be incurred for additional statements.

### 3.12 Excluded Overseas Investors

The Company is of the view that it is unreasonable to make an offer under this Offer Document to Shareholders with a registered address outside of Australia and New Zealand (**Excluded Shareholders**) having regard to:

- a. the number of Excluded Shareholders;
- b. the number and value of the securities to be offered to Excluded Shareholders; and
- c. the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Offer Document to Shareholders with a registered address outside of Australia or New Zealand.

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 transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Members of the public in Australia and New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Shares.

### 3.13 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares. The Company, its advisers and its officers do not accept any responsibility for any such taxation consequences to Shareholders. Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Entitlements Offer.

# ACTION REQUIRED BY SHAREHOLDERS

### 4.1 How to Participate in the Entitlements Offer

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You may choose to take up all, part or none of your Entitlement (as set out below).

All applications for New Shares must be made on the Entitlement and Acceptance Form. Any application for New Shares will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any applications for New Shares.

#### Acceptance of All of Your Entitlement

If you wish to take up **all** of your Entitlement under the Entitlements Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse side of that form.

#### Acceptance of Part of Your Entitlement

If you wish to take up **part** of your Entitlement under the Entitlements Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares for which you wish to accept the Offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

#### Non-Acceptance of Your Entitlement

**If you do not wish to take up any part of your Entitlement** under the Entitlements Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will form part of the Shortfall, which will be dealt with as set out in section 3.8 above.

### 4.2 Payment Methods

Payments will only be accepted in Australian currency and may be made by one of the following methods:

- BPAY®. Those who elect to pay via BPAY® must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form. If you choose to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form; or
- cheque, bank draft or money order in Australian dollars payable to “BPS Technology Limited” and crossed “Not Negotiable”.

**For payment by BPAY®**, please follow the instructions on your personalised Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY®, you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form. Your BPAY® payment must be received by 5:00pm AEDT on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times in regard to electronic payment and you should take this into account when making payment.

**If you are paying by cheque, bank draft or money order**, the completed Entitlement and Acceptance Form and your cheque, bank draft or money order must be received by the Company's Share Registry at the address below by no later than 5:00pm AEDT on 16 March 2018 or such later date as the Directors advise:

#### By Post:

BPS Technology Limited  
c/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001, Australia

Your cheque, bank draft or money order should be made payable to “BPS Technology Limited” and crossed “Not Negotiable”. Entitlement and Acceptance Forms must be accompanied by payment of A\$0.28 per New Share. Receipts for payments will not be issued.

You must ensure your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. The Company will not re-present any dishonoured cheques. Your payment must be for the full amount required to pay for the New Shares applied for.

Cash payments will not be accepted but returned and the application deemed invalid.

### 4.3 Enquiries

If you have any queries regarding your Entitlement, please contact the BPS Offer Information Line by telephone on 1300 362 398 (within Australia) or +612 8355 1004 (outside Australia) or your stockbroker or professional adviser.

# UNDERWRITING AGREEMENT

As noted at section 3.2, the Offer is fully underwritten by Moelis Australia on the terms and conditions of the Underwriting Agreement.

Any New Shares not taken up by Eligible Shareholders may become available as Shortfall and will be dealt with in accordance with the Underwriting Agreement.

The Underwriting Agreement provides that, following consultation with the Company, Moelis Australia may at any time appoint sub-underwriters to sub-underwrite the Offer.

Moelis Australia must pay all fees and commission due to sub-underwriters of the Offer and the appointment of any such sub-underwriters will not limit Moelis Australia's obligation to underwrite the Offer.

The obligations of Moelis Australia under the Underwriting Agreement are subject to customary conditions precedent, including but not limited to:

- the dispatch, lodgement or release of various documents in connection with the Offer in accordance with the indicative timetable in section 2.2;
- Moelis Australia being satisfied, acting reasonably, with the Due Diligence Program, Due Diligence Results, the form of the Offer Materials and a legal opinion prepared in connection with the Offer; and

The failure to procure the satisfaction or waiver of any of these conditions precedent entitles Moelis Australia to terminate the Underwriting Agreement.

BPS must pay Moelis Australia for reasonable costs and expenses incurred by Moelis Australia in relation to the Offer, including but not limited to external legal expenses, out of pocket expenses that the Underwriter reasonably incurs in respect of the Entitlement Offer (i.e. advertising, printing and distribution of the Offer Materials). The Underwriter may set-off all amounts payable to it by the Company under Clause 12 of the Underwriting Agreement against any payment obligation owed by the Underwriter to the Company in relation to the subscription for the Offer Shares.

BPS has also agreed to ensure that it and all of its Subsidiaries from the date of the Underwriting Agreement until 90 days after Completion:

- a. ("**carry on business**") carry on its business in the ordinary course of ordinary business;
- b. ("**no changes**") do not change the nature of its business (other than as expressly contemplated by the Offer Materials);
- c. ("**no acquisitions**" or "**disposals**") do not acquire or dispose of (or enter any agreement to acquire or dispose of) the whole or any substantial assets or business (other than as expressly contemplated by the Offer Materials);
- d. ("**financial assistance**") pass or take any steps to pass a resolution under section 260A of the Corporations Act, other than to the extent approval is required in connection with the Proposed Acquisition; and
- e. ("**further issue**") must not, without the prior written consent of the Underwriter, allot or agree to allot or indicate in any way that it may or will allot or agree to allot any Shares or other securities that are convertible or exchangeable into equity, or that represent the right to receive equity or otherwise undertake any "Prescribed Occurrence" (as that term is given its meaning in section 652C of the Corporations Act), of the Company other than pursuant to the Entitlement Offer, the Underwriting Agreement, the Proposed Acquisition or as otherwise described in the Offer Materials.

## Termination Events

The Underwriter may, by notice given to the Company on or before 8.00 am on the Retail Entitlements Offer settlement date, and without cost or liability to the Underwriter, immediately terminate the Underwriting Agreement if any one or more of the following termination events set out below occurs or has occurred after 22 March 2018 and on or before 8:00am on the Retail Entitlements Offer settlement date (unless otherwise stated):

- a. ("**Offer Materials**") a statement contained in this Offer Document or the materials lodged by the Company on the ASX, or sent by the Company to Shareholders, in respect of the Entitlements Offer (Offer Materials) is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer Materials omit any information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the Offer Materials relating to future matters;
- b. ("**listing**") ASX announces that the Company will be removed from the official list or that any New Shares will be delisted or suspended from quotation by ASX for any reason;
- c. \*("**trading halt**") ASX suspends trading of the Shares for any period of time, other than any trading halt or voluntary suspension of more than 4 trading days or a suspension, in each case, made with the prior agreement of the Underwriter (not to be unreasonably withheld or delayed);

- d. (“**market fall**”) at any time the S&P/ASX All Ordinaries 300 Index falls to a level that is 90 per cent. or less of the level as at the close of trading on 27 February and stays at or below that level for more than three trading days;
- e. (“**notification**”) any of the following notifications are made:
  - i. an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any other Government Agency, in relation to the Offer Materials or the Entitlements Offer;
  - ii. ASIC or any other government agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Entitlements Offer or any of the Offer Materials or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company,
 and in either case:
  - iii. where the government agency is the Takeovers Panel, the application is not withdrawn or the Takeovers Panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances within five Business Days of the date of the application or by the Settlement Date for the Retail Entitlements Offer; or
  - iv. where the Government Agency is not the Takeovers Panel, such application, notice or proceeding becomes public or is not withdrawn within two Business Days after it is made or by Settlement Date for the Retail Entitlements Offer;
- f. (“**proceedings**”) a person (including ASIC or any government agency) commences any enquiry, investigation or proceedings, or takes any regulatory action or seeks any remedy, in connection with the Company, or any of its directors in their capacity as director of the Company, the Entitlements Offer or the Offer Materials and such enquiry, investigation or proceedings is not addressed, disposed of or withdrawn (to the Underwriter’s reasonable satisfaction) on or before the fifth Business Day following commencement, the taking of the action or seeking of remedy or, if the fifth Business Day is after the Settlement Date for the Retail Entitlements Offer, before 10.00 am on the Settlement Date for the Retail Entitlements Offer;
- g. (“**judgment and execution**”) a judgment for more than \$100,000 is obtained against the Company, or any process, such as distress, attachment or execution, for an amount over \$100,000 is issued against, levied or enforced upon any assets of the Company and is not paid, set aside or satisfied within 10 business days;
- h. (“**Consents**”) any person (other than the Underwriter) who has previously consented to the inclusion of their name or any statement in the Offer Materials withdraws that consent;
- i. (“**quotation**”) unconditional approval (or conditional approval, provided that the conditions would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success or settlement of the Entitlements Offer) by the ASX for official quotation of the New Shares is refused, or not granted by the Settlement Date for the Retail Entitlements Offer or is withdrawn on or before the Settlement Date for the Retail Entitlements Offer;
- j. (“**capital structure**”) the Company alters its capital structure without the consent of the Underwriter, other than by issuing securities required as a consequence of Entitlements Offer;
- k. \* (“**Timetable**”)
  - i. subject to paragraph 3(k)(ii) below, any event specified in the Timetable is delayed by the Company for more than two business days without the prior written consent of the Underwriter; or
  - ii. the Retail Entitlements Offer Opening Date, the Institutional Entitlement Offer settlement date, Settlement Date for the Retail Entitlements Offer, the dates Shares are allotted under the Institutional Entitlement Offer or Retail Entitlements Offer respective, is delayed by the Company, in any way, without the prior written consent of the Underwriter;
- l. (“**withdrawal**”) the Company withdraws the Entitlement Offer;
- m. (“**Certificate**”) any certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required (unless otherwise permitted under the Underwriting Agreement than as permitted under paragraph 3(k)(i) above);
- n. \* (“**Statement**”) a statement in a certificate furnished by the Company under the Underwriting Agreement is untrue or incorrect in a material respect;
- o. (“**insolvency**”) any one of the following occurs:
  - i. the Company (or any of its subsidiaries):
    - A. being or stating that it is unable to pay its debts as and when they fall due; or
    - B. failing to comply with a statutory demand;
  - ii. any step being taken which will or is likely to result in any of the following:
    - A. the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its Subsidiaries); or
    - B. the Company (or any of its subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;

- C. circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its subsidiaries) under section 459C(2) of the Corporations Act; or
- D. anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its subsidiaries); or
- E. an order or an application is made, or a resolution is passed, for the winding-up, dissolution, deregistration or administration of the Company (or any of its Subsidiaries);
- p. (“**conduct**”) the Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent, misleading or deceptive conduct or activity whether or not in connection with the Entitlement Offer;
- q. \*(“**director**”):
  - i. a change in the directors of the Company occurs;
  - ii. a director or senior manager of the Company (in that capacity) is charged with an indictable offence, or any government agency or regulatory body commences any public action against a director or senior manager of the Company (in that capacity) or announces that it intends to take any such action;
  - iii. any regulatory body commences (or threatens to commence) any action against any of the directors of the Company; or
  - iv. a director of the Company is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F, or 206G of the Corporations Act;
- r. (“**adverse change**”) in the bona fide and reasonable opinion of the Underwriter, there is a material adverse change, or any one or more matters, events or circumstances occurs, is announced or disclosed or becomes known to the Underwriter (whether or not it becomes public) which individually or when aggregated with any other such matters, events or circumstances is likely to give rise to a material adverse change, in the financial position or performance, shareholders’ equity, profits, losses, results, condition, operations or prospects of the Company;
- s. \*(“**hostilities**”) there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, the United States of America, the United Kingdom, the People’s Republic of China, the Democratic People’s Republic of Korea, the Republic of Korea or Japan or a major terrorist act is perpetrated against any diplomatic, military, commercial or political establishment or any of those countries anywhere in the world;
- t. \*(“**debt facilities**”) except as publicly disclosed on the ASX prior to the date of the Underwriting Agreement:
  - i. the Company breaches, or defaults under, any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has a material adverse effect on the Company; or
  - ii. an event of default, potential event of default, review event which gives a lender or financier to the Company the right to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation;
- u. \*(“**breach of obligations**”) the Company is in breach of any terms and conditions of the Underwriting Agreement (other than with respect to compliance with the Timetable);
- v. \*(“**breach of other representations**”) any of the representations or warranties made or given by the Company in Schedule 1 of the Underwriting Agreement, is or becomes incorrect, untrue or misleading;
- w. \*(“**information supplied to Underwriter**”) the information supplied by or on behalf of the Company to the Underwriter for the purposes of the Due Diligence Investigations taken as a whole and taking into account any subsequent statements, corrections and revisions is, or the Offer Materials are, false, misleading or deceptive (including by omission);
- x. \*(“**change in law**”) there is introduced, or there is an official public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to 28 February 2018), any of which does or is likely to prohibit, restrict or regulate the Entitlement Offer, capital issues, the level or likely level of Valid Applications or stock markets;
- y. \*(“**contravention of law**”) a contravention by the Company of the Corporations Act, its Constitution, any of the Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
- z. (“**compliance**”) any aspect of the Entitlement Offer does not comply with the Corporations Act or the Listing Rules;
- aa. \*(“**disruption in financial markets**”) any of the following occurs:
  - i. a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or

- security settlement or clearance services in any of those countries;
- ii. any adverse change in the political or economic conditions or adverse effect on the financial markets in Australia, the United States of America or the United Kingdom, or in foreign exchange rates or any development involving a prospective change in political or economic conditions or financial markets in any of those countries or in foreign exchange rates;
  - iii. trading in securities generally on ASX, the New York Stock Exchange, and/or the London Stock Exchange is suspended or limited in a material respect on two or more consecutive trading days;
- bb. \*("**suspension, modification**" or "**amendment**") any licence, permit, authorisation or consent which is material when considered in the context of the Offer Materials or necessary to conduct the business of the Company or any of its Subsidiaries is suspended, modified, withdrawn or amended in a manner unacceptable to the Underwriter (acting reasonably);
  - cc. ("**refund**") any circumstance arising after 28 February 2018 that results in the Company doing any of the following without the prior written consent of the Underwriter:
    - i. repaying, or offering to repay, any monies the Company receives in relation to Valid Applications; or
    - ii. offering one or more applicants an opportunity to withdraw their Valid Application(s);
  - dd. ("**ASX Waiver**" and "**ASIC modifications**") ASX withdraws, revokes or amends the ASX Waivers, or ASIC withdraws, revokes or amends the ASIC Modifications;
  - ee. ("**ASIC determination**") ASIC makes a determination under section 708AA(3) of the Corporations Act;
  - ff. \*("**disclosures in Management Questionnaire**") the written responses to the Management Questionnaire or any other information supplied by or on behalf of the Company to the Underwriters in relation to the Company or the Entitlement Offer is or becomes false or misleading or deceptive, including by way of omission;
  - gg. ("**security interest**") the Company grants, or agrees to grant, a security interest over the whole or a substantial part of the business or property of Company or any of the Company's Related Bodies Corporate other than:
    - i. as disclosed in the Offer Materials; or
    - ii. any security interest that replaces a security interest that is existing as at 28 February 2018 and in favour of the same secured party; or
    - iii. as agreed with the Underwriter (acting reasonably);
  - hh. ("**enforcement of security**") any financier of the Company or any holder of security over any assets of the Company takes any steps to enforce any of their finance or security rights for an amount over \$100,000 prior to the Second Settlement Date.
  - ii. ("**new information**") a new circumstance which is adverse to an investor arises (whether or not the Company announces it) that would have been required to be included in the Offer Materials (or otherwise to have been previously disclosed publicly by the Company) had it arisen before the relevant Offer Materials were given to ASX;
  - jj. \*("**unauthorised public statements**") the Company issues a public statement concerning the Entitlement Offer which has not been approved by the Underwriter, other than as permitted or required under the Underwriting Agreement or as required by law;
  - kk. \*("**Corrective Statement**") in the opinion of an Underwriter (acting reasonably) the Company becomes required to give, or gives, the ASX a notice that a Cleansing Notice issued in connection with the Entitlement's Offer is defective; or
  - ll. \*("**future matters**") any statement in any Offer Materials which relates to future matters or any forecast or forward looking statement is or becomes incapable of being met, or in the reasonable opinion of the Underwriter, unlikely to be met,
- provided that in respect of the relevant termination event either:
- mm. ("**Unqualified**") that termination event is not marked with an '\*'; or
  - nn. ("**Qualified**") that termination event is marked with an '\*' and the Underwriter has bona fide and reasonable grounds to believe and actually believes that the event:
    - i. has had, is having or is reasonably likely to have a material adverse effect on:
      - A. the financial position or performance, shareholder's equity, profits, losses, results, conditions, operations or prospects of the Company or its Subsidiaries taken as a whole;
      - B. the success or outcome of the Entitlement Offer, the market price of Offer Shares or the Shares or the ability of the Underwriter to market, promote or settle the Entitlement Offer (including matters likely to have an effect on a decision of an investor to invest in Offer Shares or Shares); or
    - ii. leads (or is, in the Underwriter's opinion, reasonably likely to lead) to the contravention by the Underwriter, or involvement by the Underwriter in a contravention of, or a liability under the Corporations Act or any other applicable law.



# INVESTOR PRESENTATION AND ASX ANNOUNCEMENT



28 February 2018

**BPS TECHNOLOGY LIMITED  
TO BE RENAMED INCENTIAPAY**

**\$22.1M FULLY UNDERWRITTEN NON-RENOUNCEABLE ENTITLEMENT  
OFFER AND STRATEGIC ACQUISITION**

BPS Technology Limited (“BPS”, “BPS Technology”, “IncentiaPay” or the “Company”) announces the following:

- 2 for 3 underwritten accelerated non-renounceable entitlement offer to raise \$22.1m at an issue price of \$0.28 per share (“Offer”)
- Execution of a binding term sheet for the proposed acquisition of the business assets of Gruden Group Limited (“Gruden”), an ASX listed company for a total consideration of \$8 million, comprising of up to 27.68 million BPS shares (“Consideration Shares”) and cash of up to \$0.25 million, subject to standard purchase price adjustments;
- Release of 1HFY18 financial results and provided FY18 full year revenue guidance of \$110 million and underlying EBITDA of between \$4.5 million of \$6.5 million, and FY19 full year underlying EBITDA guidance of between \$9.0 million and \$11.0 million;
- Appointment of Chris Berkefeld to the BPS board as an Independent Director, bringing his significant experience and further strengthening the board and corporate governance;
- Simultaneously with the Offer, entities associated with Trevor Dietz, Brian Hall and Tony Wiese will sell 9.3 million shares at \$0.28 per share (“Share Sale”); and
- Extraordinary General Meeting (“EGM”) to be held on or about **Thursday, 5 April 2018** to pass a number of resolutions, including renaming BPS to IncentiaPay, approving the issue of the Consideration Shares, refresh the Company’s placement capacity, approve management incentive arrangements and ratify the appointment of directors.

**Overview of the Offer and Share Sale**

As announced to the market in December 2017, BPS has developed a significant restructuring and turnaround strategy to re-position BPS for growth. As part of the strategy, BPS is conducting a capital raising to consist of a fully underwritten 2 for 3 accelerated non-renounceable entitlement offer to issue 79.0 million shares at an issue price of \$0.28 per share to raise approximately \$22.1 million (“Offer”).

Securities issued under the Offer will rank equally with existing BPS shares.

Simultaneous with the Offer entities associated with former BPS directors, Trevor Dietz, Brian Hall and Tony Wiese, will sell 9.3 million shares at \$0.28 per share.

Moelis Australia Advisory Pty Ltd is acting as Financial Advisor, Lead Manager and Underwriter of the Offer.

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### **Overview of proposed acquisition of Gruden**

The Company has today entered into a binding term sheet relating to its proposed acquisition of the business assets of Gruden, an ASX listed digital marketing and transactional payment company, servicing over 500,000 users across approximately 800 retail outlets handling in excess of 100,000 transactions per month. Gruden operates across four business streams of Performance Marketing, Government, Digital Services, and mobileDEN.

The transaction is subject to a number of conditions and therefore there is no guarantee that the proposed transaction will proceed. However, the benefits to BPS of the proposed acquisition if it proceeds are as follows:

- Enables BPS to further penetrate the quick service restaurant and hospitality sectors;
- Provides access to a blue chip customer base including Red Rooster, Oporto, Starbucks and Betta Group;
- Opportunity for significant revenue and cost synergies with the duplication of business functions and cross-selling opportunities (e.g. AliPay and mobileDEN);
- Product/feature enrichment by integrating Gruden's digital marketing and transactional capabilities with BPS's payments and rewards platform;
- Enhances BPS's capabilities with Gruden's management team with strong experience in technology, media and digital sectors;
- Proven development capabilities in large scale transactional platforms such as eTenders Platform for NSW State Government and AusTender for Federal Government.

In executing the binding term sheet, BPS has substantially completed a detailed commercial, financial and legal due diligence on Gruden.

The proposed acquisition is subject to a number of conditions, typical of transactions of this nature, including:

- Execution of a Share and Business Purchase Agreement;
- Gruden obtaining all necessary regulatory and shareholder approvals;
- Gruden obtaining all necessary consents from counterparties to material contracts;
- No breaches of the Binding Term Sheet or final acquisition agreement
- No material adverse change arising in relation to Gruden or BPS

### **1H FY18 results and guidance**

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

<b>FY18 full year revenue guidance</b>	\$110m
<b>FY18 full year underlying EBITDA range</b>	\$4.5m - \$6.5m
<b>FY19 full year underlying EBITDA range</b>	\$9.0m - \$11.0m



BPS remains a strong underlying business. The new management team and Board will pursue a restructuring and turnaround plan and focus on re-positioning BPS for growth to drive revenue and profitability. The Board has provided a range for underlying EBITDA reflecting some uncertainty on the execution timing of the restructuring and turnaround plan.

#### **Extraordinary General Meeting**

BPS will hold an Extraordinary General Meeting (“EGM”) to approve a number of resolutions including:

1. Change of Company name to IncentiaPay
2. Ratification of previous issues of shares to refresh its placement capacity
3. Approval of issue of consideration shares to Gruden
4. Approval of Employee incentive plans
5. Ratifying the appointment of non-executive directors

#### **Entitlement Offer Timetable**

Indicative dates in relation to the Entitlement Offer are as follows:

<b>Trading halt</b>	Wednesday, 28 February 2018
<b>1H FY18 results release</b>	Wednesday, 28 February 2018
<b>Announce Entitlement Offer</b>	Wednesday, 28 February 2018
<b>Trading resumes</b>	Friday, 2 March 2018
<b>Entitlement Offer record date</b>	Friday, 2 March 2018
<b>Retail Entitlement Offer opens</b>	Wednesday, 7 March 2018
<b>Settlement of the Institutional Entitlement Offer</b>	Friday, 9 March 2018
<b>Allotment and ASX quotation of Institutional Entitlement Offer</b>	Tuesday, 6 March 2018
<b>Retail Entitlement Offer closes</b>	Friday, 16 March 2018
<b>Results of Retail Entitlement Offer announced</b>	Tuesday, 20 March 2018
<b>Settlement of the Retail Entitlement Offer securities</b>	Thursday, 22 March 2018
<b>Allotment of Retail Entitlement Offer securities</b>	Friday, 23 March 2018
<b>ASX quotation of Retail Entitlement securities</b>	Monday, 26 March 2018
<b>Dispatch holding statements</b>	Tuesday, 27 March 2018

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT).



**Additional information**

Additional information about the Offer, Share Sale and proposed Gruden acquisition, including key risks, is contained in the BPS investor presentation released to the ASX today. The retail entitlement offer booklet will be released separately and mailed to eligible shareholders.

**For more information, please contact:**

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# BPS Technology Limited (BPS)

*to be re-named to*

incentia<sup>pay</sup>

Capital Raising

Investor Presentation

February 2018

FINANCIAL ADVISOR, LEAD MANAGER AND UNDERWRITER



NOT FOR RELEASE IN THE UNITED STATES

## Disclaimer

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### 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](http://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.

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## Disclaimer (cont'd)

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### 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.

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## Disclaimer (cont'd)

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### 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.

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## 1. Introduction

### Executive summary

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- ❖ 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 IncentiaPay<sup>1</sup>
- ❖ 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")<sup>2</sup>, 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 EBITDA<sup>3</sup> range of \$4.5m and \$6.5m, and FY19 full year underlying EBITDA range of between \$9.0m and \$11.0m<sup>4</sup>

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

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Existing securities on issue (m)	118.5
Offer Price per Share (\$)	0.28
Shares to be issued under the Offer <sup>1</sup>	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) <sup>2</sup>	58.9
Discount to TERP (%)	6.0
Discount to close (%)	9.7
Discount to 5-day VWAP (%) <sup>3</sup>	19.4
FY18 full year revenue guidance <sup>4</sup> (\$m)	110
FY18 full year underlying EBITDA range <sup>4</sup> (\$m)	4.5 – 6.5
FY19 full year underlying EBITDA range <sup>4</sup> (\$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

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## Investment highlights

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✓	▪ 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

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## Investor value proposition

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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

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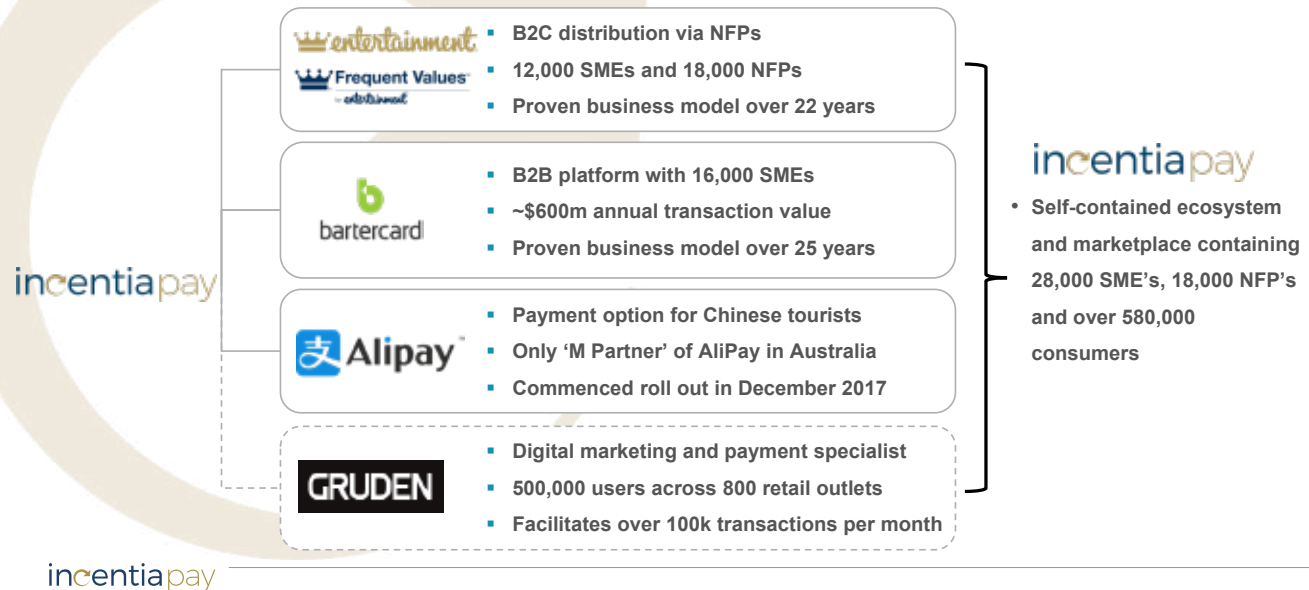
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## 2. Overview of IncentiaPay

## 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



## Introduction to IncentiaPay (cont'd)

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### 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*

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

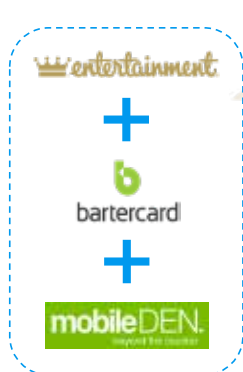
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IncentiaPay is first and foremost a marketing and payments platform provider

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 Barcard and Entertainment to IncentiaPay with minimal development costs

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## Entertainment has increased its number of digital memberships

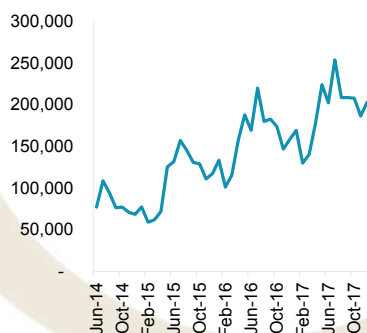
14

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 users<sup>1</sup> across 800 retail outlets

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

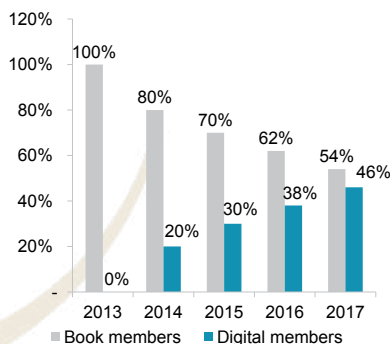
### DIGITAL REDEMPTIONS

Strong growth in digital redemptions



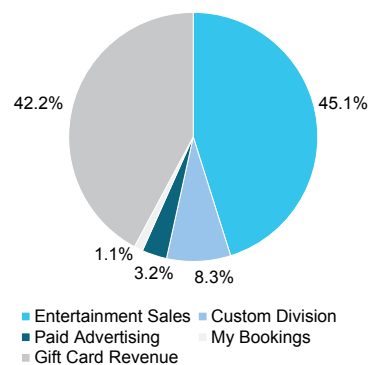
### MEMBERSHIP BASE (FY17)

550,000 Members in Aus and NZ



### REVENUE COMPOSITION (CY17)

Diverse revenue streams



1. Excluding consumer overlap between Entertainment Book and Gruden

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## Introduction to Entertainment's wholesale offerings

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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

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## Corporate Marketing Solutions

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**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



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## Partnership Marketing Solutions

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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



### MY CAR BOOKINGS



### PARTNERSHIP FUNDRAISING



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## IncentiaPay's partnership with AliPay

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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)



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## Restructure, stabilise and grow

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- ❖ 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

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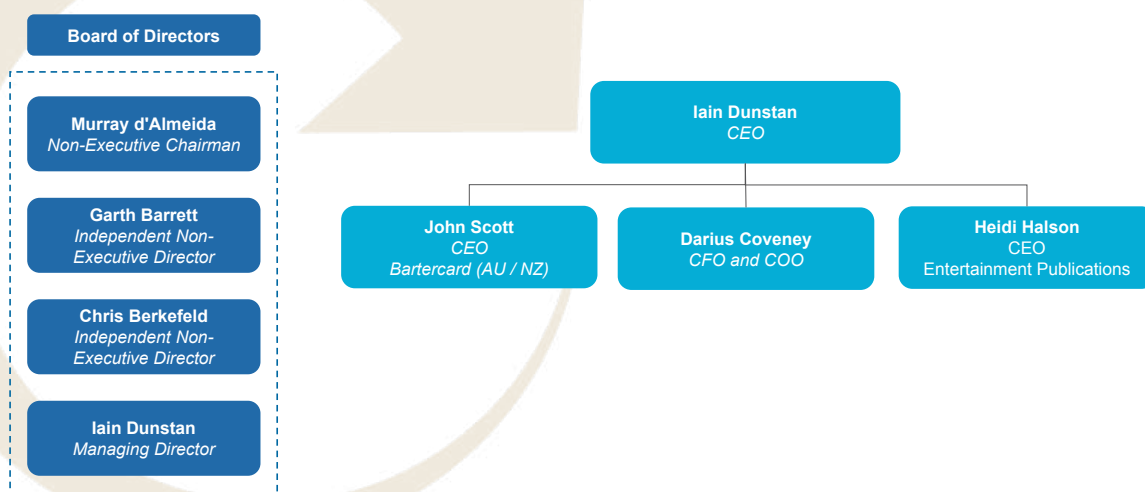
Initiative	Description	Impact
<b>Rationalise costs</b>	<ul style="list-style-type: none"> <li>▪ Combine the management of the Bartercard AUS and NZ businesses</li> <li>▪ Integrate a shared service model for Entertainment and Bartercard</li> <li>▪ Procurement efficiencies through adopting group buying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



## New governance and management structure

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Streamlined senior management structure with experienced Board and management team



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### 3. Proposed acquisition of Gruden

## Key terms of the proposed acquisition of Gruden

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<b>Binding term sheet</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Total consideration</b>	<ul style="list-style-type: none"> <li>\$8.0m</li> </ul>
<b>Cash consideration</b>	<ul style="list-style-type: none"> <li>\$0.25m</li> </ul>
<b>Scrip consideration</b>	<ul style="list-style-type: none"> <li>\$7.75m being 27.7m BPS shares to be issued at the Offer Price</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>BPS intention is to retain the existing senior management team to continue the development of ongoing projects</li> </ul>
<b>Completion</b>	<ul style="list-style-type: none"> <li>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</li> </ul>

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## Overview of Gruden

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**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
<b>Performance marketing</b>	Using data analytics to connect brands and customers and offering digital marketing services such as PPC, SEO and social media	\$2.5m	34.7%
<b>Government</b>	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%
<b>Digital services</b>	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%
<b>mobileDEN</b>	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%
<b>Total</b>		<b>\$7.2m</b>	

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## Benefits of the proposed acquisition

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- ✓ 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




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## 4. IncentiaPay reviewed 1H FY18 results

## 1H FY18 operational commentary

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### 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

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### 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)
<b>Underlying EBITDA</b>	<b>2,638</b>	<b>6,902</b>
<b>Balance sheet write-downs:</b>		
- 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)	-
<b>Total balance sheet write-downs</b>	<b>(30,120)</b>	<b>-</b>
Provision for restructuring costs	(4,500)	-
Redundancy costs booked	(254)	-
EGM costs	(543)	-
Other one-off expenses	(399)	-
<b>Total one-off expenses</b>	<b>(35,815)</b>	<b>-</b>
<b>Reported EBITDA</b>	<b>(33,177)</b>	<b>6,902</b>
Depreciation and amortisation expense	(3,876)	(715)
Net finance costs	(684)	(320)
<b>Profit Before Income Tax</b>	<b>(37,737)</b>	<b>5,867</b>
Tax Expense	1,200	(308)
<b>Net profit for the period</b>	<b>(36,538)</b>	<b>5,559</b>



## Balance sheet

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### BALANCE SHEET AS AT 31 DECEMBER 2017

	As at 31-Dec-17 \$'000	As at 31-Dec-16 \$'000
<b>Assets</b>		
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
<b>Total assets</b>	<b>93,817</b>	<b>115,672</b>
<b>Liabilities</b>		
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
<b>Total liabilities</b>	<b>49,728</b>	<b>46,535</b>
<b>Net assets</b>	<b>44,089</b>	<b>69,137</b>
<b>Equity</b>		
Issued capital	66,605	54,589
Reserves	(570)	(34)
Retained earnings	(21,946)	14,582
<b>Total equity</b>	<b>44,089</b>	<b>69,137</b>



## Cash flow statement

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### CASH FLOW STATEMENT HALF YEAR ENDED 31 DECEMBER 2017

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



## FY18 full year guidance

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- 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 guidance <sup>1</sup> (\$m)	110
FY18 full year underlying EBITDA range <sup>1</sup> (\$m)	4.5 – 6.5
FY19 full year underlying EBITDA range <sup>1</sup> (\$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.

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## Pro forma balance sheet

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### PRO FORMA BALANCE SHEET AS AT 31 DECEMBER 2017

\$m	BPS standalone	Impact of the capital raise <sup>1</sup>	BPS pro forma <sup>2</sup>	Impact of Gruden acquisition	Combined Group pro forma <sup>3</sup>
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
<b>Total current assets</b>	<b>32.2</b>	<b>20.4</b>	<b>52.6</b>	<b>3.8</b>	<b>56.4</b>
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
<b>Total non-current assets</b>	<b>61.6</b>	<b>0.5</b>	<b>62.1</b>	<b>7.8</b>	<b>69.9</b>
<b>Total assets</b>	<b>93.8</b>	<b>20.9</b>	<b>114.7</b>	<b>11.6</b>	<b>126.4</b>
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
<b>Total current liabilities</b>	<b>40.1</b>	<b>-</b>	<b>40.1</b>	<b>3.8</b>	<b>43.9</b>
Other non-current liabilities	2.7	-	2.7	0.3	3.0
Borrowings - non-current	6.9	-	6.9	-	6.9
<b>Total non-current liabilities</b>	<b>9.6</b>	<b>-</b>	<b>9.6</b>	<b>0.3</b>	<b>9.9</b>
<b>Total liabilities</b>	<b>49.7</b>	<b>-</b>	<b>49.7</b>	<b>4.0</b>	<b>53.8</b>
<b>Net assets</b>	<b>44.1</b>	<b>20.9</b>	<b>65.0</b>	<b>7.6</b>	<b>72.6</b>
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)
<b>Total Equity</b>	<b>44.1</b>	<b>20.9</b>	<b>65.0</b>	<b>7.6</b>	<b>72.6</b>

- 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
- 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
- The Combined Group 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
- 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

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## 5. Capital Raising overview

### Overview of the Offer

- ❖ 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
<b>Total sources</b>	<b>22.1</b>

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

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

## Indicative timetable

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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.

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## Key offer metrics and ownership structure

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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

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## Extraordinary General Meeting

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❖ 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

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## 6. Board and Management

## IncentiaPay Board of Directors

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 <p><b>Murray d'Almeida</b> Non-Executive Chairman</p>	<ul style="list-style-type: none"> <li>Murray d'Almeida has over 35 years of diverse national and international business experience having commenced his career as an accountant in Perth</li> <li>Mr d'Almeida founded Retail Food Group Limited (ASX:RFG) and led its global expansion</li> <li>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</li> </ul>
 <p><b>Garth Barrett</b> Independent Non-Executive Director</p>	<ul style="list-style-type: none"> <li>Garth Barrett has more than 40 years experience in strategic planning, merger and acquisitions, financial systems, risk analysis and operations management</li> <li>Mr Barrett is a chartered accountant having worked at partner in national and international Chartered Accounting firms</li> <li>Mr Barrett is an expert in financial and management advisory, reporting and accounting system implementation</li> </ul>
 <p><b>Iain Dunstan</b> Managing Director</p>	<ul style="list-style-type: none"> <li>Iain Dunstan has more than 30 years experience in the technology and finance industry, including an extensive listed company background</li> <li>Most recently, Mr Dunstan was CEO of ASX-listed Rubik Financial Limited and facilitated the sale of Rubik to Temenos Group in May 2017</li> <li>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</li> <li>In 2007 Mr Dunstan won the Ernst &amp; Young Entrepreneur of the Year award in the Technology, Communications, e-Commerce and Life Sciences category</li> </ul>
 <p><b>Chris Berkefeld</b> Independent Non-Executive Director</p>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> </ul>



## IncentiaPay management team

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 <p><b>Iain Dunstan</b> CEO</p>	<ul style="list-style-type: none"> <li>See Board of Directors</li> </ul>
 <p><b>Darius Coveney</b> CFO and COO</p>	<ul style="list-style-type: none"> <li>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</li> <li>Mr Coveney spent 10 years at Macquarie Group rising to Division Director, Finance, EMEA and 5 years at Ernst and Young Corporate finance</li> <li>Mr Coveney is a graduate member of the Australian Institute of Company Directors and a member of the Institute of Chartered Accountants in Australia</li> </ul>
 <p><b>John Scott</b> CEO Bartercard</p>	<ul style="list-style-type: none"> <li>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</li> <li>Mr Scott has over 20 years experience in New Zealand based senior management roles - previously as General Manager with Dun &amp; Bradstreet and prior to that as the Auckland Manager with Thomson Reuters. He has a strong track record in leadership and change management</li> </ul>
 <p><b>Heidi Halson</b> CEO Entertainment</p>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>





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## 7. Key Risks

### Key risks

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#### 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.

## Key risks (cont'd)

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**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.

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## Key risks (cont'd)

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**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.

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## 8. Foreign jurisdictions

### 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.

## Foreign jurisdictions

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### 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.

# DEFINED TERMS

**A\$** means Australian dollars, unless otherwise stated;

**AEDT** means Australian Eastern Daylight Time;

**Applicant** means a person who submits an Entitlement and Acceptance Form;

**ASIC** means the Australian Securities and Investments Commission;

**ASX** means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**ASX Materials** means the Cleansing Notice and any announcement or material accompanying it given to ASX by the Company in respect of the Offer;

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532;

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX Settlement;

**BPS/the Company/IncentiaPay** each mean BPS Technology Limited ACN 167 603 992;

**Board** means the Board of Directors from time to time;

**Business Day** means a day that is not a Saturday, Sunday or public holiday in New South Wales;

**CHESS** means ASX Clearing House Electronic Subregistry System;

**Cleansing Notice** means a notice to be prepared by the Company in compliance with section 708AA(7) of the Corporations Act and lodged by the Company with ASX in accordance with CI 2016/84 and the timetable set out in paragraph 3 of Appendix 7A of the Listing Rules;

**Closing Date** means 5:00pm AEDT on 16 March 2018;

**Corporations Act** means the *Corporations Act 2001 (Cth)*;

**Directors** means the directors of the Company;

**Due Diligence Program** means the due diligence program implemented by the Company for the purpose of preparing the Offer Materials and ensuring that the Offer Materials comply with the Corporations Act, which program is outlined in the due diligence process outline prepared in connection with the Offer;

**Due Diligence Results** means the results of the investigations which make up the Due Diligence Program, as maintained by the Company including but not limited to any reports of a due diligence committee and all supporting reports, documents and work papers to which the Due Diligence Program relates;

**Eligible Shareholder** means Shareholders who are registered on the Company's register of members at 7:00pm (AEDT) on the Record Date of 2 March 2018 with a registered address in Australia or New Zealand;

**Entitlement** means the entitlement of an Eligible Shareholder to apply for New Shares pursuant to the Entitlements Offer;

**Entitlements Offer** means the pro-rata non renounceable Entitlements Offer of New Shares in the Company on the basis of 2 New Shares for every 3 Shares held on the Record Date, at an issue price of A\$0.28 per New Share, for the purpose of raising approximately A\$22,117,591 before costs;

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Offer Document;

**Institutional Entitlement Offer** means the institutional accelerated component of the Entitlements Offer;

**Investor Presentation** means the Investor presentation in section 6 that was lodged with the ASX on 28 February 2018;

**Listing Rules** means the listing rules of ASX;

**Material Adverse Effect** means:

- a. a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in the Underwritten Shares); or
- b. a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole;

**Moelis Australia** means Moelis Australia Advisory Pty. Ltd. ACN 142 008 446 and AFSL No: 345499;

**New Shares** means the Shares being offered pursuant to this Offer Document;

**Offer** means the offer of New Shares under the Entitlements Offer;

**Offer Document** means this offer document for the Entitlements Offer;

**Offer Materials** means:

- a. the Offer Document and any supplementary Offer Document; and
- b. the ASX Materials,

including amendments or updates to any of the above documents;

**Official List** means the Official List of ASX;

**Official Quotation** means quotation of the Shares on the Official List;

**Opening Date** means 9:00am AEDT on 7 March 2018;

**Option** means an option that has been granted by the Company over an unissued Share;

## 7. Defined Terms

**Prescribed Occurrence** means:

- a. a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- b. a Relevant Company resolving to reduce its share capital in any way;
- c. a Relevant Company:
  - i. entering into a buy-back agreement; or
  - ii. resolving to approve the terms of a buy-back agreement under section 257D or 257E of the Corporations Act;
- d. a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer or on conversion of convertible securities on issue as at the date of the Underwriting Agreement or as previously notified to Moelis Australia prior to the date of the Underwriting Agreement);
- e. a Relevant Company issuing, or agreeing to issue, convertible notes;
- f. a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property, other than to another Relevant Company and as fairly disclosed to Moelis Australia prior to the date of the Underwriting Agreement;
- g. a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property other than as fairly disclosed to Moelis Australia prior to the date of the Underwriting Agreement;
- h. a Relevant Company resolving that it be wound up, other than as part of an internal corporate restructure and other than as fairly disclosed to Moelis Australia prior to the date of the Underwriting Agreement;
- i. the appointment of a liquidator or provisional liquidator of a Relevant Company;
- j. the making of an order by a court for the winding up of a Relevant Company;
- k. an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- l. a Relevant Company executing a deed of company arrangement; or
- m. the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company;

**Record Date** means 7:00pm AEDT on 2 March 2018;

**Relevant Company** means the Company and each company which is at the date of the Underwriting Agreement, or before the issue of all Underwritten Shares becomes, a subsidiary of the Company as that term is defined in the Corporations Act;

**Retail Entitlements Offer** means the non-accelerated component of the Entitlement Offer comprising of an offer of New Shares to Eligible Shareholders;

**Settlement Date** means the settlement date in the Timetable, or such other date as the Company and Moelis Australia agree;

**Share** means an ordinary fully paid share in the capital of the Company;

**Share Registry** means Link Market Services ACN 083 214 537;

**Shareholder** means a holder of Shares;

**Shortfall** means the New Shares not applied for by Eligible Shareholders;

**Timetable** means the timetable set out in the Underwriting Agreement (and consistent with the timetable set out in section 2.2), or as amended by ASX or varied as the parties agree in writing;

**Underwriting Agreement** means the underwriting agreement between the Company and Moelis Australia dated 28 February 2018;

**Underwritten Shares** means 78,991,396 New Shares

#### **Directors**

Mr Murray d'Almeida  
Non-Executive Chairman

Mr Garth Barrett  
Independent Non-Executive Director

Mr Iain Dunstan  
Managing Director

Mr Chris Berkefeld  
Independent Non-Executive Director

#### **Secretary**

Ms Laura Newell of Boardroom Pty Ltd

#### **Registered Office**

Level 1, Bartercard House  
121 Scarborough Street  
Southport QLD 4215

#### **Principal place of business**

Level 1, Bartercard House  
121 Scarborough Street  
Southport QLD 4215  
Telephone: +61 7 5561 9111

#### **Website**

[www.bpstechology.com](http://www.bpstechology.com)

#### **Auditor**

Pilot Partners  
Level 10, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

#### **Financial Advisor, Lead Manager and Underwriter**

Moelis Australia Advisory Pty Ltd  
Level 27, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

#### **Solicitors**

Gilbert + Tobin  
Level 35, Tower Two, International Towers Sydney  
200 Barangaroo Avenue  
Barangaroo NSW 2000

#### **Share Registry**

Link Market Services ACN 083 214 537  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: +61 2 8280 7100

#### **Stock exchange listing**

BPS Technology Limited shares are  
listed on the Australian Securities Exchange  
(ASX code: BPS)



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[www.bps technology.com](http://www.bps technology.com)