

STARGROUP SIGNS ASSET SALE AGREEMENT WITH INDUE

HIGHLIGHTS

- Stargroup Limited and Indue Limited have executed the Asset Sale Agreement for the ATM switching, settlement, processing, telecommunications and ATM reseller businesses operated by Indue Limited.
- Stargroup Limited and Indue Limited have agreed on the key terms of other contractual documentation in relation to the transaction
- Consideration is \$6.5million payable in cash and the acquisition is being fully funded via debt.
- Projected annualised revenue increase of \$4.1million
- Projected annualised EBITDA increase of \$1.7million
- Completion expected to occur by 31 December 2016

Financial Technology and ATM machine company Stargroup Limited (ASX : STL) is pleased to announce that it has executed the Asset Sale Agreement for the acquisition of the Indue Limited (Indue) Automatic Teller Machine ("ATM") switching, settlement, processing, telecommunications and reseller business.

Indue provides ATM switching, settlement and processing services (ATM Switch), telecommunications services (ATM Telco) and also resells ATMs (ATM Sales) to approximately 70 ATM Deployers, 1,700 ATMs, 1,350 modems and processes approximately 12,000,000 transactions per annum.

The ATM Switch, ATM Telco and ATM Sales business will increase the current annualised revenue from the ATM division from \$8million to \$12.1million with that figure increasing via further organic growth to approximately \$18million in the FY18 financial year.

The parties have also agreed to the key terms of the ongoing services to be provided by Indue to Stargroup post completion.

Mr Todd Zani, Stargroup's CEO and Executive Chairman said *"We are very excited to announce to the market that the asset sale agreement has been executed and that both parties have agreed to the key terms of the ongoing services."*

"This is an important acquisition and further vertically integrates our ATM business which has been through a truly transformational year."

"The completion of this acquisition and the putting in place of a \$15million debt facility to fund this acquisition as well as enabling us to look at other merger and acquisitions in 2017 without any further dilution, has been highly supported by our shareholders at our recent AGM."

"We look forward to completing this acquisition and accelerating our blue sky EFTPOS business opportunities in 2017."

FURTHER INFORMATION

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About Stargroup

Financial technology company Stargroup Limited is the only ASX listed company deploying ATM machines in Australia and importantly, the only listed ATM company having a direct ownership interest in the manufacturer of its ATM technologies, namely NeolCP, a south Korean private company.

Stargroup Limited became the exclusive distributor of the cashPod ATM range including the recycler ATM, back office and payment technologies in Australia for the next 5 years on 7 August 2015.

Stargroup Limited, via its wholly owned subsidiaries, StarPOS and StarApps, is also an EFTPOS and payWave technologies provider and developer of the source code in its terminals via its 5 year distribution agreement with West International AB, a Swedish NASDAQ listed company, to distribute next generation EFTPOS payment terminals and solutions in Australian and New Zealand.

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