

18 June 2019

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

AGM Statement

ClearStar (AIM: CLSU), a provider of Human Capital IntegritySM technology-based services specialising in background and medical screening, will be holding its Annual General Meeting ("AGM") today at 11.00am EDT at the Company's headquarters located at 6250 Shiloh Road, Suite 300, Alpharetta, GA 30005, USA. At the AGM, the Chairman of the Board, Barney Quinn, will make the following statement:

"2018 was a period of sustained delivery for ClearStar as we continued to grow our sales, achieved positive adjusted EBITDA and met our operational targets. In particular, through enhancing our salesforce, increasing our brand recognition and securing key integrations with leading applicant tracking systems, we have transitioned to be able to successfully target larger, higher-volume customers.

"As noted at the time of our full year results, this momentum has continued into 2019. With the onboarding of previously-won customers, as well as additional contracts that we've been awarded since establishing our new sales team towards the end of last year, our revenue for the first five months of 2019 increased by 14% over the same period in 2018. This includes achieving our highest ever monthly revenue in May 2019.

"Our growth continues to be driven by direct sales and revenue from Medical Information Services ("MIS"). We are increasing our direct tier 1 client base, including strengthening our position in our key target segments as well as expanding into new markets:

- We have been appointed to provide background screening by a major shipyard specialising in the design, building and support of vessels for the U.S. Navy. Accordingly, they are required to ensure particularly stringent background verification. Our contract with this customer also includes minimum annual volumes over a three-year period, which adds to our revenue visibility. This represents the strengthening of our customer base in our target growth market of transportation & logistics.*
- A leading animal health and mineral nutrition company with over 1,400 employees has appointed ClearStar to provide background and medical screening – specifically, drug testing and occupational health. The superior applicant experience and reduced recruiter touch points were key considerations in the customer choosing ClearStar, which we were able to deliver through our mobile-friendly applications, ClearMD and SAP[®] SuccessFactors[®] Recruiting integration. This is further vindication of the investment that we have made in building our platform.*
- As noted previously, this year we gained our first direct client in the petrochemical industry with the appointment by Milestone Environmental Services, a leading provider of oilfield waste disposal services that is currently operating seven locations in Texas, US, to provide a combination of drug and background screening services.*

"Looking ahead, we continue to focus our sales efforts on business sectors with a transient workforce – or the 'gig economy'; where there is a high demand for screening to meet industry regulations; or where a worker is entering the home, such as home healthcare. Through sustained sales & marketing efforts, we

are receiving greater interest from potential customers than ever before, which we are increasingly converting to sales. At the same time, we are growing our business with our existing customers through upselling further services and being appointed to provide screening for more parts of their organisation. This is serving to strengthen our pipeline, particularly in the direct channel and for MIS, which we expect will continue to be the main drivers of growth.

“As a result, we are on track to achieve strong growth for full year 2019, in line with market expectations. We remain committed to growing our business and delivering value for our shareholders, who we thank for their ongoing support. The Board remains excited for our future prospects and I look forward to reporting on our progress.”

Enquiries:

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The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.