

3 November 2021

Starcom PLC
("Starcom" or the "Company")

**Proposed Change of Name to t42 IoT Tracking Solutions plc, 1 for 8 Share Consolidation
and Notice of General Meeting**

Starcom (AIM: STAR), which specialises in the development of wireless, Internet-Of-Things (IoT) based solutions for the remote tracking, monitoring and protection of a variety of assets, announces that the Company is today posting a circular to shareholders containing a notice convening a general meeting of the Company to be held at 16a Hataas St, Kfar Saba, 4442516, Israel at 11.00 a.m. GMT on 19 November 2021.

The General Meeting is being convened to propose resolutions to change the name of the Company and undertake a share consolidation. Full details of these proposals are set out in the circular being sent to shareholders in a letter from the Chairman, an extract of which is set out below as well as a timetable of principal events. The circular will be available later today on the Company's website at www.starcomsystems.com

[Defined terms used in this announcement are set out at the end of this announcement.](#)

Letter from the Chairman of Starcom

On 22 October 2021, it was announced that following a strategic review of the business opportunities for the Company, it is proposed to seek authority from Shareholders to change the name of the Company. The new name chosen is t42 IoT Tracking Solutions plc and Special Resolutions to implement this change are proposed to be approved at a General Meeting to be held on 19 November 2021.

The change of name will coincide with a rebranding of the Company's various products and technology and a relaunch of the product range as part of a revised strategy that focuses on the container and freight market. This strategy, and the rebranding that it represents, is intended to leverage the market opportunity that has been presented by the major problems currently being suffered in the shipping and freight movement sector. We believe that the substantial increases in freight costs and the disruption to supply chains increase the need for our superior tracking and monitoring technology as shippers seek real time information to better control their assets in motion.

As reported, the Company is in advanced stage discussions for a number of potentially substantial projects concerning the supply of Starcom's various devices for the tracking and monitoring of containers and related items. Should these be successfully concluded they could provide significant revenues over the next few years, including SaaS revenues. There can be no certainty that these negotiations will lead to final contracts or if they do, what the final terms and value will be. However, certain potential clients have indicated their desire to reach an agreement with Starcom for its technology and the Board is hopeful to conclude one or more contracts before the end of this year. The recent raise of new capital will help to meet short term cash needs and to increase our marketing spend to take advantage of the new opportunities.

We do see major opportunities to expand our business over the next year or two and intend to promote our new brand and positioning aggressively on a worldwide basis.

Proposed Share Consolidation

As part of our corporate strategy, we also wish to restructure the share capital by carrying out an 8 for 1 share consolidation. The Board believes that the Share Consolidation could:

- improve the liquidity of the Company's shares and increase trading volumes;
- improve investor perception of the Company; and
- improve marketability of the Company's shares.

The Share Consolidation will involve the consolidation of every 8 Existing Ordinary Shares into one New Ordinary Share. For example, for every 800 Existing Ordinary Shares currently held, you will, if the Resolutions related to the Share Consolidation are passed, in future own 100 New Ordinary Shares, or more or less depending on your holding.

The rights attaching to the New Ordinary Shares will be the same as the rights attaching to the Existing Ordinary Shares and the New Ordinary Shares will be admitted to trading on AIM in place of the Existing Ordinary Shares.

Immediately following the Share Consolidation, Shareholders will own the same proportion of ordinary shares in the capital of the Company as they did prior to the Share Consolidation (subject to fractional entitlements – see below) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held.

Fractions

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a "Fractional Shareholder"), such fractions will be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders may be entitled so as to form full New Ordinary Shares and then sold in the market. The costs, including the associated professional fees and expenses, that would be incurred in distributing such proceeds are likely to exceed the total net proceeds distributable to such Fractional Shareholders. The Board is therefore of the view that, as a result of the disproportionate costs in such circumstances, it would not be in the Company's best interests to distribute such proceeds of sale and the proceeds will instead be retained for the benefit of the Company.

The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares. Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those Shareholders holding a total of fewer than 8 Existing Ordinary Shares at the Record Date) will cease to be a shareholder of the Company.

Accordingly, Shareholders currently holding fewer than 8 Existing Ordinary Shares who wish to remain a shareholder following the Share Consolidation would need to increase their shareholding to at least 8 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice as appropriate before taking any action.

Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlement to New Ordinary Shares.

Effect of the Share Consolidation on Options and Warrants

The entitlements to ordinary shares in the capital of the Company of holders of securities or instruments convertible into ordinary shares (such as share options under the Company's share option schemes and warrants to subscribe for new Ordinary Shares) will be adjusted to reflect the Shares Consolidation. The Company will issue new documents to holders of such instruments in due course. All share options and warrants will remain subject to relevant vesting conditions. At the date of this document options over 52,645,108 Existing Ordinary Shares, including options granted to directors to reduce fees and salaries due to them for the period 1 June 2021 to 30 May 2022, and warrants over 4,000,000 Existing Ordinary Shares are outstanding.

Accordingly, following the implementation of the Share Consolidation the number of shares under option and warrants will be divided by a factor of 8, and the exercise price of such will be multiplied by a factor of 8. Should any option or warrant be exercised and result in a fractional share entitlement, the exercise price associated with such fraction will be returned to the holder. Notwithstanding the foregoing, to the extent practicable, at the discretion of the Board and in accordance with the Articles, fractions arising from multiple option or warrant exercises will be consolidated and the resultant shares sold for the best price reasonably obtainable to any person and the net proceeds of sale distributed to the relevant option and warrant holders in due proportion.

ISIN and SEDOL codes

Following the Share Consolidation, the ISIN code for the New Ordinary Shares will change to JE00BKVDPL34 and the SEDOL code for the New Ordinary Shares will change to BKVDPL3.

Issued Share Capital

Immediately following the Share Consolidation, the issued share capital of the Company is expected to be 52,526,822 New Ordinary Shares.

Admission and Dealings

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. If approved at the General Meeting, the Share Consolidation will be effected after 5.00 p.m. on 19 November 2021, and the New Ordinary Shares are expected to be admitted to trading on AIM on 22 November 2021.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in the UK are expected to have their CREST accounts credited with the New Ordinary Shares on 22 November 2021.

Share Certificates

If you hold a share certificate in respect of your Existing Ordinary Shares, your certificate will no longer be valid from the time the proposed Share Consolidation becomes effective and will be cancelled. If you hold more than 8 Existing Ordinary Shares on the Record Date you will be sent a new share certificate evidencing the New Ordinary Shares to which you are entitled following the Share Consolidation. Such certificates are expected to be despatched by no later than 6 December 2021. Upon receipt of the new certificate, shareholders should destroy any old certificates. Pending the despatch of the new certificates, transfers of certificated New Ordinary Shares will be certified against the Company's share register.

Uncertificated Shares

If you hold your Existing Ordinary Shares in uncertificated form, you should expect to have your CREST account credited with the New Ordinary Shares to which you are entitled on implementation of the Share Consolidation on 22 November 2021 or as soon as practicable after the Share Consolidation becomes effective.

Recommendation

The Board considers that the change of company name and the Share Consolidation is in the best interests of the Company and the Shareholders. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they have undertaken to do in respect of their own beneficial shareholdings.

Expected Timetable of Principal Events

Circular and notice of General Meeting posted to shareholders	3 November 2021
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 18 November 2021
General Meeting	11.00 a.m. on 19 November 2021
Record Date for the Share Consolidation	5.00 p.m. on 19 November 2021
Existing Ordinary Shares disabled in CREST and share register closed	5.00 p.m. on 19 November 2021
Admission effective and dealings commence on AIM in New Ordinary Shares	8.00 a.m. on 22 November 2021
CREST accounts credited with New Ordinary Shares	22 November 2021
Certificates in respect of New Ordinary Shares dispatched	by 6 December 2021
ISIN of Existing Ordinary Shares	JE00B8WSDY21
ISIN of New Ordinary Shares	JE00BKVDPL34

Times stated above refer to UK time.

Definitions

The following definitions apply throughout this announcement, unless the context otherwise requires:

“Directors” or “the Board”	the directors of the Company
“Existing Ordinary Shares”	the 420,214,576 existing ordinary shares of no par value in the Company in issue at the date of this announcement
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 19 November 2021
“New Ordinary Shares”	the 52,526,822 new ordinary shares of no par value each in the capital of the Company arising from the Share Consolidation
“Record Date”	5.00 p.m. on 19 November 2021
“Resolutions”	the resolutions set out in the notice of the General Meeting
“Share Consolidation”	the proposed consolidation of every 8 Existing Ordinary Shares into 1 New Ordinary Share
“Shareholders”	holders of Existing Ordinary Shares

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