

ASX Release

18 June 2015

INVESTOR UPDATE

Further to our announcement on 15 June 2015 that iCash Payment Systems Limited (**ASX:ICP**) has signed a binding Share Purchase Agreement to acquire 100% of Stargroup Limited ("**Stargroup**"), please find following an investor presentation made by Stargroup as part of its capital raising in advance of the merger.

For further information, please contact:

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Todd Zani

Executive Chairman – Stargroup Limited

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Important note

This announcement contains forward-looking statements that are based on the Board's beliefs, assumptions and expectations and on information currently available to management. That information includes information provided to the Company by the management of NeolCP Korea, Inc., which has not been independently verified. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company's expectations with respect to potential revenues, costs, profitability and financial performance. The Board believes that the forward-looking statements are reasonable as and when made.



Stargroup Limited | iCash Payment Systems Limited (ASX : ICP) Investor Update

June 2015



iCash Ltd Acquisition (ICP) of Stargroup Ltd (STAR)

Transaction Details	ICP Shares (mil)	Market Cap @ 3.5c/sh (mil)	Cash (\$mil)
ICP shares post buyback	83.39	2.92	
Acquisition of Star (Post \$3m raise into Star)	157.14	5.50	
Total shares on issue post Transaction	240.53	8.42	3
Enterprise Value		5.42	

Milestone Payments

- Tranche 1: 2.5mil performance shares vest on the achievement of 250 ATMs and \$2.5mil of annualised revenue by 31 December 2016.
- Tranche 2: 2.5mil performance shares vest on the achievement of 500 ATMs and \$5mil of annualised revenue by 30 June 2017.
- Tranche 3: 2.5mil performance shares vest on the achievement of 750 ATMs and \$10mil of annualised EBITDA by 30 June 2018.
- Tranche 4: 2.5mil performance shares vest on the achievement of 1,000 ATMs and \$15mil of annualised EBITDA by 30 June 2019.

Corporate Overview (post Completion)

Major Shareholders	% Ownership
Directors, management, related parties	48.30
Top 20	59.34
Hover Holdings Pty Ltd	18.82
Dream Bright Nominees Pty Ltd	11.84
Tomialcocl Pty Ltd	7.24
Citi Nominees Pty Ltd	7.41

Corporate Snapshot	
ASX Code	ICP/STL
Cash (as at completion)	3,000,000
Market Cap (\$0.035/share)	8,418,716
52 week high (\$/share)	0.093
52 week low (\$/share)	0.031
Shares on issue	240,534,739

Board of Directors



Todd Zani
Chairman | CEO



Shaun Sutton
Executive Director



Zaffer Soemlya
Non-Executive
Director



Jongho Kim
Non-Executive
Director



Taejin Kim
Non-Executive
Director

Merger of Two Established Businesses

Stargroup Limited

- Launched Star Payment Systems/StarATM business in 2013
- Recurring revenue from long term contracts – typically 3 – 5 years
- Recognition of Star Payment Systems/StarATM in Australia is growing rapidly
- ATM Business has 67 machines installed and processing greater than 600,000 transactions per annum (\$1.5mil annualised revenue). 10% growth in MTD revenue in May 2015 and 203% increase in YTD.
- Targeting to have 650 ATMs (\$8.5mil annualized revenue) installed by end of FY 2016
- New wholesale EFTPOS/payWave agreement pending



iCash Payment Systems Limited

- Re-commenced ATM deployment business in 2014
- Has a direct ownership interest in Korean ATM Manufacturer of cashPod ATMs, back office and coin counting technologies. IER valued at \$2.1 m
- Recurring revenue from long term contracts – typically 3 – 5 years
- ATM Business has 30 machines installed and is processing greater than 150,000 transactions per annum and providing sales and service support of cashPod ATMs in Australia (\$600,000 annualised revenue)
- End of pilot of new casino and gaming technologies pending
- \$15mil in income tax losses available to the Group



Current Growth Drivers

StarATM



- Customers include pubs, clubs, hotels and convenience stores
- New Intelligent Deposit/Recycling ATM technologies pending
- New tenders being pursued with large Australian businesses
- New EMV technology upgrades required by Australian businesses
- Multiple targets being pursued for further roll up into ATM deployment business

StarPOS



- Wholesale EFTPOS/payWave agreement under negotiations with world's leading payment processing Company
- Customers include any business looking to accept accept Visa, Mastercard and debit card payments
- Pursuing new long term contracts in Australia which are typically 3 year terms



Acquisition Advantages of ICP

- Stargroup will have Board (60%) and Shareholder Control (65%)
- 5 year Exclusive Distribution Agreement with NeoICP for ATMs, back office and coin counting hardware
- Wholesale pricing on ATMs, back office and coin counting technologies
- No re-compliance with Chapters 1 and 2 of the ASX Listing Rules
- \$15,000,000 in tax losses available to merged entity
- Tightly held register (240mil shares on issue post acquisition)
- Increased transactional turnover from combined networks will reduce switching costs with provider (Reducing sliding scale agreement with provider)
- Synergistic cost savings post merger
- Existing Sydney office and warehouse added to Stargroup distribution channel
- Inventory of ATMs held at Sydney office for future deployments



Other Acquisition Targets

Stargroup is targeting EPS accretive opportunities, such as

ATM NETWORK #1

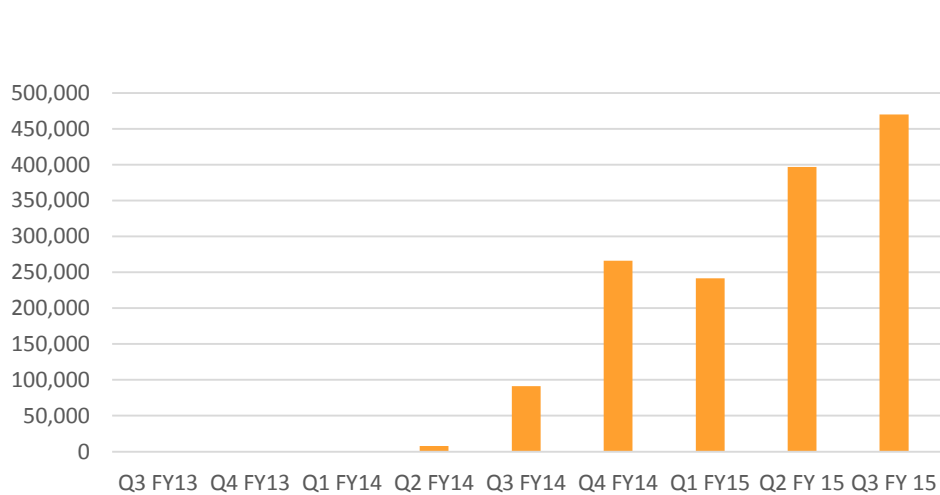
- 100 site ATM National Network
- EBITDA of \$1,000,000 per annum
- Equity pricing at VWAP of ICP share

ATM NETWORK #2

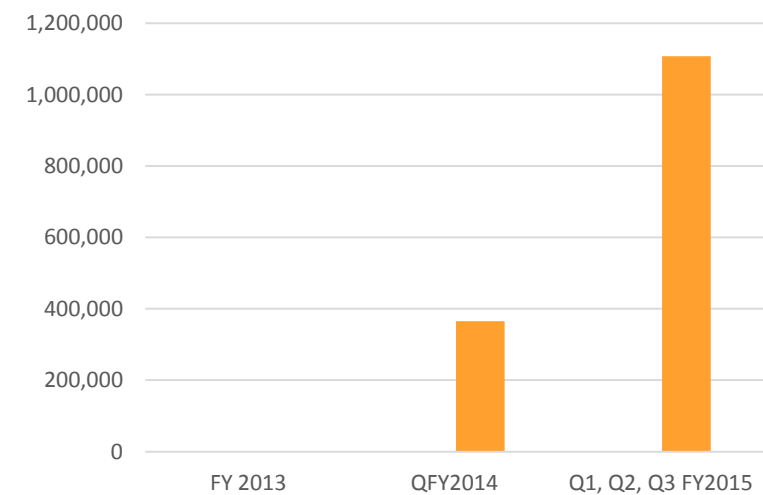
- 350 site ATM National Network
- ATM Switching Provider
- EBITDA of \$920,000 per annum

Revenue Profile (Consolidated)

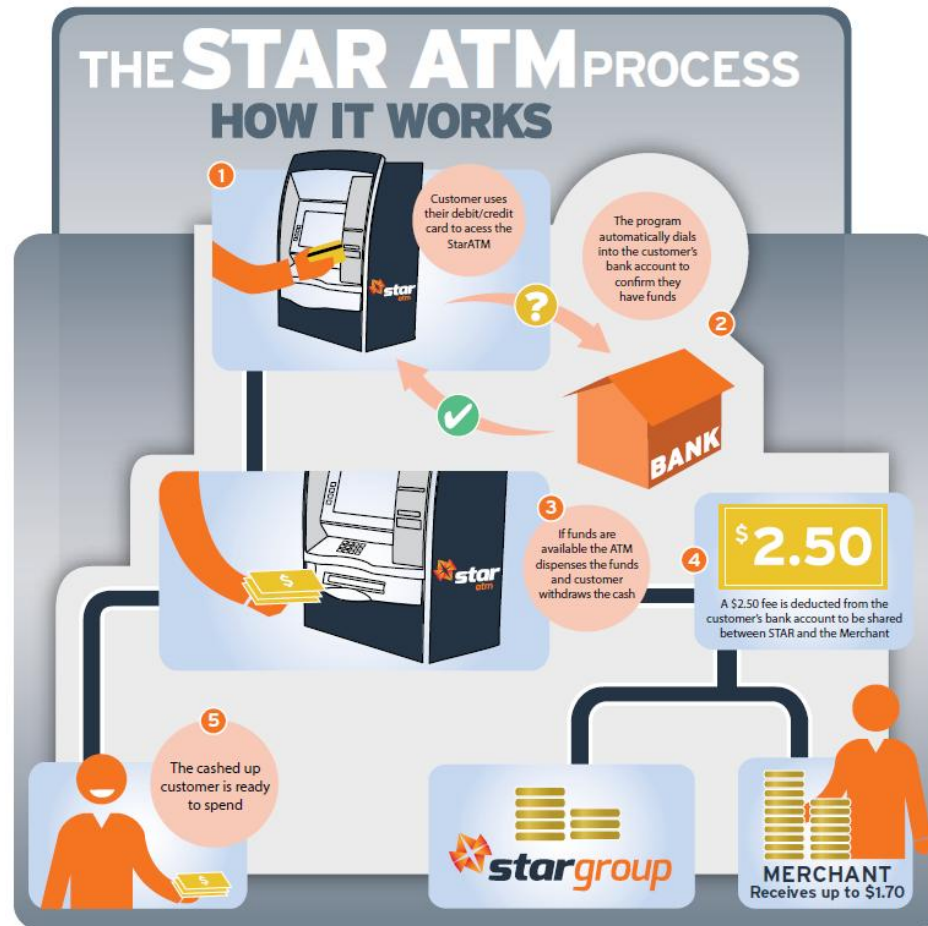
Quarterly Revenue



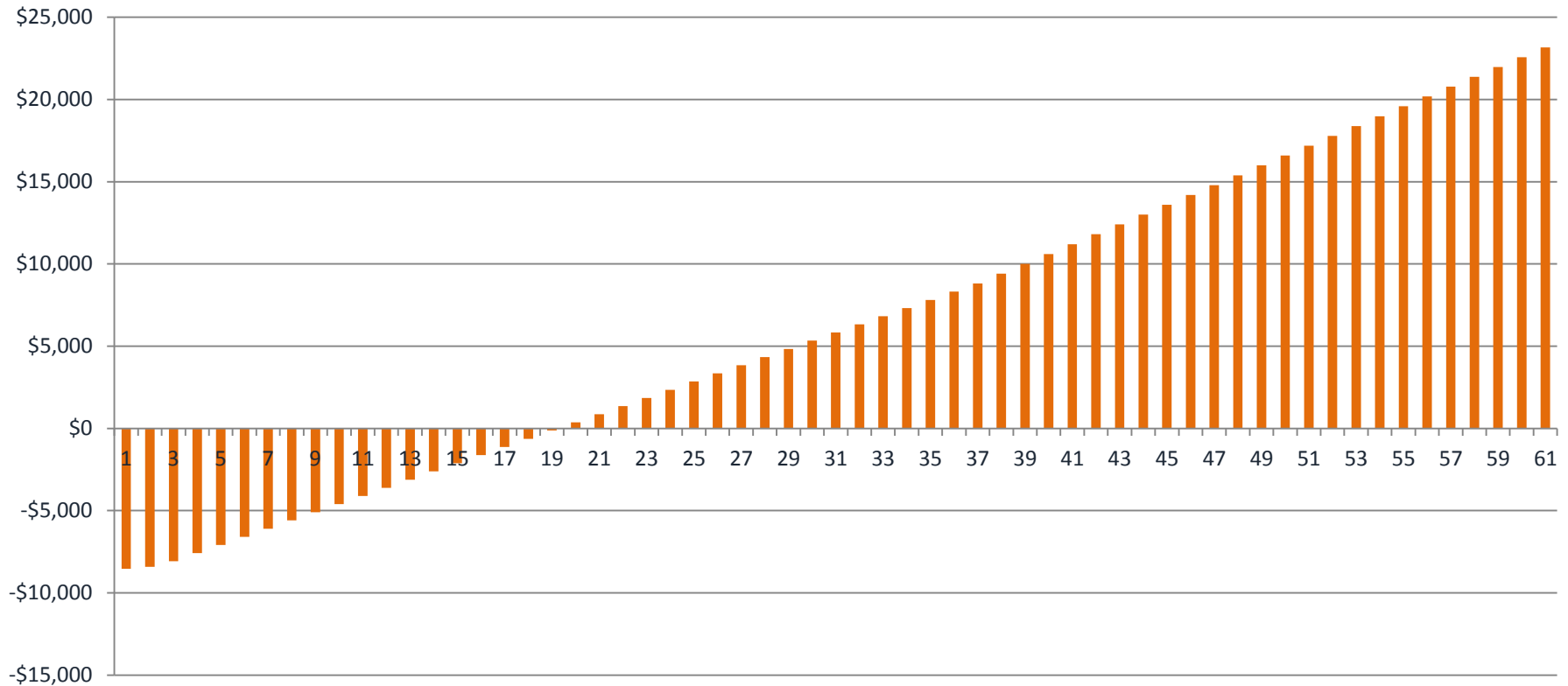
Annual Revenue FY 2013 – FY 2014 versus FY 2015



StarATM revenue explained

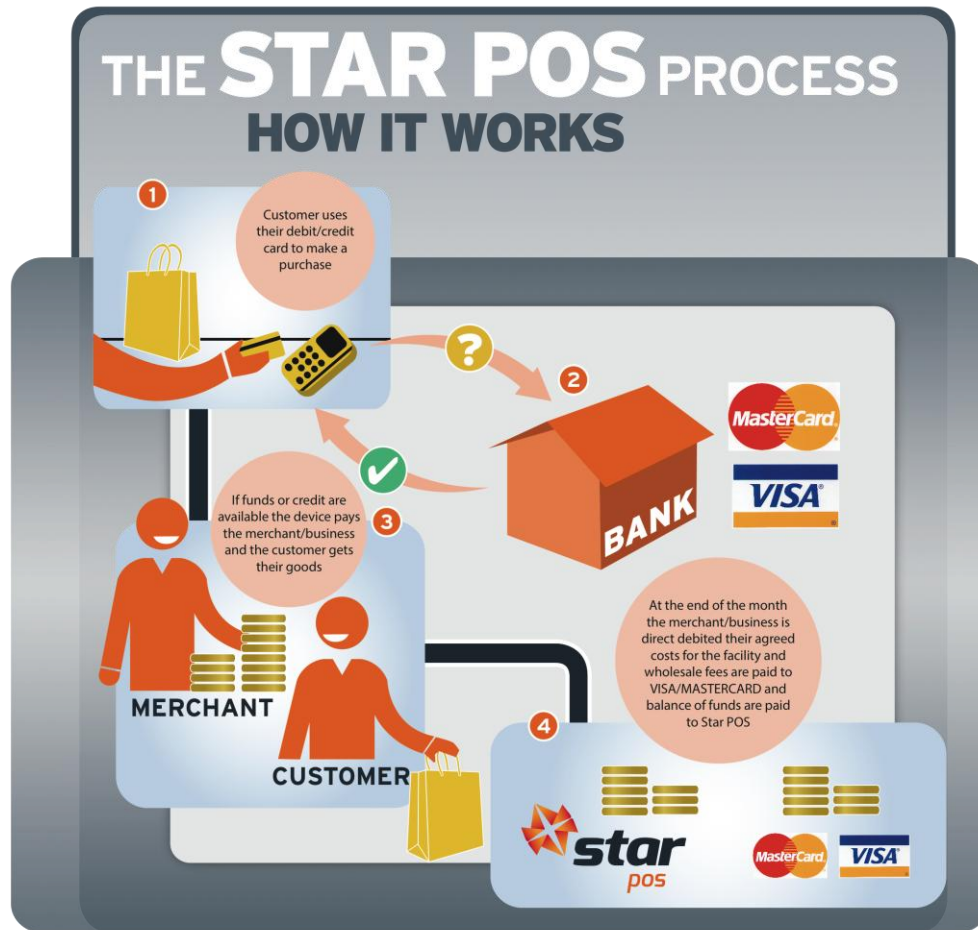


StarATM typical return on initial investment



- Typically an 18 month payback on initial capital investment

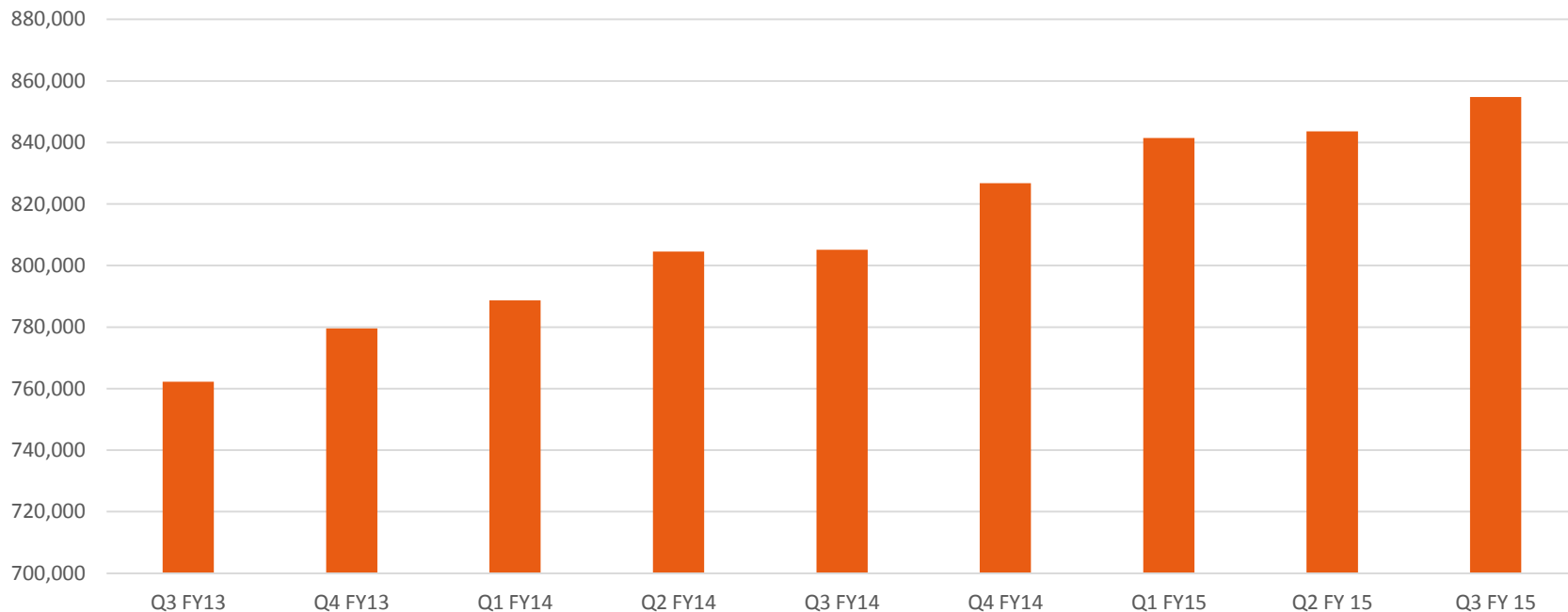
StarPOS revenue explained



- Direct competitor to all the major banks and other third party providers, including Tyro.
- Tyro installed their first machine in 2007 and in FY 2014 had >10,000 machines, turning over >\$24mil in revenue and an EBIT of \$4mil.
- Tyro installed all their own infrastructure and settlement servers to handle the processing and arguably have a greater cost of delivery than StarPOS given StarPOS has a wholesale arrangement with world leading providers.
- In a prior business, the management of Stargroup introduced more than 30,000 merchants to the major banks.

EFTPOS/Paywave terminals growing rapidly in Australia

Number of EFTPOS/PayWave Terminals in Australia



- **Significant increase in number of terminals since June 2014 attributed to Australia's early adoption of PayWave technologies which is expected to increase**

Catalysts

Q3 (July – Sep)

- Completion of merger
- Launch of StarPOS
- Execution of 5 year Exclusive Distribution Agreement with NeoICP for ATMs, back office and coin counting hardware
- Potential EPS Accretive Acquisitions
- Launch of ATM Recycler (multi bank depositing ATM)

Q4 (Oct – Dec)

- Quarterly Trading Update
- Completion of Major Pilot of Casino Gaming hardware in 4 Macau Casinos by NeoICP (Upon successful completion a 2,000 order commitment)

In Summary

- Recurring revenue from long term contracts in ATM business
- Growth in EFTPOS/PayWave business in Australia will be captured by StarPOS division in FY2016
- Multiple targets under contract being rolled up into ATM business
- Acquisition of ATM Switching and Processing business will see significant economies of scale and significantly reduce lead times to bring new technologies to market
- Disruptive new technologies including the intelligent deposit/recycling ATMs and casino back office technology being launched in FY2016
- Highly experienced Board and Management Team with over 75 years experience and track record of building large scale operations
- Growing revenue base from multiple divisions
- Significant catalysts expected to be delivered by calendar year end

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Backup Slides

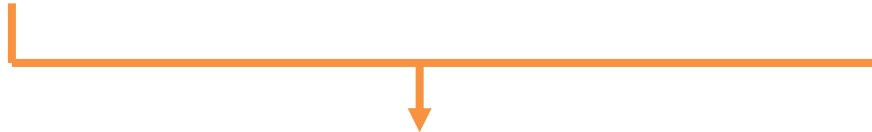
Corporate Deal Flow

Stargroup Ltd

- 31,050,000 Shares | date of ICP Announcement
- 30,000,000 Shares | at \$0.10 to raise \$3,000,000 (at \$0.035 in ICP equivalent)
- 61,500,000 Shares | at completion



- 61,050,000 Shares in Stargroup swapped for 157,142,857 Shares in ICP at \$0.035



iCash Ltd (ASX : ICP)

- 76,784,631 Shares | currently on issue
- (7,678,463) Shares | involved in buy-back
- 14,285,714 Shares | at \$0.035 to raise \$500,000
- 83,391,882 Shares | pre-Acquisition

Stargroup Ltd (ASX : STL)

- 83,391,882 Shares | 34.67% owned by ICP
- 157,142,857 Shares | 65.33% owned by Stargroup
- 240,534,739 Shares | at completion at \$0.035, market cap of \$8,418,745
- Substantial ownership interest in NeoICP, Korean manufacturer of ATMs, etc.
- \$3mil in cash | at completion