



STARCOM PLC

Investor Presentation

3 February 2015



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Introduction

- Established in 2004
- Starcom designs and develops a variety of tracking and security products monitored across its proprietary web application, Starcom Online
- Product Range:
 - ❑ Helios (launched in 2008) – Vehicle tracking and management
 - ❑ Triton (2012) – Freight container monitoring
 - ❑ Watchlock (2012) – High security padlock utilising Starcom's monitoring technology with built in GPS
 - ❑ Kylos Compact (Q4 2014) - Tracking of merchandise and personal goods
 - ❑ Helios TT (mid 2014) – Tracking vehicles mainly for Motorcycles – new partnership with Porsche Germany
 - ❑ Helios Hybrid (end of 2014) – Tracking vehicles using Satellite and Cellular communication
- Products sold via distributors in over 50 countries

Business Model



- Starcom sells its products to distributors in over 50 countries
- All products use the same core technology and share a similar business model
- End users include commercial fleet vehicles, inland and public transportation operators, shipping companies, corporates and private customers
- Revenues generated from the initial sale and thereafter by monthly subscriptions to Starcom Online producing recurring income. Monthly subscription fee of \$3-\$5 per unit signed up to Starcom Online
- Units manufactured in Taiwan by sub-contractor
- No direct relationship between Starcom and end-user

New Products – Helios Range



Helios TT (Track & Trace)

- Most cost-effective unit for vehicles and motorbikes
- Extremely low power consumption
- Waterproof (IP67) with a silicon case available
- Sales began in 2014



Helios Hybrid

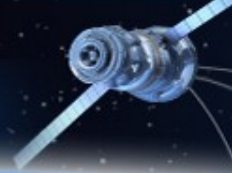
- A vehicle location unit with full fleet management
- Combines cellular connectivity and satellite modem to enable constant communication around the globe
- Option to set the type of events for immediate transmission and/or to log data until cellular coverage is accessible

Partnership with Porsche Germany

- Selected as an official Partner to Porsche Zentrum Baden Baden to provide Helios TT vehicle tracking system
- Porsche Zentrum is largest dealership in Germany with 27 dealerships
- The Company hopes that the remaining 26 dealerships will take up the partnership during 2015
- Porsche Zentrum sold 2,500 cars in 2014
- Helios will be a dealer-fitted option
- Porsche does not fit tracking systems as standard in Germany
- It is hoped that Starcom's brand will be increased across Europe due to relationship

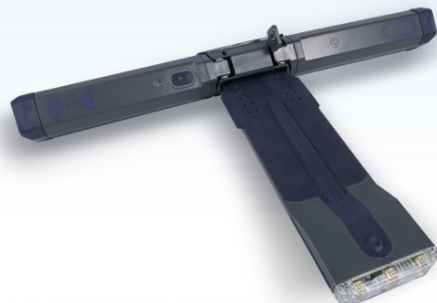


ton for Reefer Containers



- Detects in real time a deviation from temperature range, a predefined route, damage from accident, break-ins and unauthorised container door opening
- Additionally:
 - Built-in temperature and humidity sensors (Accuracy: $\pm 0.2^{\circ}\text{C}$)
 - Connection via RF to external temperature and humidity sensors
 - Built-in Light sensor
 - USB connector: For initial setup and to collect data which has been logged
 - Long battery life
 - Easy installation and activation
 - Launch in Q4 2014

Considerable initial interest from multinational companies



atchlock



- Launched in 2012
- High security padlock integrating Starcom's monitoring system with built-in GPS locating and GSM-based communication technologies.
- Tailored email or text message alerts based on events using Starcom Online
- The applications are ideal for static assets such as warehouses, pipelines, perimeter fences and shop fronts where you would want an alert or to log when they had been entered/secured and mobile assets such as trailers, vending machines or caravans.
- Winner of Physical Innovation Product of the Year at the IFSEC Security Industry Awards in Birmingham in May 2012
- **5,879 units in 2012 and over 20,000 units sold in 2013**

Watchlock - Joint Venture with Mul-T-Lock

- Mutually owned IP with Mul-T-Lock Technologies Ltd
- Mul-T-Lock is a wholly owned subsidiary of Assa Abloy the world's leading manufacturer of high security locking solutions (owns Yale, Chubb, Union, Mul-T-Lock)
- Gross margin on the sale price is split 50:50 between Starcom and Mul-T-Lock
- Starcom retains 100% of revenues generated by Starcom Online on units it sells and 70% of such revenues on Mul-T-Lock's sales of Watchlock



e Kylos Compact

- Launch planned for the end of 2014
- Small unit that includes an emergency button, a light detector, a microphone and an accelerometer
- Targeted for a wide market: children, domestic animals, items that are being moved from place to place

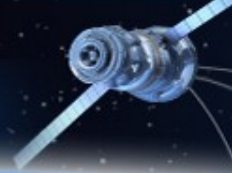


Olympia Tracking- Mobile Application

- Complementary for the Web Application (Starcom Online)
- Available for Android / iOS in development
- Receive real-time alerts
- View the location of the devices on a map
- Get all the details about each device
- View your list of notifications
- View each notification's details and location
- Available Free of Charge for Starcom Online users
- Increases customer loyalty to Starcom Online



FY14 Trading Update



- Weaker H1 sales largely to do with the loss of distributor in Ukraine (\$1m contract) but H2 more positive
- Expectations adjusted to reflect longer lead times for New Product launches
- Looking to increase recurring revenue from new customers of Watchlock and Triton, to offset decline of Helios customers
- Strong lead pipeline across many new countries – focus is to convert into sales
- Product Update:
 - Significant Triton Reefer pilots with highly respected international companies
 - Slow sales of WatchLock from our partner Mul-T-Lock
 - Intensive R&D for developing the Triton R, The Helios TT, The Helios Hybrid, and the Kylos Compact
 - Ongoing R&D progress WatchLock 2 mainly done by Mul-T-Lock
 - Release of Android based mobile application and development of iOS version

Financials

US\$ '000	YE 31 Dec 2011	YE 31 Dec 2012	YE 31 Dec 2013	Interims June 2014
Revenues	5,575	8,100	9,016	2,919
Gross Profit	2,867	4,219	5,064	1,511
Operating Profit	922	2,036	1,806	(557)

Summary



- Fast growing, profitable, technology company with sales in over 50 countries
- Recurring, high margin, revenue business model through Starcom Online
- Diversified products offering servicing a wide range of sectors based on a core proven technology
- Established core product and technology through Helios with two products recently launched with a further two to follow
- In partnership with the largest padlock manufacturer worldwide for the award winning Watchlock
- Strong focus on R&D for continued development of existing and new products



Appendices



ard and Senior Management

Board

- **Mr. Michael Rosenberg O.B.E, Non-Executive Chairman**, former Chairman of the British Healthcare Export Council, Numis Securities Plc and chairman or non-executive director of AIM-quoted companies including Catalyst Media Group plc, Pilat Media Global plc, Photon Kathaas Productions Ltd and Amiad Water Systems Ltd
- **Mr. Avi Hartmann, Chief Executive Officer**, prior to founding Starcom. Avi founded Mobitel Communication Services and served as its CEO for three years prior to its sale to Pelephone.
- **Mr. Eitan Yanuv, Chief Financial Officer**, founder of Implement Ltd, a specialist consultancy firm to technology SMEs prior to which he worked for Kost Forer Gabay E&Y. CFO of Servision Ltd since 2004.
- **Mr. Martin Bloom, Non-Executive Director**, Chairman of NYSE listed ReneSola Ltd since 2006 and director of Emblem Technology Partners assisting in developing and implementing scaleable business models and strategic partnering.

Senior Management

- **Mr. Doron Kedem, Chief Operating Officer**, prior to founding Starcom Doron, together with Avi founded Mobitel Communication Services and served as its COO for three years prior to its sale to Pelephone. He has specific responsibility for Africa and Asia.
- **Mr. Uri Hartmann, Chief Technical Officer**, founder of Starcom and responsible for the Group's software and hardware development with over 16 years experience.



- Launched in current form in 2008
- Designed for vehicle tracking and fleet management
- Customizable system to respond to specific events and triggers using the Company's web application, Starcom Online
- Tailored email or text message alerts
- Technology uses GPS, GSM, GPRS and comparable technologies
- 'Open' system which can be integrated with other vehicle solutions
- Over 150,000 units sold to date to distributors in over 50 countries with around 50,000 units currently signed up to Starcom Online providing recurring revenue



- Majority of sales in emerging markets, particularly S. America and Africa



- Launched in 2012. Patent Pending
- Designed for the tracking and monitoring of freight containers
- Enables the monitoring of location, untoward impact, container tampering, lighting, temperature and other events
- Tailored email or text message alerts based on events using Starcom Online
- Endorsed by Kiln, a Lloyds of London underwriting syndicate as satisfying a key policy condition of its high value cargo insurance
- Adaptable business model for the shipping of high value goods for insurance coverage as well as home liability issues presents diversified markets for product
- Easy installation



Case Study 1 – Kohl's USA – retail giant

The

Challenge

Kohl's stores spread across the United States, the retail chain is constantly transporting inventory to all of its outlets.

- The transported goods need to be temporarily stored in containers until it is off-loaded directly into the store.
- Up until now, Kohl's has secured the inventory containers by renting an alarm system at a total cost of \$750 per container, per stop.

The Solution

- Watchlock

The Result

- Kohl's has currently launched a pilot program with WatchLock and is expected to help secure approximately 350 trailer trucks in the near future.
- Beyond the savings of time and effort in using a rented alarm system, the cost benefit is substantial.
- Unlike the rented solution, WatchLock is owned by the user and can be used and repurposed continuously.

Case Study 2 – The Tribe Hotel, Kenya

The

Challenge Tribe Hotel has extensive security deployed used to protect the property, its employees and guests, the hotel sought a solution that would secure hotel inventory, including food, from internal theft.

- These goods are kept in storage containers located throughout the property.

The Solution

- Watchlock

The Result

- The Tribe's management now has heightened control and security 24/7 for their goods and property.
- They receive alerts such as when and if the hotel's assets have been accessed.

Starcom Online & Control Centre

- The web and mobile application for the management/monitoring of all of Starcom's devices
- Access real time data, incorporating a range of maps, for up to the minute information on vehicles/freight/goods and merchandise
- Fully customisable to suit the users needs
- Generates reports on a daily, weekly or monthly basis including specified data
- The Control Centre application allows users to pre-set a chain of notifications in the event of an emergency for example calling the customer, police or insurance company
- White Label solution for distributors available in several languages

Service Application



- Automated online purchase order software
- Customers can monitor (track) their orders 24/7
- Saves valuable time for Sales team
- Increases distributor's loyalty to Starcom



THANK YOU