

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

Distribution Agreement and Placing

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 announce that an agreement has been signed with a local distributor in North Africa.

The agreement provides for the supply of a number of Helios Advanced units together with BIO CAN fuel sensors. This is the first major project in which the Company is implementing this leading technology to measure and monitor biodiesel fuel tank levels, while using the existing CANBUS communication system of the Helios devices. This easily scaleable system provides highly accurate data and customer alerts via a simple installation process. In addition, Starcom is providing the necessary software and appropriate SAS licence relevant to the products.

The total value of the initial order under the agreement is approximately US\$1.1 million. Delivery is expected to be made before the end of 2018, with the Company receiving payment for the majority of the order value immediately prior to delivery. The agreement also provides for the supply of further equipment with a potential value of up to US\$2.5 million on similar terms during 2019, but no firm order has yet been received for these.

It is understood that this equipment and related services will be provided to a government ministry. Under the terms of the agreement, there is a non-disclosure and confidentiality clause which prevents naming the client at this stage.

Assuming that this initial order is satisfactorily delivered by the year end and that other ongoing orders are all completed as planned, it is anticipated that revenues for 2018 will comfortably exceed the current market expectation of US\$5.9 million (2017: US\$5.4 million) and that EBITDA will be in line with current market expectations, namely in the region of US\$485,000 (2017: loss of US\$193,000). A further update will be made soon after the year end.

Placing

To ensure that this and other orders can be delivered as planned both for this year and early 2019, the Company has conditionally raised £400,000 before expenses through a placing of 20 million new Ordinary Shares of no par value (the "Placing Shares") at a price of 2p per Placing Share (the "Placing").

Application has been made for the Placing Shares, which will rank pari passu with the Company's existing Ordinary Shares, to be admitted to trading on AIM ("Admission"). It is anticipated that Admission will become effective at 8 am on 12 November 2018.

Total voting rights

Following Admission, the Company's enlarged issued share capital will comprise 293,449,513 Ordinary Shares. The Company does not hold any shares in treasury. Therefore the total Ordinary Shares with voting rights will be 293,449,513. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Michael Rosenberg, Chairman of Starcom commented,

"This new agreement is a further endorsement of our ability to provide state-of-the-art tracking technology products to the global market. We are at the same time making good progress on sales with our other product ranges, including the Tetis and the Kylos. The Watchlock 3 (Bluetooth enabled) padlocks are well advanced in development and we now expect to be able to make deliveries early in 2019 to customers who have already placed provisional orders."

This Announcement contains inside information for the purposes of Article 7 of the EU Market Abuse Regulation (2014/596/EU) ("MAR"). 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 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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