

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

**Half-yearly Results for the six months ended 31 March 2024**

Blue Star Capital plc (AIM: BLU), the investing company with a focus on esports and blockchain and its applications within gaming and payments, reports its half-yearly results for the period ended 31 March 2024.

**Financial Highlights:**

- The Company incurred a pre-tax loss for the period of £191,824 (H1 2023: loss £1,165,942).
- The cash position of the Company at 31 March 2024 was £39,909, compared with £155,563 as at 31 March 2023. The value of the portfolio of quoted investments held by the Company at 31 March was approximately £5,157,000.
- The sales process with SatoshiPay is ongoing. SatoshiPay is currently incubating a third De-Fi project which is expected to launch in the second half of 2024.
- The NAV per share as at 31 March 2024 was 0.1p.

**For further information, please contact:**

**Blue Star Capital plc**  
Anthony Fabrizi

0777 178 2434

**Cairn Financial Advisers LLP**  
Nominated Adviser  
Jo Turner / Liam Murray

+44 20 7213 0880

**Axis Capital Markets Limited**  
(Sole Broker)  
Ben Tadd / Lewis Jones

+44 (0) 20 3026 0449

**About Blue Star Capital**

Blue Star is an investing company with a focus on new technologies. Blue Star's investments comprise SatoshiPay Limited, an incubator and service provider to de-fi businesses using blockchain technology; Dynasty Gaming & Media Pte. Ltd., whose B2B white label platform is a full-stack gaming ecosystem; Paidia, a female focussed gaming platform; and Sthaler Limited, an identity and payments technology business which enables a consumer to identify themselves and pay using just their finger.

**Chairman's Statement**

The results for the first half of the year show little change from the year end position with all valuations of the Company's investments remaining unaltered, apart from exchange rate movements. The Board has minimized the expenses of running the company wherever possible and has not taken any salaries in cash since 1 February 2024. The sales process for SatoshiPay, which is still ongoing, started later than hoped and has also been slower than expected. There is no guarantee this will process will lead to an acceptable offer and no obligation on the Board or SatoshiPay to accept any offer, but the Board continues to believe this is the only viable way of independently valuing its stake in SatoshiPay.

Below we provide the following portfolio company highlights, inclusive of updates, for the six-month period ended 31 March 2024.

**SatoshiPay**

SatoshiPay's mission is to connect the world through instant payments. To achieve this ambition, SatoshiPay is building a portfolio of businesses around blockchain technology and decentralised finance. The first project incubated by SatoshiPay was the Pendulum Network Project ("Pendulum") which was established in June 2021.

Pendulum, a smart-blockchain infrastructure technology company, aims to decentralise forex and traditional finance, by providing the missing link between fiat currency and De-Fi ecosystems through a sophisticated smart contract network.

In the period under review, Pendulum has achieved a number of key operational milestones, most notably its blockchain bridge connecting the Stellar and Polkadot networks, 'Spacewalk', went live on the Pendulum network in March 2024. Pendulum describes Spacewalk as a trust-minimised decentralised bridge between the Polkadot and Stellar ecosystems, enabling efficient transfers of fiat-backed stablecoins and cryptocurrencies, and serves as a critical link that allows the Pendulum chain to leverage the vast array of fiat-backed stable tokens available on the Stellar blockchain, paving the way for the development of a fiat-based decentralised finance ecosystem.

The second project incubated by SatoshiPay was Nabla.fi. Nabla is a next-generation decentralised exchange designed to optimise swap rates and consequently provide attractive FX rates on-chain. Nabla, which is about to be launched on Pendulum, features oracle-guided pricing and single-sided liquidity provision to achieve this capital efficiency.

SatoshiPay is also incubating a third project designed to complement Pendulum and Nabla. This innovative platform will enable users to seamlessly swap stablecoins for local fiat currencies at significantly lower costs than current market rates. This presents a substantial opportunity in a rapidly growing market, with cross-border stablecoin payments valued at \$27 billion in 2023 and projected to reach \$137 billion by 2028. This growth highlights a \$14 billion volume in the on/off-ramp market opportunity over the next four years.

SatoshiPay's strategy is to build a network of projects across the decentralised finance space with the ultimate goal of advancing foreign exchange ("Forex") trading into the blockchain space and to integrate a tranche of the US\$6.6 trillion traded daily in Forex markets.

**Dynasty Gaming and Media ("Dynasty")**

#### Dynasty Gaming and Media (Dynasty)

In November 2023, Dynasty announced a major fundraise and merger with Googly, its Indian partner. This merger was driven by Dynasty's new business model, introduced earlier in 2023 and following which Dynasty believes it has created one of the world's leading gaming/esports platforms offering:

- Enterprise grade international esports tournament engine accredited and endorsed by major international games publishers including Riot, Activision and Supercell to run professional leagues and mass market grassroots esports feeder leagues.
- The only enterprise grade esports platform and gaming shop that:
  - supports international standard professional esports tournaments for both PC and Mobile games, the world's fastest growing gaming sector;
  - is optimised for key hyper-growth 'mobile first' markets. Dynasty optimised its mobile experience to 30MB, perfect for mobile first markets such as India, Africa, SEA and LATAM; and
  - incorporates a payment wallet, subscription engine, digital voucher and top up shop, with full security accreditation.
- The ability to deliver and launch a fully branded, fully functional partner platform within 4 weeks. This has been enabled by a single code cloud-based code structure. Full customer relationship management campaign engine to increase monetisation and engagement.
- Unique User Generated Tournament engine that allows users to create entry fee and prize pool tournaments, sharing in platform monetisation.
- An enterprise grade esports and gaming shop with an AI Academy, allowing players to improve in game performance.

Dynasty's directors consider India to be one of the fastest growing gaming markets in the world with more than 500 million gamers presently which is expected to grow to 700 million in the coming years. Dynasty advises that it has started to make progress in entering India's video gaming sector and, despite some early challenges, has acquired more than 23,000 fully registered users during its beta phase at a customer acquisition cost ("CAC") of c. US\$0.80 per user. Dynasty has also recently finalised agreements with Razorpay as its payment gateway partner and expects to have its payment gateway live and operational imminently which will enable Dynasty to start monetising its Beta users while simultaneously commencing customer acquisition activities at scale.

On 16 January 2024, the Company announced that Dynasty had 'soft-launched' a new platform Lightning Dragon, in the Philippines. The platform has been in an extended Beta phase while it introduced payment gateway partners and content providers. Dynasty advises that it has now integrated PayMaya into its platform, one of the Philippines's leading e-wallet and payment gateway providers with 45m users. Dynasty expects Lightning Dragon's to launch, with two major publisher-led prize pool events, within the next few months and its in-country partner, the Vera Media Group, has committed to a considerable marketing and promotional spend that the Dynasty board expects to drive significant platform growth.

On 6 June 2024, Dynasty announced that it had agreed to acquire Let's Play Live ("LPL") in an all-share transaction. Dynasty has been operating its Australia & New Zealand platform business under a 50/50 joint venture with LPL since May 2023.

LPL is the largest gaming tournament operator and broadcaster in Oceania, and the fastest growing in Southeast Asia, and the exclusive partner for many of the world's leading publishers operating major gaming events in the region, including Epic Games, EA, Riot Games, and Supercell.

Dynasty advises that the acquisition of LPL which is expected to complete imminently will provide it with strategic and highly complementary capabilities in the areas of tournament organisation, production, and broadcast and it will also deliver exclusive game event IP from the world's leading games publishers.

Although the Board is supportive of Dynasty's actions over the last year, the lack of cash resource within Blue Star has meant our shareholding has been significantly diluted and now stands at approximately 2.4 per cent.

#### Other investments

The Company also holds small positions in Sthaler, a Digital Identity business which enables an individual to identify themselves using the unique vein patterns within a finger; and Paidia, a female focused gaming platform with a highly engaged and fast-growing community with major strategic partnerships signed with leading brands including e.l.f. Cosmetics, Razer, and Xbox.

The Company's ongoing future and viability is now inextricably aligned with SatoshiPay with approximately 90 per cent of the current NAV based on SatoshiPay's carrying value. The Board had hoped to have established greater visibility on SatoshiPay's potential value by now but the sales process remains ongoing. On a more positive note, we are encouraged by the anticipated launch of the third incubated De-Fi business which could have a material impact on the perception and valuation of SatoshiPay. In the meantime, the Board will continue to carefully manage the Company's cash over the next few months until the position with SatoshiPay becomes clearer.

Anthony Fabrizi  
Executive Chairman

#### Statement of Comprehensive Income for the six months ended 31 March 2024

	Unaudited		Audited
	Six months ended 31 March		Year ended 30 September
Note	2024 £	2023 £	2023 £
Revenue	-	-	-
Loss on disposal of investments	(17,536)	(81,491)	(122,196)
Fair valuation movements in financial instruments designated at fair value through profit or loss:	(65,069)	(730,155)	(5,762,911)
	(82,605)	(811,646)	(5,885,107)

Share based payment	-	(243,248)	(243,248)
Administrative expenses	(109,578)	(111,626)	(201,118)
<b>Operating loss</b>	(192,183)	(1,166,520)	(6,329,473)
Finance income	359	578	1,065

<b>Loss before and after taxation and total comprehensive income for the period</b>	(191,824)	(1,165,942)	(6,328,408)
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**Loss per ordinary share:**

Basic and diluted loss per share	3	(0.004p)	(0.02p)	(0.13p)
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The loss for the period was derived from continuing operations and is attributable to equity shareholders.

**Statement of Financial Position  
as at 31 March 2024**

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended 31 March</b>		<b>Year ended 30 September</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	5,157,541	10,389,061	5,291,806
Convertible loan note	60,303	-	-
	<u>5,217,844</u>	<u>10,389,061</u>	<u>5,291,806</u>
<b>Current assets</b>			
Trade and other receivables	17,012	16,700	6,459
Cash and cash equivalents	39,909	155,563	63,158
	<u>56,921</u>	<u>172,263</u>	<u>69,617</u>
<b>Total assets</b>	<u>5,274,765</u>	<u>10,561,324</u>	<u>5,361,423</u>
<b>Current liabilities</b>			
Trade and other payables	37,242	69,511	32,076
<b>Total liabilities</b>	<u>37,242</u>	<u>69,511</u>	<u>32,076</u>
<b>Net assets</b>	<u>5,237,523</u>	<u>10,491,813</u>	<u>5,329,347</u>
<b>Shareholders' equity</b>			
Share capital	4,992,774	4,892,774	4,892,774
Share premium account	9,575,072	9,575,072	9,575,072
Other reserves	243,248	243,248	243,248
Retained earnings	(9,573,571)	(4,219,281)	(9,381,747)
	<u>5,237,523</u>	<u>10,491,813</u>	<u>5,329,347</u>

**Statement of changes in equity  
as at 31 March 2024**

	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Six months ended 31 March 2024</b>					
At 1 October 2023	4,892,774	9,575,072	243,248	(9,381,747)	5,329,347
Loss for the period and total comprehensive loss	-	-	-	(191,824)	(191,824)
Shares issued in the period	100,000	-	-	-	100,000
<b>At 31 March 2024</b>	<u>4,992,774</u>	<u>9,575,072</u>	<u>243,248</u>	<u>(9,573,571)</u>	<u>5,237,523</u>
<b>Six months ended 31 March 2023</b>					
At 1 October 2022	4,892,774	9,575,072	-	(3,053,339)	11,414,507
Loss for the period and total comprehensive loss	-	-	-	(1,165,942)	(1,165,942)
Share based payment	-	-	243,248	-	243,248
<b>At 31 March 2023</b>	<u>4,892,774</u>	<u>9,575,072</u>	<u>243,248</u>	<u>(4,219,281)</u>	<u>10,491,813</u>

<b>Year ended</b>					
<b>30 September 2023</b>					
At 1 October 2022	4,892,774	9,575,072	-	(3,053,339)	11,414,507
Loss for the year and					
Total comprehensive loss	-	-	-	(6,328,408)	(6,328,408)
Share based payment	-	-	243,248	-	243,248
<b>At 30 September 2023</b>	<b>4,892,774</b>	<b>9,575,072</b>	<b>243,248</b>	<b>(9,381,747)</b>	<b>5,329,347</b>

**Statement of cash flows  
for the six months ended 31 March 2024**

	Unaudited Six months ended 31 March	Audited Year ended 30 September
	2024 £	2023 £      2023 £
<b>Operating activities</b>		
Loss for the period	(191,824)	(1,165,942) (6,328,408)
<i>Adjustments for:</i>		
Finance income	(359)	(578) (1,065)
Fair value losses	65,069	730,155 5,762,911
Loss on disposal of investments	17,536	81,491 122,196
Share based payment	-	243,248 243,248
<i>Working capital adjustments</i>		
(Increase)/Decrease in trade and other receivables	(10,553)	(8,628) 1,613
Increase/(Decrease) in trade and other payables	5,166	(907) (38,342)
<b>Net cash used in operating activities</b>	<b>(114,965)</b>	<b>(121,161) (237,847)</b>
<b>Investing activities</b>		
Proceeds from sale of investments	51,660	189,571 213,365
Purchase of convertible loan note	(60,303)	- -
Interest received	359	578 1,065
<b>Net cash (used in)/generated from investing activities</b>	<b>(8,284)</b>	<b>190,149 214,430</b>
<b>Financing activities</b>		
Proceeds from issue of equity	100,000	- -
<b>Net cash generated from financing activities</b>	<b>100,000</b>	<b>- -</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(23,249)</b>	<b>68,988 (23,417)</b>
Cash and cash equivalents at beginning of the period	63,158	86,575 86,575
<b>Cash and cash equivalents at end of the period</b>	<b>39,909</b>	<b>155,563 63,158</b>

**Notes to the Interim Financial Statements for the six months ended 31 March 2024**

**1. Basis of preparation**

The principal accounting policies used for preparing the Interim Accounts are those that the Company expects to apply in its financial statements for the year ending 30 September 2024 and are unchanged from those disclosed in the Company's Report and Financial Statements for the year ending 30 September 2023.

The financial information for the six months ended 31 March 2024 and for the six months ended 31 March 2023 have neither been audited nor reviewed by the Company's auditors.

**2. Critical accounting estimates and judgements**

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Fair value of financial instruments:*

The Company holds investments that have been designated at fair value through profit or loss on initial recognition. The Company determines the fair value of these financial instruments that are not quoted, using valuation techniques,

contained in the IPEVC guidelines. These techniques are significantly affected by certain key assumptions. Other valuation methodologies such as discounted cash flow analysis assess estimates of future cash flows and it is important to recognise that in that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

In certain circumstances, where fair value cannot be readily established, the Company is required to make judgements over carrying value impairment, and evaluate the size of any impairment required.

### **3. Loss per ordinary share**

The calculation of a basic loss per share is based on the loss for the period attributable to equity holders of the Company and on the weighted average number of shares in issue during the period.

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