

Starcom Plc
("Starcom" or the "Company")

Placing

Starcom (AIM: STAR), which specialises in the development of wireless solutions for the remote tracking, monitoring and protection of a variety of assets, is pleased to announce that the Company has conditionally raised £475,000 before expenses through a placing of 36,538,460 new Ordinary Shares of no par value (the "Placing Shares") at a price of 1.3p per Placing Share ("the Placing Price") (the "Placing").

The Placing Shares, which represent 15.2 per cent. of the enlarged issued share capital, were placed by the Company's brokers, Northland Capital Partners Limited and Peterhouse Corporate Finance Limited.

Use of Proceeds

As previously announced, the Company has received a number of large orders from key customers. The primary use of the net proceeds will be to expedite completion of the new orders and ensure the timely supply and delivery of the Starcom products to those customers by the year end. In addition, the proceeds will be used to repay the balance of approximately US\$100,000 due to YA II PN, Ltd and certain other commercial loans amounting to approximately US\$115,000.

Application for Admission

Application has been made for the Placing Shares, which will rank *pari passu* with the Company's existing Ordinary Shares, to be admitted to trading on AIM ("Admission"). It is anticipated that Admission will become effective at 8.00 am on 1 November 2017.

Total voting rights

Following Admission, the Company's enlarged issued share capital will comprise 240,409,513 Ordinary Shares. The Company does not hold any shares in treasury. Therefore, the total number of Ordinary Shares with voting rights will be 240,409,513. This figure may be used by shareholders in the Company 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 under the FCA's Disclosure Guidance and Transparency Rules.

Director's participation in the Placing

Michael Rosenberg, the Company's Non-Executive Chairman, has participated in the Placing for 384,615 Placing Shares for a total consideration of £5,000 at the Placing Price.

Grant of options

The Company has agreed to grant Northland Capital Partners Limited options over 346,923 new Ordinary Shares of no par value exercisable at the Placing Price for a period of 5 years from Admission.

Michael Rosenberg, Chairman of Starcom, commented, "We are pleased to have raised this level of new funding which will strengthen our balance sheet and provide the necessary capital to ensure that our growth continues as anticipated. With this additional capital, the Board is increasingly confident that revenues for this year will comfortably exceed those of last year."

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

The Market Abuse Regulation (MAR) became effective from 3 July 2016. Market soundings, as defined in MAR, were taken in respect of the Placing with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those

persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

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