

ASX Release
30 August 2016

INVESTOR UPDATE

Stargroup to distribute next generation payment solutions in Australia and New Zealand

HIGHLIGHTS

- Stargroup signs a five year distribution deal for EFTPOS terminals and software with West International AB via its 100% owned subsidiary StarApps
- StarApps to release next generation payment solutions and applications in Australia and New Zealand
- StarApps commits to acquire 2,000 EFTPOS terminals per year and to develop unique EFTPOS software for Australian and New Zealand markets

The Board of Stargroup Limited ("**Stargroup**", **ASX:STL**) is pleased to announce that through its wholly owned subsidiary, StarApps Pty Ltd ("**StarApps**"), it has signed a Distribution Agreement with West International AB ("**West**") a public company listed on the Swedish NASDAQ OMX First North Exchange, to distribute next generation EFTPOS payment terminals and solutions in Australia and New Zealand.

Todd Zani, Stargroup's Executive Chairman and Chief Executive Officer said. *"We are very excited about partnering with West for the next generation of payment solutions in Australia and New Zealand. Their technology, and more importantly being in control of the source code within the terminals, gives Stargroup the edge in a number of merchant sectors."*

***"..in control of the
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Stargroup's objective is to become the largest ISO in the payment technology industry in Australia, controlling not only the "cash in" and "cash out" cycle via its ATMs and Recycler ATMs but to also be a dominant player in the ISO EFTPOS and payment technology industry. The current dominant ISO player has circa 15,000 EFTPOS terminals and the ownership of the source code. The ability to develop API and other open source software with our technology partners and customers is very exciting.

"Our ATM division is profitable and well established and I look forward to cementing our position in the EFTPOS and card payment industry over the course of the next 12 months."

"..ATM division is profitable..."

"With circa 900,000 EFTPOS terminals installed in Australia and the industry growing at around 60,000 terminals a year, this is a huge opportunity."

"Owning the source code will allow us to fast track the finalisation and customisation of our EFTPOS solutions for our technology partners that we have already contracted with and that have over 16,500 member businesses and greater than 45,000 businesses that they assist on a daily basis."

"..fast track the finalisation and customisation... aim to be the No. 1 ISO... in 2017!.."

"I firmly believe we can achieve our aim to be the No. 1 ISO in the EFTPOS and payment industry by the end of 2017."

Sten Karlsson, CEO of West, said: *"I am very proud to start this partnership with Star, Australia's leading supplier of payment infrastructure. It is a perfect pairing of two companies sharing the same vision for the future of payments. The deal will have significant impact on West's continued international expansion and growth".*

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 merged with iCash Payment Systems Limited (ASX:ICP) on 7 August 2015 and as part of the acquisition 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.

Stargroup Limited, via its wholly owned subsidiary, StarPOS, is also an EFTPOS and payWave technologies provider via its leveraged wholesale Visa and Mastercard agreement.

About West

West supplies smart transaction and payment solutions that help the company's customers to rationalise trade in physical environments.

West provides the infrastructure for the payment methods demanded by the market in the form of reliable card payment terminal solutions. These are certified to meet the card industry's highest security requirements and are prepared for the mobile card payments of the future.

Customers comprise systems integrators, distributors and end customers in the retail, retail banking and HORECA sectors.

West was founded in 1988 and has been listed on Nasdaq First North Stockholm since 2007. The head office is in Stockholm, Sweden. More information is available on www.westint.se