



Pathos Communications plc

Connecting the world's SMEs
to global press through
technology

Annual Report & Financial Statements

For the year ended 31 December 2025



PATHOS COMMUNICATIONS PLC
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About us

Pathos Communications plc is a technology-enabled, human-led public relations and communications company. The Company collaborates with clients – predominantly small and medium sized enterprises (SMEs) – to create, optimise and distribute articles and media content across traditional and digital platforms including established news outlets, online publications and podcasts.

The Group's core value proposition is its differentiated "pay-on-results" business model, designed to democratise access to premium media exposure for SMEs that may not have extensive budgets for traditional subscription-based PR services.

Our Mission

To empower small and medium-sized enterprises worldwide with technology-driven, human-led public relations that deliver credible and outcome focused media exposure through an accessible, pay-on-results model.

Our Vision

A world where every growing business can access high-quality PR, regardless of size or budget.

Our Purpose

To create sustainable shareholder value by democratising access to PR through proprietary technology, operational efficiency and repeatable results.

Highlights

- Landmark year with successful admission to trading on the AIM Market of the London Stock Exchange in December 2025 and an associated fundraise with gross proceeds of £5.6 million
- Continued strong trading, with revenue growth in 2025 of 15% to \$13.1 million and Adjusted EBITDA¹ up 53% to \$2.9 million
- Repeat customers accounted for over 30% of FY2025 revenue on an increasing trajectory, demonstrating strong client retention and reinforcing the durability of Pathos's revenue streams
- Client base growth to over 7,000 SMEs across over 80 countries
- Multiple awards including recognition in the Financial Times 1000 as one of the UK's fastest growing companies in 2026, for the second year running
- Pressella and PathosMind, Pathos' proprietary AI-driven technologies, now embedded in the business supporting in house teams and further investment now accelerating the drive towards general availability

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.

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.

Mark Elliott
Chairman

4 May 2026

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' 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 fundraising 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.

PATHOS COMMUNICATIONS PLC
STRATEGIC REPORT – 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 EBITDA¹ | 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).

PATHOS COMMUNICATIONS PLC
STRATEGIC REPORT – FINANCIAL REVIEW

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 | <i>31 Dec 2024</i> |
|--|--------------------|--------------------|
| | \$m | <i>\$m</i> |
| Loss for the year | (0.6) | <i>(0.5)</i> |
| Add back: | | |
| Amortisation & Depreciation | 0.7 | <i>0.6</i> |
| Share-based payments | 0.3 | <i>–</i> |
| Finance and tax expenses | 0.2 | <i>0.2</i> |
| | 0.6 | <i>0.3</i> |
| Net change in working capital | 0.6 | <i>(0.1)</i> |
| Cash generated from operations | 1.2 | <i>0.2</i> |
| Purchase of intangible assets | (0.4) | <i>(0.3)</i> |
| Lease payments | (0.6) | <i>(0.5)</i> |
| Tax | (0.2) | <i>(0.1)</i> |
| Cash flow before financing activities | – | <i>(0.7)</i> |
| Net issue of ordinary shares | 6.0 | <i>–</i> |
| Movement in cash | 6.0 | <i>(0.7)</i> |
| Cash at start of the year | 0.2 | <i>0.9</i> |
| Cash at 31 December | 6.2 | <i>0.2</i> |

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.

Business model

Pathos Communications plc is a human-led technology-enabled public relations company serving SMEs through a pay-on-results pricing model.

- **What we do:** Deliver outcome-driven PR campaigns that secure credible media coverage
- **How we do it:** Combine proprietary AI-enabled technology with experienced PR professionals
- **Who we serve:** SMEs seeking transparent, affordable access to media coverage
- **How we generate revenue:** Fees based on achieved media placements, with annual subscription option as an entry point to lower pricing to drive client retention
- **How Pathos scales:** Capital-light structure, repeat client usage, and technology-led efficiency

The model aligns client value with shareholder value by focusing on measurable results, operational leverage, and scalable growth.

Strategy

Pathos is targeting a growth strategy through four separate channels: organic growth; technological growth; geographic growth; and via micro acquisitions.

- Organically, Pathos is looking to further build out marketing channels through increased performance and marketing spend, investment in personnel to push lead generation, whilst continually refining its Sales Cycle to optimise client experience and operational efficiency.
- Technologically, Pathos's current technology is being utilised by its employees to generate leads, undertake research and create article ideas. Further investment into product development is intended to enhance the efficacy of the technology and facilitate direct client use to improve client services and reduce the Company's costs. The Company's longer-term strategy includes developing its AI-based technologies to increase the level of automation across the full Sales Cycle to increase operational efficiency and expansion opportunities.
- Geographically, Pathos is sector agnostic and, as well as seeking to continue to drive growth in the US and elsewhere through the English language, is intending to introduce Spanish and Mandarin capabilities to open substantial growth opportunities across Latin America and China.
- Finally, Pathos will look to pursue micro-acquisitions, where appropriate, with the propensity to scale through an M&A strategy in the medium term.

Key performance indicators

The Board considers the following KPIs to be the most relevant measures of the Group's progress in its early stage of development. As the business matures and data availability improves, the KPI framework will be kept under review to ensure continued alignment with strategy and stakeholder expectations:

Revenue

Definition: Revenue recognised in the year

Purpose: Measures overall commercial performance

2025: \$13.1 million; 2024: \$11.4 million

Revenue growth %

Definition: Percentage increase in revenue compared with the prior period

Purpose: Indicates scalability and growth momentum

2025: 15%; 2024: 61%

Adjusted EBITDA

Definition: Earnings before interest, taxation, depreciation and amortisation adjusted for items which can distort the underlying performance of the Group. Adjusting items are explained in Note 5 of the accounts.

Purpose: Key measure of profitability and proxy to operating cash flow prior to capital investment

2025: \$2.9 million; 2024: \$1.9 million

PATHOS COMMUNICATIONS PLC
STRATEGIC REPORT – RISK MANAGEMENT OVERVIEW AND PRINCIPAL RISKS

The Board is responsible for ensuring that the Group has systems in place to ensure that the Group’s principal risks and uncertainties are identified, assessed and mitigating actions implemented in an effective and timely manner.

A key element in achieving this is the maintenance of a risk register by Executive Management which identifies key strategic, financial, operational and compliance risks faced by the Company. For each risk the register includes a rating based on likelihood and impact, sets out the controls and mitigations in place and assigns a senior individual in the Company to manage it. The Board, through the Audit and Risk Committee, reviews the risk register at least annually and it is updated as and when necessary.

In addition, the Board receives regular updates from management on emerging indications of risk at Board meetings and takes risk considerations into account when assessing strategic planning, investment decisions and product development activities.

The Board is also responsible for determining the Company’s appetite to risk and works to balance the exposure to operational, financial and other risks against opportunities for growth. The Board has a zero tolerance to risks that relate to non-adherence to laws and regulations, which it considers to be an unacceptable risk.

The principal risks to which the Company is exposed, together with mitigations, are as follows:

| Risk | Detail | Mitigations |
|---------------------------------------|---|--|
| Operational issues | The Group’s performance is dependent on its ability to generate new business, convert leads into clients and deliver campaigns to the required quality and timelines. Failures in sales execution, project management, or resource allocation could adversely affect revenue, client retention, and reputation. | The Board oversees operational performance through regular management reporting. The Group maintains structured business development processes, sales performance monitoring, and project management controls, supported by ongoing investment in systems, training and resourcing to maintain service quality and delivery standards. |
| Reliance on founder and key personnel | The Group is dependent on the experience, expertise, and client relationships of key personnel, in particular the founder, Omar Hamdi. Loss of key individuals could disrupt strategic direction, client relationships, and operational continuity. | The Board seeks to mitigate key person risk through retention strategies, succession planning, development of the senior management team and structured recruitment and onboarding processes to reduce reliance on any single individual. |
| Geopolitical uncertainty | The Group is exposed to the impact of geopolitical risk, with its operational hub in the UAE subject to regional political factors and the sentiment of its target market affected by the global economy. | The Group’s operational hub follows all local government advice and the business model enables remote working if required. The large size of the target market gives the Group some insulation from fluctuating economic conditions. |

PATHOS COMMUNICATIONS PLC
STRATEGIC REPORT – RISK MANAGEMENT OVERVIEW AND PRINCIPAL RISKS

| Risk | Detail | Mitigations |
|---------------------------------------|--|--|
| Cybersecurity | The Group's operations rely on digital systems and data, exposing it to cyber threats that could result in data loss, operational disruption, regulatory exposure, and reputational damage. | The Group has implemented cybersecurity policies, technical safeguards, and staff training programmes. Cyber risks are kept under review by management, with controls and procedures updated to reflect evolving threats and business requirements. |
| Failure of IT systems | The Group's business model depends on the effective operation of telecommunications, email, and messaging systems. Technological change, system failures, or increased filtering and blocking could reduce campaign effectiveness and impact revenues. | The Group actively monitors system performance and deliverability, invests in resilient IT infrastructure, and adapts communication strategies to mitigate technological and regulatory changes across key channels. |
| Ineffectiveness of investment in IP | The Group is investing in proprietary technologies, including Pressella and PathosMind. There is a risk that these investments may not deliver anticipated commercial benefits or may be compromised through obsolescence or unauthorised access. | The Board monitors returns on technology investment and oversees the protection of proprietary systems through confidentiality arrangements, controlled access, and ongoing development to maintain relevance and competitive differentiation. |
| Sub-optimal cash collection processes | The Group operates a "pay-on-results" model and serves primarily SME clients, increasing exposure to late payment, non-payment, and bad debts, which may impact cash flow and working capital. | Enhanced client onboarding and credit assessment processes have been implemented, alongside active receivables monitoring and prudent bad debt provisioning. Working capital requirements are kept under regular review by management and the Board. |
| Competition increases | The Group operates in a highly competitive market with low barriers to entry. Increased competition, pricing pressure, or superior competitor technology could adversely affect margins and market share. | The Group seeks to mitigate competitive risk through differentiation based on service quality, client relationships, and proprietary technology, supported by continuous innovation and market monitoring. |
| Reputational damage | The Group's reputation is critical to its ability to attract and retain clients. Reputational damage could arise from client dissatisfaction, cyber incidents, adverse publicity, or association with controversial clients. | The Group maintains high professional standards, client selection procedures, and crisis management protocols. Reputation is monitored on an ongoing basis, with management empowered to respond promptly to emerging issues. |

In preparation for the Company's admission to trading on the AIM market in December 2025, the Board reviewed the effectiveness of the Group's risk management and internal control systems.

The Directors recognise the importance of engaging with a wide range of stakeholders to deliver sustainable long-term success for the Company for the benefit of its members as a whole. Set out below are the Company's key stakeholders, including an overview of how the Company engages with each. This section addresses the requirement for the Directors to set out how they have had regard to matters set out in S172 of the Companies Act 2006.

Customers

The success of our business is dependent on servicing our customers so that they become advocates for the Company and continue to engage with us and use our services beyond the first sale. Our teams are encouraged to go 'above and beyond' for our customers to ensure the best outcomes. We monitor this by obtaining feedback and ensuring all our customers have the opportunity for a return on investment discussion after publication of their article.

Publishers

The Company believes that sustainability of a vibrant media sector during rapid technological change is ultimately dependent on the quality and reliability of its content. The Company therefore focuses on ensuring that the articles it produces for its customers are true to this philosophy.

Staff

The execution of our strategy is dependent on high quality and motivated staff. We believe in providing opportunities to staff from a wide variety of backgrounds and are committed to actively supporting them in reaching their potential. Staff are engaged through regular communication channels, such as team meetings and performance reviews, and are provided with training 'on the job' as well as through other resources where appropriate. The Company has a track record of continuing to develop a diverse team, providing opportunities for career progression that support both individual growth and organisational objectives.

Investors

The Board recognises that effective shareholder engagement begins with a thorough understanding of the Company's shareholder composition and their diverse investment objectives. Day to day responsibility for investor relations rests with the CEO and CFO, supported where appropriate by the Chairman, for example as it relates to governance matters, and all other members of the Board.

The Group is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. We communicate through the Annual Report and Accounts, full-year and half-year announcements, trading updates and the Company's Annual General Meeting ("AGM") and we encourage shareholder participation in calls and face-to-face meetings. A range of corporate information is available to shareholders, investors and the public on our website.

The Company's AGM is the principal forum for dialogue with private shareholders, and we encourage all shareholders to attend and participate. The Board will carefully consider shareholder feedback on all aspects of the Company's performance and governance.

Community & Environment

The Board acknowledges the importance of incorporating environmental and social considerations into the Company's strategic planning, risk management framework and business model development. The Company aims to minimise its impact on the environment by having as small a physical footprint as possible, utilising only digital products and output, and limiting activities such as business travel. The Company is also mindful of its responsibility to behave as a good corporate citizen which it achieves through its stakeholder management as described above. Staff who wish to carry out charitable and not for profit activities are also supported by the Company.

Culture

Our culture is entrepreneurial and performance-driven, based on the following key principles that are central to the business and communicated to all employees across the Group:

- **Passion:** our customers, colleagues and shareholders deserve us to be passionate about everything we do.
- **Action:** demonstrating our commitment to our customers through consistent actions.
- **Trust:** we trust our colleagues, and we trust the processes that the Company has developed to strive to deliver peak performance.
- **Humility:** we are always learning, as individuals and as a business. Without our colleagues and our customers, we cannot achieve anything alone.
- **Optimism:** we owe it to ourselves, our customers and our shareholders to be rationally optimistic every day.
- **Speed:** we have been one of the fastest growing companies in Europe because we move fast and believe in speed as a competitive advantage.

The values are reinforced to our employees right from the recruitment process through to regular communication and training. They are on display in the Company's office and included on the Company website so available to all stakeholders.

Maintain high standards of business conduct

The Directors are committed to ensuring that the Company maintains high standards of business conduct and the Company has implemented several policies and guidelines in effort to provide a framework for delivering certain ethical values, including an Anti-Bribery and Anti-Corruption Policy, a Data Protection Policy, a Whistleblowing Policy and a Social Media Policy. The Board is committed to the continuous development and enhancement of the Company's culture set out above and implementation of improvement measures where necessary.

All decisions taken by the Board take into account the consequences of any decision in the long term and the need to act fairly between members of the Company. These matters are considered as part of regular board meetings and ongoing discussions with management.

The Board of Directors comprises the following:

Mark Elliott, FCA – Independent Non-Executive Chairman

Mark is an experienced Chairman and Non-Executive Director, including leading SMEs through growth, transformation, and change. He currently serves as Non-Executive Chairman of AIM-quoted Journeo plc and Malvern International plc. Mark's career includes roles within the technology, education and corporate finance sectors, including finance and management roles operating in Europe, the USA and South Africa.

Mark is an ICAEW chartered accountant and previously a partner at Baker Tilly, following which he held various roles as CFO, including with Dovetail Services (UK) Ltd and Enables IT Group plc.

Omar Hamdi – Founder and CEO

Omar founded Pathos in 2019 and has led the Company since its inception. Prior to establishing Pathos, he spent nearly seven years working in TV and media, holding several presenter and publishing roles with BBC One Wales, BBC Radio 2, The Independent, The Express, and New Internationalist. Mr Hamdi's most recent role in the media was as a television presenter on a BAFTA winning consumer affairs show on BBC One Wales. He has also contributed to four books, two of which were shortlisted for Times book of the year.

Omar graduated from Leeds University with a degree in Cognitive Science, School of Computing. He has held positions of responsibility within the UK StartUp Awards and the Peachscore Venture Accelerator in California.

Adam Hurst, FCA – Chief Financial Officer

Adam joined Pathos in July 2025 and brings more than 25 years' experience in senior financial roles across a diverse range of sectors. He started his career at Price Waterhouse before moving into industry where he held a variety of senior finance positions including at FTSE 100 company Tate & Lyle plc and FTSE 250 Entertainment One Ltd. He was subsequently CFO at listed digital marketing group Yell Ltd and on an interim basis at an AIM-quoted cybersecurity business.

Adam graduated in Economics from Manchester University and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Adetunji (Tunji) Akintokun, MBE – Independent Non-Executive Director

Tunji is a multi-award-winning leader with four decades' experience in blue-chip organisations including Cisco, PwC and, most recently, LinkedIn. He now serves as a Non-Executive Director, Trustee, Patron and Angel Investor, using technology, sport and the arts as vehicles for change and widening access to opportunity.

He helps clients harness technology to unlock growth, while championing social inclusion and impact through sport, the arts and STEM. His roles include Senior Independent Director at England Athletics, Board Advisor at 10,000 Interns, Trustee at the Personal Best Foundation, Patron of autism charity CASPA, and founder of the Ilesha Charitable Trust.

A London South Bank University alumnus, he completed postgraduate and executive education at Stanford and Wharton, and was awarded an MBE (2018) and the Freedom of the City of London (2025).

Tunji is chairman of the Remuneration and Nominations Committee

Linda Marston-Weston, FCA – Independent Non-Executive Director

Linda is an experienced director and ACA-qualified professional with a career spanning over 35 years in professional services and non-executive roles. She currently serves as a Non-Executive Director of FTSE 250 listed Playtech plc, where she chairs the Sustainability & Compliance Committee and sits on the Audit & Risk, the Remuneration and Nominations Committees.

Previously a senior partner at EY, she held multiple leadership positions including Midlands Head of Tax and People Leader. She went on to establish and lead the Transaction Tax team at Cooper Parry, later becoming Head of Deals and Head of Tax for the Midlands. Linda is a Fellow of the Institute of Chartered Accountants in England and Wales and as a member of Chapter Zero and the 350 Club, she is committed to advancing ESG, strong governance, and inclusive leadership across her non-executive portfolio.

Linda is chair of the Audit and Risk Committee.

The Board is committed to ensuring that Pathos Communications plc adheres to high standards of corporate governance appropriate for an AIM-quoted company. On admission to trading on AIM in December 2025, the Board adopted the principles of the QCA Corporate Governance Code, reflecting our emphasis on accountability, transparency and long-term value creation.

Board Structure and Responsibilities

Until November 2025 Omar Hamdi was the sole director of the Company. Additional appointments were made prior to Admission and the Board now comprises two Executive and three Independent Non-Executive Directors. The Board's responsibilities are governed by a Schedule of Matters Reserved for the Board which include, inter alia: establishing and ensuring maintenance of a sound system of internal control and risk management; and overseeing the corporate culture, further details of which are included in the Stakeholder Engagement section on page 11. The Board is supported by established committees with clearly articulated terms of reference covering audit & risk and nomination & remuneration matters. The Board is satisfied that it comprises an effective balance of knowledge, skills, experience and independence and is of suitable strength and experience to deliver the growth strategy. The Board plans to meet at least six times a year.

The Board met four times in 2025. Attendance was as follows:

| Director | Number of eligible meetings | Number attended |
|----------------------|-----------------------------|-----------------|
| Omar Hamdi | 4 | 4 |
| Adam Hurst | 3 | 3 |
| Mark Elliott | 2 | 2 |
| Tunji Akintokun | 2 | 2 |
| Linda Marston-Weston | 2 | 2 |

Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises Tunji Akintokun as Chairman, Mark Elliott and Linda Marston-Weston. The Committee held one meeting in December to approve the share options scheme and all members attended. Key responsibilities of the Committee include:

- review the performance of the Executive Directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders;
- consider the Group's bonus and incentive arrangements for employees;
- identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The Remuneration and Nominations Committee will meet at least twice per annum.

Audit and Risk Committee

The Audit and Risk Committee comprises Linda Marston-Weston as Chair, Mark Elliott and Tunji Akintokun. The committee did not meet in 2025 but met early in 2026 to approve the Audit Plan presented by the Company's auditors, which included their proposed fee. Key responsibilities of the Committee include:

- determine and examine any matters relating to the financial affairs of the Company;
- primary responsibility for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems;
- overseeing the relationship with external auditors;
- monitor the Company's compliance with the AIM Rules for Companies.

The Audit and Risk Committee will meet at least twice per annum at appropriate times in the reporting and audit cycle and also meet with the Company's external auditors.

PATHOS COMMUNICATIONS PLC
CORPORATE GOVERNANCE – DIRECTORS’ REMUNERATION REPORT

The Directors’ Remuneration Report sets out the key elements of the remuneration policy for the Board and details of directors’ pay and benefits during the financial year.

The Company’s remuneration policy is designed to:

- Attract, retain and motivate high-calibre individuals with the skills required to deliver the Group’s strategy.
- Align directors’ interests with the long-term success of the business and the creation of shareholder value.
- Support a pay-for-performance culture, reflecting the results-oriented nature of the business.

Remuneration consists of a combination of fixed and variable elements, including base salary/fees, bonuses and, where appropriate, equity-based incentives.

Executive Director’s remuneration

Omar Hamdi entered into two separate service agreements with the Group on 10 December 2025, one with the Company in his capacity as Director and one with a trading subsidiary, Pathos Global Management Limited, in his capacity as Chief Executive Officer. The two contracts contain broadly similar terms including a twelve month written notice period by either party, such notice not capable of being served by either party until the expiry of twelve months from Admission. Mr Hamdi’s aggregate base remuneration across both contracts is \$500,000 per annum. Prior to entering into the service agreements Mr Hamdi’s received Director’s fees which, in 2025, were based on the equivalent annual remuneration.

Adam Hurst entered into a service agreement with the Company on 1 July 2025, under the terms of which he agreed to act as Chief Financial Officer with effect from 7 July 2025. The appointment includes a six month written notice period by either party, such notice not capable of being served by either party earlier than six months after the date of the Admission. Mr Hurst was appointed a Director of the Company on 26 November 2025. The basic salary payable to Mr Hurst is £175,000 per annum and he is eligible for a discretionary bonus.

Non-Executive Director’s remuneration

All Non-Executive Directors were appointed with effect from 4 December 2025. The appointments were for an initial term of twelve months commencing on the date of Admission and may thereafter be terminated by either party on three months’ prior written notice.

Mark Elliott serves as the Non-Executive Chairman of the Board and receives an annual fee of £70,000. Linda Marston-Weston receives an annual fee of £40,000 for her services as a Non-Executive Director and an additional annual fee of £5,000 for her role as Chair of the Audit and Risk Committee. Tunji Akintokun receives an annual fee of £40,000 for his services as a Non-Executive Director and an additional annual fee of £5,000 for his role as Chairman of the Remuneration and Nominations Committee.

The appointment of the Non-Executive Directors is subject to confirmation by the shareholders at the Company’s first annual general meeting. The appointment of all Directors will be subject to re-election by Shareholders as required by the Articles. The Chairman evaluates the capability and input of each director prior to any re-election proposals at the Annual General Meeting.

Remuneration paid to the Directors in the year to 31 December 2025 is set out in note 9 to the Financial Statements.

Details of Directors’ share options outstanding over Ordinary Shares under the Pathos Communications plc Long Term Incentive Plan are as follows:

| Name | Number of options | Exercise price | Latest exercise date |
|------------|-------------------|----------------|----------------------|
| Omar Hamdi | 2,666,666 | £0.30 | 16 December 2035 |
| Adam Hurst | 833,333 | £0.30 | 16 December 2035 |

At 31 December 2025 none of the options had vested or been exercised. Mr Hamdi’s options, which are held by him directly and not by The Festina Lente Trust, are subject to a three year vesting period and performance conditions whereby 50% will vest based on satisfaction of earnings per share conditions and 50% shall vest based on satisfaction of total shareholder return conditions. Mr Hurst’s options shall vest one-third per annum for three years.

PATHOS COMMUNICATIONS PLC

CORPORATE GOVERNANCE – STATUTORY DIRECTORS' REPORT

The Directors present their annual report together with the financial statements for the year ended 31 December 2025 which have undergone a statutory audit for the first time. The corporate governance statement set out on page 14 forms part of this report.

Pathos Communications plc is incorporated in England and Wales under Company number 12106511 and is a public company admitted to trading on the AIM market of the London Stock Exchange. A copy of the Company's articles of association is available on the Group's website at www.pathoscommunicationsplc.com.

Principal activities

The Group's principal activity is the provision of PR services to small and medium-sized enterprises.

Business review and future developments

A detailed review of the business, future developments along with the principal risks and uncertainties facing the Group is included within the Strategic Report on pages 3 to 10.

Results and dividends

Results for the year and financial position are detailed on pages 24 to 25. The Directors do not recommend the payment of a dividend for the year (FY24: £nil).

Directors

The Directors of the Group who held office during the year and subsequently are as follows:

| | |
|--|----------------------------------|
| Omar Hamdi | Executive Director |
| Adam Hurst (appointed 26 November 2025) | Executive Director |
| Mark Elliott (appointed 4 December 2025) | Chairman, Non-Executive Director |
| Tunji Akintokun (appointed 4 December 2025) | Non-Executive Director |
| Linda Marston-Weston (appointed 4 December 2025) | Non-Executive Director |

The Group currently has in place, and had for the period ended 31 December 2025, Directors' and Officers' liability insurance for the benefit of all Directors of the Group.

Directors' interests in shares

The Directors who held office during the year had the following interests in the ordinary shares of the Group at 31 December 2025:

| | Number of shares |
|----------------------|------------------|
| Omar Hamdi* | 47,965,296 |
| Mark Elliott | 116,666 |
| Adam Hurst | 66,666 |
| Linda Marston-Weston | 33,333 |

* Shares are held by the trustees of The Festina Lente Trust, of which Omar Hamdi is a beneficiary.

Share capital and substantial shareholders

Details of the issued share capital, together with details of the movements during the year, and share-based payments are contained in the notes to the consolidated financial statements. The Company's share capital and issued shares are fully paid.

At 31 December 2025, the Company had been notified of the following substantial shareholders comprising 3% or more of the issued share capital of the Company:

| | % of issued share capital |
|----------------------------------|---------------------------|
| The Festina Lente Trustees | 71.95% |
| Octopus Investments Limited | 15.00% |
| Pentwater Capital Mgt Europe LLP | 5.00% |
| Puma AIM VCT PLC | 3.75% |

Going concern

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. Further disclosure is provided in note 1 of the consolidated financial statements.

Stakeholder engagement

Details of the Group's engagement with its key stakeholders is included on page 11.

Political donations

No political donations were made during the financial year (FY24: £nil).

Events after the reporting date

The Directors do not believe there are any material events after the reporting date that either have an impact on the expected level of performance of the business or on the position reflected in the statement of financial position at the reporting date.

Statement as to disclosure of information to auditors

Each of the Directors who held office at the date of approval of these financial statements has confirmed, as far as they are aware:

- the Director knows of no information, which would be relevant to the auditor for the purpose of their audit report, of which the auditor is not aware; and
- the Director has taken all steps that he ought to have taken as a Director to make himself aware of any such information and to establish that the auditor is aware of it.

Annual General Meeting

The Company proposes to convene the Annual General Meeting for 1 June 2026. Notice of the Annual General Meeting will be circulated shortly to shareholders.

On behalf of the Board

Mark Elliott
Chairman

4 May 2026

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Company financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. The Group's financial statements can be accessed using the following link: <https://pathoscommunicationsplc.com/financials/financial-reports/>.

Opinion

We have audited the financial statements of Pathos Communications Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of changes in Equity, Company Statement of changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards ('IFRS').

In our opinion:

- the financial statements give a true and fair view of the state of the Group and of the parent company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group and parent Company financial statements have been properly prepared in accordance with UK adopted international financial reporting standards (IFRS); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

As the Group comprises a parent holding company and two trading subsidiaries within the UAE, the scope of our work was the full scope audit of the financial statements of the Group and its principal trading subsidiaries. The scope of the audit and our audit strategy was developed by using our audit planning process to obtain and update our understanding of the Group, its activities, its internal control environment, current, and where relevant to our audit, likely future developments in order to identify and assess the risks of material misstatement of the Group financial statements.

Our audit testing was informed by this understanding of the Group and accordingly was designed to focus on areas where we assessed there to be significant risks of material misstatement.

Audit work to respond to the assessed risks was performed directly by the audit engagement team who performed full scope audit procedures on the parent company and the Group as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How the scope of our audit responded to the key audit matter |
|---|--|
| <p>Fraud in revenue recognition</p> <p>The risk of fraudulent inappropriate treatment of revenue recognition under IFRS. We have focused this on the risk that revenue is recorded in the incorrect period in relation to sales made in period 12 (cut-off).</p> | <p>Our work in this area included but was not limited to</p> <ul style="list-style-type: none"> ● Obtaining an understanding of the revenue process and tested the design of controls related to timing of revenue recognition; and ● Reviewing managements' revenue recognition policy and assessing whether this is in accordance with IFRS 15; and ● Used data analytics to identify high risk revenue transactions outside of the usual sales flow, with all high risk transactions that were identified being selected for testing and validated to supporting evidence; and ● Selected a sample of revenue transactions in period 12 and vouched these to supporting evidence of delivery; and ● Reviewed if there were any significant credit notes raised in the year and post year end and vouched these to supporting documentation. |
| <p>Recoverability of trade receivables</p> <p>The Group has a large amount of overdue debtors, in particular for invoices raised in H1'25 and earlier. There is a risk these will not be collected and the balance sheet is overstated for these amounts.</p> | <p>Our work in this area included but was not limited to</p> <ul style="list-style-type: none"> ● Obtaining an understanding of managements ECL matrix and assessed that this is in line with the requirements of IFRS9; and ● Vouched a sample of trade receivables to supporting documentation and traced them through to the ECL calculation ensuring they were correctly allocated to the right ageing banding in the ECL matrix; and ● Assessed management's percentages used for each banding in the ECL calculation to ensure the estimates made were acceptable; and ● Agreed all bank receipts received post year end relating to invoices due at year end to bank statements; and ● Critically challenged management's assessment of the unprovided trade receivables to assess that the estimate over the expected collectability was acceptable; and ● Critically assessed the relevant disclosures in the financial statements. |

Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

| | Group Financial Statements | Parent Company Financial Statements |
|--|---|---|
| Materiality | \$197,000 | \$197,000 |
| Benchmark | This was determined as being 1.5% of revenue | This was determined as being 1.5% of revenue |
| Basis for, and judgements used in the determination of materiality | Revenue was selected as a benchmark because it is a Key Performance Indicator of the Group and given the early stage of the Group's lifecycle it is the most relevant metric for users of the financial statements. | Revenue was selected as a benchmark because it is a Key Performance Indicator of the Group and given the early stage of the Group's lifecycle it is the most relevant metric for users of the financial statements. |

Performance materiality – Based on our risk assessment and review of the Group's control environment, performance materiality was set at 65% of materiality, being \$128,000. This was set at a lower level due to the fact this was a first year audit which has a higher risk profile.

Reporting threshold – The reporting threshold to the audit committee was set as 5% of materiality, being \$9,830. If, in our opinion in differences below this level warranted reporting on qualitative grounds, these would also be reported.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the Group and parent Company's ability to continue to adopt the going concern basis of accounting included, but were not limited to:

- We obtained and reviewed management forecasts and critically examined the assumptions used in their preparation, specifically revenue and cost growth;
- We reviewed the reasonableness of management's reverse stress test and the conclusions from this, and assessed how likely this reduction in revenue is given the post year end performance of the Group; and
- Detailed testing was performed on the post year end performance of the Group, by analysing March month end management accounts and agreeing the cash balance at the end of this month to bank statements to ensure the Group was performing in line with the forecasts provided by management and still had significant cash reserves post year end.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the Group and parent Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to standard employment and other tax regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to

posting inappropriate journal entries to revenue and cut off and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- For a sample of revenue transactions, we performed tests of detail and vouched the relevant attributes to supporting documentation to satisfy ourselves of the occurrence and measurement of revenue;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities;
- Vouched a sample of transactions in the last month of the year to supporting documentation to confirm revenue was recorded in the correct period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

In the previous accounting year, the directors of the Company took advantage of the audit exemption under s477 of the Companies Act. Therefore, the prior year financial statements were not subject to audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Crowson (Senior Statutory Auditor)

For and on behalf of HaysMac LLP, Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

4 May 2026

PATHOS COMMUNICATIONS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | <i>Note</i> | 2025 \$000 | <i>2024</i> <i>\$000</i> |
|--|-------------|-----------------------------|-----------------------------|
| Revenue | 6 | 13,083 | 11,405 |
| Cost of sales | | <u>(3,299)</u> | <u>(2,434)</u> |
| Gross profit | | 9,784 | 8,971 |
| Administrative expenses | | (10,165) | (9,264) |
| Fair value gains/(losses) | | <u>—</u> | <u>(14)</u> |
| Operating loss | | (381) | (307) |
| Adjusted EBITDA | 5 | 2,871 | 1,855 |
| Depreciation and Amortisation | | (707) | (594) |
| Adjusting items | | (2,259) | (1,568) |
| Share-based payments | | <u>(286)</u> | <u>—</u> |
| Operating loss | | (381) | (307) |
| Net finance expense | 10 | (145) | (166) |
| Loss before tax | | (526) | (473) |
| Tax expense | 11 | (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 | | | |
| | <i>Note</i> | 2025 Cents | <i>2024</i> <i>Cents</i> |
| Basic | 12 | (7.8) | (25,850,000) |
| Diluted | 12 | (7.8) | (25,850,000) |
| Adjusted Basic | 12 | 2.9 | 1.6 |
| Adjusted Diluted | 12 | 2.6 | 1.6 |

The notes on pages 30 to 49 form part of these financial statements.

PATHOS COMMUNICATIONS PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 31 December 2025 \$000 | 31 December 2024 \$000 | 31 December 2023 \$000 |
|-------------------------------------|-------------|------------------------------|------------------------------|------------------------------|
| | <i>Note</i> | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 13 | 1,725 | 2,272 | – |
| Other intangible assets | 14 | 471 | 197 | – |
| Other non-current investments | 16 | 17 | 17 | 32 |
| | | <u>2,213</u> | <u>2,486</u> | <u>32</u> |
| Current assets | | | | |
| Trade and other receivables | 17 | 934 | 404 | 115 |
| Cash and cash equivalents | 24 | 6,241 | 219 | 929 |
| | | <u>7,175</u> | <u>623</u> | <u>1,044</u> |
| Total assets | | <u><u>9,388</u></u> | <u><u>3,109</u></u> | <u><u>1,076</u></u> |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Lease liabilities | 19 | 1,351 | 1,906 | – |
| | | <u>1,351</u> | <u>1,906</u> | <u>–</u> |
| Current liabilities | | | | |
| Trade and other payables | 18 | 1,585 | 457 | 227 |
| Lease liabilities | 19 | 540 | 447 | – |
| | | <u>2,125</u> | <u>904</u> | <u>227</u> |
| Total liabilities | | <u><u>3,476</u></u> | <u><u>2,810</u></u> | <u><u>227</u></u> |
| Net assets | | <u><u>5,912</u></u> | <u><u>299</u></u> | <u><u>849</u></u> |
| Share capital | 20 | 88 | – | – |
| Share premium | 21 | 5,983 | – | – |
| Foreign exchange reserve | 21 | (126) | (65) | (32) |
| Share-based payment reserve | 21 | 286 | – | – |
| Retained earnings | 21 | (319) | 364 | 881 |
| Total equity | | <u><u>5,912</u></u> | <u><u>299</u></u> | <u><u>849</u></u> |
| Total equity and liabilities | | <u><u>9,388</u></u> | <u><u>3,109</u></u> | <u><u>1,076</u></u> |

The financial statements were approved and authorised for issue by the board of directors on 4 May 2026 and were signed on its behalf by:

A H Hurst
Director

The notes on pages 30 to 49 form part of these financial statements.

PATHOS COMMUNICATIONS PLC
COMPANY STATEMENT OF FINANCIAL POSITION

| | <i>Note</i> | 2025 \$000 | <i>2024</i> <i>\$000</i> |
|-------------------------------------|-------------|-----------------------------|-----------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 1 | – |
| Other intangible assets | 14 | 45 | 22 |
| Other non-current investments | 16 | 40 | 29 |
| | | <u>86</u> | <u>51</u> |
| Current assets | | | |
| Trade and other receivables | 17 | 1,852 | 828 |
| Cash and cash equivalents | | 5,825 | 56 |
| | | <u>7,677</u> | <u>884</u> |
| Total assets | | <u><u>7,763</u></u> | <u><u>935</u></u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 18 | 2,643 | 2,132 |
| | | <u>2,643</u> | <u>2,132</u> |
| Total liabilities | | <u><u>2,643</u></u> | <u><u>2,132</u></u> |
| Net assets/(liabilities) | | <u><u>5,120</u></u> | <u><u>(1,197)</u></u> |
| Equity | | | |
| Share capital | 20 | 88 | – |
| Share premium | 21 | 5,983 | – |
| Foreign exchange reserve | | 112 | 112 |
| Share based payment reserve | | 286 | – |
| Retained earnings | | (1,349) | (1,309) |
| Total equity | | <u>5,120</u> | <u>(1,197)</u> |
| Total equity and Liabilities | | <u><u>7,763</u></u> | <u><u>935</u></u> |

The Company's profit for the year was \$13,000 (2024 – loss \$2,003).

The financial statements were approved and authorised for issue by the board of directors on 4 May 2026 and were signed on its behalf by:

A H Hurst
Director

The notes on pages 30 to 49 form part of these financial statements.

PATHOS COMMUNICATIONS PLC
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 Capitalisation/bonus issue | 88 | 5,983 | – | – | – | 6,071 |
| Share-based payments | – | – | – | 286 | (53) | (53) |
| Total contributions by owners | 88 | 5,983 | (61) | 286 | (683) | 5,613 |
| At 31 December 2025 | 88 | 5,983 | (126) | 286 | (319) | 5,912 |

PATHOS COMMUNICATIONS PLC
COMPANY 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 | – | – | 145 | – | 685 | 830 |
| Loss for the year | – | – | – | – | (1,994) | (1,994) |
| Other comprehensive income | – | – | (33) | – | – | (33) |
| Total comprehensive income for the year | – | – | (33) | – | (1,994) | (2,027) |
| At 31 December 2024 | – | – | 112 | – | (1,309) | (1,197) |
| Profit for the year | – | – | – | – | 13 | 13 |
| Total comprehensive income for the year | – | – | – | – | 13 | 13 |
| 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 | – | 286 | (40) | 6,317 |
| At 31 December 2025 | 88 | 5,983 | 112 | 286 | (1,349) | 5,120 |

The notes on pages 30 to 49 form part of these financial statements.

PATHOS COMMUNICATIONS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 2025 \$000 | 2024 \$000 |
|--|------|---------------|---------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (630) | (517) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 13 | 556 | 495 |
| Amortisation of intangible fixed assets | 14 | 152 | 99 |
| Impairment losses on intangible assets | 14 | – | 15 |
| Share based payments | | 286 | – |
| Finance expense | | 145 | 166 |
| Income tax expense | 11 | 104 | 44 |
| | | <u>613</u> | <u>302</u> |
| Increase in trade and other receivables | | (530) | (289) |
| Increase in trade and other payables | | 1,189 | 245 |
| | | <u>1,272</u> | <u>258</u> |
| Cash generated from operations | | 1,272 | 258 |
| Income taxes paid | | (176) | (59) |
| | | <u>1,096</u> | <u>199</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant, and equipment | | (9) | (31) |
| Purchase of intangibles | | (426) | (296) |
| | | <u>(435)</u> | <u>(327)</u> |
| Cash flows from financing activities | | | |
| Issue of ordinary shares, net of costs | | 6,018 | – |
| Net interest charge excluding lease charges | | (11) | (5) |
| Payment of lease liabilities | | (596) | (545) |
| | | <u>5,411</u> | <u>(550)</u> |
| Net cash from/(used in) financing activities | | 5,411 | (550) |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | | (50) | (32) |
| Cash and cash equivalents at the beginning of year | | 219 | 929 |
| | | <u>6,241</u> | <u>219</u> |
| Cash and cash equivalents at the end of the year | | 6,241 | 219 |

The notes on pages 30 to 49 form part of these financial statements.

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 (see note 3) and the first time the financial statements for the Company have been prepared under IFRS and in US dollars, which represents a change in functional currency from UK pounds.

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.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements. There were no reconciling items in the Company accounts from the change to IFRS.

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. Revisions to estimates are recognised prospectively. The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 4.

Adoption of new and revised standards

The following pronouncements were effective from 1 January 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability' (effective 1 January 2025).

The following new standards, amendments and interpretations have not yet been adopted:

- IFRS9/IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026);
- Annual Improvements to IFRS Accounting Standards—Volume 11 (effective 1 January 2026);
- IFRS 18 'Presentation and disclosure in Financial Statements' (effective 1 January 2027); and
- IFRS19 'Subsidiaries without public Accountability: Disclosures' (effective 1 January 2027).

Management does not believe that any of these will have a material impact on the Group.

2. Accounting policies (continued)

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.

2.4 Revenue

Revenue is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers', which requires an entity to recognise revenue as performance obligations are satisfied by transferring promised goods or services to customers.

The Group enters into standardised contracts with its customers that clearly outline the obligations of both parties, payment terms, and conditions of service. Each contract is assessed as a distinct arrangement with a defined transaction price and defined performance obligations.

Revenue is earned under a "pay on results" model. The Group's performance obligation is generally satisfied at a point in time, specifically, when a customer's article has been successfully published by a third-party media outlet. Only once this publication occurs is an invoice raised and revenue is recognised.

2. Accounting policies (continued)

2.5 Leasing

At contract inception, the Company assesses whether a contract is, or contains, a lease. A contract is considered a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use (ROU) asset and a corresponding lease liability at the lease commencement date for all leases, except for short-term leases (with a lease term of 12 months or less) and leases of low-value assets, which are expensed on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of future lease payments that are not paid at the commencement date. These payments include any fixed payments (less any lease incentives receivable), variable payments that depend on an index or rate and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate.

Lease payments are discounted using the effective interest rate, as per The Bank of England at the commencement date, unless the interest rate implicit in the lease is readily determinable.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the lease term, future lease payments due to a change in an index or rate, or the Company's assessment of whether it will exercise an option. When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset.

The ROU asset is initially measured at cost, which comprises:

- The initial amount of the lease liability;
- Any lease payments made at or before the commencement date, less lease incentives received;
- Any initial direct costs; and
- An estimate of costs to dismantle and remove the asset or restore the site.

Subsequently, the ROU asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the asset, and is adjusted for any remeasurement of the lease liability.

ROU assets are presented separately on the statement of financial position, unless immaterial.

Where lease agreements include both lease and non-lease components (such as service charges), the Company allocates consideration based on their relative stand-alone prices unless it elects, as a practical expedient, not to separate lease and non-lease components.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are those with a lease term of 12 months or less, and low-value assets typically include IT equipment and small office furniture.

2.6 Foreign currency

In preparing the historic financial information of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2. Accounting policies (continued)

The consolidated financial statements are presented in USD, which is the Group's presentation currency. Each subsidiary in the Group determines its own functional currency, which reflects the primary economic environment in which it operates. For consolidation purposes, the financial statements of subsidiaries with a functional currency different from the Group's presentation currency are translated by converting assets and liabilities at the closing exchange rate prevailing at the reporting date, while income and expenses are translated at the exchange rates prevailing on the dates of the transactions, or at average rates where these approximate actual rates. The resulting exchange differences arising on translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is measured using tax rates that have been enacted or substantively enacted at the reporting date.

2.10 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on property, plant and equipment to write off their carrying value over their expected useful economic life as follows:

| | |
|-----------------------|--|
| Fixtures and fittings | 25% straight-line |
| Office equipment | 25% straight-line |
| Computer equipment | 25% straight-line |
| Right of use asset | Over the length of the lease (5 years) |

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives as set out below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

| | |
|-------------------|-------------------|
| Contact databases | 33% straight-line |
| Computer software | 33% straight-line |

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's main financial assets are trade receivables and cash and cash equivalents. Trade receivables are initially recognised at their transaction price and subsequently measured at amortised cost, less any allowance for expected credit losses in accordance with IFRS 9. Cash and cash equivalents comprise cash on hand and balances with banks that are readily available for use. These assets are held to collect contractual cash flows, which represent solely payments of principal and interest.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group always recognises lifetime ECL for trade receivables, amounts due from customers under contracts and lease receivables. The expected credit losses on these financial assets are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Financial liabilities

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss (FVTPL).

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.13 Share-based payments

Where employees are granted equity settled share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is calculated at the grant date. Where the instrument granted to the employee includes market based vesting conditions these are factored into the calculation of the grant date fair value of the equity instrument granted to the employee.

Where equity instruments are granted to persons or entities other than employees, the statement of comprehensive income is charged with the fair value of goods and services received, unless this cannot be reliably measured in which case the fair value of the instruments granted are determined indirectly by reference to the fair value of the instrument granted.

The Company uses the Black-Scholes Model or Monte-Carlo Simulation to calculate the grant date fair value of the options granted to the employees or service providers.

If vesting periods apply, the expense is allocated over the vesting periods, based on the best available estimate of the number of share options or warrants expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current year. No adjustment is made to any expense recognised in prior years if share options that have vested are not exercised.

All equity-settled share-based payments are recognised as an expense in the statement of comprehensive income with a corresponding credit to reserves.

3. Adoption of IFRS, including exceptions, exemptions and adjustments

As stated in Note 2.1 "Basis of preparation", the Group financial statements have been prepared in accordance with IFRS. The Company financial statements which were previously prepared in accordance with UK GAAP FRS102 have been prepared in accordance with IFRS for the year ended 31 December 2025. There were no transitional adjustments arising at the date of transition (1 January 2025) and at the end of the latest period presented under UK GAAP (i.e. 31 December 2024).

4. 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.

5. 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 \$000 | 2024 \$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.

6. 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 \$000 | 2024 \$000 |
|-------------------|---------------|---------------|
| US & Canada | 12,559 | 10,265 |
| UK and Europe | 133 | 684 |
| Rest of the World | 391 | 456 |
| | 13,083 | 11,405 |

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

| | 2025 \$000 | 2024 \$000 |
|--|---------------|---------------|
| Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements | 138 | – |

In 2025 additional fees of \$276,000 were payable to the Company's auditors for the Accountant's Report on the Historical Financial Information of the Group in connection with the IPO on AIM.

PATHOS COMMUNICATIONS PLC
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2025

8. Employee benefit expenses

| Group | 2025 | 2024 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Employee benefit expense comprise: | | |
| Wages, salaries and Directors' fees | 2,399 | 2,176 |
| Social security costs | 19 | – |
| Pension and similar costs | 71 | 36 |
| Share based payments | 286 | – |
| | <u>2,775</u> | <u>2,212</u> |

The monthly average number of Group employees during the year, including directors, were as follows:

| | 2025 | 2024 |
|------------|---------------|---------------|
| | Number | Number |
| Management | 5 | 3 |
| Operations | 52 | 48 |
| | <u>57</u> | <u>52</u> |

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Group. Compensation in 2025 was \$691,000 (2024: \$1,343,000).

| Company | 2025 | 2024 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Employee benefit expense (including directors fees) comprise: | | |
| Wages and salaries | 77 | – |
| National insurance | 5 | – |
| | <u>82</u> | <u>–</u> |

The monthly average number of Company employees during the year, including the directors, was 1 (2024:1).

9. Directors' remuneration

Directors' remuneration in the year was as follows:

| | Base | Pension | Total |
|----------------------|--------------|----------------|--------------|
| | \$000 | \$000 | \$000 |
| Omar Hamdi | 500 | – | 500 |
| Adam Hurst | 22 | 2 | 24 |
| Mark Elliott | 7 | – | 7 |
| Tunji Akintokun | 4 | – | 4 |
| Linda Marston-Weston | 4 | – | 4 |
| | <u>537</u> | <u>2</u> | <u>539</u> |

In the prior year Omar Hamdi was paid \$1,343,000 director's fees.

10. Finance income and expense

| | 2025 | <i>2024</i> |
|------------------------------|---------------------|---------------------|
| | \$000 | <i>\$000</i> |
| Finance income | | |
| Other interest receivable | <u>3</u> | <u>–</u> |
| Total finance income | <u>3</u> | <u>–</u> |
| Finance expense | | |
| Lease interest | <u>134</u> | <u>162</u> |
| Other interest payable | <u>14</u> | <u>5</u> |
| Total finance expense | <u>148</u> | <u>167</u> |
| Net finance expense | <u><u>(145)</u></u> | <u><u>(167)</u></u> |

11. Tax expense

| | 2025 | <i>2024</i> |
|-------------------------------------|-------------------|------------------|
| | \$000 | <i>\$000</i> |
| Current tax on profits for the year | <u>104</u> | <u>44</u> |
| Deferred tax expense | <u>–</u> | <u>–</u> |
| | <u><u>104</u></u> | <u><u>44</u></u> |

The reasons for the different between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

| | 2025 | <i>2024</i> |
|---|-------------------|------------------|
| | \$000 | <i>\$000</i> |
| Loss before tax | <u>(526)</u> | <u>(473)</u> |
| Tax using the Company's domestic tax rate of 25% (2024:25%) | <u>(131)</u> | <u>(118)</u> |
| Depreciation in excess of capital allowances | <u>13</u> | <u>–</u> |
| Non-taxable profits from foreign subsidiaries | <u>–</u> | <u>(148)</u> |
| Timing difference on provision for receivables | <u>–</u> | <u>142</u> |
| Expenses not deductible for tax purposes | <u>69</u> | <u>–</u> |
| Difference arising from change of tax rate during the year | <u>–</u> | <u>(5)</u> |
| Foreign taxation | <u>–</u> | <u>7</u> |
| Unrelieved tax losses carried forward | <u>–</u> | <u>164</u> |
| Other differences leading to an increase/(decrease) in the tax charge | <u>153</u> | <u>2</u> |
| Total tax expense | <u><u>104</u></u> | <u><u>44</u></u> |

There were no deferred tax losses carried forward not recognised in the financial statements (2024: \$164,000).

12. 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 |
| | <u><u> </u></u> | <u><u> </u></u> |
| | | |
| 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 |
| | <u><u> </u></u> | <u><u> </u></u> |
| Diluted | | |
| Reported | 15,463,708 | 2 |
| Adjustments | 58,582,954 | 66,666,664 |
| Adjusted | 74,046,662 | 66,666,666 |
| | <u><u> </u></u> | <u><u> </u></u> |
| | | |
| Earnings/(loss) per share | 2025 | 2024 |
| | Cents | Cents |
| Reported | | |
| Basic | (7.79) | (25,850,000) |
| Diluted | (7.79) | (25,850,000) |
| | <u><u> </u></u> | <u><u> </u></u> |
| Adjusted | | |
| Basic | 2.92 | 1.58 |
| Diluted | 2.63 | 1.58 |
| | <u><u> </u></u> | <u><u> </u></u> |

13. Property, plant and equipment

Group

| | Fixtures and fittings \$000 | Office equipment \$000 | Computer equipment \$000 | Right of use asset \$000 | Total \$000 |
|--|--------------------------------|---------------------------|-----------------------------|-----------------------------|----------------|
| Cost or valuation | | | | | |
| At 31 December 2023 | – | – | – | – | – |
| Additions in year | 22 | 3 | 6 | 2,736 | 2,767 |
| At 31 December 2024 | 22 | 3 | 6 | 2,736 | 2,767 |
| Additions in year | – | 1 | 8 | – | 9 |
| At 31 December 2025 | 22 | 4 | 14 | 2,736 | 2,776 |
| Accumulated depreciation and impairment | | | | | |
| At 31 December 2023 | – | – | – | – | – |
| Charge for the year | 5 | 1 | 2 | 487 | 495 |
| At 31 December 2024 | 5 | 1 | 2 | 487 | 495 |
| Charge for the year | 5 | 1 | 3 | 547 | 556 |
| At 31 December 2025 | 10 | 2 | 5 | 1,034 | 1,051 |
| Net book value | | | | | |
| At 31 December 2023 | – | – | – | – | – |
| At 31 December 2024 | 17 | 2 | 4 | 2,249 | 2,272 |
| At 31 December 2025 | 12 | 2 | 9 | 1,702 | 1,725 |

Assets held under leases comprises the right of use asset. Details are as follows:

| | 31 December 2025 \$000 | 31 December 2024 \$000 |
|---------------------|------------------------------|------------------------------|
| Net book value | 1,702 | 2,249 |
| Depreciation charge | 547 | 487 |

Company

The Company held computer equipment of \$1,000 at 31 December 2025 (Nil: 2024, 2023).

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for the year ended 31 December 2025

14. Intangible assets

| Group | Contact databases \$000 | Computer Software \$000 | Total \$000 |
|--|--|--|------------------------|
| Cost | | | |
| At 31 December 2023 | – | – | – |
| Additions in year to 31 December 2024 | 223 | 72 | 295 |
| At 31 December 2024 | 223 | 72 | 295 |
| Additions in year | 149 | 277 | 426 |
| At 31 December 2025 | 372 | 349 | 721 |
| Accumulated amortisation and impairment | | | |
| At 31 December 2023 | – | – | – |
| Charge for year to 31 December 2024 | 74 | 24 | 98 |
| At 31 December 2024 | 74 | 24 | 98 |
| Charge for the year | 92 | 60 | 152 |
| At 31 December 2025 | 166 | 84 | 250 |
| Net book value | | | |
| At 31 December 2023 | – | – | – |
| At 31 December 2024 | 149 | 48 | 197 |
| At 31 December 2025 | 206 | 265 | 471 |

Computer software includes amounts related to the development of the Group's proprietary tools.

| Company | Contact databases \$000 | Computer Software \$000 | Total \$000 |
|--|--|--|------------------------|
| Cost | | | |
| At 31 December 2023 | – | – | – |
| Additions in year to 31 December 2024 | 33 | – | 33 |
| At 31 December 2024 | 33 | – | 33 |
| Additions in year | 8 | 28 | 36 |
| At 31 December 2025 | 41 | 28 | 69 |
| Accumulated amortisation and impairment | | | |
| At 31 December 2023 | – | – | – |
| Charge for the year to 31 December 2024 | 11 | – | 11 |
| At 31 December 2024 | 11 | – | 11 |
| Charge for the year | 12 | 1 | 13 |
| At 31 December 2025 | 23 | 1 | 24 |
| Net book value | | | |
| At 31 December 2023 | – | – | – |
| At 31 December 2024 | 22 | – | 22 |
| At 31 December 2025 | 18 | 27 | 45 |

15. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

| Name of subsidiary | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group (%) | |
|----------------------------------|---|--------------------------------------|---|------|
| | | | 2025 | 2024 |
| Pathos Global Management Limited | Management company | UAE | 100 | 100 |
| Global Marketing Services FZCO | Creative engagement, communications and brand reputation services | UAE | 100 | 100 |

16. Other non-current investments

Group

The Group held \$17,000 of unlisted investments at 31 December 2025 (2024: \$17,000).

| Company | Note | 2025 \$000 | 2024 \$000 |
|------------------------------------|------|---------------|---------------|
| Investment in subsidiary companies | 15 | 23 | 12 |
| Unlisted investments | | 17 | 17 |
| | | <u>40</u> | <u>29</u> |

The increase in investment in subsidiary companies in the year arises due to a correction of the investment in share capital of one of the subsidiaries from the prior year.

17. Trade and other receivables

Group

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

Company

| | 2025 \$000 | 2024 \$000 |
|---|---------------|---------------|
| Current | | |
| Trade receivables | 2,897 | 2,674 |
| Less: provision for impairment of trade receivables | (2,644) | (2,454) |
| Trade receivables – net | <u>253</u> | <u>220</u> |
| Receivables from related parties | 1,429 | 607 |
| Prepayments and accrued income | 35 | 1 |
| Other receivables | 135 | – |
| Total current trade and receivables | <u>1,852</u> | <u>828</u> |

17. Trade and other receivables (continued)

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.

18. Trade and other payables

Group

| | 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 |

Company

| | 2025 | 2024 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Trade payables | 337 | 46 |
| Payables to related parties | 1,850 | 1,879 |
| Other payables | 35 | 5 |
| Accruals & deferred income | 300 | 8 |
| Corporation tax payable | 111 | 183 |
| Other payables – tax and social security payments | 10 | 11 |
| Total current trade and other payables | 2,643 | 2,132 |

19. Lease liabilities

Group

| | 2025 | 2024 |
|--------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Non-current lease liabilities | 1,351 | 1,906 |
| Current lease liabilities | 540 | 447 |
| Total lease liabilities | 1,891 | 2,353 |

20. 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).

21. Reserves

Share premium

Share premium is the amount received by the Company for shares that is above their nominal (par) value, net of costs.

Foreign exchange reserve

Comprises accumulated differences arising from the translations of the consolidated Group financial statements of the Group's entities into USD.

Share based payments reserve

Comprises amounts expensed in relation to share options.

Retained earnings

Includes all current and prior period retained profits and losses. Reserves also include capital raised for bonus share issue.

22. Leases

Group

The lease relates to an office space used by two of the entities in the Group as lessee.

Lease liabilities (undiscounted) are due as follows:

| | 2025 \$000 | 2024 \$000 |
|------------------------|---------------|---------------|
| No later than one year | 651 | 595 |
| More than one year | 1,452 | 2,103 |
| | <u>2,103</u> | <u>2,698</u> |

Lease liabilities included in the Consolidated Statement of Financial position at 31 December:

| | | |
|-------------|--------------|--------------|
| Non-current | 1,351 | 1,906 |
| Current | 540 | 447 |
| | <u>1,891</u> | <u>2,353</u> |

Interest in respect of leases of \$134,000 (2024: \$162,000) has been recognised in profit or loss.

The movement in the lease liability in the year can be explained as follows:

| | 2025 \$000 |
|---|---------------|
| Lease liability at start of the year | 2,353 |
| Accretion of interest | 134 |
| Payments | (596) |
| Lease liability at end of the year | <u>1,891</u> |

23. Share-based payments

On 16th December 2025 the Company granted 5,379,996 share options to a number of employees and 2,000,000 warrants in total to two service providers. Of the share options granted to employees:

- 1,303,332 were subject to a three year service condition;
- 1,409,998 vest if the Company's share price exceeds the admission share price of £0.30 for 60 consecutive working days;
- 1,333,333 vest if the Total Shareholder Return exceeds 10% per annum over the three year period ending 16th December 2028; and
- 1,333,333 vest if the Earning per Share of the Company exceeds 10% per annum for the three financial years ending 31 December 2028.

The warrants granted to service providers were not subject to any vesting conditions.

In the event that the option holder's employment is terminated before vesting, the option may not be exercised unless the Remuneration Committee so permits. Share options granted to employees expire 10 years from date of grant and warrants granted to service providers expire 3 years from the date of grant.

Movements in the total number of share options and warrants outstanding and their related weighted average exercise prices are set out below. There were no options in 2024.

23. Share-based payments (continued)

| | 2025 Number of Options | 2025 Weighted Average Exercise price |
|----------------------------|------------------------------|--|
| Outstanding at 1 January | – | n/a |
| Granted during the year | 7,379,996 | 30p |
| Lapsed during the year | (133,333) | 30p |
| Outstanding at 31 December | <u>7,246,663</u> | <u>30p</u> |
| Exercisable at year-end | 2,000,000 | 30p |

The exercise price of all share options and warrants outstanding at the end of the year was £0.30. The average remaining contractual life for the share options outstanding as at 31 December 2025 was 9.95 years (2024: n/a). The average remaining contractual life for the warrants outstanding as at 31 December 2025 was 2.95 years (2024: n/a).

The fair value of options granted during the year was determined by applying the Black-Scholes model or a Monte-Carlo Simulation. The expense is apportioned over the vesting period of the option and is based on the number which are expected to vest and the fair value of these options at the date of grant.

The inputs into the Black-Scholes Model and Monte Carlo Simulations in respect of options and warrants granted in the period are as follows:

| | Share Options | Warrants |
|------------------------------|------------------|-------------|
| Date of grant | 16 Dec 2025 | 16 Dec 2025 |
| Share price at date of grant | £0.30 | £0.30 |
| Exercise price | £0.30 | £0.30 |
| Option life in years | 10 | 3 |
| Expiry date | 16 Dec 2035 | 16 Dec 2028 |
| Vesting period | See below | None |
| Risk-free rate | 4.52% | 3.79% |
| Expected volatility | 49.8% | 43.1% |
| Expected dividend yield | 0% | 0% |

Expected volatility was determined by calculating the historical volatility of a group of comparable listed entities over a period which matches the life of the options or warrants granted.

For share options subject to market based vesting conditions, these conditions were factored into the calculation of the fair value of the share options.

The share-based payment charge for the year was \$18,628 (2024: \$nil) for employee share options and \$268,950 (2024: \$nil) for the warrants granted to service providers.

24. Financial instruments – fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Note | Carrying amount | | Fair Value | | | Total |
|---|------|-------------------------|----------------|------------------|------------------|------------------|----------|
| | | Amortised cost \$000 | Total \$000 | Level 1 \$000 | Level 2 \$000 | Level 3 \$000 | |
| 31 December 2025 | | | | | | | |
| Financial assets not measured at fair value | | | | | | | |
| Trade and other receivables | 17 | 934 | 934 | – | – | – | – |
| Cash and cash equivalents | | 6,241 | 6,241 | – | – | – | – |
| | | <u>7,175</u> | <u>7,175</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |
| 31 December 2025 | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | |
| Financial lease liabilities | 19 | 1,891 | 1,891 | – | – | – | – |
| Trade payables | 18 | 1,585 | 1,585 | – | – | – | – |
| | | <u>3,476</u> | <u>3,476</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |
| 31 December 2024 | | | | | | | |
| Financial assets not measured at fair value | | | | | | | |
| Trade and other receivables | 17 | 393 | 393 | – | – | – | – |
| Cash and cash equivalents | 25 | 230 | 230 | – | – | – | – |
| | | <u>623</u> | <u>623</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |
| 31 December 2024 | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | |
| Financial lease liabilities | 19 | 2,353 | 2,353 | – | – | – | – |
| Trade payables | 18 | 457 | 457 | – | – | – | – |
| | | <u>2,810</u> | <u>2,810</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |

24. Financial instruments – fair values and risk management (continued)

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies. Consequently exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| | 2025 | <i>2024</i> |
|-----------------------------|--------------------------|--------------------------|
| | \$000 | <i>\$000</i> |
| Monetary assets | | |
| Trade and other receivables | 537 | <i>2</i> |
| Cash and cash equivalents | 1,025 | <i>27</i> |
| | 1,562 | <i>29</i> |
| | <u><u> </u></u> | <u><u> </u></u> |
| Monetary liabilities | | |
| Trade and other payables | (645) | <i>(346)</i> |
| | <u><u> </u></u> | <u><u> </u></u> |

Credit risk management

Credit risk arises from cash and cash equivalents as well as credit exposures to wholesale and retail customers, including outstanding receivables. The Group has implemented policies to ensure that sales are made to customers with appropriate credit worthiness.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and only with major reputable financial institutions.

The Company applies the expected credit loss (ECL) model in accordance with IFRS 9 – Financial Instruments to its trade receivables, which are financial assets measured at amortised cost.

The Company uses the simplified approach permitted for trade receivables. This requires recognition of lifetime expected credit losses at all times, regardless of whether a significant increase in credit risk has occurred.

Trade receivables are assessed individually for impairment. Once a receivable becomes overdue, management evaluates the probability of recovery based on debtor-specific circumstances. This assessment incorporates:

- Historical default experience;
- Current and forward-looking information, including macroeconomic factors and customer responsiveness; and
- Management's expectations about future credit losses.

The Group always recognises lifetime ECL for trade receivables and amounts due from customers under contracts. The expected credit losses on these financial assets are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

This policy reflects a reasonable and supportable basis for estimating expected credit losses and ensures timely recognition of impairment losses in accordance with IFRS 9.

Liquidity risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

24. Financial instruments – fair values and risk management (continued)

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

| | Carrying amount \$000 | Total \$000 | 1-3 months \$000 | 3-12 months \$000 | 1-2 years \$000 | 2-5 years \$000 | More than 5 yrs \$000 |
|---------------------------|-----------------------------|----------------|------------------------|-------------------------|-----------------------|-----------------------|--------------------------------|
| 31 December 2025 | | | | | | | |
| Finance lease liabilities | 2,103 | 2,103 | 326 | 326 | 707 | 744 | – |
| Trade payables | 1,585 | 1,585 | 1,585 | – | – | – | – |
| | <u>3,688</u> | <u>3,688</u> | <u>1,911</u> | <u>326</u> | <u>707</u> | <u>744</u> | <u>–</u> |
| 31 December 2024 | | | | | | | |
| Finance lease liabilities | 2,698 | 2,698 | 298 | 298 | 651 | 1,451 | – |
| Trade payables | 457 | 457 | 457 | – | – | – | – |
| | <u>3,155</u> | <u>3,155</u> | <u>755</u> | <u>298</u> | <u>651</u> | <u>1,451</u> | <u>–</u> |

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| | Carrying amount \$000 | Total \$000 | 1-3 months \$000 | 3-12 months \$000 | 1-2 years \$000 | 2-5 years \$000 | More than 5 yrs \$000 |
|-------------------------|-----------------------------|----------------|------------------------|-------------------------|-----------------------|-----------------------|--------------------------------|
| 31 December 2025 | | | | | | | |
| Trade receivables | 934 | 934 | 934 | – | – | – | – |
| | <u>934</u> | <u>934</u> | <u>934</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |
| 31 December 2024 | | | | | | | |
| Trade receivables | 393 | 393 | 393 | – | – | – | – |
| | <u>393</u> | <u>393</u> | <u>393</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |

25. Related parties

The interests of the Directors of the Group including their remuneration and changes in shareholdings in the year are disclosed in the Director's report. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. There were no other related party transactions for the Group during the period.

26. Post balance sheet events

There are no material events after the balance sheet date to disclose.

PATHOS COMMUNICATIONS PLC
COMPANY INFORMATION

REGISTERED OFFICE

101 New Cavendish Street
London
W1W 6XH

AUDITOR

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

BROKER

Cavendish Capital Markets Limited
1 Batholomew Close
London
EC1A 7BL

REGISTRARS

Neville Registrars
Neville House
Steelpark Road
Halesowen
B62 8HD

SOLICITORS

Bird & Bird LLP
12 New Fetter Lane
London
EC4A 1JP

NOMINATED AND FINANCIAL ADVISER

Strand Hanson Limited
26 Mount Row
London
W1K 3SQ

FINANCIAL PR

BlytheRay
73 Watling Street
London
EC4M 9BJ

