

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

**Trading Update**

The Board of Starcom, 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 an update on the business of Starcom in the light of the COVID-19 pandemic.

As previously reported, COVID-19 caused many of the Company's customers to have reduced their activities since March of this year and consequently revenues have been hit significantly. Cost cutting measures have been taken accordingly and additional bank facilities were secured a few months ago to support the cashflow. These have enabled the Company to continue to trade, albeit at levels lower than expected in earlier management budgets.

The Company continues to maintain and further develop its customer relationships, especially the long-term relationships with strategic customers which we believe will gradually become key drivers of Starcom's future growth. We also continue to explore new opportunities to strengthen the pipeline that may contribute to sales in 2021, when trading at our customers will hopefully return to some sort of normality.

Special focus is being placed on customers that are less affected by the current crisis. Two good examples are Zero Motorcycles and CropX technologies:

**Zero Motorcycles ("Zero")**

Zero, the American electric motorcycle company, has recently announced a groundbreaking joint venture with Polaris Inc. This is a ten-year exclusive partnership to develop electric off-road vehicles and snowmobiles and it is anticipated that the first of several electric vehicles will debut by the end of 2021. Polaris (NYSE: PII) is listed on the New York Stock Exchange with revenues of more than \$6.7 billion and serves more than 100 countries across the globe. Based on its announcements as a public company, its long-term goal is to establish itself as the powersports electric vehicle leader by 2025.

Starcom, as a provider of monitoring and tracking technology to Zero, has a potential opportunity to also supply this technology to the Polaris-Zero joint venture over the coming years. Starcom and Zero have already initiated negotiations about this exciting development, although it is impossible at this stage to indicate if this opportunity will come to fruition and the timing of such.

**CropX**

CropX continues to place further orders with Starcom, is expanding through acquisitions and has been successful in raising new [equity] funding despite the impact of COVID-19. In September, CropX announced the acquisition of REGEN, a company in New Zealand that provides cloud-based, precision effluent and irrigation decision support tools. REGEN delivers more than 200,000 client recommendations annually based on its soil data and decision support platform, and the acquisition adds 130,000 acres to the CropX platform that is supported by Starcom's product. This expansion at CropX is expected to have positive impact on CropX's demand from Starcom.

Even in times like these, as new orders are difficult to secure, Starcom's recurring and high margin SaaS revenues of approximately \$170,000 per month continue to be collected and provide a solid foundation underpinning the overall revenues. We are pleased to see that most active clients remain subscribed to the service. This enables us to keep our research and development effort at its pre-COVID-19 level. We are confident that by maintaining our technological advantage, in parallel to maintaining the customer relationships, we will be able to come out of the crisis ready to exploit the many opportunities that will present themselves.

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