

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

Proposed investment in SatoshiPay Ltd

Proposed Placing to raise up to £0.7 million

Blue Star Capital plc (AIM: BLU), the investing company with a focus on technology and its applications within media and gaming, is pleased to announce that it has entered into a conditional agreement to subscribe for an amount of €0.64 million in SatoshiPay Ltd, a UK incorporated private nanopayment software and blockchain company.

The Company has conditionally subscribed for 1,886 ordinary shares of SatoshiPay ("SatoshiPay Shares") at a price of €340 per SatoshiPay Share (the "SatoshiPay Subscription"), for total cash consideration of €0.64 million (the "Consideration"). SatoshiPay expects to raise a total of approximately €1 million in aggregate during this funding round (including the SatoshiPay Subscription and funding from other third party investors), which, if completed would result in Blue Star having an interest of approximately 10.68 per cent. valuing SatoshiPay at approximately €6 million following this fundraising.

In order to complete the SatoshiPay Subscription, the Company is seeking to raise gross proceeds of up to £0.7 million through the issue of up to 466,666,667 new ordinary shares of 0.1 pence each ("Ordinary Shares") (the "Placing") in Blue Star at a price of 0.15 pence per Ordinary Share (the "Issue Price").

The Company has received indications of interest from investors which would be sufficient to complete the Placing. The Placing will launch immediately following this announcement although there is no guarantee that the Placing shall be completed on the anticipated terms set out in this announcement or at all. The outcome of the Placing will be announced as soon as practicable following the close of a bookbuild exercise.

The Placing will be carried out within the Company's existing share allotment authorities and has not been underwritten. Further details on the proposed Placing and the intended SatoshiPay Subscription are set out below.

About SatoshiPay Ltd

SatoshiPay is developing a two-way payment platform, which enables online content providers to monetise their digital content through the acceptance of nanopayments. Using the SatoshiPay platform, online media companies are able to process nanopayments of €0.05 (5c) or less with minimal transaction fees. SatoshiPay technology can also process payments greater than 5c, but the company believes the real technical innovation is in relation to nanopayments, in some cases being less than 1c. SatoshiPay is based on blockchain technology and currently bitcoins (a cryptocurrency) are the only means of payment.

SatoshiPay believe its technology will provide a direct alternative to paywalls and subscriptions, currently adopted by some media companies, and should instead enable users to pay for consumption on a per article, per song or per download basis; or for content to be consumed and paid for on an incremental basis (payment per paragraph or minute of audio or video content). SatoshiPay works without software download or sign-up for the user (save for creation/top up of an online wallet). Payments are instant and the user's wallet balance is available on each website that integrates the SatoshiPay software.

In February 2016, SatoshiPay released a beta version of its product, which integrates with WordPress, the world's most popular web publishing platform. SatoshiPay introduced its first Application Programming Interface (API) in mid 2016, potentially extending the company's reach to all websites, internet applications (including mobile apps) and internet connected software. In July 2016, SatoshiPay announced a collaboration with Visa Europe's innovation department relating to a proof of concept project to develop the capability to deliver a trusted top-up service to a digital wallet, using just a Visa card. SatoshiPay made an unaudited loss of approximately €210,000 in 2016.

Further details regarding SatoshiPay are available at its website www.satoshipay.io

Further details on the SatoshiPay Subscription

The Company has entered into a conditional subscription agreement with SatoshiPay ("Subscription Agreement") whereby the Company has agreed to subscribe for 1,886 new ordinary shares of SatoshiPay for total cash consideration of €641,240 (approximately £0.56 million as at 13 January 2017). Completion of the SatoshiPay Subscription is subject to, *inter alia*:

- The Company having completed an equity fundraising to raise not less than £0.65 million before costs;
- Various representations and warranties remaining true, correct and complete upon completion of the SatoshiPay Subscription.

Completion of the Subscription Agreement together with completion of further investment by third parties into SatoshiPay of approximately €0.36 million (which is currently in the process of completing) would result in Blue Star owning approximately 10.68 per cent. of the enlarged issued share capital of SatoshiPay.

Pursuant to the Subscription Agreement, it is intended that the shareholders of SatoshiPay, including Blue Star, will enter into a Shareholder Agreement following completion of the Subscription Agreement. This agreement is expected to set out, *inter alia*, various items requiring the approval of 75 percent. of SatoshiPay's shareholders (including the transfer of any shares in the capital of the Company), rights of first refusal in relation to transfer of shares and issue of new shares, drag and tag along rights and various share vesting provisions.

Further details of the Placing

Subject to the Placing being subscribed for in full, completion of the Placing and issue of up to 466,666,667 new Ordinary Shares ("Placing Shares"), is conditional on, *inter alia*:

- receipt of funds;
- Admission of the Placing Shares to trading on AIM ("Admission"), which is expected to occur on or around 19 January 2017;
- the Subscription Agreement having been completed (subject only to payment of the subscription price to SatoshiPay following Admission);

The net proceeds of the Placing of up to £0.65 million will be used primarily to make the SatoshiPay Subscription. The remainder will be used for general working capital purposes for the Company.

Tony Fabrizi, CEO of Blue Star commented:

"We are delighted to be investing in SatoshiPay at this exciting stage in its development. We believe the market opportunity for SatoshiPay is potentially vast and we look forward to working with SatoshiPay's management to help maximise this opportunity."

Meinhard Benn, CEO of SatoshiPay commented:

"We couldn't be more excited to have Blue Star investing in us. They bring an excellent network in digital publishing and financial services and we are looking forward to working with them. Blue Star have been very supportive of our vision right from the first meeting. Their investment should help us to swiftly reach our target €1m funding round so that we can return to fully focussing on developing and marketing our product".

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR"). The Market Abuse Regulation ("MAR") became effective from 3 July 2016. Market soundings, as

defined in MAR, were taken in respect of the proposed fundraise and the proposed investment with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

For further information, please contact:

Blue Star Capital plc

Tony Fabrizi +44 (0) 777 178 2434

Cairn Financial Advisers LLP +44 (0) 20 7213 0880
(Nominated Adviser and Broker)
Emma Earl/Jo Turner

About Blue Star Capital Plc

Blue Star is an investing company with a focus on technology and its applications within media and gaming. Blue Star's investments include 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; 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.

Cautionary Note on Forward Looking Statements

This press release contains forward-looking statements, which are generally statements that are not historical facts. Forward-looking statements can be identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans," "will," "outlook," and similar expressions. Forward-looking statements are based on management's current plans, estimates, assumptions, and projections, and speak only as of the date they are made. We undertake no obligation to update any forward-looking statement in light of new information or future events, except as otherwise required by law. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are generally beyond our control. Actual results or outcomes may differ materially from those implied by the forward-looking statements as a result of the impact of a number of factors.

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