

18 July 2018

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

**Trading Update and Notice of Results**  
***ClearStar expects to report achievement of EBITDA positive for H1 2018***

ClearStar (AIM: CLSU), the technology and service provider to the background check industry, provides the following update on trading for the six months ended 30 June 2018 ahead of announcing its interim results on 17 September 2018.

The Company expects to report its highest ever revenue for a six-month period and achievement of positive EBITDA for the first half of 2018 in line with market expectations. Highlights of the period include:

- Revenue growth of approximately 11% to \$9.9 million (H1 2017: \$8.9 million)
- Adjusted EBITDA positive for the first half of 2018 compared with a loss for the same period of 2017
- As at 30 June 2018, the Company had net cash of \$1.2 million (31 December 2017: \$1.3 million) and still has the full revolving credit facility with Silicon Valley Bank of up to \$5 million available
- Medical information services (“MIS”) – which are delivered directly and through channel partners – continued to be the primary growth driver by service offering:
  - Revenue increased by 27% over H1 2017
  - MIS accounted for 40% of total revenues (H1 2017: 35%)
- Sustained strong growth in the direct services business channel:
  - Revenue increased by 22% over H1 2017 and accounted for 28% of total revenue (H1 2017: 25%)
  - Transportation and logistics and elderly home healthcare industries continue to drive growth
- Achieved key integrations to strengthen ClearStar’s offer and enhance its routes-to-market, in particular:
  - ClearMD, the Company’s mobile drug testing solution, is now integrated with the three largest drug testing labs in the US and now has mobile and drug testing services available in over 9,500 locations
  - ClearStar products have “touchless” automated integration with the SAP SuccessFactors® Recruiting solution to streamline the background check process

Robert Vale, CEO of ClearStar, commented: “Our stated aim for this year was that our revenue growth would translate into ClearStar becoming EBITDA positive and I’m pleased that we have delivered this for the half year. The growth in revenue was driven by the onboarding of new direct customers that were won in 2017, primarily for background screening, and the increased adoption by our channel partner customers of our industry-leading medical screening services. We have also continued to strengthen our client base through winning contracts from large, well-established businesses and to achieve key integrations that significantly enhance our offer as well as demonstrate how ClearStar is at the forefront in developing and introducing market-leading innovations. As a result, and with the sustained revenue momentum since period end, we are confident of delivering growth in line with market expectations for the year ending 31 December 2018.”

Further details will be provided in the Company’s interim results announcement, which will be released on 17 September 2018. Robert Vale, Chief Executive Officer, and David Pattillo, Chief Financial Officer, will be hosting a presentation to analysts at 9.30am BST, on the day, at the offices of Luther Pendragon, 48 Gracechurch Street, London, EC3V 0EJ.

## Enquiries

<b>ClearStar, Inc.</b>	
Robert J. Vale, Chief Executive Officer David Pattillo, Chief Financial Officer	+1 770 416 1900
<b>finnCap Ltd.</b>	
Jonny Franklin-Adams, Simon Hicks – Corporate Finance Andrew Burdis, Abigail Wayne – Corporate Broking	+44 20 7220 0500
<b>Luther Pendragon Ltd.</b>	
Harry Chathli, Claire Norbury	+44 20 7618 9100

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

### About ClearStar

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

A seven-time Inc. 5000 honouree 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).