

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

Placing and Warrant Issue

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, is pleased to announce that the Company has conditionally raised £645,000 before expenses through a placing of 43,000,002 new Ordinary Shares of no par value (the "Placing Shares") at a price of 1.5p per Placing Share (the "Placing"), together with the issue of warrants over new Ordinary Shares on the basis of one warrant for every 5 Placing Shares ("Placing Warrants"). The Placing Warrants will be exercisable at a price of 2.5p per Ordinary Share and will expire twelve months following the admission of the Placing Shares to trading on AIM.

Director's proposed participation in the Placing

The Board has been advised that Michael Rosenberg, the Company's Non-Executive Chairman, intends to subscribe for 333,334 Placing Shares for a total consideration of £5,000 following the announcement of the Placing.

The Placing Shares were placed by the Company's brokers, Northland Capital Partners Limited and Peterhouse Corporate Finance Limited.

Use of Proceeds and arrangements with YA

The net proceeds of the Placing will be used to strengthen the Company's working capital and to repay US\$220,000 of the US\$330,000 drawn down under the Convertible Loan Facility provided by YA II PN, Ltd ("YA") as announced on 28 March 2017. The Company will make a total payment of US\$245,755 (c. £193,000) including principal, interest and repayment premium (the "Redemption Payment").

Under the existing arrangement, YA, has a right to convert its loan at a fixed price of 2.5p up to 23 June 2017. Thereafter it would be on a formula price being 92.5% of the lowest daily VWAP during the 10 consecutive trading days prior to the conversion notice being given (the "Original Conversion Price"). This could have resulted in conversion being at a significantly lower price than 2.5p.

Following discussions with YA and subject to the Redemption Payment being effected by 30 June 2017 and unless otherwise agreed by the parties, YA has agreed that any conversion notices submitted by it prior to 31 December 2017 will be at a fixed conversion price of 2.5p per share. Thereafter, pursuant to the original facility granted in October 2015, any outstanding balance will be convertible by YA at the Original Conversion Price.

Michael Rosenberg, Chairman of Starcom, commented, "We are pleased to have raised this level of new funding which will help reduce our exposure with YA and importantly provide us with working capital to help us execute a number of key expansion strategies as we look to grow the business into new markets and industries, such as air transportation and electric motorcycles."

A further announcement will be made in due course.

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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For further information, please contact:

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