

13 February 2015

Fitbug Holdings Plc ('Fitbug' or 'the Company')

TRADING UPDATE - 2014 SECOND HALF SALES UP 495% ON PRIOR YEAR

Fitbug Holdings Plc, the AIM quoted provider of online personal health and wellbeing services, is pleased to provide an update on trading.

Overview

- Full year 2014 sales up 310% on prior year
- Second half 2014 sales up 495% on second half 2013
- Full year loss expected to be in line with management forecasts at £3.6m reflecting stronger second half sales offset by increased investment in Kiqplan development
- Strong pipeline of opportunities from Consumer Electronics Show ('CES')
- New retail opportunities with Amazon, Argos, and BestBuy.com announced
- Kiqplan's open platform approach attracting strong interest
- Development of four new Kiqplans on track for end March 2015 launch
- Successful December fundraising leaves Company better placed to support development
- Two senior appointments made to drive growth and development - Director of Marketing from Adidas and Head of Product
- Kiqplan connectivity to Apple HealthKit on track to support Apple Watch connectivity from April 2015 launch

Paul Landau, CEO of Fitbug Limited said "This is a really exciting period of opportunity for Fitbug as we see accelerating growth and convergence across the wearable tech, mobile and digital health landscape. Our new Kiqplan service proposition has been incredibly well received in the market and we are extremely excited by its potential as awareness and understanding of it grows."

2014 full year sales of £2.34m were 310% up on the prior year. Second half sales at £1.4m were stronger reflecting increased sales of the Fitbug Orb in the final quarter, particularly to Sainsbury's and Target.

The Consumer Electronics Show (CES) in January provided further evidence of the explosive global growth in wearable technology and provided a great platform to formally launch and demonstrate Kiqplan, the digital health coaching platform, to the trade. The reception from retailers, strategic/device partners and consumers has been really encouraging and the Company expects to be making a series of follow-up announcements over the coming months as these pipeline discussions are

progressed to fruition.

Early partner response to our decision to develop Kiqplan as an open platform connecting to leading wearable devices and mobile phones is very encouraging. The Samsung S Health deal will help grow scale and Kiqplan brand equity whilst the recently announced collaboration with leading wearable company Jawbone should bring early commercial benefit. Further device partner discussions are in hand. Importantly we see the range of potential partners extending beyond wearable and mobile companies to include, for example, health insurers, health clubs, weight loss businesses, public health systems and other participants across the mHealth sector. The recent acquisitions of the MyFitnessPal and Endomondo Apps by sports clothing and accessories company Under Armour further reinforces the growing interest in data and open platform applications across a widening landscape.

Retail interest continues to grow. Early sales in Sainsbury's have been strong with almost all stock selling through in the Christmas and New Year sale period. Recent in store promotion activity in both Sainsbury's and Target stores have led to a strong uptake. The Fitbug Orb is now featured in the latest Argos catalogue. BestBuy.com sales had been delayed from January due to a switch to their preferred distributor and should now go live very shortly. Retailers are particularly interested by the opportunity that Kiqplan provides for additional sales within their wearables section. Amazon is emerging as one of the largest retailers of wearables and we are in discussions to extend our recent UK Amazon promotion to Amazon in the US.

As part of its marketing strategy Fitbug was pleased to agree a partnership with Cancer Research UK (CRUK) and to be their Official Fitness Partner of Race for Life for 2015, which includes their flagship event series. This partnership is in line with Fitbug's strategy to increase its market profile as it moves to scale up the business. We have also sold 1,000 Orbs to Weetabix as part of a promotion which will feature Fitbug on all Weetabix packs around Europe and the Middle East (excluding the UK).

Development of new Kiqplans are progressing well and the Company will have eight Kiqplans available for retail sale by the start of April 2015. Work is also nearing completion to develop enhanced Kiqplan packaging and Point of sale (POS) material to maximize consumer understanding and retail uptake. This will also be available from April 2015. In parallel we continue to improve the functionality of our products with new regular upgrade releases of the App to enhance the user experience. In developing Kiqplan the Company continues to get input from Fjord (part of Accenture Interactive) and Paul Landau has been invited by Accenture to the World Mobile Congress in Barcelona in March to showcase Kiqplan, and also present at HIMMS (Healthcare Information and Management Systems Society) in

Chicago during April.

Development work to connect Kiqplan to Apple HealthKit is progressing well with the objective of ensuring that all Kiqplans can connect with Apple Watch from its expected launch date in April.

To strengthen the Fitbug senior team and help to more effectively manage the myriad of opportunities that are evident we have made two new senior appointments. Simon Breakell joins as Director of Marketing from Adidas where he worked for the last three years in a number of senior marketing roles, mainly focused on wearable technology and service products. Simon will manage all aspects of device and Kiqplan marketing including digital and social media. Anna Gusemundson joins at Interim Head of Product to help drive forward and extend the Kiqplan proposition. Anna is a product expert with more than ten years ROI driven product experience used to working in both start-ups and blue-chip companies. Most recently she has worked as an independent product strategy and process consultant, having previously served as Head of Services and Applications for a global mobile handset manufacturer.

Regarding its trademark dispute against Fitbit the Company is currently in discussions with its legal advisers regarding its options and will make a further announcement in due course. The Board would like to be clear that it will not allow this legal case to distract from the top priority of growing and developing the Fitbug business.

The successful fundraising in December leaves the Company better placed to build on recent successes and take advantage of emerging opportunities for the Fitbug Orb and Kiqplan in the growing wearable tech and software market. Current Orb stock levels are good leaving the Company well placed to support retail and B2B opportunities through the first half.

****ENDS****

For further information visit www.kiqplan.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.