RNS Number : 9427C
Pathos Communications PLC
05 May 2026

5 May 2026

**Pathos Communications plc**

("**Pathos Communications**", "**Pathos**" or the "**Company**")

**Final results for the year ended 31 December 2025**

*Strategic progress since IPO positions Pathos for continued growth in 2026*

Pathos Communications plc (AIM: NEWS), the leading PR technology business, is pleased to announce its final audited results for the year ended 31 December 2025 (the "Period" or "FY2025").

**Period Highlights**

- Admission to the London Stock Exchange's AIM in December 2025, raising £5.6 million in gross proceeds.
- FY2025 performance ahead of prior year and market expectations at the time of the IPO:
  - Revenue of US$13.1 million (FY2024: US$11.4 million), up 15%;
  - Gross profit of US$9.8 million (FY2024: US$9.0 million), up 9%;
  - Adjusted EBITDA [1] of US$2.9 million (FY2024: US$1.9 million), up 53%; and
  - Net cash of US$6.2 million (31 December 2024: US$0.2 million).
- Growth in FY2025 delivered despite management's attention on the IPO.
- Performance driven by improved effectiveness of the Client Success and Repeat Business teams, alongside increased placements in higher-quality publications. Repeat customers accounted for over 30% of FY2025 revenue on an increasing trajectory.
- Following the implementation of strengthened processes and controls in Q2 2025, now fully embedded in the business, cash collections improved significantly in H2 2025.
- Continued development of AI capabilities driving measurable gains in business development and service delivery.
- Ranked the fastest growing advertising and marketing company and 25th overall in Europe in the Financial Times FT1000 for 2026.

**Post-Period Highlights and Outlook**

- FY2026 trading in line with market expectations[2] with results weighted to the second half due to increasing investment in the first half to underpin future growth.
- Continued rise in repeat business, increasing quality of revenue, driven in part by:
  - Expansion of publisher relationships, including content partnerships with major international broadcasters such as CNBC, Fox Business and Bloomberg.
  - Diversification into book publishing and podcast revenues support increased client lifetime value, with additional fixed cost publisher agreements to further improve product range and margins.
- Advancement of the Company's proprietary AI systems, Pressella and PathosMind, with initial testing of Pressella indicating c.7x higher success rates than human colleagues in sales development activities.
- Appointment of Chief Technology Officer, Scott Feltham, and recruitment of a technology development team to advance Pressella to general availability in H1 2027.
- Initial expansion into APAC following the advancement of language capabilities.
- Strategic partnership entered into with Flippa, the world's largest M&A marketplace with more than 1.6 million registered members and over 400,000 weekly active buyers.
- Ranked the 25th fastest growing company in Europe in the Financial Times FT1000 for 2026, one of only 15 UK companies to rank within the top 50 for two consecutive years.
- Nominated for IPO of the Year at the 2026 Small Cap Awards.

**Omar Hamdi, Founder and Chief Executive Officer of Pathos Communications, commented,** *"The year was one of transformation for Pathos. In December we successfully admitted the business to AIM, raising £5.6 million in gross proceeds, while still delivering a strong trading performance ahead of market expectations. Performance was driven by the increasing effectiveness of our Client Success and Repeat Business teams, AI-driven improvements, higher-quality publication placements and the embedding of enhanced operational processes.*

*Since the Period end, we have made strong strategic progress. We have expanded our publisher relationships and broadened our product offering, which enhances customer value and margins and helps our Repeat Business team to continue growing the quality of revenue. The growing number of repeat customers reflects strong satisfaction, trust and consistent value delivery of our offering. The proceeds from the IPO have also allowed us to invest in advancing our proprietary AI platforms, Pressella and PathosMind, with a dedicated development team in place and a clear roadmap towards general availability in H1 2027. The appointment of our Chief Technology Officer, Scott Feltham, further strengthens our ability to scale these platforms, while early testing of Pressella has delivered highly encouraging results.*

*We have entered 2026 with strong trading momentum, supported by fully embedded cash collection discipline and a strengthened balance sheet following the IPO. With management now fully focused on execution, we are well positioned to accelerate progress across our strategic priorities, including organic growth, technology development, geographic expansion and targeted micro-acquisitions. The Board is confident that 2026 will see an acceleration in business growth as we continue to build a globally scalable, AI-enhanced public relations platform."*

**Investor Presentation**

Omar Hamdi, Chief Executive Officer, and Adam Hurst, Chief Financial Officer, will host a live presentation and Q&A via the Engage Investor Platform today, Tuesday 5 May 2026, at 11:00 a.m. BST.

The presentation is open to all current shareholders and interested investors. Questions can be submitted in advance, or at any time during the live presentation.

Investors can sign up to Engage Investor at no cost and follow Pathos Communications plc from the Company's personalised investor hub.

Today's investor presentation can be accessed via: https://engageinvestor.news/NEWS_IP26

*Notes:*

[1] *Earnings before Interest, Tax, Depreciation and Amortisation adjusted for share-based payments and one-off non-recurring items and, additionally in 2024, normalisation of director fees prior to IPO.*

[2] *Market expectations for FY2026: Revenue of $14.0 million and Adjusted EBITDA of $4.0 million.*

**For additional information, please contact**:


**Pathos Communications plc** info@pathoscommunicationsplc.com

Omar Hamdi - CEO
Adam Hurst - CFO

**Strand Hanson Limited (Nominated & Financial Adviser)** +44 (0)20 7409 3494

James Harris
Rob Patrick
Edward Foulkes

**Cavendish Capital Markets Limited (Broker)** +44 (0)20 7908 6000

Stephen Keys / George Lawson / Elysia Bough - Corporate Finance
Michael Johnson / Sunila de Silva - Sales and ECM

**BlytheRay (Financial PR)** +44 (0)20 7138 3204
pathos@blytheray.com

Tim Blythe
Megan Ray
Said Izagaren


**About Pathos**

Pathos Communications is a technology-enabled, human-led PR company that was established to democratise SMEs' access to established news publications to fuel their business growth. The Company operates a differentiated approach to the traditional PR model of long-term subscription fees, by offering a "pay-on-results" model, thereby providing an opportunity for the over 400 million SMEs globally, which typically have lower PR budgets.

Pathos collaborates with its clients, comprising SMEs and micro-SMEs, to create and distribute media placements across a variety of platforms including established news outlets, digital media, TV networks and podcast channels. This is supported by Pathos's proprietary AI-driven technologies, PathosMind and Pressella, which are used to connect with clients, generate ideas, undertake market research and create news articles with limited human input required to generate highly efficient outputs.

Pathos is a multiple award-winning growth company. It was recognised in the Financial Times 1000 as the fastest growing advertising and marketing firm, and the 25th fastest growing company, in Europe in 2026. Pathos was also named by Deloitte as one of the UK's 50 fastest-growing tech companies in 2025. Additionally, Pathos was named in the UBS UK Fast Growth Index (2024) as the fastest growing professional services firm in the UK.

The Company was recently nominated for IPO of the Year in the Small Cap Awards 2026.

Selected extracts from the Company's audited Annual Report and Financial Statements are set out below. Copies of the 2025 Annual Report and Financial Statements will be made available shortly on the Group's website at www.pathoscommunicationsplc.com for the purposes of AIM Rule 26 and will be posted to shareholders.

## Chairman's introduction

I am pleased to present Pathos Communications plc's first Annual Report following our successful admission to AIM in December 2025. Having joined the Board shortly before the IPO, I have had the opportunity to closely oversee a business that has achieved exceptional growth in a relatively short period, giving me a high degree of confidence in both its operating model and the strength of its management team.

The IPO itself was an important milestone, raising gross proceeds of £5.6 million and providing Pathos with the capital, profile and governance structure to move forward into the next phase of its development. The fact that the Group delivered full-year results ahead of market expectations, while simultaneously managing the demands of a listing process, speaks to the depth and discipline of the team.

### Markets

Pathos operates in a large and, until now, underserved market. There are over 400 million small and medium-sized enterprises around the world - businesses that are every bit as ambitious as large corporates but which have historically been locked out of mainstream PR by the cost and inflexibility of the traditional retainer model. Technology is now changing that, and Pathos is well-placed to benefit.
Our main markets are North America and Europe where to date we have not seen any material impact from the hostilities occurring in the Middle East. Our offices in Dubai have remained open with normal operations able to continue.

### Strategy

Pathos combines experienced human oversight with AI-enhanced tools, principally PathosMind and Pressella, to deliver high-quality PR services at a price point and speed previously unavailable to smaller organisations. The "pay-on-results" model, under which clients pay only when coverage is secured, aligns commercial incentives directly with client outcomes and removes a significant barrier to entry.
The Company's four strategic priorities - organic growth, technology development, geographic expansion and selective micro-acquisitions - sit well together and each supports the other. The Board is satisfied that the IPO proceeds are being deployed sensibly against these priorities and that the management team has both the clarity and the discipline to deliver them.

### ESG

As a newly listed company, Pathos is at an early stage in the formalisation of its ESG framework, and we intend to develop our reporting in this area as the business grows. That said, the Board notes that sustainability considerations are embedded in the Company's model from the outset, in particular with a technology-enabled service that reduces the need for travel and physical infrastructure.

### People

Pathos's performance in 2025, and the successful completion of the IPO, would not have happened without the dedication and professionalism of everyone in the team. On behalf of the Board, I would like to thank them all. I would also like to thank our clients for the trust they continue to place in us and our new shareholders for the confidence they have shown in the Company at this early and exciting stage of its development.
Special mention must be made of the amazing attitude and approach of our team in Dubai. Throughout the hostilities the mutual support and dedication shown has been inspiring. Their safety and security is paramount but for the time being Dubai continues to operate with minimal disruption.

**Outlook**

Pathos enters 2026 with strong trading momentum, a differentiated proposition and a healthy balance sheet. The Board has confidence that management will meet market expectations, accelerating business development in the year ahead. Our investment in expansion of the business is having the expected impact which includes our forecast annual results being weighted towards the second half of the year. We are at the beginning of an exciting chapter, and the Board looks forward to the remainder of the year ahead with confidence.

**CEO report and operating review**

2025 was a defining year for Pathos Communications plc and as founder of the business 16 December 2025 marked a particularly proud day for me personally when Pathos completed its IPO in London, raising £5.6 million. This represented an important step for the business, and we are already enjoying the benefits of being a publicly traded company, including providing clients with greater assurance of our transparency, governance and long-term stability. It has also brought a renewed sense of momentum internally, bringing increased energy and commitment to the Company's continued growth.

Prior to the IPO, the Company's growth was achieved without any external funding sources. I am proud of this "bootstrapped" growth, as it shows that capital efficiency is embedded into our culture and demonstrates that our model is scalable. The funds raised at the IPO are being used to facilitate the evolution of the Company, predominantly through the hiring of new staff and the development of our proprietary AI technologies.

Pathos delivered a strong set of full-year results for FY2025. Revenue grew 15% year-on-year to US$13.1 million (FY2024: US$11.4 million) while adjusted EBITDA increased by more than 50% to US$2.9 million (FY2024: US$1.9 million). The Company finished the year with net cash of US$6.2 million following the IPO fundraise. This robust financial performance was achieved while simultaneously managing the considerable demands of an IPO process and is a testament to the depth and commitment of our team. I would like to sincerely thank every member of the Pathos team for the energy and professionalism they brought over the year and continue to bring in 2026.

In three years, we have grown revenue from US$4 million to over US$13 million, giving a 57% CAGR, driven not only by new business but also strong repeat engagement from satisfied clients. In FY2025 over 30% of our revenue was generated from repeat clients and on an increasing trajectory, illustrating strong customer satisfaction, trust and consistent value delivery. Pathos's growth has been underpinned by a simple but powerful idea: public relations should be outcome-based and accessible to businesses of all sizes. Our use of technology enables us to fulfil this proposition.

Redefining the PR Model

Traditional PR agencies are built on monthly retainers, long contracts and cost structures that place them out of reach for most small and medium sized enterprises. Yet globally, there are over 400 million SMEs - innovative, ambitious businesses that need visibility, credibility and media presence just as much as large corporates. Pathos was built specifically to serve this market.

We are a human-led, AI-fed PR company. Our experienced in-house team lead strategy, storytelling and media relationships. Our AI systems, PathosMind and Pressella, enhance research, identify newshooks, create narrative and enhance workflow. Technology does not replace judgement - it augments it. This combination allows us to deliver high-quality content at a price point and speed that has historically been unavailable to smaller organisations.

Critically, our "pay-on-results" model aligns our commercial incentives with client outcomes. Clients pay when coverage is secured. This approach removes a major barrier to entry, builds trust, and differentiates us clearly within a traditionally retainer-driven industry.

Strategic progress

During the year, our key strategic achievement was the IPO, allowing us to cement and enhance our position and reputation across three of our primary stakeholder groups: our clients, publisher base and team. At the same time, we were also able to move forward on the key pillars of our strategy.

***Organic growth***: During 2025 we increased revenue by 15% and embedded our Pathos Priority programme to assist with capturing repeat business, which comprised over 30% of revenue and on an increasing trajectory. Processes to strengthen the quality of our customer base and improve credit control were materially enhanced, with cash collection from customers onboarded since April 2025 consistently above 93%. We also strengthened our pipeline of new partnerships, including opportunities to broaden our publisher network.

***Technology***: Excellent progress was made in the year to enhance our in-house AI tools. Pressella, our virtual PR publicist, is designed to make professional PR accessible to SMEs. PathosMind, which monitors over 50,000 news sources daily, identifies news hooks and emerging trends relevant to our clients and prospects and generates article outlines in real time. This gives

our editorial team a meaningful speed and insight advantage, enabling high-quality, timely output at scale. Both are now core internal tools for the business, benefiting from inbuilt learnings from over 370,000 client contacts, and are well positioned for the next stage in their development. A large portion of the IPO proceeds is being invested in their continued advancement.

***Geographic spread***: the client base now spans over 80 countries and in 2025 we developed contacts in both Latin America and China with a view to expanding further into both those territories in 2026.

***Micro Acquisitions***: Additional value was secured from our previous asset acquisitions of Podcastwise, the world's largest podcast database, and Thought Leadership PR, a specialist communications agency based in the UK.

Building a Scalable Platform

During the year, Pathos focused on ensuring that our infrastructure could support sustained high growth. We enhanced our internal systems, strengthened compliance and reporting capabilities, and invested further in the AI-enabled tools that are central to our ambition: to build a scalable global PR platform capable of serving SMEs efficiently across multiple markets.

Awards and Market Recognition

2025 was another year of outstanding external recognition for the Pathos model and team. I am proud to highlight the following:

- Ranked the fastest-growing advertising and marketing company in the UK by the Financial Times FT1000 2025, and the 33rd fastest-growing company in Europe
- Named the 6th fastest-growing technology company in the UK in the Deloitte UK Technology Fast 50
- Recognised as the fastest-growing professional services firm in the UK in the UBS UK Fast Growth Index (2024)
- Recognised in the LDC Top 50 as one of the UK's most ambitious business leaders

Subsequent to the year end, Pathos was named the fastest-growing advertising and marketing company, and the 25th fastest-growing company in Europe in the FT1000 2026 list - one of only 15 UK companies to have achieved a top 50 position for two consecutive years since the list's inception. This demonstrates that the momentum we have built is continuing into our new life as a listed company.

Outlook

We have started 2026 with strong trading momentum, driven by the Client Success team and AI-driven improvements to business development and service delivery. The enhanced operational processes we established in the second quarter of 2025 are now fully embedded into the business and, together with the volume of repeat sales to existing customers which continues to increase and generated over 30% of our revenues, provides a healthy and stable foundation for growth.

Following the successful fundraise of £5.6 million as part of the IPO we are well positioned to accelerate progress on each of our four key priorities:

- ***Organic growth***: our tested and refined business model continues to expand. In 2026 we have already formed some exciting new partnerships, including one with Flippa, giving access to that platform's 1.6 million user base. We have added new products to the portfolio including book publishing, and introduced fixed cost publisher agreements to further our product range and margins. We are also expanding publisher relationships, including a recent exclusive deal providing access to major TV networks such as CNBC, Fox Business and Bloomberg. Internally we continue to scale up the existing team, and to increase the effectiveness of our sales function have recently launched specialised sub-teams allowing us to accelerate market penetration at a variety of price points.

- ***Technology***: we have engaged with developers to enable both Pressella and PathosMind to meet general availability by H1 2027 and appointed an experienced CTO to lead the project. Good progress is already being made and successful execution will create significant additional opportunities for the Company by making these tools directly available to both clients and traditional PR companies.

- ***Geographic expansion***: relationships across the globe continue to expand and we have recently established an APAC team.

- ***Micro Acquisitions***: we are continuing to monitor potential opportunities to scale our existing infrastructure and being a publicly listed entity will provide us with the opportunity to scale an M&A strategy.

With the IPO successfully completed and management's time now fully focused on these objectives, the Board has every confidence that in 2026 the Company will meet expectations. The IPO has strengthened our balance sheet and provided the

capital foundation to accelerate technology development, expand market reach and evaluate selective strategic opportunities.

I thank our clients, shareholders and, above all, our people for their belief in our vision that we can build a business that can redefine access to public relations at global scale - human in judgement, AI-enhanced in delivery, and aligned fully with client outcomes.

**Financial review**

Pathos Communications delivered strong inaugural results as a listed company as summarised below:

| | **31 Dec 2025 $m** | 31 Dec 2024 $m |
|---|---|---|
| **Revenue** | **13.1** | 11.4 |
| Gross profit | **9.8** | 9.0 |
| Gross margin (%) | **75%** | 79% |
| Administrative expenses (underlying) | **(4.8)** | (4.6) |
| Bad debt expense | **(2.1)** | (2.5) |
| **Adjusted EBITDA** [1] | **2.9** | 1.9 |
| Depreciation and amortisation | **(0.7)** | (0.6) |
| Net finance charges | **(0.1)** | (0.2) |
| **Adjusted profit before tax** [1,2] | **2.0** | 1.1 |
| Adjusting items | **(2.3)** | (1.6) |
| Share-based payment charge | **(0.3)** | - |
| **Loss before tax (reported)** | **(0.5)** | (0.5) |
| Tax | **(0.1)** | - |
| **Loss after tax** | **(0.6)** | (0.5) |

[1] *The Company reports both statutory (reported) and adjusted profitability measures as the Board considers adjusted metrics to provide a more useful indication of underlying operational performance. In 2025 the adjusted metrics exclude the costs of the IPO, receivables write-offs relating to sales to a non-recurring marketing segment in 2024 and share based payment charges; and in the prior year normalise for director's remuneration, to reflect the CEO's post-IPO compensation, and other one-off items including spend on a non-recurring marketing segment.*

[2] *Note $0.1m rounding difference in 2025*

Revenue of US$13.1 million was 15% ahead of the prior year (2024: $11.4 million), supported by higher client volumes and an evolving product mix, with a growing weighting towards placements in premium media outlets and improving client quality particularly in the second half of the year. This resulted in gross margins of $9.8 million, 9% up on the prior year (2024: $9.0 million), and a gross margin percentage of 75% (2024: 79%).

Adjusted EBITDA increased by over 50% to $2.9 million (2024: $1.9 million). The strong growth was driven partly by the increased revenue but also due to lower bad debt charges, particularly in the second half of the year following the implementation and embedding of enhanced customer onboarding and cash collection processes in the first half of 2025.

Depreciation, Amortisation and Finance charges, which almost entirely relate to a long-term office lease signed early in 2024, were $0.8 million (2024: $0.8 million), resulting in Adjusted pre-tax profit of $2.0 million which was 82% ahead of prior year (2024: $1.1 million).

The reported loss before tax was $0.5 million (2024: loss of $0.5 million) after deducting adjusting items. Tax charges are low in both years due to the structure of the Group's activities.

Adjusted Diluted Earnings per Share was 2.6 cents, assuming the shares in issue and under option at IPO were the same number of shares all year (2024: 1.6 cents, using the same number of shares as for the 2025 figures). Reported Loss per Share was (7.8) cents (2024 is not comparable due to the shares issued in 2025 leading up to the IPO).

The Group ended the year with net cash of US$6.2 million (2024: $0.2 million), reflecting proceeds from the December 2025 fundraise and continued strong cash conversion as shown below:

| | **31 Dec 2025 $m** | 31 Dec 2024 $m |
|---|---|---|
| **Loss for the year** | **(0.6)** | (0.5) |
| Add back: | | |
| Amortisation & Depreciation | **0.7** | 0.6 |
| Share-based payments | **0.3** | - |
| Finance and tax expenses | **0.2** | 0.2 |
| | **0.6** | 0.3 |

| | | |
|---|---|---|
| Net change in working capital | **0.6** | (0.1) |
| **Cash generated from operations** | **1.2** | 0.2 |
| Purchase of intangible assets | **(0.4)** | (0.3) |
| Lease payments | **(0.6)** | (0.5) |
| Tax | **(0.2)** | (0.1) |
| **Cash flow before financing activities** | **-** | (0.7) |
| Net issue of ordinary shares | **6.0** | - |
| **Movement in cash** | **6.0** | (0.7) |
| Cash at start of the year | **0.2** | 0.9 |
| **Cash at 31 December** | **6.2** | 0.2 |

Capital expenditure mainly comprises investment in intangible assets, including development of the Group's AI platform, and purchase of databases.

Lease payments arise on the Group's main office.

Net assets at 31 December 2025 were $5.9 million (2024: $0.3 million), principally comprising the cash held following the fundraise. Other than the lease, the Company has no external debt.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Note | **2025** **$000** | *2024* *$000* |
|---|---|---|---|
| **Revenue** | 5 | **13,083** | *11,405* |
| Cost of sales | | **(3,299)** | *(2,434)* |
| **Gross profit** | | **9,784** | *8,971* |
| Administrative expenses | | **(10,165)** | *(9,264)* |
| Fair value gains/(losses) | | **-** | *(14)* |
| **Operating loss** | | **(381)** | *(307)* |
| **Adjusted EBITDA** | 4 | **2,871** | *1,855* |
| Depreciation and Amortisation | | **(707)** | *(594)* |
| Adjusting items | | **(2,259)** | *(1,568)* |
| Share-based payments | | **(286)** | - |
| **Operating loss** | | **(381)** | *(307)* |
| Net finance expense | | **(145)** | *(166)* |
| **Loss before tax** | | **(526)** | *(473)* |
| Tax expense | | **(104)** | *(44)* |
| **Loss for the year** | | **(630)** | *(517)* |
| **Other comprehensive loss:** | | | |
| Exchange arising on translation on foreign operations (net of tax) | | **(61)** | (33) |
| **Total comprehensive loss** | | **(691)** | (550) |

**Earnings/(loss) per share attributable to the ordinary equity holders of the parent**

| | **Note** | **2025** **Cents** | *2024* *Cents* |
|---|---|---|---|
| Basic | 6 | **(7.8)** | *(25,850,000)* |
| Diluted | 6 | **(7.8)** | *(25,850,000)* |
| Adjusted Basic | 6 | **2.9** | *1.6* |
| Adjusted Diluted | 6 | **2.6** | *1.6* |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | **31** **December** | *31* *December* | *31* *December* |
|---|---|---|---|

| | Note | 2025 $000 | 2024 $000 | 2023 $000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | **1,725** | *2,272* | - |
| Other intangible assets | | **471** | *197* | - |
| Other non-current investments | | **17** | *17* | *32* |
| | | **2,213** | *2,486* | *32* |
| **Current assets** | | | | |
| Trade and other receivables | 7 | **934** | *404* | *115* |
| Cash and cash equivalents | | **6,241** | *219* | *929* |
| | | **7,175** | *623* | *1,044* |
| **Total assets** | | **9,388** | *3,109* | *1,076* |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Lease liabilities | | **1,351** | *1,906* | - |
| | | **1,351** | *1,906* | - |
| **Current liabilities** | | | | |
| Trade and other payables | 8 | **1,585** | *457* | *227* |
| Lease liabilities | | **540** | *447* | - |
| | | **2,125** | *904* | *227* |
| **Total liabilities** | | **3,476** | *2,810* | *227* |
| **Net assets** | | **5,912** | *299* | *849* |
| Share capital | 9 | **88** | - | - |
| Share premium | | **5,983** | - | - |
| Foreign exchange reserve | | **(126)** | *(65)* | *(32)* |
| Share-based payment reserve | | **286** | - | - |
| Retained earnings | | **(319)** | *364* | *881* |
| **Total equity** | | **5,912** | *299* | *849* |
| **Total equity and liabilities** | | **9,388** | *3,109* | *1,076* |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | Share Capital $000 | Share premium $000 | Foreign Exchange reserve $000 | Share-based payment reserve $000 | Retained earnings $000 | Total attributable to equity holder of parent $000 |
|---|---|---|---|---|---|---|
| **At 1 January 2024** | - | - | (32) | - | 881 | 849 |
| Loss for the year | - | - | - | - | (517) | (517) |
| Other comprehensive income | - | - | (33) | - | - | (33) |
| **Total comprehensive loss for the year** | - | - | (33) | - | (517) | (550) |
| **At 31 December 2024** | **-** | **-** | **(65)** | **-** | **364** | **299** |
| Loss for the year | - | - | - | - | (630) | (630) |
| Other comprehensive loss | - | - | (61) | - | - | (61) |
| **Total comprehensive loss for the year** | - | - | (61) | - | (630) | (691) |
| Issue of share capital | 88 | 5,983 | - | - | - | 6,071 |
| Capitalisation/bonus issue | - | - | - | - | (53) | (53) |
| Share-based payments | - | - | - | 286 | - | 286 |
| **Total contributions by owners** | 88 | 5,983 | (61) | 286 | (683) | 5,613 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **At 31 December 2025** | **88** | **5,983** | **(126)** | **286** | **(319)** | **5,912** |

**CONSOLIDATED STATEMENT OF CASH FLOWS**

| | **2025** | *2024* |
|---|---|---|
| | **$000** | *$000* |
| **Cash flows from operating activities** | | |
| Loss for the year | **(630)** | *(517)* |
| **Adjustments for:** | | |
| Depreciation of property, plant and equipment | **556** | *495* |
| Amortisation of intangible fixed assets | **152** | *99* |
| Impairment losses on intangible assets | **-** | *15* |
| Share based payments | **286** | - |
| Finance expense | **145** | *166* |
| Income tax expense | **104** | *44* |
| | **613** | *302* |
| Increase in trade and other receivables | **(530)** | *(289)* |
| Increase in trade and other payables | **1,189** | *245* |
| **Cash generated from operations** | **1,272** | *258* |
| Income taxes paid | **(176)** | *(59)* |
| **Net cash from operating activities** | **1,096** | *199* |
| | | |
| **Cash flows from investing activities** | | |
| Purchase of property, plant, and equipment | **(9)** | *(31)* |
| Purchase of intangibles | **(426)** | *(296)* |
| **Net cash used in investing activities** | **(435)** | *(327)* |
| | | |
| **Cash flows from financing activities** | | |
| Issue of ordinary shares, net of costs | **6,018** | - |
| Net interest income/(charge) excluding lease charges | **(11)** | *(5)* |
| Payment of lease liabilities | **(596)** | *(545)* |
| **Net cash from/(used in) financing activities** | **5,411** | *(550)* |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | **6,072** | *(678)* |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | **(50)** | *(32)* |
| Cash and cash equivalents at the beginning of year | **219** | *929* |
| **Cash and cash equivalents at the end of the year** | **6,241** | *219* |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. Company information**

Pathos Communications PLC (the 'Company', formerly Pathos Communications Ltd) is a public limited company, incorporated and domiciled in the United Kingdom. The Company re-registered as a public limited company on 3rd December 2025 and admitted to trading on the AIM market of the London Stock Exchange ('AIM') on 16th December 2025.

The Company's registered office is at 101 New Cavendish Street, 1st Floor South, London, United Kingdom, W1W 6XH. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is a technology enabled, human-led PR Company.

**2. Accounting policies**

**2.1 Basis of preparation**

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). This is the first time that the financial statements for the Group have been prepared and they have been prepared under IFRS.

The financial statements have been prepared on the historical cost basis and presented in US dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

**2.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

During the year, the Company acquired two subsidiaries as part of a group reorganisation involving entities under common control. As these transactions did not constitute a business combination within the scope of IFRS 3 Business Combinations, the Group has applied the predecessor accounting method.

Under predecessor accounting, the assets and liabilities of the acquired entities are recognised at their existing carrying amounts as recorded in the consolidated financial statements of the controlling party, rather than at fair value. No goodwill is recognised. Any difference between the consideration transferred and the net assets acquired is recorded within equity as a common control reserve.

Because predecessor accounting is applied, the consolidated financial statements present the results of the acquired subsidiaries as if the Group had always existed in its current form. Accordingly, the consolidated financial information includes the results of the subsidiaries from the beginning of the earliest period presented, or from the date the entities first came under common control, if later.

**2.3 Going concern**

The Group consolidated financial statements have been prepared on the going concern basis which assumes that the Group will be able to continue in operation for the foreseeable future.

The Directors have considered the Group's going concern position, having reviewed detailed forecasts for the period to at least 30 June 2027, and have considered the principal risks the Group is exposed to and how this could impact future trading and the subsequent future cash flows, which has been detailed in a reverse stress test scenario. The Directors continue to adopt the going concern basis in preparing the annual report and financial statements and are satisfied that sufficient cash resources are available to meet financial commitments as they arise and for at least twelve months from the date of signing the financial statements.

**3. Accounting estimates and judgments**

In preparing the consolidated accounts, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future.

A key judgement is the estimated useful life of intangible assets, which the Directors intend to keep under review based on the evolution of technology underlying the Group's proprietary software.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. A key estimation is the provision for expected credit losses on receivables. This involves assessing historical trends, current conditions, and forward-looking information to estimate potential losses. These estimates are reviewed regularly and updated as necessary.

**4. Measures of profit/(loss)**

To provide shareholders with a better understanding of the trading performance of the Group, alternative performance measures (APMs) are included to adjust for items which can distort the underlying performance of the Group. A reconciliation of reported items to the adjusted items is set out below:

| | **2025** | *2024* |
|---|---|---|
| | **$000** | *$000* |
| **Loss before tax** | **(526)** | *(473)* |
| Adjusting items | **2,259** | *1,568* |
| Share based payments | **286** | - |
| **Adjusted profit before tax** | **2,019** | *1,095* |
| Depreciation and amortisation | **707** | *594* |
| Net finance costs | **145** | *166* |
| **Adjusted EBITDA** | **2,871** | *1,855* |

Adjusting items in 2025 comprise charges for admission to the AIM market of $1,942,000 and receivables write offs of $317,000 relating to sales arising from abortive marketing costs relating to testing a new segment in the prior year.

Adjusting items in 2024 comprise Director's fee payments made in addition to a normalised level that was put in place as part of the AIM IPO ($818,000), non-recurring expenditure for abortive marketing costs relating to testing of a new segment and redomiciliation of one of the Company's subsidiaries to the Dubai International Financial Centre.

Adjustments to earnings/(loss) per share calculations are set out in Note 12.

## 5. Revenue

The Group's revenue for the year was from one business segment, provision of PR services, and totalled $13,083,000 (2024: $11,405,000). An analysis of revenue by destination country is set out below:

| | **2025** | *2024* |
|---|---|---|
| | **$000** | *$000* |
| US & Canada | **12,559** | *10,265* |
| UK and Europe | **133** | *684* |
| Rest of the World | **391** | *456* |
| | **13,083** | *11,405* |

## 6. Earnings/(loss) per share

Earnings/(loss) per share is calculated based on the information set out below. The adjusted weighted average shares in 2025 is based on assuming the same number of shares were in issue for the entire year. Diluted basic loss per share in 2025 is the same as Reported loss per share as, under IAS 33 Earnings per share, conversion of shares is not considered dilutive as it would not increase the loss per share.

| **Earnings** | **2025** | **2024** |
|---|---|---|
| | **$000** | **$000** |
| Basic loss | **(630)** | **(517)** |
| Adjusting items, including share-based payments | **2,546** | **1,568** |
| Tax on Adjusting items | **28** | **-** |
| Adjusted Earnings | **1,944** | **1,051** |

| **Weighted Average Shares** | | **2025** | 2024 |
|---|---|---|---|
| | | **Number** | Number |
| Basic | Reported | **8,083,712** | 2 |
| | Adjustments | **58,582,954** | 66,666,664 |
| | Adjusted | **66,666,666** | 66,666,666 |
| Diluted | Reported | **15,463,708** | 2 |
| | Adjustments | **58,582,954** | 66,666,664 |
| | Adjusted | **74,046,662** | **66,666,666** |

| **Earnings/(loss) per share** | **2025** | 2024 |
|---|---|---|
| | **Cents** | Cents |

| | | | |
|---|---|---|---|
| Reported | Basic | **(7.79)** | (25,850,000) |
| | Diluted | **(7.79)** | (25,850,000) |
| Adjusted | Basic | **2.92** | 1.58 |
| | Diluted | **2.63** | 1.58 |

## 7. Trade and other receivables

| | **2025** | *2024* |
|---|---|---|
| | **$000** | *$000* |
| **Current** | | |
| Trade receivables | **2,897** | *2,674* |
| Less: provision for impairment of trade receivables | **(2,644)** | *(2,454)* |
| **Trade receivables - net** | **253** | *220* |
| Prepayments and accrued income | **338** | *112* |
| Other receivables | **343** | *72* |
| **Total current trade and other receivables** | **934** | ***404*** |

The Group's rapid expansion in recent years resulted in an increase in trade receivables by 31 December 2024, reflecting both the pace of growth and the volume of new customers onboarded during that period. In recognition of the need to strengthen credit risk management as the business scaled, in April 2025 the Group implemented a comprehensive programme of process and governance enhancements including a multi-stage approval process to ensure that only clients meeting defined creditworthiness criteria are accepted.

Since implementation of these measures, collections performance on contracts entered into since April 2025 has been materially above historical levels.

Taking account of the profile and age of the December 2025 receivables, the Group has applied the following average provisions to each age group, which are based on the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision, grouping receivables based on similar credit risk:

| **$000** | **0-3 months** | **4-6 months** | **7-9 months** | **> 9 months** | **Total** |
|---|---|---|---|---|---|
| Gross receivable | 282 | 230 | 1,013 | 1,372 | 2,897 |
| Provision % | 27% | 85% | 99% | 100% | |
| Provision | 78 | 195 | 999 | 1,372 | 2,644 |
| Net receivable | 204 | 35 | 14 | 0 | 253 |

In the prior year, at 31 December 2024, the Group provided 100% on balances > 12 months old and 92% on balances < 12 months old. In 2025 amounts written off totalled $2.4 million (2024: $2.5 million) largely weighted to the first half of the year. $0.3m of this total related to one-off amounts described in Note 5.

## 8. Trade and other payables

| | **2025** | *2024* |
|---|---|---|
| | **$000** | *$000* |
| **Current** | | |
| Trade payables | **773** | *121* |
| Other payables | **286** | *127* |
| Accruals & deferred income | **397** | *8* |
| Amounts due to Director | **-** | *6* |
| Corporation tax payable | **119** | *184* |
| Other payables - tax and social security payments | **10** | *11* |
| **Total current trade and other payables** | **1,585** | *457* |

## 9. Share Capital

| **Authorised Shares** | **2025 Number** | **2025 $** | 2024 Number | 2024 $ |
|---|---|---|---|---|
| Ordinary Shares of £1 each | **-** | **-** | 2 | 2 |
| Ordinary Shares of £0.001 each | **66,666,666** | **88,150** | - | - |

| | | | | |
|---|---|---|---|---|
| **66,666,666** | **88,150** | 2 | | 2 |

| **Issued and fully paid** | **2025 Number** | **2025 $** | 2024 Number | | 2024 $ |
|---|---|---|---|---|---|
| **At 1 January** | **2** | **2** | 2 | | 2 |
| Shares issued at £1 each | **49,998** | **65,777** | - | | - |
| Sub-division of shares | **49,950,000** | **-** | - | | - |
| Shares issued at £0.001 each | **16,666,666** | **22,371** | - | - | - |
| **At 31 December** | **66,666,666** | **88,150** | 2 | | 2 |

The Company has one class of ordinary shares, which carry equal voting rights and rights to receive dividends.

During the year, the Company undertook several changes to its issued share capital:

- The Company began the year with 2 ordinary shares of £1.00 each.
- In 2025, the Company allotted an additional 49,998 ordinary shares at a nominal value of £1.00, increasing the total issued share capital to 50,000 shares.
- Later in the year, the Company completed a subdivision of its share capital, reducing the nominal value of each ordinary share from £1.00 to £0.001. Following the subdivision, the number of issued shares increased proportionally to 50,000,000 shares.
- Subsequently, the Company issued a further 16,666,666 ordinary shares at a nominal value of £0.001 each.

At 31 December 2025, the Company had 66,666,666 ordinary shares in issue, each with a nominal value of £0.001, resulting in total issued share capital of £66,667 ($88,150).

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

FR EAFSLEESKEAA