

ISSUE OF 2017 PERFORMANCE SHARES

Stargroup Limited (**ASX : STL**) ("**Stargroup**" or the "**Company**") wishes to advise that the Company has issued 1,875,000 fully-paid ordinary shares in the capital of the Company (the "**2017 Performance Shares**") to the following shareholders:

| Shareholder | Beneficial Owner | Number of Shares |
|--|------------------|------------------|
| Tomialcocl Pty Ltd <Tomialcocl Family A/C> | Todd Zani | 1,000,000 |
| NeolCP Korea Inc | - | 500,000 |
| Jason Matthew Warren | - | 375,000 |
| Total | | 1,875,000 |

These shares represent the vesting of the 2017 Performance Shares which are the second of four Performance Share tranches which were approved by the members of the Company at the extraordinary general meeting held on 29 July 2015 and subsequently amended at the annual general meeting and special meeting held on 29 November 2016.

The milestone for the second tranche was the installation of 500 ATMs and annualised earnings of \$5 million by 30 June 2017. The Company is pleased to advise that at the date of this announcement that the Company has greater than 500 active ATMs and has achieved year to date revenues of more than \$9 million which is well above the revenue milestone set for key management personnel.

Further, the third tranche, namely the 30 June 2018 Performance Shares, have a milestone of 750 ATMs and annualised EBITDA of \$10 million and the 30 June 2019 Performance Shares, have a milestone of 1,000 ATMs and annualised EBITDA of \$15 million.

Attached is an updated Appendix 3B.

FURTHER INFORMATION

For further information, please contact:

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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 subsidiary StarLink, became an ATM processing, switching and telecommunications business on 5 May 2017 and now has over 2,400 ATMs under management, processing approximately 16 million transactions a year.

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.

About NeolCP

Stargroup Limited owns 11.28% of NeolCP Korea Inc, a South Korean private company that provides integrated and innovative self-service solutions to the banking and retail market.

NeolCP has brought together a combination of innovation, expertise and quality service to become a global leader in the ATM manufacturing industry and a technology leader in cash management and cash handling solutions.

As at 31 December 2016, NeolCP had \$16.7 million in net assets and half yearly revenues of \$13.2 million, an EBITDA of \$1,111,183 and a NPAT of \$853.705.