

Starcom plc
("Starcom" or "the Company")

Litigation Update

The Company announces an update on the suit which was filed by Top-Alpha Capital Ltd. ("Top Alpha") against Avi Hartmann (Chief Executive Officer), Doron Kedem (former Chief Operating Officer) and the Company and its subsidiary companies (the "Starcom Group") as originally announced on 3 December 2014.

In the Company's annual report and accounts for the year ended 31 December 2016, the Company updated that the claim by Top Alpha had been restricted to Avi Hartmann, Doron Kedem and a subsidiary of the Company, Starcom Systems Limited. The Company further notified that, in the event of a claim being successful it was not expected to exceed a total of approximately \$180,000 (based on exchange rates at that time) and, in any event, Mr Hartman and Mr Kedem have agreed to bear the cost of any such claim, so no such liability fell upon the Company.

On 25 September 2019, the Company was notified that, on 19 September 2019, the Tel Aviv District Court issued a judgment against Mr Hartmann and Mr Kedem in the amount of 677,000 shekels (approximately \$194,000) in total. No judgement has been made against either the Company or any of its subsidiaries in respect of the claim. Whilst it is the intention of the defendants to lodge an appeal against this decision, this judgement means that there is no liability to the Starcom Group in respect of Top Alpha's claim.

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