

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

Update on SatoshiPay

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 its investee company, SatoshiPay Ltd ("SatoshiPay"), a UK incorporated company in which Blue Star owns approximately 31 per cent of the equity has agreed to partner with the Stellar Development Foundation ("SDF") as the underlying cryptocurrency ledger for SatoshiPay's settlement system.

Since its 2015 initial product launch SatoshiPay has relied on the Bitcoin network to settle nanopayments. Initially Bitcoin transaction fees were negligible, however, as previously announced, due to Bitcoin's rising popularity in 2017, combined with stalling scalability improvements, it became clear that Bitcoin's original vision of a peer to peer electronic cash system was no longer viable for everyday transactions. To sustain and enhance SatoshiPay's business model based on frequent low-value payments, SatoshiPay has been exploring alternatives to replace Bitcoin with a more suitable distributed ledger technology.

During the process of designing the software architecture for a switch to a new ledger technology, it became evident that hardwiring a new cryptocurrency to SatoshiPay's updated system was potentially inefficient and instead they started abstracting all cryptocurrency ledger operations – like wallet creation – into a layer between SatoshiPay's business logic and the underlying ledger. Using this layered approach, the switch from one default ledger to another would become relatively easy and SatoshiPay would no longer be locked into a specific ledger or blockchain. This multiple ledger approach should ultimately allow SatoshiPay to use different ledgers depending on the requirements of corporate clients or industry verticals of its nanopayment settlement platform.

Having carried out extensive testing on alternative ledgers SatoshiPay has concluded that Stellar is the preferred default ledger. Stellar was founded in 2014 and is headquartered in San Francisco. Stellar received initial funding through credit card payment processor Stripe and IBM has recently announced that its using Stellar in their blockchain banking platform. Stellar's cryptocurrency Lumen has a current market capitalisation of approximately €423 million.

SatoshiPay's decision to chose Stellar was based on its extremely low fees (currently 0.00003 cents per operation) and fast settlement (approximately 5 seconds to confirmation) allowing SatoshiPay to settle all transactions in real-time and directly on the distributed ledger. This should mean that in the future, publishers using the SatoshiPay network will receive funds within seconds after a consumer pays for content.

Starting in 2018, all of SatoshiPay's transactions are expected to be via the Stellar network. As part of its marketing program, SDF has pledged to credit the first 100,000 users creating a wallet through SatoshiPay with 500 Lumens each which have a current value of approximately 13 euros.

Tony Fabrizi, CEO of Blue Star said: "SatoshiPay's business model continues to evolve and the upcoming launch of the new ledger technology through Stellar is further evidence of the company's ability to evolve in a fast changing environment and to attract strong partners. The ability to switch between different ledgers depending upon the requirements should provide significant benefits and allow SatoshiPay the widest possible flexibility to meet customer requirements".

SatoshiPay CEO Meinhard Benn said: "We are thrilled to be working with Stellar's technology to deliver our updated product to market in what we believe is the fastest way possible. We expect the generous 50 million Lumen which Stellar is giving to be a significant help in growing our user and client base."

Jed McCaleb, cofounder of Stellar, said "We're excited that SatoshiPay has selected Stellar as its primary ledger technology and look forward to inviting SatoshiPay users to the Stellar community. Cryptocurrencies and blockchain technology are facilitating open innovation and revolutionizing the payments space, and we're thrilled to be working with SatoshiPay to help lead the way by making micropayments much faster and less costly than ever before."

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.