

SUCCESSFUL CAPITAL RAISE TO ACQUIRE INDUE ATM BUSINESSES

HIGHLIGHTS

- Stargroup (ASX : STL) raises more than \$3.35 million in an oversubscribed share placement to sophisticated investors and a number of existing shareholders
- Proceeds from the fund raising will be used to finalize the Indue ATM Businesses acquisition which will increase group revenues by \$4.1 million and EBITDA by \$1.7 million
- Completion of the fund raising and acquisition is expected to occur by no later than 5 May 2017

Financial Technology and ATM machine company Stargroup Limited (the Company, ASX : STL) is pleased to announce the successful completion of a capital raising to finalize the acquisition of the Indue Limited (Indue) Automatic Teller Machine ("ATM") switching, settlement, processing, telecommunications and reseller business.

The Company has raised \$3,350,000 before costs and has agreed to issue 119,642,857 new, fully paid ordinary shares at an issue price of \$0.028 per share to a number of existing shareholders as well as new high net worth and institutional investors. PAC Partners acted as Lead Manager to the Placement which was oversubscribed.

The issue represents a 10 per cent discount on the 30-day volume weighted average price to 27 March and the offer was oversubscribed and is within the maximum amount allowable within Stargroup's current placement capacity under ASX Listing Rule 7.1 and 7.1A.

Under the placement, and subject to shareholder approval, investors will also receive one attaching option for every share subscribed for, with each option exercisable at \$0.05 and expiring on or before 30 November 2018.

Further, directors have also elected to participate in the capital raising for an additional amount of \$112,000 and this will be subject to shareholder approval and these amounts will be included in the notice of meeting together with the approval for the issue of the options attached to this offer. Subject to approval, this will increase the capital amount raised to \$3,462,000.

Stargroup CEO and Executive Chairman, Mr Todd Zani said the funds raised will be directed towards the finalization of the acquisition of the Indue ATM Businesses.

"The funds will go towards completing the Indue acquisition, an acquisition that will considerably increase forward revenues by \$4.1mil and the EBITDA by \$1.7mil. The \$6.5mil purchase price is now fully funded and represents an acquisition multiple of 3.83x forward earnings," he said.

"We are pleased to announce the completion of this capital raise and finalization of the funding to complete the Indue acquisition. The strong support from existing shareholders, new high net worth and institutional investors is further evidence of our underlying business value."



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.

Stargroup Limited, via its wholly owned subsidiary, StarLink, will post settlement of the Indue ATM business acquisition, provide ATM switching, settlement and processing services, telecommunication services and resell ATMs to approximately 70 ATM Deployers, 1,700 ATMs, 1350 modems and process approximately 12,000,000 transactions per annum.

