

Blue Star Capital plc
(“Blue Star” or the “Company”)

Loan to SatoshiPay

Blue Star Capital plc (AIM: BLU), the investing company with a focus on technology and its applications within media and gaming, announces that it has subscribed for €200,000 of convertible loan notes (“LN”) issued by its investee company SatoshiPay Ltd (“SatoshiPay”). Blue Star has an existing 31% equity interest in SatoshiPay.

The LNs have been subscribed for by Blue Star at nominal value (€200,000 in aggregate) and are redeemable in cash on 31 December 2018 together with interest accrued at a rate of 4% per annum. Alternatively, Blue Star may elect to redeem the LNs early in full upon completion by SatoshiPay of a fundraising in excess of €750,000 or in the event of certain circumstances including SatoshiPay being in financial distress.

Blue Star may also convert the outstanding LN into fully paid ordinary shares in SatoshiPay (“SatoshiPay Shares”) in the event that:

- i. SatoshiPay completes a fundraising of at least €750,000; or
- ii. in the event of a change of control of SatoshiPay; or
- iii. at any time after 30 June 2018.

In the event of conversion of the LN into SatoshiPay Shares (“Conversion”), the outstanding LNs would be converted at a 15% discount to the valuation of the relevant equity fundraise undertaken by SatoshiPay on or prior to the date of Conversion or the valuation of SatoshiPay at the time of a change of control of SatoshiPay. For illustrative purposes, conversion at a 15% discount to the valuation of SatoshiPay of approximately €6 million (being the valuation at the time of SatoshiPay’s fundraise in January 2017) would result in Blue Star increasing its holding in SatoshiPay by approximately 3.8%.

SatoshiPay intends to use the proceeds of the LN for working capital purposes as SatoshiPay seeks to commercialise its technology.

Tony Fabrizi, CEO of Blue Star said “We are pleased to provide this ongoing support to SatoshiPay as it commences the full commercialisation of its technology. Now that the technology can be scaled efficiently we look forward to SatoshiPay’s management being able to focus on building the customer base and proving the business model. This additional funding combined with SatoshiPay’s existing cash resources of over €500,000 should provide sufficient resources to achieve that objective.”

SatoshiPay CEO Meinhard Benn said “We are actively preparing to move all transactions onto the Stellar network from the beginning of 2018 and the loan from Blue Star is a conservative step to ensure management can focus aggressively on building the client base while fully optimising the significant marketing support from Stellar Foundation. Since announcing our partnership with Stellar the value of their marketing pledge to SatoshiPay users through the allocation of 50m Lumens to the first 100,000 users is now over €3m at today’s price.”

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (“MAR”).

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About Blue Star Capital plc

Blue Star is an investing company with a focus on new technologies. Blue Star's investments include a 31% 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 PLC; and a 1% 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