

**Blue Star Capital plc  
("Blue Star" or the "Company")**

**Placing to raise £0.65 million**

**Director Dealing**

**Proposed further investment in SatoshiPay**

**Proposed issue of Warrants**

**Notice of General Meeting**

Blue Star Capital plc (AIM: BLU), the investing company with a focus on new technologies, is pleased to announce that it has entered into a conditional agreement to acquire 2,133 ordinary shares in the capital of SatoshiPay Ltd ("SatoshiPay") ("SatoshiPay Sale Shares"), which, if completed, would increase the Company's holding in SatoshiPay to approximately 31.1 per cent. (the "Acquisition"). SatoshiPay is a nanopayment software and blockchain company.

The total consideration for the Acquisition is €725,220 (approximately £649,790) payable in cash to Seedcoin Limited, a subsidiary of Coinsilium Group Limited ("Coinsilium") which is the existing holder of the SatoshiPay Sale Shares.

The Company has conditionally raised approximately £650,000 through the proposed issue of 325,000,000 new ordinary shares of 0.1 pence each ("Ordinary Shares") at a price of 0.20 pence per Ordinary Share ("Placing Shares") which will be used together with the Company's existing cash resources to satisfy the consideration payable for the Acquisition.

The issue of the Placing Shares, the Seller Warrants and the Director Warrants is conditional on, *inter alia*, Shareholders approving certain resolutions at a General Meeting, notice of which is being posted to shareholders today and which will be available on the Company's website shortly. The General Meeting is to be held at the offices of Cairn Financial Advisers LLP at Cheyne House, Crown Court, 62-63 Cheapside, London, EC2V 6AX on 21 July 2017 at 11.30 a.m.

The Company has also agreed, conditional on completion of the Acquisition, to grant Coinsilium 85 million warrants over new Ordinary Shares, of which 42.5 million are exercisable at a price of 0.6 pence per Ordinary Share (representing a premium of 200% in comparison to the Placing Price) and 42.5 million are exercisable at a price of 0.8 pence share for a 3 year period from completion of the Acquisition (together the "Seller Warrants"). In addition, the Directors also propose to grant the CEO of the Company, Anthony Fabrizi, warrants over 25 million Ordinary Shares, exercisable at a price of 0.25 pence per Ordinary Share ("Director Warrants") for a period of 3 years.

Tony Fabrizi, CEO of Blue Star commented:

"We are delighted to have increased our shareholding in SatoshiPay to over 30%. We continue to believe the potential for SatoshiPay's solution is significant. Recent enhancements to SatoshiPay's product offering has increased the Blue Star board's confidence in the company and we are delighted to have achieved a second increase in shareholding at the same valuation as our initial investment."

**Background and terms of the additional investment in SatoshiPay**

The Company currently has a 19.01% shareholding in SatoshiPay following an initial subscription for 1,886 SatoshiPay Shares at a price of €340 per SatoshiPay Share in January 2017 and the acquisition of 1,471 SatoshiPay Shares, also at a price of €340 per SatoshiPay Share, which completed in March 2017. Following completion of a fundraise by SatoshiPay of approximately €1.0 million in aggregate in March 2017, SatoshiPay, had a post-new money valuation of approximately €6 million.

The Directors believe that whilst SatoshiPay is still at a relatively early stage of development, it is making good progress regarding commercialisation of its payment platform and that the proposed further investment in SatoshiPay, at similar consideration levels to Blue Star's investment in SatoshiPay to date (excluding the Seller Warrants), offers an excellent opportunity for the Company to increase its shareholding in SatoshiPay with the aim of creating future value for Shareholders. Accordingly, the Company has entered into a sale and purchase agreement ("SPA") with Seedcoin, whereby it has agreed to purchase the SatoshiPay Sale Shares for a total consideration of €725,220, equivalent to a price of €340 per SatoshiPay Further Sale Share.

The SPA is conditional upon, amongst other things:

- the passing of resolutions to be proposed at the General Meeting ("Resolutions");
- approval by the existing shareholders of SatoshiPay of the Acquisition; and
- Admission of the Placing Shares to trading on AIM ("Admission").

Subject to, *inter alia*, the Resolutions being passed at the forthcoming General Meeting, Blue Star's total holding in SatoshiPay will increase to 5,295 SatoshiPay Shares (being a 31.1 per cent. holding).

### **Placing and Director Dealing**

The Company has received subscriptions from placees to subscribe for 325,000,000 new Ordinary Shares ("Placing Shares") to raise gross proceeds of £0.65 million. The Placing is conditional on, *inter alia*, the passing of the Resolutions at the General Meeting, receipt of funds, completion of the Acquisition and Admission.

The net proceeds of the Placing of approximately £0.59 million together with existing cash resource of the Company, will be used to make the Acquisition.

Subject to the conditions above being met, application will be made for the Placing Shares to be admitted to trading on AIM. Subject to completion of the Placing it is anticipated that Admission will occur at 8.00 a.m. on or around 24 July 2017. Following admission of the Placing Shares to trading on AIM, the Company's enlarged issued share capital will comprise 1,702,900,313 Ordinary Shares ("Enlarged Share Capital").

Anthony Fabrizi, the Company's CEO, has subscribed for 5,242,041 Placing Shares at the placing price of 0.2 pence per share for a total subscription of £10,484 ("Director Shares"). Assuming completion of the Placing, Anthony Fabrizi will be interested in a total of 25,000,000 ordinary shares, representing 1.5% of the Enlarged Share Capital.

The subscription for the Director Shares, which remains conditional on Shareholder approval, constitutes a related party transaction under the AIM Rules. The independent Director, having consulted with Cairn Financial Advisers LLP as the Company's Nominated Adviser, considers the terms of this transaction to be fair and reasonable in so far as Shareholders are concerned.

### **Director Warrants**

The Directors propose to grant the Company's CEO, Anthony Fabrizi, warrants over 25 million Ordinary Shares, exercisable at a price of 0.25 pence per Ordinary Share, representing a premium of 25% to the Placing Price ("Director Warrants"). The Director Warrants are exercisable for a period of 3 years from the date of grant.

The Directors have historically drawn relatively low fees in relation to the Company with the CEO receiving director fees of £30,000 in the year ended 30 September 2016. Additionally, the Directors do not currently have any option scheme or warrants issued to them. Therefore, the Directors believe that the Director Warrants will help to align the Director's interests with those of Shareholders.

The grant of the Director Warrants, which remains conditional on Shareholder approval, constitutes a related party transaction under the AIM Rules. The independent Director, having consulted with Cairn Financial Advisers LLP as the Company's Nominated Adviser, considers the terms of this transaction to be fair and reasonable in so far as Shareholders are concerned.

*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR"). In addition, market soundings (as defined in MAR) were taken in respect of the Placing and the Acquisition with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities*

For further information, please contact:

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***About Blue Star Capital Plc***

Blue Star is an investing company with a on new technologies. Blue Star's investments include a 19% holding in SatoshiPay, a nanopayment software and blockchain company; a holding in Disruptive Tech Limited, an investing company with five investments including a 38% holding in VNU Group LLC ("VNU") a speciality online direct retailer of premium goods paid for through an instant credit facility and a holding in Nektan PL; and an investment in Sthaler, an early stage identity and payments technology business which enables a consumer to identify themselves and pay using just their finger at retail points of sale.

***About SatoshiPay Ltd***

SatoshiPay is headquartered in London with development led through its office in Berlin. Angel funding for SatoshiPay Ltd was supplied by Axel Springer Plug & Play and Henning Peters, seed funding was raised through publicly listed companies Coinsilium Group (ISDX:COIN) and FastForward Innovations (LON:FFWD). Development of SatoshiPay's nanopayment product started in April 2015 and its beta version was released in February 2016. Find updated information at the company's website <https://satoshipay.io>, its blog <https://medium.com/@SatoshiPay> and Twitter @SatoshiPay.