

INDUE ACQUISITION AND FUNDING UPDATE

HIGHLIGHTS

- Stargroup Limited and Indue Limited have executed all agreements in relation to the ATM switching, settlement, processing, telecommunications and ATM reseller businesses operated by Indue Limited.
- Stargroup has executed an agreement for a debt facility totalling \$15mil to fund the Indue acquisition and other EPS accretive acquisitions on commercial terms with a Sydney based Credit Fund.
- Completion of the funding and acquisition is expected to occur by no later than 24 January 2017

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

The final agreements with Indue were executed on 30 December 2016 and the transaction is proceeding on an unconditional basis and will complete no later than 24 January 2017.

Stargroup has also agreed to commercial terms in relation to a debt instrument for a maximum of \$15mil to fund this acquisition and other potential acquisitions. This facility includes free attaching option(s) on a 1 for \$1 basis with an exercise price of \$0.10 per option to acquire one Stargroup share, with a 3 year exercise period. These options were approved by Stargroup shareholders at the recent annual general meeting held on 29 November 2016.

Mr Todd Zani, Stargroup's CEO and Executive Chairman said *"We are very excited to announce to the market that the asset sale agreement and all other agreements with Indue have been executed and that this transaction is proceeding on an unconditional basis. I have met with a considerable number of our new customers and there has been exhaustive planning undertaken by both Indue and Stargroup to ensure a smooth transition of services, post completion of the acquisition."*

"We are also excited to announce that a Sydney based Credit Fund has approved the funding for this acquisition on commercial terms which not only enables us to complete this acquisition but it will also enable us to explore further merger and acquisitions without the need to issue further capital."

As outlined in our recent AGM, this will enable Stargroup to fully concentrate on the execution of this acquisition and to accelerate our blue sky EFTPOS business opportunities in 2017. The 2016 year was truly a transformational year for the business and the 2017 year, looks even better."

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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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