

16 June 2020

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:

"As we said at the time of our full year results, 2019 was a very successful year for ClearStar. We saw the benefits of our investment in bringing together a high calibre sales team and in our continued innovation to provide our customers with best-in-class products and services. Consequently, revenues in 2019 increased by over 14% and adjusted EBITDA doubled.

"This momentum continued into 2020 and we entered the year with our highest ever order book and a healthy pipeline. As noted, the COVID-19 outbreak significantly impacted our business due to the widespread job losses and freeze on recruitment. However, we are encouraged that all 50 states in the US have commenced easing lockdown restrictions and the unemployment rate is beginning to come down. ClearStar has the right solutions to support employers in quickly and securely re-establishing their workforce, which is reflected in the significant uptick in our revenue run rate from the end of May. We also recently launched our COVID-19 testing service that is specifically designed to assist employers with the back-to-work process. While we have not yet returned to our pre-COVID-19 revenue run rate, the increase in sales so far is extremely encouraging. As the US economic recovery progresses and our customers are able to resume more normal trading, we expect this growth in our activity to continue.

"I am proud that, throughout this difficult period, thanks to the tremendous efforts of our Chief Executive Officer, Robert Vale, and our team, we have not lost any customers and, importantly, we have continued to make progress in onboarding new customers and generating new business. Most notably, at the end of May we completed the onboarding of one of three new financial institutions that we've been appointed to this year. This latest addition, which is now generating revenue, is a sizeable, household name investment bank and is a great endorsement for ClearStar.

"We also recently completed the onboarding of a customer won earlier this year that is one of the largest US providers of hand-prepared, home-delivered meals – often working alongside healthcare or social services to ensure vulnerable populations receive healthy food at home. This is another example of ClearStar's solutions being used to help protect those most at risk. Similarly, we are receiving increasing interest from home healthcare agencies and are doing more volume with Visiting Angels, an existing customer that provides home care services for the elderly, as the COVID-19 outbreak is resulting in greater reliance on home care.

"Turning to new business, we secured a contract in May with another bluechip customer that provides technology testing and industrial automation, and which has a market value on NASDAQ of over \$10 billion. ClearStar, which has been appointed to provide background screening of the customer's US employees, is now conducting the system integration process to enable onboarding and revenue generation to start in the coming months. In addition, we were recently awarded a contract by a real estate rental company to provide tenant screening, which is also expected to commence this summer.

“Alongside this growing sales activity, we have continued to maintain tight control over costs. We are also benefiting from the mitigation measures implemented in response to the crisis. At 15 June 2020, we had net debt of \$1.5m and \$2.1m of available funds.

“As a result, while it remains too early to estimate the impact of COVID-19 on full year 2020, we are increasingly optimistic that it will not be as bad as we once feared. Equally, the markets that ClearStar addresses continue to remain attractive in the longer-term and we have established a strong competitive position for targeting these markets. Consequently, the Board remains confident of delivering value for our shareholders and we thank you for your ongoing support.”

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About ClearStar

ClearStar, Inc. is a leading provider of Human Capital IntegritySM technology-based services specialising in background and medical screening. It provides employment intelligence direct to employers and via channel partners/consumer reporting agencies (“CRAs”) to support better recruitment and other decisions affecting employees by increasing the quality, reliability and visibility of information.

A seven-time Inc. 5000 honouree and founding member of the Professional Background Screening Association, 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.