

9 December 2014

Fitbug Holdings Plc ('Fitbug' or 'the Company')
£3.5 million Placing to Accelerate Growth, Conversion of Loan Notes and Grant of Options

Fitbug Holdings Plc, the AIM quoted provider of online personal health and wellbeing services, is pleased to announce that it has successfully raised £3,510,200 (before expenses) through Hybridan LLP by way of a placing of 39,002,224 new ordinary shares of 1 pence each in the capital of the Company ('the Placing Shares') at 9 pence per share ('the Placing').

The funds raised will be predominantly used to scale up the sales and marketing push for both the Orb and the Kiqplan sides to the business, to meet fast growing demand for wearable technology and complementary products. The marketing drive will begin immediately, with the Company attending the Consumer Electronics Show (CES) in January and activating various marketing campaigns. Part of the funds raised will be used to develop further Kiqplan programs, and Fitbug aims to build out the Kiqplan library by two plans per month. No director is selling shares as part of the Placing.

Fergus Kee, Chairman of Fitbug said, "The Company has come a very long way in a short period and has been overwhelmed by the support it has received from both new and existing shareholders. This is a period of significant opportunity for Fitbug. Through the recent retail agreements including Target Corporation and UK supermarket, J Sainsbury plc, the launch of Kiqplan, a digital health coaching platform, and a Partner Agreement with Samsung Electronics (UK) Limited, the business continues to gain momentum in a large and rapidly growing market place. The successful fundraising will enable the Company to build on its recent commercial and operational success to invest and accelerate our growth plans going forward and we look forward to being in a position to make further announcements."

Conversion of Kirsh Group Loan Notes

On 28 June 2012, the Company borrowed the sum of £1,000,000 from Kifin Limited, a Kirsh Group subsidiary, through the issue of the Loan Notes pursuant to the terms of the Loan Note Instrument. Under the terms of the Loan Note Instrument the Loan Notes are convertible into new Ordinary Shares, credited as fully paid, at a conversion price of 1.5p per share. Kifin Limited has notified the Company that it will convert 50% of the Loan Notes into new Ordinary Shares which, in accordance with the terms of the Loan Note Instrument, would result in the issue and allotment

of 33,333,333 new Ordinary Shares, credited as fully paid at 1.5 pence per share. It is intended that the Loan Notes Shares will be admitted to trading on AIM at the same time as the Placing Shares.

Grant of Options

It is proposed that, on Admission, the following options over new Ordinary Shares be granted to the following Directors pursuant to the Company's existing enterprise management incentive scheme:

<i>Director</i>	<i>No. of new Ordinary Shares under option</i>
Paul Landau	4,500,000
Andrew Brummer	2,000,000
Ann Jones	2,000,000

In addition it is proposed that on Admission nineteen employees of the Group will be granted Options in respect of 4,600,000 new Ordinary Shares pursuant to the Company's existing enterprise management incentive scheme.

The Options, which will all be granted at the Placing Price per share, vest in three equal annual tranches over three years from the date of grant provided that the relevant option holder is an employee of the Group at the relevant time. In circumstances where the Company is sold then to the extent that any of the Options have not then vested the Options will then automatically vest in whole.

David Turner, who currently holds options in respect of 3,000,000 new Ordinary Shares which were granted on 11 April 2011 intends to surrender all of such options immediately following Admission following his move to a non-executive role earlier in 2014.

Directorate Change

Malcolm Fried, the CEO of Fitbug Holdings Plc, has decided to step down from the Company at the end of the year. Malcolm joined to assist with the formation of strategy and the identification of commercial markets. The Company now has a firm focus and direction and Malcolm has chosen to resign from the Board. He will remain available to the Company in a consulting capacity. The Board wishes to thank Malcolm for his significant contribution over the last year. Fergus Kee, Chairman, will revert to his previous position as Executive Chairman of the Company. Paul Landau, the founder of the Fitbug business, remains CEO of Fitbug Limited, the main operating company.

Admission and Total Voting Rights

The placing is subject to reconfirmation of EIS and VCT status which the Company

expects to receive within the next two weeks. Following receipt, application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM ('Admission'). The Company has sufficient authority to allot the Placing Shares and there is no requirement to hold a General Meeting. It is planned that Admission will become effective on 30th December, 2014. Following Admission of the Placing Shares and for the purposes of the FCA's Disclosure and Transparency Rules, the Company advises that the total number of shares in issue and total voting rights will be 240,850,530 Ordinary Shares of 1 pence each.

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company.

****ENDS****

For further information visit www.kiqlan.com or www.fitbugholdings.com or contact:

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About Fitbug

Fitbug is a leading provider of online health and well-being services to help individuals to improve their lifestyles by making realistic changes to their daily routine. It combines activity tracking devices, which download to the Fitbug app and fitbug.com to provide an understanding of each user's daily activity achievements, with mobile and web technology which provides users with personalised weekly activity and nutrition targets, feedback, advice and encouragement. Its "Kiqplan"TM digital health coaching platform is designed to make wearable technology relevant to new audiences and take the "so what?" out of activity tracking by providing structured action plans to help people get fitter, lighter and lead happier, healthier lives.

Key market sectors and distribution channels include retail, health insurance and rewards providers, workplace health programmes, fitness operators and consumers. Increasingly, Fitbug's platforms act as the driving force behind third party services such as white label sites, activity driven games and challenge microsites and rewards programmes. An important part of the Company's focus is on building strategic partnerships with organisations which can integrate Fitbug into their own service/product offerings or resell to their customer base. The Company has operations in the UK, Australia and Asia, with the United States remaining the primary market. For more information, visit www.fitbug.com and www.kiqplan.com.