

17 December 2014

**ClearStar, Inc.**  
**(“ClearStar” or the “Company”)**

**ClearStar Acquires SingleSource Services Corporation**

ClearStar (AIM: CLST), the technology and service provider to the background check industry, is pleased to announce that it has purchased substantially all the assets of SingleSource Services Corporation (the “Acquisition”), a Florida-based background screening company (“SingleSource”), for a total consideration of up to \$4 million in cash (the “Purchase Price”) excluding expenses related to the transaction. The consideration is being funded out of the Company’s own resources and the Acquisition completed on 16 December 2014 (the “Closing Date”).

**Rationale for Acquisition**

The Acquisition is in line with the Company’s stated strategy of growing its direct sales. SingleSource provides background screening services directly to its customer base, which consists primarily of faith-based organisations and retail franchisees. SingleSource provides approximately 725,000 background checks per year, which are generally paid for at the time of the request. These types of organisations and companies have a large turnover of staff and helpers and are usually required to conduct background screening on all new employees. The combined business – utilising ClearStar’s innovative and state-of-the-art technology platform and growing sales team – will have a wider retail offering reach and will be well-positioned to target these opportunities.

**Terms of the Transaction**

The Company has acquired substantially all of the assets of SingleSource for a consideration of up to approximately \$4 million in cash, which is payable in two tranches. The first tranche, approximately \$3.2 million (representing 80% of the Purchase Price), was paid on the Closing Date. The remaining 20% of the Purchase Price – approximately \$0.8 million – is payable in January 2016 contingent upon target revenues generated by the SingleSource business in 2015.

In addition, Don Dymer, the founder and owner of SingleSource, has entered into a consulting agreement with the Company to assist with the integration process for a period of 12 months.

**About SingleSource**

SingleSource was founded in 1995 by Don Dymer, a former Inspector of Scotland Yard, as a background screening and security firm, serving a range of organisations. The business has subsequently expanded to provide management tools to cater for a wide variety of human resource outsourcing requirements.

As a licensed private investigation agency in the State of Florida, US, SingleSource conducts over 2,000 pre-employment inquiries per day, the vast majority of which are paid for at the time of the request. Other business-related investigative services include due diligence inquiries relating to franchisees, vendors, contractors and mergers.

SingleSource is a founding member of the National Association of Professional Background Screeners and is an active member of the Drug and Alcohol Testing Industry Association, Concerned CRAs, Public Record Retriever Network, Society for Human Resource Management, and several smaller regional associations.

Based on its financial statements for the full year ended 31 December 2013, SingleSource’s revenues for 2013 amounted to approximately \$2.9 million and its net profits for the same period totalled approximately \$0.4 million.

The Board of ClearStar anticipates that there will be synergies from the combined business that will come through in the full year 2015.

Robert J. Vale, Chief Executive Officer of ClearStar, said: “The acquisition of SingleSource is a dramatic acceleration for ClearStar’s stated strategy of building its direct sales and I firmly believe that this will create value for our shareholders. We aim to make ClearStar a world-leader in cross-border background screening and this acquisition is a key milestone that will improve our competitive position and accelerate our commercial growth. The Company has sufficient funding from its IPO and now has sufficient mass to take advantage of the outstanding opportunity to exploit the commercial potential of selling direct to corporates. We look forward to the future with increased confidence from this inflection point.”

Don Dyer, founder of SingleSource, added: “We are delighted to have joined forces with ClearStar. We share their vision of becoming a leading and trusted provider of background check services that furnish employers with reliable decision-making information. We want to provide employers of all sizes across the globe with intuitive systems, cutting-edge tools, and comprehensive reports that they can use to affirm their decision to confidently welcome individuals to their team. We look forward to building our joint business at this exciting time for the industry.”

## Enquiries

<b>ClearStar, Inc.</b>	
Robert J. Vale, Chief Executive Officer David Pattillo, Chief Financial Officer	+1 770 416 1900
<b>Cenkos Securities plc</b>	
Max Hartley, Michael Johnson, Corporate Finance Andy Roberts, Sales	+44 20 7397 8900
<b>Luther Pendragon Ltd</b>	
Harry Chathli, Claire Norbury	+44 20 7618 9100

## About ClearStar

ClearStar, Inc. is a leading and trusted background check technology, strategic services and decision-making information provider to employers and background screening companies.

A seven-time Inc. 5000 honoree and founding member of the National Association of Professional Background Screeners, ClearStar has provided innovative technology solutions to businesses in the human capital management industry from its corporate offices in Alpharetta, Georgia since 1995. For more information about ClearStar, please visit: [www.clearstar.net](http://www.clearstar.net).