

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). In addition, market soundings were taken in respect of the matters contained in this announcement, with the result that certain persons became aware of such inside information. Upon the publication of this announcement, this inside information is now considered to be in the public domain and such persons shall therefore no longer be in possession of inside information relating to the Company and its securities.

18 April 2019

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

Issue of equity

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 the Company has conditionally raised £637,500 before expenses through a subscription of 51,000,000 new Ordinary Shares of no par value (the "Subscription Shares") at a price of 1.25 pence per Subscription Share, (the "Subscription"). The Subscription is being undertaken utilising the Company's existing share authorities and has been subscribed for by a combination of new and existing shareholders.

The net proceeds of the Subscription will be used to pay suppliers in order to satisfy further demand for the Company's products, including the new Lokies padlock, details of which were announced on 5 April 2019. In addition, the Company intends to use the net proceeds of the Subscription to intensify its marketing and sales effort and for general working capital purposes. The Directors consider that undertaking an equity raise of this size at this stage will place the Company in a better financial position to pursue its strategy and, at the same time, avoid the requirement for more frequent capital raises that it has made in the past.

In addition to the Subscription and in an attempt to conserve the Company's cash position, the Directors are proposing to receive Ordinary Shares and/or options in lieu of historic unpaid director salaries and future fees as they fall. The details of these proposals are still to be finalised by the Board and any such proposals would be made subject to shareholder approval at a general meeting of the Company. Further announcements will be made in due course.

Proposed board appointment

The Company is pleased to announce its intention to appoint Martin Blair as non-executive director of the Company, subject to satisfactory completion of customary due diligence by its nominated adviser, in accordance with the AIM Rules. Martin Blair is a highly experienced director within the software, life sciences and media industries and is currently a director of Kape PLC, Cakebox Holdings plc and Green Biologics Ltd. Further updates will be made in due course.

Application for Admission

Application has been made for the Subscription 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 8.00 a.m. on 24 April 2019.

Total voting rights

On Admission, the Company's enlarged issued share capital will comprise 344,449,513 Ordinary Shares. The Company does not hold any shares in treasury. Therefore, the total number of Ordinary Shares with voting rights in the Company will be 344,449,513. 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 a change in their interest in, the voting rights of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Michael Rosenberg, Chairman of Starcom commented, "These new funds will enable the Company

to pursue a more aggressive marketing strategy as we are promoting our new range of tracking and monitoring products, to take advantage of the positive responses we are receiving from existing and potential clients and to leverage our position as one of the world leaders in our technological market place."

Information for Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Subscription Shares have been subject to a product approval process by Allenby Capital Limited, which has determined that the Subscription Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, investors should note that: the price of the Subscription Shares may decline and investors could lose all or part of their investment; Subscription Shares offer no guaranteed income and no capital protection; and an investment in Subscription Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subscription. Furthermore, it is noted that, notwithstanding the Target Market Assessment, only investors who have met the criteria of professional clients and eligible counterparties have been procured. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Subscription Shares.

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