

Starcom PLC
 ("Starcom" or the "Company")

Trading update

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, provides a trading update on the impact of the Covid-19 pandemic.

Further to the announcement on 25 March 2020 regarding the impact of the Covid-19 pandemic on the Company's trading, over the last two weeks the situation in many of the territories relevant to Starcom has worsened and several of the Company's key clients are now running partial operations or have temporarily shut down all operations. For example, in the USA all of the Company's clients have ceased manufacturing for the time being and in Russia the Company's distributor has also frozen its operations. Consequently, client orders are now being delayed. The Company is also experiencing delays in supply and delivery to and from its factory, due to local transport difficulties and airport restrictions.

It is not possible at this stage to predict with any reliability what financial impact the pandemic will have to the Company's trading this year and the Company will provide an update when the uncertainty starts to decrease. Should the restrictions on trade in the jurisdictions in which the Company and its clients operate continue for a sustained period, it is not expected that the Company would achieve the levels of growth previously anticipated. Meanwhile, the Company is taking all the necessary prudent steps to contain costs and preserve cash, including furloughing certain employees and reducing wages for non-furloughed staff and management. The Company has also applied for the government backed loan that is part of the support package the Israeli government offers to businesses affected by the Covid-19 pandemic. The board feels confident that these measures will enable the Company to survive and come out of this tough period ready to leverage the strong position it had built before the Coronavirus impacted world trade and its economies.

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