



20 March 2013

CloudTag Inc.
("CloudTag" or the "Company")

First Dealings

CloudTag, the developer of an innovative physiological monitoring technology product, is pleased to announce the admission of the Company's ordinary shares to trading on the AIM Market of the London Stock Exchange plc ("AIM") ("Admission") and first dealings are expected to commence at 8.00 a.m.

The Company has raised c.£1.53 million, conditional on Admission, via a subscription for its ordinary shares (the "Subscription").

Summary of CloudTag

- Incorporated in 2010, CloudTag's strategy is to develop, market and sell a physiological monitoring technology to the professional sports, consumer wellbeing and weight-loss market.
- The CloudTag product (the "Product") will combine clinical grade data collection technology and digital hardware to be worn as a patch on the body, with software applications and cloud-based infrastructure.
- The CloudTag patch (the "Patch") will be a vital-sign monitor. It will include a system for intelligent wireless body monitoring that facilitates real-time vital-sign data acquisition and analysis by automating the continuous monitoring of multiple physiological readings. The main component of the Patch will be an ECG Module supplied by Oxford-based Isansys Lifecare Limited ("Isansys"), which currently specialises in patient-monitoring technologies that are clinically validated and operate wirelessly.
- The Product includes the CloudTag software application, which has been developed by Preciousbluedot Limited ("Preciousbluedot") and can be downloaded onto a smartphone or tablet. The Preciousbluedot team were formerly part of the design team at Rare Limited ("Rare"), which achieved critical acclaim for games releases including Donkey Kong Country, GoldenEye 007 and Perfect Dark. Rare was acquired by Microsoft Corporation for \$375 million in 2002 and the original Rare team went on to develop the Microsoft Xbox Kinect software technology and Microsoft Xbox avatar interfaces.
- Users of the Product will be able to download training programmes designed by leading UK fitness professional Matt Roberts directly to their smartphone or tablet.
- The Product will be able to monitor up to 17 different parameters, thereby allowing different versions of the Product to have varying degrees of functionality. The key parameters will be:
 - Heart Rate
 - Respiration Rate
 - Physical Activity Energy Expenditure (Calories/Kg/Hour) calculated algorithmically from other primary data monitored by the Patch
 - Speed and distance travelled (when GPS is used)
 - Anaerobic Threshold

- Initial sales are expected to be made via a major UK high street retailer, both online and in store, and through a number of additional smaller UK retailers. It is intended that further sales will be sought from reseller contracts and through major 'weight-loss' firms, professional fitness organisations and the large fitness chains. Each of the distinct market segments is expected to have its own route to market.
- The CloudTag management team will be led by Andrew Jackson, previously the Global Commercial Director of FitPro, founder of FitClub and 10 Minute Gym and currently one of the UK's leading experts in the fitness market
- The directors of CloudTag Active (CloudTag's operating subsidiary) include Dr. Pantelis Georgiou, head of the Bio-inspired Metabolic Technology Laboratory in the Centre for Bio-Inspired Technology at Imperial College, and Lee Musgrave, former Head of Art at Rare Ltd. and now part of the Preciousbluedot team.
- In addition, Matt Roberts, the well known personal trainer, has also been appointed as a consultant to CloudTag. Matt Roberts kick-started the personal-training phenomenon, opening the first-ever personal training centre in London in 1995, and has vast experience of current fitness and lifestyle products.

Andy Jackson, Commercial Director, CloudTag Inc., commented:

"I believe that, for the first time we are bringing to the market a unique, personalised, experience in how we monitor our whole health and wellbeing. We will be able to provide a full picture of an individual's health and/or performance in real time, whether they are working through a training programme in the gym, on a road run, taking part in a weight loss programme or simply worried about their current activity levels.

Health professionals, professional athletes, elite performance coaches, health care providers, personal trainers and weight loss advisors will all have the ability to use and individualise the Cloudtag product to provide the most accurate, user specific feedback. We believe there are truly multi-levelled revenue streams for both our hardware and the app-based CloudTag product, which allow for the emergence of new trends and the ability to respond to future competition."

Matt Roberts, consultant to CloudTag Inc., commented:

"Whether a person is trying to lose weight, run faster, become stronger or change shape, information and data about performance is crucial for success. The ability to fully understand the fitness capabilities and working level of the body, and then be able to adjust the programme that an individual is performing on a second by second basis is something that, historically, has only been possible whilst having a diligent Trainer or Coach stood with them. This device aims to provide a completely unique delivery of information, guidance, instruction and exercise programming that would otherwise not be possible for an individual on their own, and it will do so in a way that is intuitive and motivational, putting customers in control.

"By delivering my own programmes to each consumer, based on their live data from an enormous range of fitness facets I am excited to say that it will be as good as having a Trainer stood right with them whilst they workout and reach their goals."

Strand Hanson Limited is acting as financial and nominated adviser to the Company and Keith, Bailey, Rogers & Co Limited is acting as broker.

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SUBSCRIPTION STATISTICS

Number of Existing Ordinary Shares	133,400,000
Subscription Price	20 pence
Number of Subscription Shares	7,625,000
Number of Fee Shares	6,750,000
Number of Ordinary Shares in issue on Admission	147,775,000
Market capitalisation of the Company on Admission at the Subscription Price	£29.56m
Percentage of the Enlarged Share Capital represented by the Subscription Shares	5.16 per cent.
Percentage of the Enlarged Share Capital represented by the Fee Shares	4.57 per cent.
Percentage of the Enlarged Share Capital held by the Directors at Admission	4.65 per cent.
Percentage of the Enlarged Share Capital not in public hands at Admission	55.03 per cent.
Proceeds of the Subscription net of expenses	£1,111,000
Outstanding share options	4,549,998
Gross proceeds of the Subscription	£1,525,000
SEDOL	B9M89Q3
ISIN	KYG2215A1076
CUSIP	G2215A 107
AIM symbol	CTAG

Introduction

The Company was incorporated on 22 June 2010 in the Cayman Islands. CloudTag has engaged highly experienced industry leaders from the fields of software and hardware technology development, medical innovation and professional fitness to develop, market and sell a physiological monitoring technology to the professional sports, consumer wellbeing and weight-loss markets.

Key investment proposition

The Directors believe that CloudTag will provide the only available current means for users to track live physiological data of clinical grade quality in real-time and view it alongside contextual information, such as previous training sessions or different training conditions. Coaches and fitness professionals will be able to track this live physiological data, regardless of geographical location, assuming a cellular data signal or Wi-Fi connection. This feature, combined with the setup of the software and Cloud infrastructure, will allow coaches and fitness professionals to build training programmes which the users can download to their CloudTag application. Through trend analysis of a user's performance, the technology may be able to estimate levels of fatigue and aid in the prediction of adverse events, which are identifiable through cardiac and respiratory vital signs and which may cause injury during training or exercise.

The product

The CloudTag Patch

The CloudTag Patch will be a vital-sign monitor. It will include a system for intelligent wireless body monitoring, that facilitates real-time vital sign data acquisition and analysis by automating the continuous monitoring of multiple physiological readings.

The Product will be able to monitor up to 17 different parameters, thereby allowing different versions of the Product to have varying degrees of functionality. The key parameters will be:

- Heart Rate
- Respiration Rate
- Physical Activity Energy Expenditure (Calories/Kg/Hour) calculated algorithmically from
- other primary data monitored by the Patch
- Speed and distance travelled (when GPS is included)
- Anaerobic Threshold

The User Interface

The User Interface presents a bespoke software application where the complexity of the clinical grade vital sign data transmitted from the Patch will be analysed and translated into an engaging graphical interface, which maintains data integrity. The Directors believe that the simplicity of the User Interface will make it more accessible to the consumer market. The software application and User Interface, which are in beta test stage, have been developed by Preciousbluedot, a company founded in 2010 by two former executives of Rare, Mark Betteridge and Lee Musgrave, both of whom have extensive experience in developing engaging interfaces from complex data. Mr Musgrave is a Non-executive director of CloudTag Active, the Group's operating subsidiary.

The Cloud

All data, physiological and contextual, from the user's current and historical sessions will be stored remotely on the CloudTag internet servers in a secure environment. The data stored in the Cloud can be accessed through the software application and User Interface by any authorised subscriber, including a personal trainer or coach with an internet enabled device, from any location.

Overview of the sports-performance monitor market

The Board believes that there are four initial potential markets for different versions of the Product.

CloudTag Weight Loss – for those wishing to monitor everyday activity, the Directors intend that the CloudTag Product will support and motivate the user towards achieving weight loss. The product for this market will comprise a single User Interface offering easy to use functionality and a simplified range of data analysis and contain a range of support materials to assist in the weight loss process. The Directors expect that some users will subscribe to the Cloud for data storage and retrospective analysis;

CloudTag Wellness – for the general fitness enthusiast and gym user who wishes to improve general fitness levels or performance. It is intended that the Product will provide a single User Interface showing a wide range of data capture and analysis. It will be provided with a range of programmes from professional trainers such as Matt Roberts available for download to support improved fitness and health gains, allowing the individual to utilise the data effectively to achieve optimum results. The Directors expect that many users will subscribe to the Cloud for data storage and retrospective analysis;

CloudTag Sport and Performance I (Challenge) – for those individuals training for a challenge/charity event or sport. Building on the functionality of the CloudTagWellness and with access to a wide range of data analysis, it will provide a greater ability to engage with the User Interface, developing training programmes specific to the event/sport. The Directors anticipate that all users will subscribe to the Cloud for data storage and retrospective analysis; and

CloudTag Sport and Performance II (Elite) – building on CloudTag Sport and Performance I, for elite athletes and sports men and women. Specific analysis will be available for individual athletes or sports teams. The Directors expect that all users will subscribe to the Cloud for data storage and retrospective analysis.

In addition to the above, CloudTag Sport and Performance will be available through a group interface, allowing a trainer or coach to analyse current and retrospective team performance. The coach interface would allow a range of live data comparisons for the elite athlete and sports men and women.

Finally, further opportunities are being explored with health insurance companies which may involve the tailoring of versions of the above products to suit their policy requirements and reward schemes. This is particularly appropriate for the single user versions of the product.

Future market opportunities, which may be achieved by applying CloudTag technology in alternative ways, include:

- the potential for data to be streamed directly to television and broadcast media for inclusion in live or recorded sports coverage, thereby allowing spectators an unprecedented physiological insight into athletes or teams; and
- the application of sensors to animal hosts, and therefore the potential to target a number of groups focused on animal fitness, including racehorse owners, veterinary practitioners and pastoral farmers.

Initial sales are expected to be made via a major UK high street retailer, both online and in store, and through a number of additional smaller UK retailers. It is intended that further sales will be sought under reseller contracts, through major 'weight-loss' firms, professional fitness organisations and the large fitness chains. Each of the distinct market segments will have its own route to market.

Directors and senior management

Brief biographical details of the Directors and key senior management within the Company on Admission are set out below.

Anthony (Tony) Reeves, aged 72, is the Company's Non-executive Chairman. He has over 45 years' experience in the recruitment sector and is currently the Non-Executive Chairman of Kellan Group plc, the AIM listed recruitment business. Prior to this, he was Chairman and chief executive officer of the hotgroup plc from 2001 until its acquisition by Trinity Mirror Group plc in 2005. Previously, he was Chairman and chief executive officer of the Delphi Group plc until 2001 when it was acquired by Adecco SA. Before joining Delphi Group Plc, he was Chairman, President and chief executive officer of Lifetime Corporation, which was then a public company listed on the New York Stock Exchange. He is also a private investor in various early stage companies and is a vice president of Chelsea Football Club.

Andrew Jackson, Commercial Director, aged 49, is one of the UK's leading experts in the leisure market, as well as the creator of FitClub and 10Minute Gym. The 1993 UK Fitness Leader of the year and the 1994 Fitness Excellence award winner, Andrew has been a sought after consultant and public speaker, accepting engagements in over 30 countries. Andrew was previously the Global Commercial Director of FitPro, a professional network of 168,000 personal trainers, where he was responsible for bringing in excess of 20 products to market. Mr Jackson will have responsibility for sales and marketing.

Michael Hirschfield, Interim Finance Director, aged 49, qualified as a Chartered Accountant with Peat Marwick in 1988. He has a BSc in Economics and has held senior management positions with a number of companies including group finance director of Utilitec plc and group finance executive of Lupus Capital plc. He is currently a director of Sirius Petroleum plc and Tri-Star Resources plc, both of which are admitted to and traded on AIM. He is also on the boards of a number of private companies including Kitwell Consultants Limited, which acts as company secretary to the Company and several other AIM traded companies. He will take overall responsibility for financial matters until such time as a permanent, full time finance director is appointed. Upon such appointment it is expected that Mr Hirschfield's directorship and employment will cease although Mr Hirschfield has agreed to continue in an executive capacity, if required, to ensure an orderly handover. Kitwell Consultants Limited, a company owned and controlled by Mr Hirschfield, will, it is envisaged continue to act as the Company's company secretary.

Mark Butcher, aged 54, is a Non-executive Director. Up until 30 June 2012 he was a director of GPG (UK) Holdings plc, which was the UK investment arm of Guinness Peat Group plc where he managed a significant proportion of that group's investments. He qualified as a Chartered Accountant in South Africa and has wide experience in international accounting, corporate finance and banking transactions. He is currently a Non-executive Director of AssetCo plc and has previously been on the Boards of Autologic Holdings plc, Newbury Racecourse plc and Nationwide Accident Repair Services plc. Brief biographical details of the Directors and key senior management within CloudTag Active on Admission are set out below.

Lee Musgrave, Non-executive Director, aged 39, joined Rare, after completing a BSc in Cognitive Psychology, in 1995. He held various positions over the following 16 years at Rare including Lead Artist, Art Director, Head of Technical Art and finally Head of Art for the studio, directing a 70 strong team to design and create digital interactive entertainment. Following Microsoft's acquisition of Rare in 2002, Lee was a leader of the Xbox Kinect development team and Xbox Avatar interface. Lee was a co-founder of Preciousbluedot and is currently employed by that Company.

Pantelis Georgiou, Non-executive Director, aged 33, received a M.Eng. degree in Electrical and Electronic Engineering in 2004 and a Ph.D. in 2008, both from Imperial College London. He then moved to the Institute of Biomedical Engineering where he was appointed as a Research Fellow until joining the academic faculty in 2011. His research includes bio-inspired circuits and systems, complementary metal oxide semiconductor based lab-on-chip technologies and application of micro-electronic technology to create novel medical devices. He conducted pioneering work on the

silicon beta cell and is now leading the project forward to the development of the first bioinspired artificial pancreas for Type I diabetes. He is a member of the Institute of Electrical and Electronic Engineers ("IEEE") and the Institution of Engineering and Technology. He has been elected a member of the BioCAS Technical Committee of the IEEE Circuits and Systems Society.

Reasons for Admission and use of proceeds

The Directors' reasons for seeking Admission are as follows:

- to provide the Group with a flexible financial structure for further development and growth, both organically and via potential acquisitions or joint ventures;
- to help improve the Group's ability to access further funding from international capital markets to finance the future growth of the business consistent with the Company's stated strategy;
- to help to maintain a high level of transparency and corporate governance within the Group;
- to raise the profile of the Group and assist the Group in recruiting, retaining and incentivising skilled employees;
- to enable the Group to access a wider range of potential investors and broaden its investor base; and
- to help to enhance the Group's reputation and financial standing with its key partners and suppliers

The Company intends to use the net proceeds of the Subscription (approximately £1,111,000 after expenses), together with its existing cash resources, for general working capital purposes

****ENDS****