

ASX Release
13 October 2015

Investor Update

Stargroup Limited (**Stargroup**) (ASX : STL) is pleased to provide a copy of the investor presentation by its CEO and Executive Chairman, Todd Zani, to be held in Hong Kong this week.

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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 (ASX : STL)
Investor Update

October 2015



How Do We Make Money?

The ASX's Only Vertically Integrated, Australian Automatic Teller Machine ("ATM") Deployment Company



- Wholesale Distributor of ATMs, Recycler ATMs, RATM and Back Office Technologies



- ATM Deployment Company



- EFTPOS and payWave Terminal Provider

Corporate Overview

Major Shareholders	% Ownership
Directors, management, related parties	55.07
Top 20	72.25
Hover Holdings Pty Ltd	19.60
NeolCP Korea Inc.	12.25
Dream Bright Nominees Pty Ltd	10.74
Todd Zani	7.29

Corporate Snapshot	
ASX Code	STL
Cash and Deposits	2.6mil
Market Cap (\$0.035/share)	8.7mil
52 week high (\$/share)	0.077
52 week low (\$/share)	0.023
Shares on issue	248mil

Board of Directors



Todd Zani
Chairman | CEO



Shaun Sutton
Executive Director



Zaffer Soemya
Non-Executive
Director



Jongho Kim
Non-Executive
Director



Taejin Kim
Non-Executive
Director

Board of Directors

Executive Chairman and CEO | Todd Zani

- Mr Zani was the founder of Ezeatm in early 2000 and subsequently vended that business into Ezeatm Limited in 2011, which became the largest ASX listed ATM deployer with a market capitalization of \$34.45 million. Mr Zani is a Chartered Accountant with over 25 years experience and is a director of Ezetax Pty Ltd, a chartered accounting firm he founded in 1999. Mr Zani was the CEO and CFO of Ezeatm from 2006 to 2013.

Executive Director and COO | Shaun Sutton

- Mr Sutton has extensive experience in running and operating ATM networks in the Australian ATM industry and was for the former National Logistics Manager of Ezeatm Limited.

Non Executive Director | Zaffer Soemya

- Mr Soemya is the General Manager of a medium-sized engineering company specializing in the installation, maintenance and design of bulk material handling and processing equipment in Western Australia. Mr Soemya was a director of Ezeatm Limited from its listing on the ASX in October 2011 and oversaw the ASX listing and rapid growth of the business.

Non Executive Director | Taejin Kim

- Mr Kim is a trained attorney-at-law, holding degrees at Masters from both the Korean University and the University of California. He is a partner of K & P Law Firm, Seoul, Korea and has served as external legal counsel to NeolCP for a number of years.

Key Investment Highlights

- Proven monetization model and profitable business post completion of EPS accretive acquisition announced on 1 October 2015
- Highly experienced Board and Management Team with over 75 years experience and track record of building large scale operations
- Recurring revenue from long term contracts in both ATM and EFTPOS Businesses
- Gross revenue FY 2015 \$1.5mil, Increased by 840%. Estimated revenue for FY 2016 \$4.5mil, Increase of 200%. (Potential for additional revenue from the launch of the EFTPOS and RATM technologies)
- Attractive entry point, EV of \$5mil, 1 x FY16 Gross Revenue
- Growth in EFTPOS/PayWave business in Australia will be captured by StarPOS division in FY2016
- Further EPS accretive ATM acquisition opportunities
- 5 year Exclusive Distribution Agreement of world leading ATM, back office and casino settlement solutions
- Significant catalysts expected to be delivered by calendar year end, including but not limited to, large preferred supplier deals in both StarATM and StarPOS, the launch of the recycler ATM and casino settlement solutions.

Key Investment Highlights cont...

Stargroup is the only ASX Company that has a direct ownership interest in the manufacturer of its ATMs!

- Direct ownership interest in NeolCP, the manufacturer of the ATMs, back office and casino settlement solutions
- NeolCP is a private South Korean Company with >80% of the back office market with the following conglomerate customers in Korea



- NeolCP at 30 June 2015 had AUD\$26.6mil in net assets
- NeolCP recorded an EBITDA of AUD\$1.6mil and NPAT of \$1mil for the year ended 30 June 2015.
- Stargroup's direct ownership interest of 19.25% is conservatively valued on its books at just \$938,368. Arguably the real value of this interest is > \$5mil and will be revalued in FY 2016.
- NeolCP is currently finalizing the pilot of its unique casino settlement solutions with 4 major casinos in Macau with significant orders expected in FY 2016.

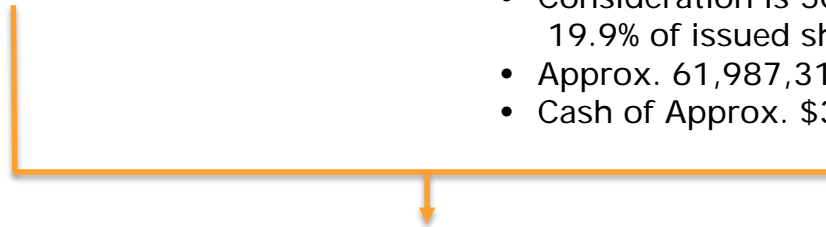
Stargroup's First Acquisition as part of a long term strategy to become a significant player in the Australian ATM Market

Stargroup Ltd (ASX : STL) pre Acquisition

- 248,213,202 Shares | at date of Announcement
- 85,714,285 Shares | pre Announcement of a fully underwritten rights issue for a minimum of \$3,000,000 at \$0.035

Cash+ Network

- Approx \$6,500,000 purchase price
- 109 ATMs generating \$1,300,000 EBITDA
- Consideration is 50% cash | 50% Equity capped at 19.9% of issued shares at \$0.04 per share
- Approx. 61,987,314 Shares at \$0.04
- Cash of Approx. \$3,250,000 to \$4,000,000.



Stargroup Ltd (ASX : STL) post Acquisition of Cash+ Network

- 230 ATMs | Gross Annual Transactions of 1.8mil and Gross Revenue of >\$4.5mil
- 388,236,338 Shares | at completion at \$0.04, market cap of \$15.5mil
- Directors, management and related parties | 41.75%
- \$1.2mil in cash | at completion | Profitable business

Current Growth Drivers

StarATM

- New Intelligent Deposit/Recycling ATM technology certification to complete in October
- New tenders being pursued with large Australian businesses
- New EMV technology upgrades required by Australian businesses and significant upgrade revenue agreed with major customer (1,000 ATMs)
- In negotiation with multiple targets for EPS accretive roll up

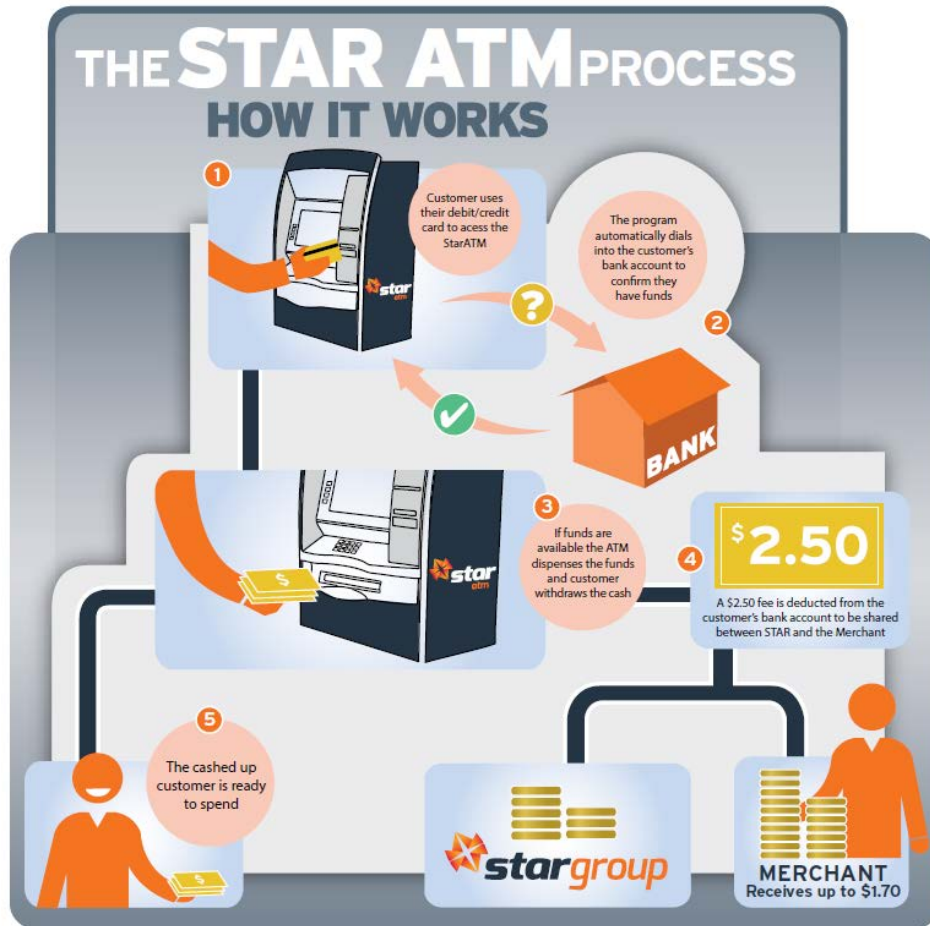


StarPOS

- 5 year wholesale EFTPOS/payWave agreement signed with world's leading payment processing Company
- First terminal installed in late July and soft pilot concluded in September
- Customers include any business looking to accept accept Visa, Mastercard and debit card payments
- 3 year contracts with merchants
- Actively pursuing preferred supplier status with one of the largest Australian buying groups



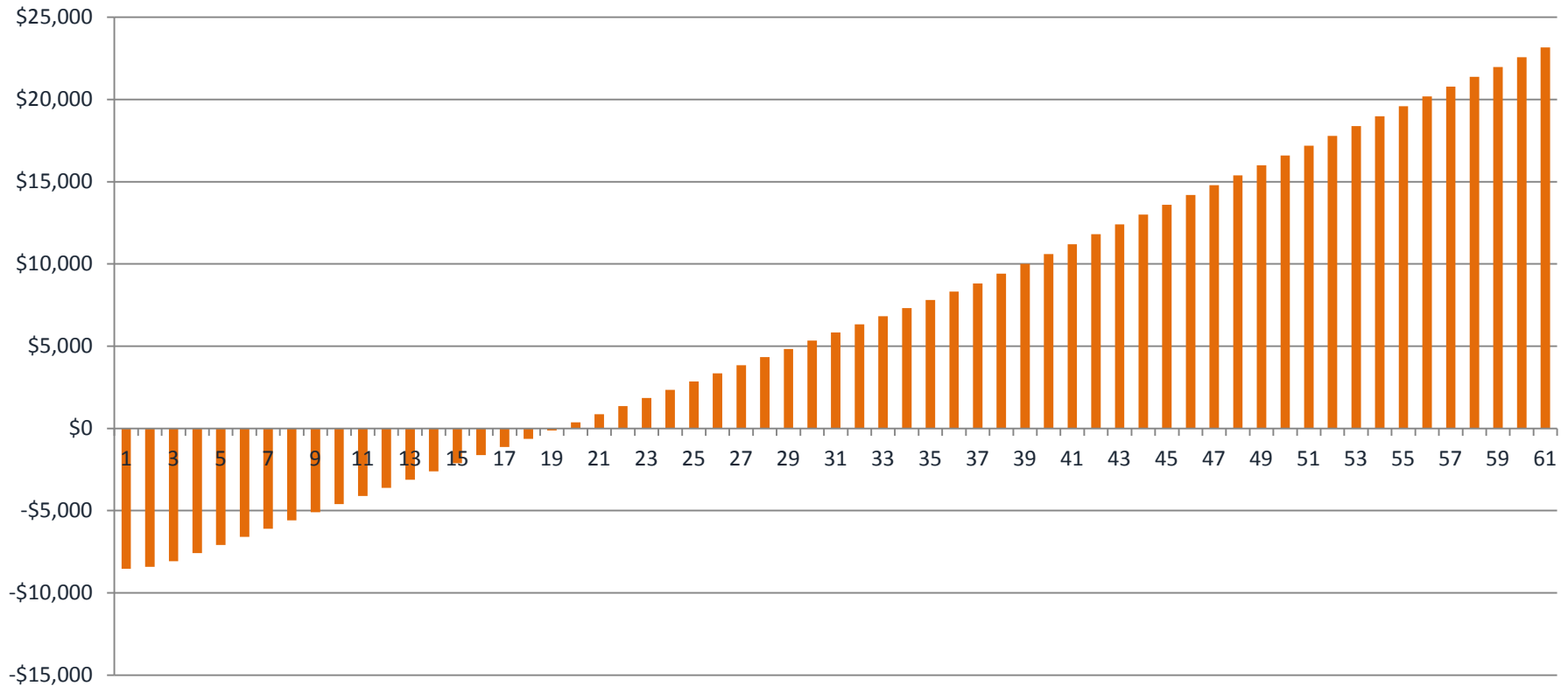
StarATM revenue explained..\$0.60 to \$1.50 net fee to Stargroup



StarATM/Star Payment Systems Process

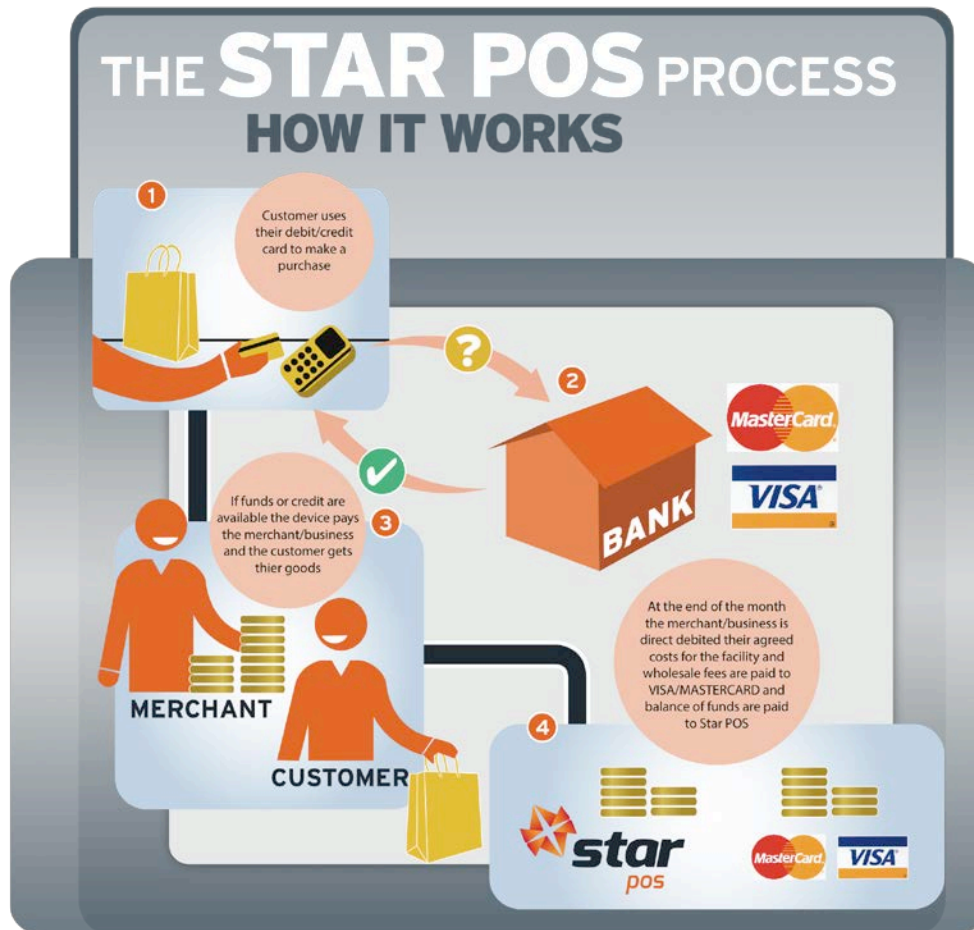
- \$2.50 direct charge to customer for making a withdrawal or balance enquiry from our ATMs.
- \$0.20 fee payable to the switching company for the processing of each withdrawal and balance enquiry transactions
- \$0.80 to \$1.70 fee payable to the business owner where the ATM is located. The fee is dependent upon whether or not the business owner/merchant provides the cash float in the ATM.
- \$0.60 to \$1.50 net fee to Stargroup depending on the individual ATM contract in place at each site
- Internal rate of return is based on a net profit of \$400 per machine, per month

StarATM typical return on initial investment per ATM



- Typically an 18 month payback on initial capital investment

StarPOS revenue explained.... 0.30% to 1.55% to Stargroup

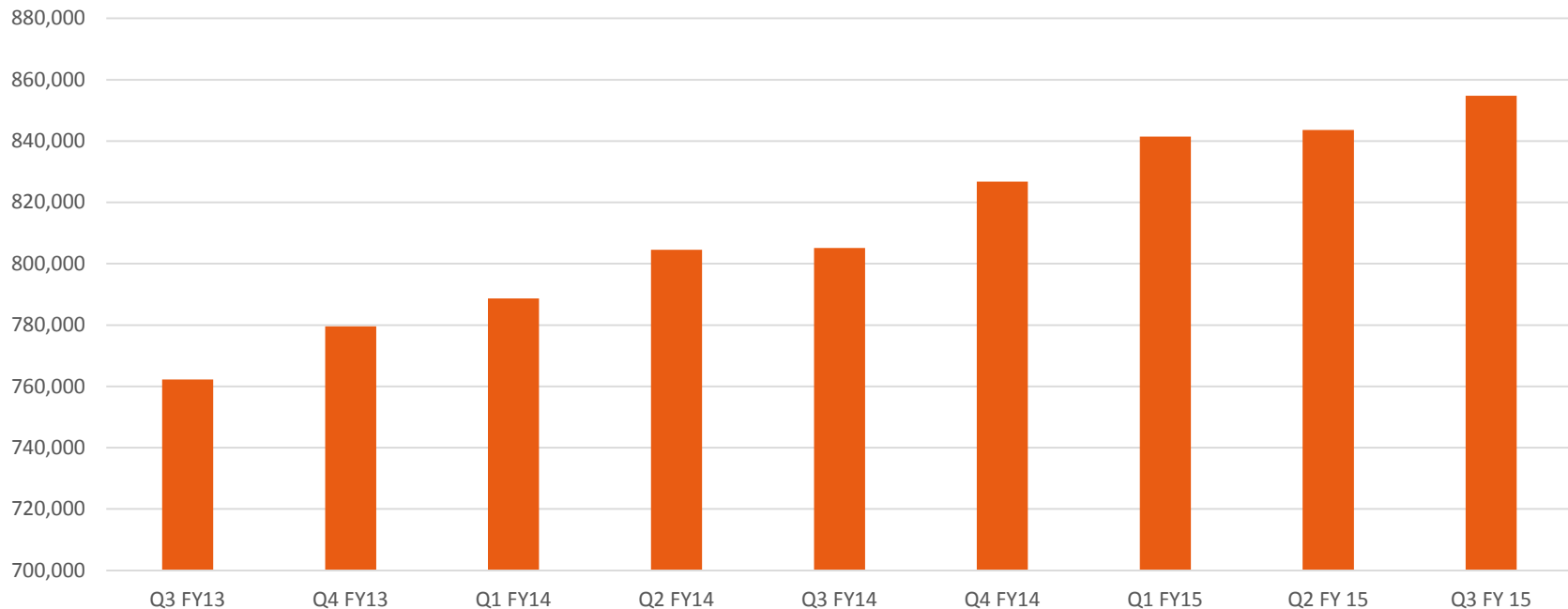


StarPOS Process

- A 1.00% to 2.50% fee is charged to the business owner for acceptance of VISA and Mastercard based on their card payment metrics
- A \$0.33 fee is charged for the processing of Debit Card transactions
- A 0.70% to 0.95% fee is charged to StarPOS for the processing of VISA and Mastercard transactions dependent upon the type of card used by the customer.
- A \$0.22 fee is charged to StarPOS for the processing of debit card transactions
- The average EFTPOS device in Australia processes approximately \$27,000 per month in VISA and Mastercard transactions (219 transactions) and \$24,000 in debit card transactions (410 transactions)

EFTPOS/PayWave terminals growing rapidly in Australia

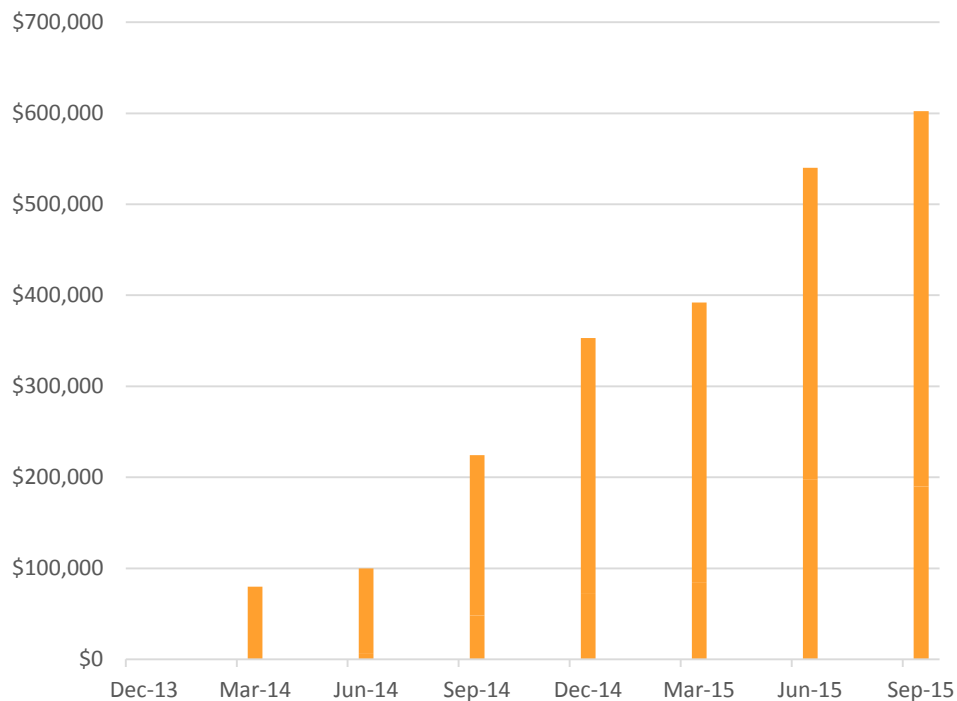
Number of EFTPOS/PayWave Terminals in Australia



- Significant increase in number of terminals since June 2014 attributed to Australia's early adoption of PayWave technologies. A large number of current EFTPOS machines in the market are not PayWave ready, creating an opportunity for StarPOS to provide the new technologies to businesses.

Revenue Profile (Consolidated): Material Growth from ATM Rollout Program and Cash+ Purchase

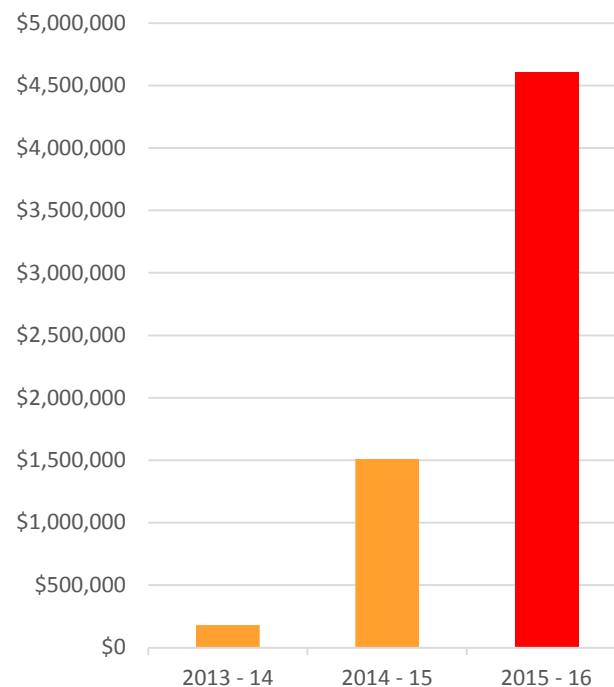
Quarterly Revenue



Qtrly Revenue Update

- 12% increase in revenue in last quarter (38% in June quarter)

Actual Revenue FY 14, FY15 and Projected FY16



Annual Revenue Update

- 840% increase in revenue in last financial year 305% projected revenue increase in 2015-16

Merger Completion and ASX Announcements | Jul/Aug 2015

Stargroup Limited (ASX : STL, formerly iCash Payment Systems Limited ASX : ICP)



- Todd Zani appointed interim iCash CEO | 1 July 2015
- Stargroup and iCash 6th Record Quarter | 29 July 2015
- iCash Payment Systems Limited EGM held and the shareholders unanimously accepted the merger with Stargroup Limited (Approx. 98% YES vote) | 29 July 2015



- Substantial Shareholder Notices for Ognenis Group, Todd Zani, Michelle Zani and NeoICP with collectively 49.88% of shares held | 7 August 2015
- Equal Access Scheme Buy-Back Offer Open | 11 August 2015



- Updated Securities Trading Policy | 14 August 2015
- Change in Directors Interest Notice | Shaun Sutton | 14 August 2015
- Execution of 5 Year Distribution Agreement with NeoICP | 17 August 2015



- Increase in Substantial Shareholding of NeoICP from 7.54% to 12.25% via off market purchases at \$0.06 | 18 August 2015
- Increases in Substantial Shareholding of Ognenis Group from 18.25% to 19.60% | 19 August 2015

Merger Completion and ASX Announcements | Aug/Sep/Oct 2015

Stargroup Limited (ASX : STL, formerly iCash Payment Systems Limited ASX : ICP)



- Investor Update | 25 August 2015
- Equal Access Scheme Buy-Back Offer Closed | 28 August 2015
- Preliminary Final Report | 1 September 2015
- Chairman's Letter | 9 September 2015
- Change of Directors Interest Notice | Zaffer Soemmya | 11 September 2015
- NeolCP Announces 2015 Results | 25 September 2015
- Annual Report | 30 September 2015
- Appendix 4G and Corporate Governance Statement | 30 September 2015
- Stargroup to Acquire Quality Unlisted ATM Network | 1 October 2015
- Stargroup 7th Record Quarter | 7 October 2015



Catalysts (Upcoming and delivered)

Q3 (July – Sep)

- ✓ Completion of merger (Announced 7 August 2015)
- ✓ Launch of StarPOS (Commenced soft pilot first week of July. Launch 1 September on track)
- ✓ Execution of 5 year Exclusive Distribution Agreement with NeolCP for ATMs, back office and coin counting hardware (Announced 17 August 2015)
- ✓ Potential EPS Accretive Acquisitions | StarATM (Announced 1 October 2015)

Q4 (Oct – Dec)

- Imminent Preferred Supplier Status for large Australian business | StarPOS
- Launch of ATM Recycler (multi bank depositing ATM) | StarATM
- Launch of Preferred Supplier EFTPOS Agreement for large Australian business | StarPOS
- ✓ Annual Results (historic results for iCash for FY 2015) | iCash (Announced 30 September 2015)
- ✓ Quarterly Trading Update | Stargroup (Announced 7 October 2015)
- Potential preferred Supplier Status for large Australian business | StarATM
- Investment in NeolCP | Completion of its Major Pilot of Casino Gaming hardware in 4 Macau Casinos

In Summary

- STL will be profitable post Cash+ acquisition
- 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
- 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

Media

Print and Digital Media

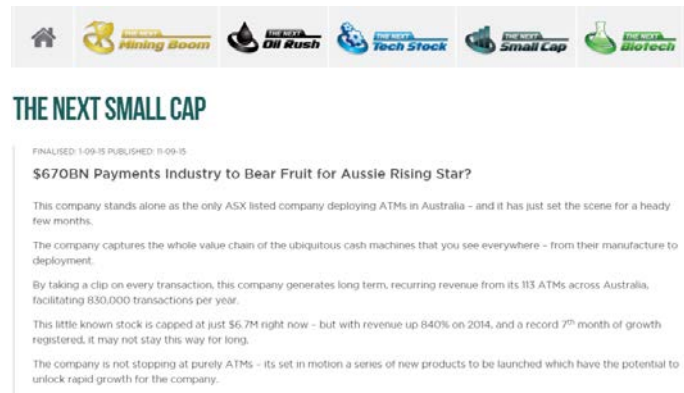
- Sunday Times | "ATM set to cash in on recycling" (7 June 2015)
- Business News | "Zani banks on breakthrough ATMs" (29 June 2015)
- Business News : Bulls n Bears | "iCash growth strategy to follow Stargroup merger" (3 August 2015)
- Business News : Bulls n Bears | "iCash Stargroup merger completes" (7 August 2015)
- Business News | "Stargroup to bank big savings on ATMs" (17 August 2015)
- Business News | "Koreans weigh into Stargroup at above market price" (17 August 2015)



Media (continued)

Print and Digital Media

- The Next Small Cap | “\$670BN Payments Industry to Bear Fruit for Aussie Rising Star?” (1 September 2015)
- Business News | “Zani lays out vision for ATM machine upstart” (9 September 2015)
- Business News : Bulls n Bears | “Passive investment pays for Stargroup” (29 September 2015)
- Proactive Investors | “Stargroup to be cash flow positive following acquisition” (30 September 2015)
- Business News | “Stargroup in \$6.5m assets buy” (1 October 2015)
- Banking Day | “Stargroup buys Cash Plus ATM Network” (1 October 2015)
- Business News : Bulls n Bears | “Stargroup in the black after quality acquisition” (1 October 2015)
- Business News | “Stargroup books 7th record quarter from ATM’s” (7 October 2015)



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