

Starcom plc
("Starcom" or the "Company")

Update on agreement with Xplosive

Starcom (AIM: STAR), which specialises in the development of wireless solutions for the remote tracking, monitoring and protection of a variety of assets, provides the following update regarding the Company's agreement with Xplosive Solutions Pty Ltd ("Xplosive") in South Africa.

On 7 February 2019, the Company announced a revised agreement over a three-year period with Xplosive for the supply of Kylos units intended for use in the protection of cattle. Although a limited number of initial goods were shipped under the revised agreement, it has become apparent to the Company that Xplosive is unable or unwilling to continue with the contractual arrangements for local reasons. Despite attempts by the Company to find a solution to these problems, the Directors of Starcom now consider this contract to have been terminated and no further action will be taken with regard to it.

Anticipated revenues over the three-year period under the agreement with Xplosive would have been approximately \$500,000. Notwithstanding the termination of this agreement by Starcom, the Directors still anticipate that trading for the current year will be in line with current market expectations and that the Company will achieve revenue growth over the previous year.

The Company's interim results for the period ended 30 June 2019 are expected to be published within the next few days.

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