

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

**Convertible Loan Facility**

The Board of Starcom (AIM: STAR), which specialises in the development of wireless solutions for the remote tracking, monitoring and protection of a variety of assets and people, announces that the Company has entered into an unsecured convertible loan facility (the "Loan Facility") with YA Global Master SPV Ltd. (the "Investor"), an investment fund managed by Yorkville Advisors Global LLC.

Starcom will immediately draw down an initial tranche of US\$250,000 (the "First Tranche"), the proceeds of which will be used to provide the Company with additional working capital as it extends its product range. The Board believes that, with the launch of new products in recent months, it is prudent to have the Loan Facility in place, with any agreed drawdowns being available to support more aggressive marketing campaigns in 2016 and beyond. The total amount available under the Loan Facility is limited to US\$2million but the Investor has no obligation to provide further tranches beyond the First Tranche and any further drawdowns are subject to its approval. Any subsequent drawdowns will carry conversion rights as described below.

**Description of the Loan Facility**

The Loan Facility is available to Starcom for 24 months from 14 October 2015 and under the terms of the Loan Facility Starcom has agreed to pay YA Global II SPV, LLC, an affiliate of the Investor, an implementation fee equal to 10% of the principal amount to be drawn down under each tranche (plus VAT if applicable). Under the terms of the Loan Facility, an additional fee of US\$7,500 was deducted from the First Tranche to cover due diligence and administrative costs. Each tranche which is drawn down from the Loan Facility is repayable within one year from the date of drawdown and the annual interest rate is 7% per annum. On any specific date prior to Loan Facility's maturity on 14 October 2017, the Investor has the option to convert all or any part of the outstanding loan balance, together with any outstanding interest, prior to repayment into fully paid shares of Starcom at a price being the lower of (a) 4p per share in respect of the first US\$100,000 of the tranche and 7p per share in respect of the balance and (b) 92.5% of the lowest share price during the ten consecutive trading days prior to a conversion notice date (or 70% of such price in the event of a default).

If the Company fails to pay any sum on the due date for payment under the terms of the Loan Facility, interest will accrue on a daily basis (payable on demand) on the outstanding principal amount of the tranche from the date of default until actual payment at the rate of 18% per annum.

The Company has sufficient authorised but unissued share capital to provide for any conversion rights that may arise from the First Tranche, but may need to requisition a General Meeting to obtain shareholder approval to increase authorities in the future should further amounts be drawn and then converted depending on the Company's share price at that time. Should the Company requisition a general meeting or an annual general meeting, during the period of the Loan Facility, it shall consult with the Investor in relation to the level of share allotment authorities it should seek to ensure that the Company has adequate share allotment authorities in place to fulfil its obligations to issue Ordinary Shares to the Investor pursuant to the terms of the Loan Facility, and any other agreement entered into between the parties.

The Investor has agreed to restrict any sales of Starcom shares to a maximum of 20% of the volume traded on any trading day.

The Loan Facility provides for customary events of default. On and at any time after the occurrence of an event of default, which is continuing, the Investor, in its absolute discretion may, by written notice to the Company, declare all outstanding amounts under any tranche and any interest thereon to be immediately

due and payable, together with any other sums then owed by the Company to the Investor and, upon that declaration, such sums shall become immediately due and payable, without further demand or notice of any kind, all of which are hereby expressly waived by the Company.

**Avi Hartmann, CEO of Starcom, commented,** "This facility will assist the Company with its development plans for the marketing of its new product range and, if utilised, will ensure that it has the necessary resources to support those plans globally".

-ends-

For further information please contact:

<b>Starcom plc</b>	<b>Northland Capital (Nomad)</b>	<b>Northland Capital (Broking)</b>	<b>Leander (Financial PR)</b>
Michael Rosenberg Avi Hartmann	Edward Hutton David Hignell	John Howes Abigail Wayne	Christian Taylor-Wilkinson
Tel: 07785 727595 +972 543070103	Tel: 020 7382 1100	Tel: 020 7382 1100	Tel: 07795 168 157