CORPORATE NEWS

Verve Group Reports Solid Organic Growth in the First Quarter, Along with Strong Operating Performance and Significant Cash Flow Growth

- Revenue (like-for-like) increases 3.7 percent to EUR 137.2 million in Q1 2026, with organic growth of 6.4 percent
- Gross margin (like-for-like) of 41.0 percent, showing continued structural improvement year-on-year
- Adj. EBITDA of EUR 28.3 million reflects growth investments in sales-team ramp-up and product innovations, as forecasted
- Operating cash flow records significant growth in the first quarter to EUR 45.2 million

Stockholm, 27 May 2026 – Verve Group SE (ISIN: SE0018538068), a global leading advertising technology company, posted solid growth in the first quarter of 2026 compared to a strong prior-year quarter. As in the fourth quarter of 2025, the enhanced performance of the optimized technology platform, coupled with an increased focus on the use of AI, drove a significant rise in gross margin. Continued growth investments, above all in a significant expansion of the sales team and the recently announced further build-out of its 'Retail Media' activities, are leading to increased personnel and data costs that temporarily impact profit margins, in line with the Company's guidance for the first half of 2026 in its full-year outlook.

The key performance indicators for business performance are as follows:

IFRS (in Mio. EUR)	Q1 2025	Q1 2026	Q1 Δ
Revenue (reported)*	109.0	137.2	25.8%
Change in Revenue Recognition	23.3	0.0	
Revenue (like-for-like)**	132.3	137.2	3.7%
Gross Profit	50.6	56.3	11.1%
Gross margin on like-for-like revenue	38.3%	41.0%	2.7pp
EBITDA	27.5	24.0	-12.7%
EBITDA margin on like-for-like revenue	20.8%	17.5%	-3.3pp
Adj. EBITDA	30.2	28.3	-6.2%
Adj. EBITDA margin on like-for-like revenue	22.8%	20.6%	-2.2pp
Adj. EBIT	23.3	17.5	-24.9%
Adj. Net Result	6.8	6.2	-8.8%
Adj. Net Result per Share (diluted)	0.04	0.03	-25.0%
Operating Cashflow	0.3	45.2	>100.0%
Net Debt (vs. 31.12.2025)	445.9	447.9	0.2%
Adj. Leverage Ratio (vs. 31.12.2025)	3.0	3.1	+0.1
Cash & Cash Equivalents (vs. 31.12.2025)	89.0	147.2	65.4%

* Changes to revenue recognition under IFRS 15 will affect reported revenue starting in Q3 2025

** Revenue prior to Q3 2025 is presented on a like-for-like basis compared to the revised revenue recognition under IFRS 15

In the first quarter, typically the weakest of the year due to seasonality, Verve continued to grow despite a strong prior-year quarter and significant headwinds from exchange rate effects. On a like-for-like basis, revenue increased by 3.7 percent to EUR 137.2 million (Q1 2025: EUR 132.3 million), corresponding to USD 160.5 million on a US dollar basis (Q1 2025: USD 139.5 million). Organic revenue growth of 6.4 percent and inorganic revenue growth (M&A) of 6.9 percent were offset by a significant currency headwind of -9.6 percent year-on-year, resulting from the substantial weakening of the US dollar against the euro. Since about 83 percent of consolidated revenue is invoiced in USD, the exchange rate against the euro will continue to have a significant impact on reported revenue in the current year. The Company aims to adopt USD reporting by 1 January 2027, conditional upon AGM approval of its relocation to Ireland.

The inorganic revenue growth is attributable to the Company's recent acquisitions, which have been consolidated since the beginning of the fourth quarter and, as expected, have been integrated into the Group largely seamlessly.

The gross margin on like-for-like revenue, which has risen noticeably since the completion of the platform unification, stood at 41.0 percent in the first quarter, significantly above the prior-year figure (Q1 2025: 38.3 percent). This margin increase underscores the sustainability of the optimized technology platform's purely operational efficiency, which has improved by 2.7 percentage points. It already includes one-off data costs resulting from investments in the ramp-up of Retail Media.

As communicated as part of its 2026 full-year outlook, the Company expects lower EBITDA margins in the first half of 2026 due to increased costs from growth investments. The additional investments of EUR 10 million planned for 2026 to continue expanding the global sales team resulted in increased personnel costs in the first quarter. By the end of the first quarter, Verve's sales organization had grown to 117 sales managers (Q1 2025: 54), underlining the scale of the commercial investment the Company is making to drive future growth. While the costs for these new hires are incurred immediately, the typical ramp-up period for sales talent is 9 to 15 months. This leads to a temporary time lag, particularly in the first half of 2026, during which investments precede revenue. Consequently, the Company expects a "front-loaded" investment phase in the first and second quarters of 2026.

Another strategic investment area is Retail Media, which Verve has been developing intensively since the beginning of the year. Leveraging recent acquisitions in Germany alongside its existing IT infrastructure, data assets, and customer solutions, further bolstered by targeted investments in technology and partnerships, the German retail media business is beginning to demonstrate tangible revenue momentum.

Furthermore, the structural integration of AI remains a core focus for the Company. It continues to utilize AI to refine bidding and targeting capabilities, develop streamlined solutions for its partners, and drive operational cost efficiencies.

Adjusted EBITDA amounted to EUR 28.3 million, down 6.2 percent year-over-year (Q1 2025: EUR 30.2 million), as a result of growth investments in the sales team expansion as well as the aforementioned effects of the Retail Media ramp-up and currency headwinds. At 20.6 percent, the EBITDA margin on like-for-like revenue was correspondingly lower than in the prior year (Q1 2025: 22.8 percent) and does not yet adequately reflect the positive operating margin development at the gross margin level.

Operating cash flow recorded significant growth in the first quarter. At EUR 45.2 million, it was considerably better than in the prior year (Q1 2025: EUR 0.3 million). In addition to the solid operating performance, the Company also made better use of its securitization capacity in the past quarter. "In the first quarter, we made optimal use of the opportunities offered by our securitization program and are working consistently on an expansion," explains Christian Duus, CFO of the Verve Group. "The lower utilization of securitization in the fourth quarter resulted in a delayed conversion of customer receivables into cash. Consequently, these inflows shifted into the first quarter, bolstering Q1 operating cash flow instead of being realized in Q4." Before changes in working capital, operating cash flow amounted to EUR 11.5 million (Q1 2025: EUR 22.5 million).

Net debt stood at EUR 447.9 million, virtually unchanged from the year-end figure (31.12.2025: EUR 445.9 million). In addition to the significant inflow of cash from operating activities, net debt was primarily influenced by a EUR 50 million increase in the corporate bond as of early February, with net proceeds of EUR 48.2 million, as well as the payment of the final purchase price installment from the acquisition of the Jun Group in the amount of EUR 23.8 million. The adjusted net leverage ratio rose slightly to 3.1 as a result of lower EBITDA due to investments (Q4 2025: 3.0). Cash and cash equivalents stood at EUR 147.2 million, up 65.4 percent from the end of the previous year (31.12.2025: EUR 89.0 million), and continue to provide the Company with an optimal liquidity framework for further growth.

The Company's key performance indicators (KPIs) are clearly positive. The total number of customers increased dynamically year-on-year by 33.7 percent to 4.086 (Q1 2025: 3.056), underlining accelerated progress in the expansion of the customer base. The number of major customers with annual revenue exceeding 100,000 USD remained largely stable at 1,135 (Q1 2025: 1,152), representing a continued stabilization following the dip caused by the process of platform unification in Q2/Q3 2025. The customer retention rate increased significantly to 98 percent (Q1 2025: 94 percent), remaining at the record levels already seen in Q4 2025. The Net Dollar Expansion Rate (NER) was lower at 90 percent following the inclusion of acquisitions and should also be viewed against a demanding prior-year comparison, as Q1 2025 represented a strong baseline with significant revenue growth, market share gains and a 100 percent NER. Against this background, the metric primarily reflects the still ongoing, non-linear ramp-up of spend from certain existing customer cohorts, rather than a change in the underlying customer demand trend.

"Verve delivered a solid performance to start 2026, especially in light of the strong prior-year comparables. In parallel with our significant growth investments, we are increasingly optimizing Verve for efficiency and allocating our talent even more strategically to areas where we identify the strongest growth potential," emphasizes Remco Westermann, CEO of Verve Group. "Our strong momentum is set to continue, underpinned by enhanced margins, AI-driven efficiencies, and the initial yields from our strategic investment cycle. We are doubling down on our strengths to drive further growth. By refining our solutions for Retail Media CPG and retail partners, we expect a substantial lift of revenues from these activities. We are establishing an unprecedented link between mobile advertising and the retail sector."

The Company will provide further insight into its operations, as well as its Retail Media activities, during its Capital Markets Day 2026 on 16 June in New York. For the first time, the Company will host its annual Capital Markets Day outside of Europe, reflecting the increased interest from U.S. investors and the Company's strong market presence in North America. The CMD will be hosted as a hybrid event, offering in-person attendance at Citigroup Headquarters in New York as well as a live webcast via the Company's website. Registration for this event is available via Verve's Investor Relations website at https://app.webinar.net/K29zPaKpkJ4. To facilitate event planning, early registration is requested.

Based on the Company's solid performance in the first quarter and the expected development for the remainder of the year, the outlook for fiscal year 2026 is reaffirmed. This outlook projects revenue in the range of EUR 680 million to EUR 730 million and adjusted EBITDA in the range of EUR 145 million to EUR 175 million.

The guidance is based on a USD/EUR exchange rate of 0.8510 as of 31 December 2025 and excludes effects from potential future acquisitions, including any related transaction costs.

CORPORATE NEWS

To provide existing and prospective investors with an even better understanding of the Company's operating performance in the last quarter, Verve is hosting an interactive webcast including a Q&A session today at 3:00 p.m. CET. Equity analysts, institutional investors, and members of the press are invited to register for this event, including Q&A access, via the link https://www.webcast-eqs.com/verve-2026-q1. Please note that only corporate email addresses are accepted for this type of registration. As a service to the Company's retail investors, the webcast can be followed live in listen-only mode via the following link:
https://www.webcast-eqs.com/verve-2026-q1?qa=$2y$10$4ZyjWfLgJU9R9gcCNCNj/uV30gS..OLoYO6oxZhOJ5GkpN4eSgAXa
A recording of the webcast will be made publicly available in the Investor Relations section of the Company's website at https://investors.verve.com/investor-relations/financial-reports-and-presentations/.

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About Verve

Verve Group is a global leading advertising technology company, connecting advertisers seeking to buy digital ad space with publishers monetizing their content. Driven by its mission "Let's make media better." Verve provides responsible, AI-driven advertising solutions that deliver superior outcomes for advertisers and publishers. The Company focuses on emerging media channels like mobile in-app and others. In anticipation of growing demand from users and advertisers for greater privacy, Verve has developed cutting-edge ID-less targeting technology that enables efficient advertising within digital media without relying on identifiers such as cookies or IDFA. Thanks to its strong differentiation and execution, Verve has achieved a revenue CAGR of 32 percent over the past five years reaching reported revenues of 551 million euros in 2025 at an adj. EBITDA margin of 22 percent. Verve's main operational presence is in North America and Europe, and it is registered as a Societas Europaea in Sweden (registration number 517100-0143). Its shares - with the ISIN SE0018538068 - are listed on the regulated market of the Frankfurt Stock Exchange (Ticker: VRV) and on Nasdaq First North Premier Growth Market in Stockholm (Ticker: VER). Verve has an outstanding bond with the ISIN: SE0023848429. The Companies certified advisor on the Nasdaq First North Premier Growth Market is FNCA Sweden AB; contact info: info@fnca.se.

Catch-up with Verve on upcoming events in 2026

29.05.2026	Roadshow in cooperation with Berenberg	Frankfurt, Germany
03./04.06.2026	William Blair Annual Growth Stock Conference	Chicago, USA
05.06.2026	Annual General Meeting 2026	Stockholm, Sweden
08./09.06.2026	Barclays TMT 2026 Conference	London, UK

CORPORATE NEWS

16.06.2026	Capital Markets Day 2026 at Citigroup HQ	New York, USA
30.06.2026	Roadshow in cooperation with Berenberg	Paris, France
11.08.2026	Canaccord Annual Growth Conference	Boston, USA
31.08.2026	Equity Forum - German Fall Conference	Frankfurt, Germany