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7 July 2014

**ClearStar, Inc.  
("ClearStar" or the "Company")**

**ClearStar announces intention to float on AIM**

ClearStar, a technology and service provider to the background check industry, is pleased to announce its intention to seek admission of its shares to trading on AIM ("Admission"). The fundraising will comprise a placing of shares with institutional investors ("Placing").

The Company provides employment intelligence to its clients through a suite of IT applications for day-to-day use in their business. Employment intelligence aims to improve business insight to support better recruitment, and other decisions affecting employees generally, by increasing the quality, reliability and visibility of information available to management.

ClearStar's IT suite, which has delivered employment intelligence to over 20,000 employers, comprises a collection of applications which utilises data from over 3,000 sources ranging from résumés to records with local authorities. The Company's primary business involves searching the relevant source of data for specific employment intelligence information based on clients' bespoke requirements for its employment applicants. The Company extracts the required input and this information is then processed, allowing the client to make a swift decision in respect of the relevant applicant, thereby minimising bottlenecks in the hiring process.

The demand for the business application suite as part of the background screening process has generated the following three principal business process channels:

- Channel Partners and Consumer Reporting Agencies ("CRAs") – white labelling technology: data logistics services provided to CRAs or Channel Partners which use ClearStar technology to perform background checks;
- Medical Information Services ("MIS"): services, to date, largely sold direct to employers for the purpose of drug and alcohol tests, but which is starting to move into occupational health (i.e. work medicals/physicals); and
- Direct Services: retail background check services provided direct to employers.

In 2013, ClearStar processed and delivered 5.6 million screening services on over 1.7 million people to over 20,000 end users. Since 2007, despite the worldwide recession, there has been a fourfold increase in revenue with no capital injection. Between the financial years ended 31 December 2011 and 31 December 2013, the Company continued strong revenue growth, increasing by over 50%, which was largely driven by MIS provided to clients. During the same period, ClearStar has had a 90% retention rate of its top 10 customers. For the year ended 31

December 2013, ClearStar generated revenue of \$8.0 million and EBITDA of \$1.0 million, with net cash from operations of \$0.9 million.

The Directors of ClearStar believe that Admission will enhance the Company’s credibility and profile within its market place and will assist the growth in its business. The Company intends to use the Placing proceeds to provide working capital to fund its continued operations in marketing spend in order to acquire customers, whilst also building out ClearStar’s international network, and to fund continued R&D investment in its platform. Admission will also provide the Company with access to capital to support its strategic objectives, if suitable acquisition or other opportunities arise.

Cenkos Securities plc is acting as Nominated Adviser and Broker to ClearStar.

Robert J. Vale, Chief Executive Officer of ClearStar, said: “With an increasingly global and migrant workforce and heightened focus on ‘knowing your hire’, the demand for background check services has never been greater. Our cloud based employment intelligence products and services help HR departments by improving the quality, reliability and visibility of information available to manage the recruitment process efficiently. With the scalability of our platform, ClearStar is well-positioned to address the growth in the market and, through our Admission to AIM, we look forward to executing on our plans to expand our share of the market.”

## Enquiries

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## Notes to Editor

### Directors

#### **Barney Quinn (age 61), Non-executive Chairman**

Barney has significant experience in the global application software and cloud markets. He was the CEO of then AIM-traded Workplace Systems International plc where today he is also a nonexecutive director. For 13 years Barney was an executive board director of Sherwood International plc and has also been a non-executive director on two other listed software companies, SSP Holdings plc and Raft International plc. At Becrypt, the privately held encryption software specialist, he was non-executive chairman for 7 years until July 2012. Barney is currently a non-executive director of Rosslyn Data Technologies plc.

**Robert Vale (age 51), Chief Executive Officer**

Robert is Chief Executive Officer of ClearStar, the background check services and technology company which he founded in partnership with Ken Dawson and William White in 1995. In his role, he is actively involved in developing business strategy and has the opportunity to meet with clients and business partners to help set and define direction for the industry.

Robert has 25 years' experience in the provision of security related services. Prior to forming ClearStar, Robert was the Manager of Loss Prevention Technical Support for United Parcel Service (UPS). This group was responsible for all loss prevention, risk mitigation and security-related system designs, development, implementation and 24/7 management of systems for UPS worldwide. During his tenure, he worked with the Aerospace Testing Alliance to assist in developing security guidelines for UPS' airline. A founding member of the National Association of Professional Background Screeners (NAPBS), Robert is often called upon to deliver keynote presentations on the subject of large scale systems management, technology trends and personal information security. Robert has been a guest instructor at the Federal Law Enforcement Training Centre and has published numerous articles for security trade journals. He has been a member of ASIS International, the pre-eminent organisation for security professionals, since 1987.

Robert holds a Bachelor of Science degree from the State University of New York, Plattsburgh, and served six years in the United States Air Force as Security Police – Security Specialist.

**Ken Dawson (age 44), Chief Information Officer**

Ken is a founding member of ClearStar, who has diversified experience in data management, architecture and security of realtime, analytical technology solutions. Ken currently serves as ClearStar's Chief Information Officer. In this role, Ken is responsible for evaluating, designing and implementing background check technology solutions that combine information from disparate information sources in varied data formats into cohesive, consistent and richly formatted reports.

Prior to forming ClearStar in 1995, Ken developed enterprise systems for United Parcel Service (UPS) and Kaiser Permanente. Ken began his career in software development and content delivery in 1990 while working as an intern for Conatec, Inc., an aerospace engineering firm.

Ken is a certified information systems professional and studied Aerospace Engineering at the University of Maryland.

**David Pattillo (age 54), Chief Financial Officer**

David is Chief Financial Officer of ClearStar, Inc. In this role he provides leadership and direction in all areas of finance and accounting including financial planning and forecasting, and accessing capital to fund growth. Additionally, he is responsible for establishing and maintaining the accounting controls and processes to mitigate financial risk and ensure timely financial reporting. David has an accomplished career in leading companies through high growth expansion, both domestically and internationally. Prior to ClearStar, David was the CFO of MyCelx Technologies Corporation which he led through an IPO on AIM in 2011. MyCelx's

market capitalisation on IPO was US\$45m, and through organic growth is now greater than US\$100m. Prior to that, David was CFO of Harry's Farmers Market, a company which he helped guide from start-up through an IPO on NASDAQ in 1993. David has public company reporting experience as CFO of both MyCelx Technologies and Harry's Farmers Market.

David has valuable board experience as he has been an executive board member of both private and public companies. David holds a Bachelor of Science degree from Clemson University and an MBA from University of Georgia.

**André Schnabl (age 66), Non-executive Director**

André Schnabl retired in 2012 as Managing Partner of the Atlanta office of Grant Thornton, LLP. Prior to assuming the Managing Partner role, André led the Technology Industry Practice, which focused on serving the needs of software, medical device and telecommunications clients.

Throughout his career, André has excelled at linking people, vision, strategies and diligent execution to drive sustainable revenue growth and a highly productive corporate culture. During his tenure as the leader of the Atlanta office, André drove the formulation and execution of a strategy that achieved three-fold revenue growth.

Seeking ways to influence excellence among audit committee chairs and members, in 2012 André launched the "Grant Thornton Peer 2 Peer Audit Committee Forum". In partnership with Kennesaw State University's "Center of Corporate Governance", the Forum is designed specifically to give audit committee members an effective way to stay current on the many regulatory, risk, and business issues affecting their roles as audit committee members and the companies on whose boards they serve. André has served on numerous corporate and not for profit boards.