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Cathexis Innovations and Sapago partner on “store of tomorrow” RFID systems

(April 25, 2005) ST. JOHN’S, NL and DELRAY BEACH, FL – Cathexis Innovations Inc. (www.cathexis.com) and Sapago (www.sapago.com) today announce a strategic partnership that could have a big impact on how the retail industry provides information to shoppers!

Sapago produces Personal Shopper Systems; in-store, self-help sales systems that enable shoppers to research products, read reviews, and to view multimedia presentations and sample digital content. System hardware includes handheld computers and Cathexis Innovation’s IDBlue™, the world’s first Bluetooth® enabled RFID (Radio Frequency Identification) pen reader. As customers shop, they scan RFID tags on items, and product displays using the IDBlue™ handheld device. The system integrates seamlessly with a retailer’s website or store systems for content as well as with loyalty and CRM programs.

Sapago president, Michael Zammuto says that the company is focused on improving conversion rates which is the percentage of people who visit a retail outlet who complete a purchase, a key retail management measurement. “Retailers struggle with engaging customers who say ‘I’m just browsing’”, says Zammuto “when you know that they have questions. Our systems act like virtual sales associates, providing customers with information and content on demand, but in a low-pressure and engaging way.”

Cathexis Innovations will supply the pen readers for Sapago’s Personal Shopper Systems and the two companies will collaborate on development and marketing.

Sapago recently released its Art-FID™ product, which is designed for use in art galleries, auction houses and museums. The Art-FID™ product uses the Cathexis IDBlue™ pen exclusively as its RFID reader. Sapago’s extensive testing program found that the IDBlue™ readers stood up to the challenging retail environments. “Cathexis’ products and development tools are amazing. Their reader is sleek, beautiful, lightweight, simple to use and durable,” says Zammuto “it’s the perfect product for mobile RFID applications.”

Cathexis Innovations is supplying hardware and technical and development support to the effort and views Sapago’s Personal Shopper Systems as an important collaboration for the company. According to Cathexis Vice President, Mark Gillingham, “RFID can provide many advantages over existing technologies. However, true client value is derived from end-user applications that effectively avail of the technical benefits while

hiding the associated complexity. This is exactly what Sapago accomplished with the Art-FID™ and Personal Shopper Systems. These products directly address an industry defined problem and provide immediate benefits to the end consumer, resulting in greater sales for Sapago's clients." Cathexis is a leader in producing mobile readers and tools that minimize development lead times and help overcome common adoption hurdles, both of which markedly improve the return on the client's investment in RFID

COMPANY INFORMATION

Cathexis Innovations Inc. is a provider of innovative and practical RFID readers, software and solutions built on its proprietary RFID Engine™ architecture. Cathexis works closely with partners and clients to build innovative solutions that facilitate seamless integration of RFID technology into business processes. To this end, Cathexis has leveraged the RFID Engine™ architecture and a strategic partnership with Baracoda™ to develop IDBlue™ - a market leading Bluetooth® RFID reader that comes bundled with the cutting-edge development and connectivity tools that make RFID adoption straightforward and cost-effective. Cathexis is also using the RFID Engine™ to address the growing need to manage RFID data through the development of CathexisWEB™ – a hosted service that allows clients to rapidly implement cost-effective systems for collecting, managing and accessing their RFID data. By recognizing and being responsive to critical client needs, Cathexis lives up to its vision of “RFID Made Easy”™. Please visit Cathexis at www.cathexis.com.

Sapago believes that retail stores will evolve to become a personalized, user driven and interactive experience, which let's the shopper decide what information is important. We believe that providing the right information and experience to shoppers is the key for converting these shoppers into customers. Sapago's mission is to revolutionize the retail point of service shopping experience using cutting-edge, in-store, and personal technologies to enable and empower the consumer.

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