

Fadel Partners, Inc.

('FADEL', the 'Company' or, together with its subsidiaries, the 'Group')

2025 Trading Update and FY 2026 Outlook

Meeting Market Expectations

FADEL (AIM: FADL), a global leader in AI-driven brand compliance and licensing software, today provides a trading update for the year ended 31 December 2025 (FY25), based on unaudited management accounts.

FY25 Financial Highlights

- License and support ARR: 8.9M (+13%, FY24: 7.9M)
- Adjusted LBITDA: Approximately 0.8M (FY24: 3.9M)
- Cash and cash equivalents at year-end: 1.9M (-27%, FY24: 2.6M)
- Revenue: 12.6M (-4%, FY24: 13.0M)
- License and support revenue: 8.2M (+3%, FY24: 8.0M)
- Services revenue: 4.4M (-12%, FY24: 5.0M)
- Operating expenses: 9.0M (-31%, FY24: 13.1M)

The increase in ARR in 2025 reflects continued momentum with existing customers and new contract wins, while the decrease in U.S. GAAP revenue is attributable to a reduction in lower-margin services revenue. The 13% increase in ARR to 8.9 million highlights the Company's continued success in growing its recurring licensing and support revenue base, including strong progress in expanding the IPM Suite into the mid-market segment, where seven new customers were secured during the year. Brand Vision secured new customers and experienced robust upselling activity across its existing customer base. The majority of the ARR growth was achieved during the fourth quarter of 2025 and is therefore expected to have a greater impact on reported revenue in FY26 than in FY25.

Key IPM Suite customer wins during the period included Handcraft Manufacturing, Viz Media, Zak! Designs and Bloom Fresh International, demonstrating the Company's ability to address the requirements of mid-market customers.

For Brand Vision, new customer wins included Comcast Communications and Ferrero. In addition, the Company achieved multiple expansions within its existing customer base, particularly in the adoption of enhanced content tracking capabilities, underscoring the value of the Company's product offerings.

Revenue and LBITDA were in line with market expectations. The Company exceeded market expectations for ending net cash, closing FY25 with 1.9M of cash. This achievement was driven by the Company's continued focus on timely cash collections, and improvement of commercial terms through proactive engagement with renewing customers to ensure contracts were finalized and payments received on schedule. These concerted efforts reinforced the Company's cash position entering into FY26 and it is management's intent to continue these efforts going forward.

Beginning with the 2025 year-end results, the Company's services revenue now includes revenue generated under recurring services subscription arrangements, rather than such revenue being included with license and support revenue. Likewise, Annual Recurring Revenue ("ARR") now comprises only recurring license and support revenue and no longer includes recurring services revenue. The prior period amounts have been reclassified to conform to this presentation. The Company believes that this presentation is more consistent with prevailing SaaS industry reporting practices and with how senior management evaluates the performance of the business.

New Product Offerings and AI Development

On 21 January, the Company announced the launch of FADEL AIVA™, its AI technology designed to enhance how organizations manage licensing and marketing compliance operations. Leveraging the AWS Bedrock agentic AI platform, AIVA integrates the Company's generative, analytical and predictive AI capabilities through purpose-built AI agents embedded in FADEL's Brand Vision and IPM Suite products. AIVA is designed to help users improve efficiency, reduce operational risk and manage complex global licensing and marketing activities with greater speed and confidence.

The Company also announced the go-live of its AI-enabled Product Approval system, which now incorporates AIVA™ as an embedded AI Reviewer agent. The Product Approval system enables licensors to manage the full product approval lifecycle, from initial concept submission through to final authorization, within a single, centralized platform.

The Company believes that the introduction of FADEL AIVA™ and the deployment of AI-enabled Product Approval functionality, will strengthen its product offering, support growth in recurring revenue and further differentiate FADEL within the licensing and brand compliance and governance market. Further details on these developments were set out in press releases issued on 22 January ([click here](#)) and 26 January ([click here](#)).

Market Commentary and Outlook for FY26

The Company is confident in its ability to capture growth opportunities through upselling to its existing customer base and securing new customer wins and continuing to build ARR in FY26.

Looking ahead, in FY26 the Company expects to achieve:

- continued growth in ARR,
- further reduction in LBITDA loss, reflecting the Company's ongoing focus on cost control alongside top-line revenue growth; and
- sufficient net cash to fund ongoing operations

The significant cost-restructuring undertaken in FY24, and further refined in FY25, has created a pathway to future profitability while supporting the business to continue to grow its ARR through efficient operations and within its available resources.

Board Update

At the beginning of 2025, Joe Gruttaduria assumed the operational role of Interim Head of Sales, working closely with the sales team and Tarek Fadel to support new business growth. With effect from 1 January 2026, Joe has stepped down from this operational role, having achieved the objective of strengthening sales processes, significantly improving the sales pipeline, and increasing focus on new logo acquisition in the mid-market segment. The Board thanks Joe for his hands-on contribution, expertise and the sales processes implemented, which are expected to continue to benefit the sales organization.

Joe will continue on in his role as a non-executive director but will not resume serving on the Remuneration Committee, as under QCA guidelines, Joe is now considered to be non-independent due to his operational role in FY25.

The Group's full year audited results for the year ended 31 December 2025 are expected to be announced in late April 2026.

This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").

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About Fadel Partners Inc.

FADEL delivers AI-enabled software to manage brand compliance and IP licensing with precision and confidence. Its cloud-based platforms help organizations govern content and usage rights at scale, streamline complex licensing and royalty processes, and reduce risk across global operations. Trusted by some of the world's most recognized brands in media, publishing, consumer goods, high-tech, and advertising, FADEL empowers teams to protect intellectual property, accelerate licensing workflows, and operate with clarity in an increasingly complex digital ecosystem.

The Group's main country of operation is the United States, where it is headquartered in New York, with further operations in the UK, France, Lebanon and Jordan.

For more information, please visit the Group's website at: www.fadel.com.

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