

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

AGM Statement

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, will hold its AGM at 11am today. Michael Rosenberg, Chairman of the board of Starcom will report the following trading update at the meeting.

Based on unaudited management accounts, revenues for the first four months of the year are slightly behind budget, but gross margin is ahead of the average for 2016 and better than expected for this period. Part of the reason for the adverse variance in revenues is that some of our customers, who traditionally place orders in Q1, have advised us that they intend to place orders this year in Q2/3. Some of these orders are now being received and we are even seeing some increases in order value on last year.

Results for the full year to 31 December 2017 are still expected to show an improvement over 2016 due to the encouraging sales pipeline and new initiatives we are pursuing as outlined below. As usual, we expect most of the growth in revenues to occur in the second half of the year.

One of these new initiatives is a tracking and remote monitoring solution we are working on for electric motor bikes. We have commenced discussions with a number of potential customers and are working on the tailoring of this solution for one of them over the next few months. This may open up a new and fast-growing market for the Company.

We are in advanced sales negotiations with a major shipping company for the installation of our range of Tetis and Watchlock tracking units in their fleet of container ships. Initially it will be a trial order which, if successful, should lead to larger orders in the future. This company has received positive feedback from one of its local subsidiaries which has been trialling the Tetis / Watchlock combination for over six months now.

Kylos Air, which tracks assets and cargo whilst on board aircraft, has now received approval from a second airline, Air Atlanta Icelandic, which again demonstrates the attraction of this product for the air cargo and transport industry. We are confident that the airline will recommend Kylos Air to any of their customers that need this specialist tracking system.

The Helios Hybrid, which allows assets to be tracked in remote locations using a smart cellular/satellite tracking system, is attracting further positive interest from potential customers and we hope to be able to announce more details in the next few weeks.

Overheads have continued to decrease mainly as a result of our offices being relocated from the centre of Tel Aviv. On an annualised basis this is expected to result in direct savings of around \$150,000, plus further related savings.

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

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