

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

**Loans from Directors and Employee
and Grant of Warrants**

Starcom (AIM: STAR), which specialises in the development of wireless, Internet-Of-Things (IoT) based solutions for the remote tracking, monitoring and protection of a variety of assets, announces that the Company has, on 24 March 2020 entered into loan agreements (the "**Loan Agreements**") with certain directors and an employee of the Company (the "**Lenders**"), pursuant to which they have provided loans to the Company totalling approximately £243,600 (the "**Loans**"). Under the terms of the Loan Agreements, the Lenders have also been issued warrants (the "**Warrants**") to subscribe for ordinary shares in the Company ("**Ordinary Shares**").

Background to and reasons for the Loans

Although it is too early to predict what the full impact of the global Covid-19 pandemic will be on the Company and its operations, the Board is pleased to report that to date the Company has remained under pressure from customers to fulfil existing orders and continue supply of its products. Since the majority of the Company's products are utilised in the movement of cargo rather than people, activity has remained at a high level. There has however been some delay in the fulfilment of certain orders by the Company as a result of international restrictions being imposed on the Company and its own suppliers. The Company has taken the necessary measures to ensure that it can continue to operate effectively whilst keeping its staff safe.

Given the current uncertainty caused as a result of the Covid-19 pandemic, the Board of the Company considers that it is prudent to strengthen the Company's balance sheet at this time through the entry into the Loans. Further, the provision of the Loans by certain directors demonstrates the Board's confidence in the business despite the global economic turbulence.

Details of the Loans

The Company has entered into the Loan Agreements with the following parties:

<i>Lender</i>	<i>Value of Loan provided</i>	<i>Number of Warrants granted</i>
Montrose Securities Limited, a company controlled by Michael Rosenberg (Non-Executive Chairman)	£100,000	1,600,000
Avi Engel (Non-Executive Director)	429,330 Israeli Shekels (approximately £100,000)	1,600,000
Igor Vatenmacher (Chief Financial Officer)	100,000 Israeli Shekels (approximately £21,800)	400,000
Starcom Employee	100,000 Israeli Shekels (approximately £21,800)	400,000

Under the terms of the Loan Agreements, interest is payable on the principal Loan amount at a rate of 8 per cent. per annum payable quarterly in arrears and the Loan principal is repayable on 30 September 2021. Each of the Loans are convertible into new Ordinary Shares, at the sole discretion of the Lender, at a conversion price of 1.25p per Ordinary Share (being a premium of 25% to the closing mid-market share price on 24 March 2020) at any time up until the Loan repayment date. In addition, the Loans can be repaid early at the election of the Company, although not before 30 September 2020, with an early redemption fee of 8% of the principal Loan amount.

Of the Loan proceeds, NIS 165,453 (approximately £39,000) will be used to satisfy a historic outstanding debt owed to Avi Engel in respect of past fees. The remainder of the Loan proceeds will be used to fund the growth in inventory as needed to meet anticipated sales orders, as well as for the continued development of the Company's sales and distribution infrastructure and for general working capital purposes.

Under the Loan Agreements, Avi Hartman, CEO, is providing a personal guarantee to the Lenders against 50% of the principal Loan value.

The Warrants

Pursuant to the Loan Agreements, the Company has granted 4,000,000 Warrants to subscribe for Ordinary Shares to the Lenders, as set out in the table above.

The Warrants are exercisable at a price of 1.5p pence per Ordinary Share, being a premium of 50% to the closing mid-market share price on 24 March 2020. The Warrants are exercisable from the date of grant and expire on the second anniversary of the grant. Following the grant of the Warrants, the Company has 53,293,947 options and warrants to subscribe for Ordinary Shares in issue, representing 15.4% of the Company's current issued share capital.

The FCA notifications, made in accordance with the requirements of the EU Market Abuse Regulation, are appended below.

Related Party Transactions

The entering into the Loan Agreements with directors of the Company being, Avi Engel and Igor Vatenmacher, as well as a company controlled by Michael Rosenberg, and the associated grant of Warrants, constitute related party transactions under rule 13 of the AIM Rules for Companies. The director of the Company independent of these transactions, being Martin Blair, considers, having consulted with the Company's Nominated Adviser, that the terms of the Loan Agreements and grant of Warrants are fair and reasonable insofar as the Company's shareholders are concerned.

Enquiries:

Starcom Plc

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Leander PR (Financial PR)

Christian Taylor-Wilkinson

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1	Details of the person discharging managerial responsibilities / person closely associated														
a)	Name	Michael Rosenberg (Chairman) Avi Engel (Non-executive Director) Igor Vatenmacher (Chief Financial Officer)													
2	Reason for the notification														
a)	Position/status	See 1 a) above													
b)	Initial notification /Amendment	Initial notification													
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor														
a)	Name	Starcom plc													
b)	LEI	213800XVU7WF3QMF4826													
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted														
a)	Description of the financial instrument, type of instrument Identification code	Warrants to subscribe for Ordinary Shares of no par value Identification code (ISIN) for Starcom plc ordinary shares: JE00B8WSDY21													
b)	Nature of the transaction	Grant of warrants to subscribe for ordinary shares in the Company													
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Director/PDMR</th> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>Michael Rosenberg</td> <td>Exercisable at 1.5p</td> <td>1,600,000</td> </tr> <tr> <td>Avi Engel</td> <td>Exercisable at 1.5p</td> <td>1,600,000</td> </tr> <tr> <td>Igor Vatenmacher</td> <td>Exercisable at 1.5p</td> <td>400,000</td> </tr> </tbody> </table>		Director/PDMR	Price(s)	Volume(s)	Michael Rosenberg	Exercisable at 1.5p	1,600,000	Avi Engel	Exercisable at 1.5p	1,600,000	Igor Vatenmacher	Exercisable at 1.5p	400,000
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