

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

Update on strategic Kylos Agreement

The Board of Starcom (AIM: STAR) is pleased to provide an update on its agreements with Xplosive Solutions Pty Ltd ("**Xplosive**") in South Africa for the supply of Kylos units for the monitoring of cattle.

The Company announced in October 2017 that it had entered into a supply and support agreement with Xplosive to sell Kylos units. However, in July 2018 the Company announced that the agreement was delayed whilst Xplosive developed a collar for the cattle and pending local negotiations with regard to connectivity with local telecom providers. As a result, no revenues were generated under the original agreement.

The Company has now entered into a new agreement with Xplosive (the "**Agreement**"), pursuant to which Starcom will supply Kylos units directly to Xplosive. The Agreement is for a 36-month period, over which Xplosive will pay a monthly fee for each Kylos unit, to cover the product cost and ongoing SaaS fees. The monthly fees are higher in the first six months, reducing thereafter. Over the term of the Agreement, the Company expects to receive approximately \$500,000 of revenue.

Avi Hartmann, CEO of Starcom, commented, "In an industry worth over USD 2 billion, and with cattle herds containing thousands of heads, cattle theft has become a serious problem in the South African market. Starcom has worked with Xplosive to develop a cost effective and reliable solution to offer security and theft prevention to the South African cattle industry, as well as to speed the process of rounding-up cattle which graze over large tracts of land. This is yet another example for how Starcom can creatively apply its advanced technology to meet tracking and security challenges in various vertical markets."

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