23 January 2018

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

The EBITDA comparative for 2016 as stated in the Trading Update released at 7:00 am on 18 January under RNS 1980C has been amended from $612,000 loss to $802,000 loss (after adjusting for inventory writedown).

All other details remain unchanged.

The full amended text is shown below.

18 January 2018

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

Trading Update

Starcom (AIM: STAR), which specialises in the development of wireless solutions for the remote tracking, monitoring and protection of a variety of assets, is pleased to provide an update in respect of the results for the year ended 31 December 2017, which are subject to final audit.

The Board expects turnover for the year ended 31 December 2017 of not less than $5.5m (2016: $5.1m) and that the gross margin will exceed 41% (2016: 28%). EBITDA is expected to show a positive result of not less than $500,000 (2016: $802,000 loss (after adjusting for inventory writedown)). Total operating expenses in 2017 are expected to be 31% lower than in 2016 and, as a result, it is anticipated that the consolidated net profit after tax will show a breakeven position or a small loss (2016: loss of $2m).

The Board notes that the mix of sales in 2017 has shown a good progression in the sales of non-Helios products such as the Tetis, Kylos and Watchlock. These are more specialised products and therefore command higher gross margins than the standard Helios products. The demand for the non-Helios products at these higher margins has continued into the first half of 2018.

Discussions are ongoing concerning further orders during 2018 with the major European Industrial group with whom the Company announced an initial contract in September 2017 for 1,000 Kylos Air units (subsequently increased to 1,200 units). These units are expected to be delivered to the customer shortly.

The agreement with CropX is also proceeding well and further orders have been received for delivery in the first quarter of 2018.

The Company has recently signed a three-year supply and support Tetis agreement with WIMC Solutions Inc. ("WIMC"), a US-based provider of products and services for real-time monitoring of international container movements. WIMC founded 'whereismycargo.net' a website which provides online global tracking of vessels and containers for its customers. An initial order of 1,000 units has already been received and this may be increased to around 20,000 units over the next three years. A further 1,000 units are expected to be delivered in Q1 of this year. This agreement, if fully implemented and all units are connected, has the potential value of approximately $4.5 million, including SAS revenues, over three years.

The tender process involving the UN project referred to last year included a pilot scheme in Africa and in the USA. This pilot was completed satisfactorily at the end of December 2017 and all customer requirements have been met. However, it is still uncertain as to when a final decision will be made and there can be no assurance at this stage that Starcom's proposal will be selected.

The Company has a number of outstanding bank and commercial loans and is reducing these on a monthly basis. Since the placing of shares in October 2017, a total of $175,000 has been repaid, including $55,000 to YA II PN, Ltd ("YA"). The outstanding balance of $65,000 due to YA will be repaid in the near future. Although the intention had been to repay this loan in full in the last quarter of 2017, it was considered that it was in shareholders' interests that customer demands for delivery of product should take priority at that time.

The Company is experiencing one of its highest levels of orders for delivery in the first half of the year. Although the 2018 financial year is at a relatively early stage, based on the level of orders in hand and the level of new business enquiries, the Board anticipates that revenues and margins in 2018 will continue to improve.

The preliminary results announcement is expected to be released by the middle of March 2018.

-ends-

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

For further information, please contact:

Starcom Plc
Michael Rosenberg, Chairman 07785 727 595
Avi Hartmann, CEO +972 5447 35663

Northland Capital Partners Limited (Nominated Adviser and Broker) 020 3861 6625
Edward Hutton / David Hignell (Corporate Finance)
John Howes (Sales and Broking)

Peterhouse Corporate Finance (Joint Broker) 020 7469 0930
Lucy Williams / Charles Goodfellow / Eran Zucker

Leander PR (Financial PR) 07795 168 157
Christian Taylor-Wilkinson