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

## **2024 Trading Update & Conclusion of Strategic Review**

### **Better than expected performance for 2024 and prospects for 2025 enhanced by strong recurring revenues and high level of the current order book**

The board of directors (the "Board") of Touchstar plc (AIM:TST) announces a trading update for the year ended 31 December 2024 together with the conclusion of the strategic review process that commenced on 26 September 2024 (the "Strategic Review").

#### **Trading Update**

Touchstar delivered a strong performance in the last few weeks of 2024 which has enabled the financial performance for the 12 months ended 31 December 2024 to be better than management had expected.

#### **Highlights (Unaudited)**

- Revenue of £6.9m (2023: £7.2m)
- EBITDA of £1.2m (2023: £1.3m)
- Pre-tax profit (before exceptionals) of £450,000 (2023: £675,000)
- Year-end cash balance £2.9m (2023: £3.0m)
- Recurring revenue of £3,047,000 - 44% of total sales (2023: £2.9m)

#### **Outlook**

The Board is positive about the Company's prospects for 2025. This optimism is based upon several factors including:

- the significant order that had been expected to be delivered in 2024 (as referred to in the Company's announcement of 29 October 2024) has now been confirmed for 2025;
- the increased level of the order book which at the start of 2025 was £987,000, more than 130% than at the same time last year (2024: £422,000);
- the potential within the sales pipeline; and
- the contracted recurring revenue run rate which is expected to grow further in 2025.

#### **Strategic Review Background**

The Board launched the Strategic Review in September 2024 recognising that the Company had over time been approached by various parties about possible mergers, alliances or sale of all or parts of the business. Those that were received were considered on an ad hoc basis and the Board felt it was in shareholders' interests to consider the Company's options more formally and openly.

Following the commencement of the Strategic Review, the Company's Financial Adviser, Zeus Capital Limited ("Zeus") engaged with a number of parties with a view to facilitating indicative proposals which would fulfil the Strategic Review's objective of maximising returns for shareholders. Submissions included proposals regarding the sale of the Company's assets and indicative offers of the entire issued or to be issued share capital of the Company. However, the Board has determined that these submissions do not meet the level deemed to be in the best interests of the shareholders.

#### **Conclusion of the Strategic Review**

Following a comprehensive review of the available options and in consultation with its advisers, the Board has determined that it is in the best interests of shareholders for the Company to remain a stand-alone AIM-quoted entity.

The Board is now preparing a plan which is expected to be completed in early March to build beyond the operational and financial performance of the Group with measures and actions designed to accelerate its next stage of development, increase the underlying value of the business and enhance returns to shareholders. These measures will include:

- seeking to increase the rate of organic growth through further investment in the fuel delivery business in overseas markets and building on the ability of the Group's technology platform and solutions to be applied in a wider range of vertical sectors;
- changes to the management team to facilitate the execution of the plan;
- an increase in the Company's marketing and promotional activities; and
- returning surplus cash to shareholders via dividends and deploying it to enhance underlying value through a recommencement of share buybacks.

As the Strategic Review has now concluded, the Company is no longer in an "offer period" as defined by the City Code on

Takeovers and Mergers (the "Takeover Code") and the disclosure requirements pursuant to Rule 8 of the Takeover Code are no longer applicable from the time of this announcement.

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Information on Touchstar plc can be seen at: [www.touchstarplc.com](http://www.touchstarplc.com)

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