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2 September 2026

Touchstar plc

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

Trading Update

The Board of Touchstar plc (AIM: TST), a provider of connected technology solutions that help organisations in a variety of industry sectors secure and manage the logistic of people and product, is pleased to provide a trading update for the six months ended 30 June 2026 ("H1 2026" and the "Period").

The Group expects to report a solid performance for H1 2026 as follows:

- Revenues of c.£3.4 million (H1 2025: £3.4 million);
- Annual Recurring Revenue⁽¹⁾ ("ARR") of £1.6 million up 4.6% (H1 2025: £1.5 million);
- Gross margin of 46% (Adjusted⁽²⁾ H1 2025: 48%);
- Adjusted⁽³⁾ EBITDA of £0.03 million (H1 2025: Adjusted EBITDA loss of £0.24 million);
- Pre-tax loss of £0.1 million (H1 2025: pre-tax loss of £0.1 million);
- Order book at end of H1 £2.63 million (H1 2025: £2.52 million) with order intake for H1 increased by £739,000 compared with the corresponding period last year; and
- Cash remains strong with cash net of overdraft at 30 June 2026 of £2.0 million (H1 2025: £2.0 million).

During the period the Group advanced five areas of operational and strategic capability:

- **Product focus:** the decision to cease further standalone development and marketing of PODStar simplifies the logistics portfolio, concentrates future investment and provides a clearer basis for strengthening Touchstar's existing logistics capabilities.
- **Engineering leadership:** securing the Head of Engineering appointment strengthens roadmap ownership, accountability and the Group's ability to modernise products and creates capacity to improve delivery
- **Commercial resilience:** the internal sales model has been redesigned to improve customer coverage and service, strengthen cross-selling and reduce reliance on individual account managers.
- **Customer engagement:** customer enquiry and quotation processes are being restructured to improve responsiveness, technical accuracy and future scalability.
- **Decision discipline:** clearer priorities are enabling faster decisions and more disciplined allocation of resources

Outlook

The Board is cautious regarding the timing with which current opportunities will convert into orders as customer decision-making and the timing of orders continue to be influenced by the wider economic environment. It therefore expects revenues in the second half of the year will be slightly weaker than in the first half although the anticipated loss for the year is now expected to be lower than current market expectation.

Lynden Jones, CEO of Touchstar commented:

"I have previously said 2026 would be a transitional and pivotal year for the Group as we build a simpler, more canable and more scalable business and look to return the Group to profitability in 2027. I am pleased with our

capable and more sustainable business and look to return the Group to profitability in 2027. I am pleased with our progress in H1 as we continue the transformation started in H2 2025 and expect further progress in H2. We remain firmly on track with our strategic objective to rationalise the business, strengthen its operational foundations and create a platform capable of delivering sustainable revenue growth. The transformation has proved more extensive than initially anticipated, with additional legacy issues and organisational change requiring attention, which has inevitably affected the pace at which these improvements translate into near-term revenue; however, the actions taken are creating a stronger business, with improved capability, people and structure from which to deliver our longer-term growth ambitions. We remain on track for our expectation of a return to profitability in 2027."

Note 1: Annual Recurring Revenue (ARR) is the annualised revenue generated from software subscriptions and maintenance contracts.

Note 2: the basis of the cost of sales has changed year-on-year because of development costs now being expensed as incurred whereas in previous periods a material proportion was capitalised. Gross margin for H1 2025 has been adjusted to show on a like-for-like basis.

Note 3: Adjusted EBITDA is earnings before depreciation, amortisation, exceptional items, acquisition costs

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