

6 July 2020

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

New Bank Facility and 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, announces that it has entered into a new revolving credit facility ("**RCF**") with a leading Israeli Bank, for up to 5 million Israeli Shekels (c. £1.175 million).

The RCF is for an initial period of 12 months and attracts an interest at a rate of c. 3 per cent. over Israeli Prime Bank rate. The amount that can be drawn by Starcom under the RCF at any given time will be calculated monthly, based on the accounts receivable of the Company.

The RCF will be secured by way of a cross group guarantee and a floating pledge over the assets of Starcom G.P.S Systems and is subject to certain standard banking covenants. In addition, Starcom is required to have a deposit of 15% of amounts to be drawn on account with the lender prior to drawdown.

The RCF has been entered into in place of the government backed loan facility that Starcom had applied for, as this was proving difficult to conclude and was for a lower amount.

Trading Update

The Board considers that it is still too early to predict the impact of COVID-19 on the Company's trading for the current financial year, with many of the Company's customers still in lockdown or only recently released from it. The Board understands that certain of its clients' operations will recommence in the coming months, which is hoped will result in improved trading for the Company in the second half of the year.

Avi Hartmann, CEO of Starcom, commented, "We are pleased to have entered into this RCF and the fact that it has been put in place with an established commercial lender in Israel should provide additional comfort to shareholders. It provides the Company with additional financial security during this uncertain period."

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