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Touchstar plc
(the "Company", "Touchstar" or the "Group")

Full year trading update for the year ended 31 December 2022

*Revenue and profits in line, net cash generation and EBITDA ahead of expectations
New order intake continued to build throughout 2022
Increased confidence in the outlook for 2023
Strong financial position creates opportunity to accelerate our long-term growth rate*

Touchstar plc (AIM: TST), suppliers of mobile data computing solutions and managed services to a variety of industrial sectors, is pleased to announce a trading update for the year ended 31 December 2022 ("FY22").

Trading update and financial position

The unaudited full year outcome for FY22 is expected to be in line with market expectations at the revenue and profit before tax levels, ahead of market expectations in terms of EBITDA, and significantly ahead in terms of net cash generation.

The Board anticipates:

- o revenue growth of over 10% compared to FY21;
- o recurring revenue to account for 40% of total revenue in (FY21:38%)
- o further upward progression in margin;
- o EBITDA growth of over 25%;
- o profit before tax to be 100% higher than FY21;
- o net cash generation to be considerably stronger than expected;
- o a year end cash balance of £3.5m (31 December 2021:£2.5m);
- o £2.4m of new orders received in Q4 2022, across a broad range of sectors; and
- o order book at year end of £1.7m (31 December 2021: £0.6m).

Current trading and outlook for 2023

The buoyant level of the current order book and trading momentum underpin the prospects for 2023 and gives the Directors increasing confidence for 2023. It supports the expectation for another year of improved financial performance with the group well placed to deliver:

- o further growth in total revenue;
- o recurring revenue that is over 40% of total revenues;
- o maintained healthy margins; and
- o strong underlying net cash generation.

Strategic advancement in 2023

The short-term attention of the business is upon delivery of excellent service to our customers, meeting the expectations we have set ourselves and creating a vibrant environment for the development of our employees.

With the level of cash we have and with cash generation also becoming more predictable, we are now accelerating investment in the long-term organic growth potential of the business by seeking to:

- increase sales through increased innovation of our products and solutions;
- expand into new territories through development of local relationships and partnerships;
- put in place the skills and structure to tender for larger, complex contracts; and
- enter into new vertical sectors by adaption of existing products and solutions.

In addition we will consider complementary bolt on acquisitions.

Ian Martin, Chairman, commented:

"Touchstar has made substantial progress in 2022, I am extremely grateful to the team that have made these excellent results possible. Our commitment is to capitalise upon this hard work and success to become a better more valuable business."

Touchstar expects to report its final results for the year ended 31 December 2022 in late April 2023.

For further information, please contact:

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Information on Touchstar plc can be seen at: www.touchstarplc.com

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