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Pathos Communications plc

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

H1 2026 Trading Update

Double digit growth in Revenue and Adjusted EBITDA;
Improved quality of revenue drives 80%+ increase in cash receipts compared to H1 2025

Pathos Communications plc (AIM: NEWS), the leading PR technology business, is pleased to announce a trading update for the half year ended 30 June 2026 ("H1 2026").

Growth in revenues and profits in first six months as a public company
Pathos's financial performance in H1 2026 has seen growth in both revenues and profits. Revenue for H1 2026 is expected to be US$7.3 million, up 14% on the prior year (H1 2025: US$6.4 million), reflecting ongoing product innovation and the successful scaling of the Company's sales channels including investment in a new sales team management structure which has seen month-on-month new client sign-ups rising by approximately 30% since its inception.

Adjusted EBITDA* in H1 2026 is expected to be US$1.7 million, up 31% on the prior year (H1 2025: US$1.3 million). The Board believes this growth is particularly impressive in the context of investments made in growth initiatives during H1 2026, for which the return on those investments will begin to be fully realised in the second half, and also the introduction of PLC costs from December 2025.

Net cash as at 30 June 2026 was US$5.9 million, ahead of market expectations and only marginally below the US$6.2 million as at 31 December 2025. This cash position reflects the full effect of the enhanced credit check and cash collection processes implemented in H1 2025, notwithstanding the sales team investments made during the period. Cash receipts from customers in H1 2026 were up 80% on H1 2025, and bad debts represented approximately 4% of revenue.

Pathos's overall performance, in line with Board expectations, has been underpinned by the focus on generating sales from repeat customers and expanding existing client engagements:

- Approximately 36% of H1 2026 revenue was generated from repeat customers (H1 2025: 16%). The Company expects this trend to continue to rise as it executes on its growth strategy.
- On 26 May 2026, the Company announced it had secured the largest sale in its history, a 12-month US$0.7 million contract secured with a major non-profit consulting firm. Delivery of this contract is ongoing and the associated revenue and EBITDA is expected to be spread evenly across FY 2026 and FY 2027.

Operational progress positioning Pathos for future growth
H1 2026 was marked by ongoing product innovation, the expansion of strategic partnerships, continued progress in its proprietary artificial intelligence tools' development and the successful scaling of the Company's sales channels.

Team growth:
During the period, the Company successfully invested in its workforce. Notably, as part of this increase Pathos invested in new sales managers, creating more focused teams to support the continued scaling of commercial operations. This has already started to produce results, with month-on-month new client sign-ups rising by approximately 30% since its inception.

Pathos has also continued to invest in geographic growth, with its client base spanning more than 80 countries. A dedicated APAC operation has recently been launched and, although at an early stage, is showing positive signs.

Broadening of product mix:
During H1 2026, Pathos has continued to successfully diversify its offering, including the introduction of podcast services and book publishing.

Pathos has also recently entered into a strategic 24-month agreement with one of the "Big Three" US news periodicals, establishing a new relationship with a tier-one publisher. The agreement contains no minimum commitment from Pathos, while the publisher has committed to publishing up to 2,000 articles for Pathos clients.

Advancements in technology:
Initial testing of Pressella (Pathos's AI 'virtual publicist') indicated that it has at least 7x the success rate of human colleagues in sales development activities, and this trend has continued. Following the appointment of Scott Feltham as CTO, the Company has expanded both the scope of Pressella's training and the areas of the business in which it operates. PathosMind is also progressing well and the Company remains confident in both tools achieving general availability in H1 2027.

There has also been a drive from Pathos to provide Generative Engine Optimisation (GEO) solutions to its customers, which represents a significant growth opportunity for the Company. This involves structuring customer publications so that AI search tools such as ChatGPT can easily process, summarise, and cite information. The evolution of GEO is expected to result in a doubling of global PR spend by 2027 **, leading to an increase in commercial opportunities.

Outlook
The work undertaken and the investments made during H1 2026 has positioned Pathos for accelerated growth in the second half of the year and the Board remains confident in meeting market expectations for the FY 2026***. The Company continues to evaluate new business opportunities, including value accretive M&A, and looks forward to providing updates on these initiatives in due course.

The Company expects to release its interim results for the half year ended 30 June 2026 in September 2026.

Omar Hamdi, Founder and Chief Executive of Pathos, commented: *"H1 2026 has been a period of strong delivery for Pathos, with revenue, profits and cash receipts all increasing while we continued to invest the proceeds of our successful IPO behind the next phase of growth. The period saw us broaden our product offering, secure strategic publisher partnerships, strengthen our sales organisation and continue to advance Pressella, our proprietary AI platform, which we believe has the potential to transform both our operations and customer acquisition capabilities.*

"With our largest contract progressing as planned, increasing momentum across our sales and repeat business teams and the benefits of our H1 investments now beginning to materialise, we enter the second half of the year with confidence. We remain highly focused on executing our growth strategy and are excited by the significant opportunities ahead."

Notes:
** Earnings before Interest, Tax, Depreciation and Amortisation adjusted for share-based payments and, in the prior period, one-off non-recurring items of $85,000 relating to the admission to the AIM market in December 2025.*
**Source: Gartner: https://www.gartner.com/en/communications/research/communications-predictions/unlocked
**** Market expectations for FY 2026: Revenue of US$14.0 million and Adjusted EBITDA of US$4.0 million*

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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 the 25th fastest growing tech company in the EMEA region, and the UK's 6th 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.

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