VERVE

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Eyes on execution and cash flows

Verve's 2025 was largely marked by self-inflicted challenges. Platform unification issues led to a mid-year profit warning, and limitations in the receivables securitization program caused free cash flow to deteriorate sharply, pushing leverage above the company's financial targets. Despite the turbulence, customer retention remained strong and the platform has been stable since mid-August 2025, with Q4'25 showing early efficiency gains. In our view, the investment case hinges on management proving it can convert a higher share of its profits into cash, sustain operational improvements, and deliver on 2026 guidance. At the current low valuation, we believe the risk/reward remains attractive for investors willing to accept near-term execution uncertainty. That said, we lower our recommendation to Accumulate and target price to SEK 18 (was SEK 20), reflecting a narrower acceptable valuation range.

A full-stack ad platform built for the privacy-first era

Verve operates a full-stack advertising platform, connecting advertisers seeking to buy digital ad space with publishers selling it. With ~75% of revenue from the US and ~96% from mobile (in-app), Verve is positioned among digital advertising's fastest-growing segments. Unlike most competitors within the so-called open internet*, Verve benefits from vast direct SDK integrations and supplementary first-party gaming data, enabling effective targeting without traditional identifier-based signals (cookies and device IDs), which are decreasing in relevance amid growing privacy concerns and stricter regulation.

2026 will be a show-me story

We see Verve's market positioning as offering strong growth potential driven by structural tailwinds in programmatic advertising (high single-digit market growth with mobile in-app and CTV growing faster) and its relatively rare combination of vertical integration and proprietary first-party data enabling privacy-compliant targeting solutions. In addition, its ability to retain customers despite platform migration issues (96-98% retention rate in Q2-Q3'25) further evidences the resilience of its commercial relationships. Its scalable cost structure should also support margin expansion as revenue recovers from the disruptions in 2025. However, we believe these opportunities are counterbalanced by several near-term risks. The company must demonstrate that weak cash conversion in 2025 (9 MEUR FCFF vs. 94 MEUR in 2024) was temporary, rebuild credibility following the mid-2025 guidance downgrade by delivering on 2026 guidance, and prove that elevated leverage will not constrain strategic flexibility. Additional risks include potential AI disruption to ad models and market cyclicality. Putting these pieces together, our estimates reflect cautious optimism where we see conditions for a cash flow recovery, improved margins, and a return to stronger organic growth, with our top- and bottom-line projections broadly aligned with the midpoint of management's guidance (2026e: 16% revenue growth like-for-like, 17% adjusted EBIT margin). Ultimately, 2026 is, in our view, about management proving through consistent execution that the platform unification pain was worth enduring.

Consistent execution will be key for a re-rate

Verve entered 2025 poised for, what we believed, a re-rating closer to its peer group, but stumbled badly. We assess that the market's patience has worn thin, with the stock trading at very low absolute multiples (2026e**: 6x EV/adj. EBIT, 10x EV/adj. FCFF) that, in our view, reflect the market's genuine skepticism about the company's ability to convert earnings into meaningful cash, compounded by its elevated leverage, and broader valuation pressure on open-internet ad tech. Before any re-rating can materialize, we believe management must demonstrate stronger cash conversion, prove that platform efficiencies are sustainable, make meaningful progress toward its deleveraging targets, and rebuild trust through consistent execution. That said, the platform is now unified and stable, with 2026 guidance suggesting management's confidence in returning to normalized growth. If those conditions are met, we believe the current valuation offers strong upside, but the burden of proof remains firmly on execution.

Recommendation
Accumulate
(prev. Buy)

Target price:
18.00 SEK
(prev. 20 SEK)

Share price:
SEK 14.74

Business risk ●●●●○

Valuation risk ●●●○○

	2025	2026e	2027e	2028e
Revenue	550.9	696.8	762.0	824.3
growth-%	26%	26%	9%	8%
EBIT adj.	99.0	119.4	148.8	164.2
EBIT-% adj.	18.0 %	17.1 %	19.5 %	19.9 %
Net Income	0.7	41.7	64.1	75.7
EPS (adj.)	0.15	0.31	0.42	0.47
P/E (adj.)	8.5	4.4	3.2	2.8
P/B	0.6	0.6	0.5	0.4
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	7.1	6.0	4.4	3.6
EV/EBITDA	5.3	4.6	3.7	3.1
EV/S	1.3	1.0	0.9	0.7

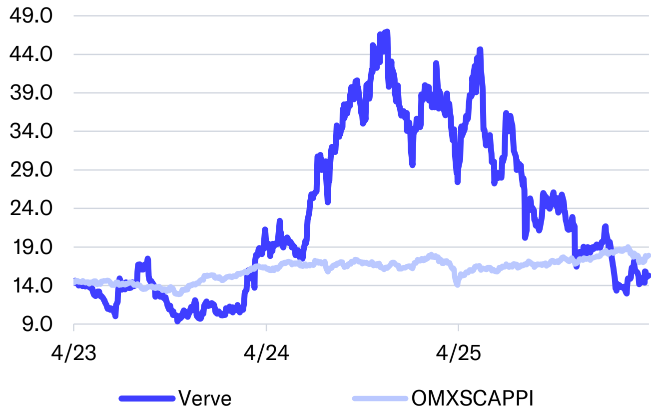
Source: Inderes

Guidance (Unchanged)

For FY26 Verve expects:
Revenue between 680-730 MEUR
Adjusted EBITDA between 145-175 MEUR

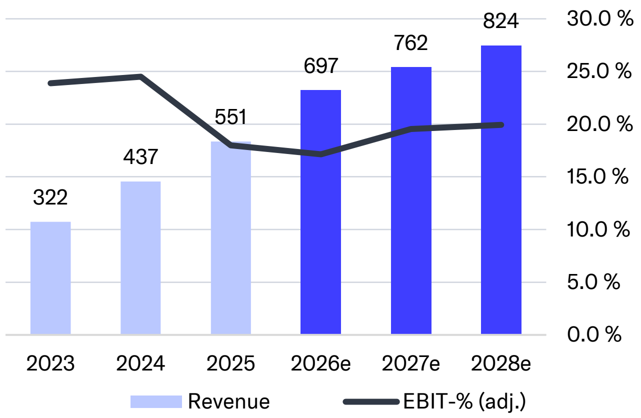
*Refers to the digital advertising ecosystem outside the major walled gardens (such as Google, Meta, Amazon, Apple).
** EBIT is adjusted for PPA amortization and FCFF is adjusted for earn-outs.

Share price



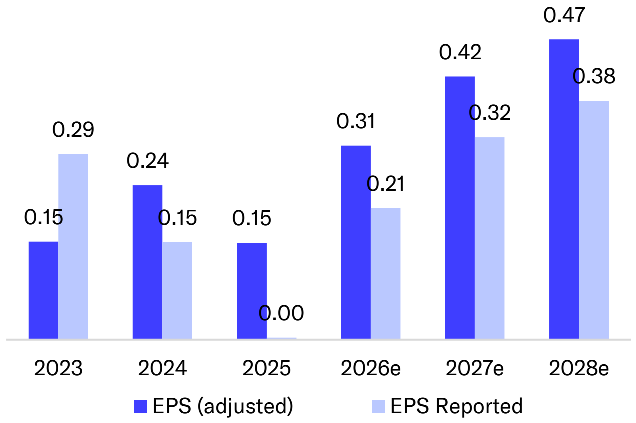
Source: Millistream Market Data AB

Revenues and operating profit-%



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- High single-digit growth in the programmatic ad market over the medium to long term, with In-app and CTV markets growing even faster
- Market-leading mobile In-App SSP in the US
- Proprietary targeting solutions designed for an increasingly fragmented and privacy-constrained identifier landscape
- Strong and increasing industry recognition could boost revenue growth
- A trusted end-to-end omnichannel platform
- Own first-party content that provides data to the ad platform

Risk factors

- Failing to maintain/increase market share in programmatic advertising
- Market disruption due to technological (e.g. AI) or regulatory reasons
- Macroeconomic challenges could constrain marketing budgets and decelerate growth
- Heightened execution risk following the platform outage, weak cash flow generation, and elevated leverage
- Credibility gap after operational setbacks increases risk if 2026 delivery falls short

Valuation	2026e	2027e	2028e
Share price (EUR)	1.35	1.35	1.35
Number of shares, millions	200.1	200.1	200.1
Market cap (MEUR)	270	270	270
EV (MEUR)	711	662	590
P/E (adj.)	4.4	3.2	2.8
P/E	6.5	4.2	3.6
P/B	0.6	0.5	0.4
P/S	0.4	0.4	0.3
EV/Sales	1.0	0.9	0.7
EV/EBITDA	4.6	3.7	3.1
EV/EBIT (adj.)	6.0	4.4	3.6
EV/FCFF (adj.)*	10.1	7.2	5.6
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Verve Group SE in brief

Verve is an advertising software company that facilitates the buying and selling of digital advertising across emerging channels such as mobile in-app, connected TV (CTV). Central to its offering is a focus on ID-less targeting, supported by first-party data from direct publisher integrations and SDKs, complemented by the company's own gaming content.

2012

Current management takes over gamigo AG

2018 in Germany (2020 in Sweden)

IPO

551 MEUR (26% vs. 2024)

Revenue 2025 (2% organic growth)

+28% 2020-2025

Compounded annual growth rate (CAGR), net revenue

99 MEUR (20% of revenue)

Adjusted EBIT 2025

+1,000

Full-time employees at the end of Q4’25

2012-2017

- **2012**: Started as a pure games company after gamigo was bought from the German media company Axel springer
- The company starts acquiring games companies to achieve critical mass (25+ acquisitions)

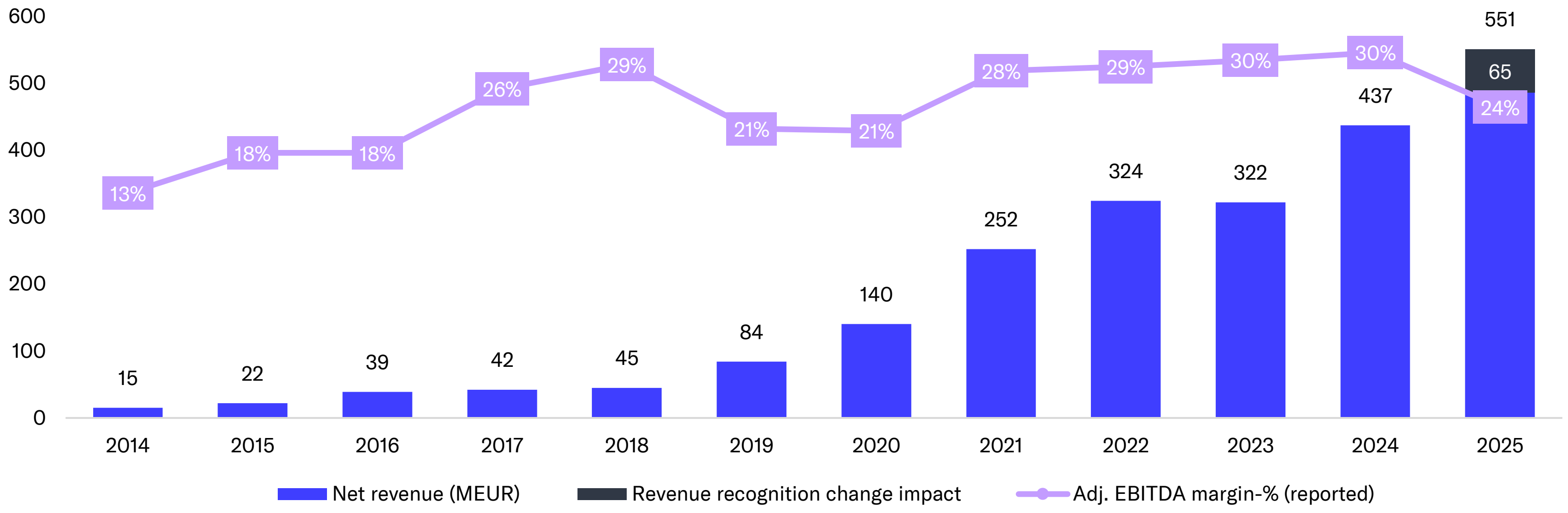
2018-2023

- **2018**: gamigo AG is listed on the German stock exchange through a reverse IPO with Verve
- **2019**: Strategic decision to establish a strong organic growth driver that offers synergies with the gaming segment: Digital Advertising. Verve starts acquiring ad software companies to build its own platform
- **2021**: The ad platform passes the gaming business as the main revenue source, with Verve continuing to acquire companies to further build upon its full-stack platform

2024-

- Name change from Media and Games Invest (MGI) to Verve Group
- Refinanced its bond portfolio to 2029 and raised ~75 MEUR in two directed equity issues
- Acquired Jun Group, Acardo, and Captify to strengthening its DSP side and data assets
- Unified its in-app marketplaces, which together represent ~85% of Verve's SSP revenue
- Changed revenue recognition methodology (IFRS 15) in Q3'25, inflating reported revenue while modestly compressing margins

Verve's reported revenue and adjusted EBITDA (adj.EBITDA-%)
2014-2025



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An ad software platform with first-party content

Verve Group SE ("Verve") facilitates the buying and selling of digital advertisements. Verve's 2025 revenues were 551 MEUR and operating profit adjusted for non-recurring costs and amortization of Purchase Price Allocation ("PPA") was 99 MEUR (adj. EBIT 18%). About 75% of the company's revenue are generated in the US and the remaining coming from Europe (11%) and rest of the world (12%).

Today, most digital ads we see on websites, apps, and connected TVs ("CTV") are bought and sold automatically. Within milliseconds after you open a website a synchronized process involving several actors coordinate behind the scenes to match the right ad with you, the end user. As soon as the webpage starts to load, the supply side platform (SSP) sends out requests to multiple ad exchanges requesting bids for displaying ads to you. The ad exchanges attach what data they have on the user so the demand-side platforms (DSPs) can evaluate the opportunity and send back a bid. If several bids are received, an auction process is conducted to select the winning bid and—voilà —an ad appears in front of your eyes. This process that happens within 100 milliseconds is what is know as "programmatic advertising" and is a market worth ~600 BUSD.

In a generalized form this process has three main participants: the supply-side platform (SSP), the ad exchange, and the demand-side platform (DSP). Verve owns and operates all three of these and is therefore what is know as a full-stack ad platform.

In addition to the programmatic ad platform, Verve has its own first-party content consisting of video games for PC, console, and mobile. While no longer a key revenue driver nor a strategic priority for the company, these games contribute first-party data to the ad platform which, in turn, allows Verve to learn about their audiences and serve the right ad to the right user.

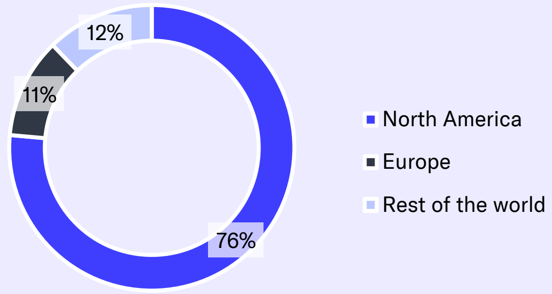
A brief history of Verve

The story of Verve started in 2012 when Remco Westermann (Verve's CEO) bought the games company gamigo AG, which was struggling back then, from the German media company Axel Springer. The new management instituted a strategy of discontinuing new game development due to its high costs and risks in favor of focusing on growth through a "buy and build" strategy.

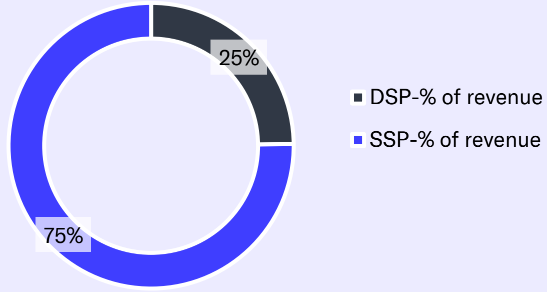
Between 2013-2018 gamigo acquired about 30 companies including games companies Looki publishing, Infernum Games, and Aeria games. Aeria games proved to be a pivotal acquisition as on top of Aeria's game portfolio gamigo also acquired its first media assets. gamigo also acquired additional media assets such as Mediakraft in 2017. These assets would start Verve's journey from a pure games company to an integrated ad software platform with first-party content.

In 2018, gamigo was listed on the Frankfurt stock exchange through a reverse IPO with Verve (formerly known as Media and Games Invest). Verve continued to acquire media and games companies, especially companies operating in the ad software space. From 2019 to the present, Verve has acquired 17 more companies. Each acquisition was made with the philosophy of "buy, integrate, build, and improve". Through these strategic acquisitions Verve has been able to piece together an ad software platform that today covers most of the programmatic advertising value chain.

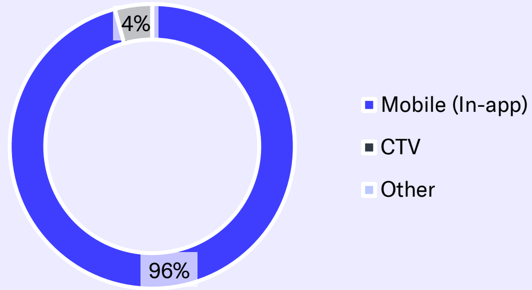
Geographic revenue mix-%
2025



Revenue per segment-%
2025, external revenue (reported)



Revenue per platform-%
2025



Sources: Verve, Inderes

Timeline of key acquisitions

Gaming Adtech

2012
gamigo AG bought from Axel springer

2015
Acquisition of Looki Publishing, GameSpree, and Infernum Games

2016
Acquisition of Aeria Games GmbH a games and media company

2017
Acquisition of social media specialist Mediakraft

2018
Reverse IPO with Verve and listed on the German stock exchange. Acquisition of Trion Worlds Inc

2019
Acquisition of Pubnative, Applift, ReachHero, and WildTangent

2020
Acquisition of Freenet digital, Platform161, Verve Wireless. Verve listed on First North Stockholm

2021
Acquisition of Match2One, Smaato, LKQD, KingsIsle, and Beemray

2022
Acquisitions of AxesInMotion and Dataseat

2024
Acquisition of Jun Group

2025
Acquisition of Acardo and Captify

Sources: Verve, Inderes

Company description and business model 2/7

Advertising software platform

Through its ad software platform, Verve acts as the middleman in connecting advertisers interested in buying digital ads and publishers interested in selling digital ad space (ad inventory). Advertisers consist of global multinational companies, small and medium-sized enterprises (SMEs), and advertising agencies. The advertisers are interested in placing their ads on digital platforms such as websites, mobile apps, connected TV (CTV), and digital out-of-home (DooH). To do this, they can use a demand-side platform (DSP) where they can create, manage, and track their ad campaigns.

Publishers own websites, mobile apps, and other digital platforms. Examples of publishers include news sites, blogs, apps, streaming apps, and mobile games. Publishers can negotiate directly with advertisers to place ads on their platforms, or they can sign up for a supply-side platform (SSP), which automatically sells their ad inventory.

Verve operates both DSPs and SSPs and receives payment for facilitating matches between advertisers and publishers. The company also performs several other functions in the ad-tech value chain, including operating ad exchanges, data management platforms, and software development kits (SDKs). The company aims to provide an end-to-end service that covers most of the ad-tech value chain and all major digital platforms.

Verve also benefits from first-party content through its games and SDKs. The games business is operated under the gamigo Group brand, one of the leading publishers of online and mobile games in Europe and North America. The portfolio spans casual and mobile games as well as free-to-play PC and MMO titles.

Revenue streams are predominately made up of commissions and fees

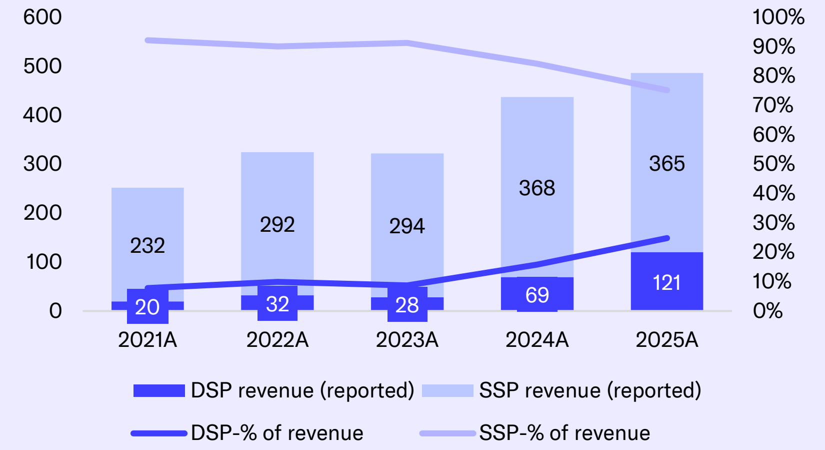
Verve's main sources of revenue are usage-based fees and commissions from its ad software platform. These are supplemented by small contributions from its legacy gaming business through advertisements (IAA), in-game purchases (IAP), and subscriptions.

Both advertisers and publishers pay a fee to use Verve's ad software platform. This fee is modest, and most of the revenue generated by the ad platform comes from commissions for matching buyers and sellers. Of every euro advertisers spend to buy ad space, about 50% goes to the sellers of the ad inventory, i.e., the publishers. The other half is split among the DSPs, SSPs, ad exchanges, and other middlemen operating between advertisers and publishers. For a company that covers the entire value chain, such as Verve, the more of its products used in a transaction, the larger its share of the commission. If the transaction is made entirely through Verve's supply chain, Verve gets to keep the full commission. However, if only its DSP or SSP is used, Verve's cut is smaller, around 15-30%. Revenue depends on transaction volume and price per ad. The price is set by the market through the real-time bidding system.

As such, Verve's revenue base is economically tied to overall digital advertising spend and pricing dynamics. While not contractually recurring in the traditional SaaS sense, Verve's revenues exhibit recurring characteristics. The company operates a multi-sided platform embedded within advertisers' and publishers' operational workflows. Once integrated, switching platforms entails technical implementation costs, data re-optimization, and potential disruption to monetization performance.

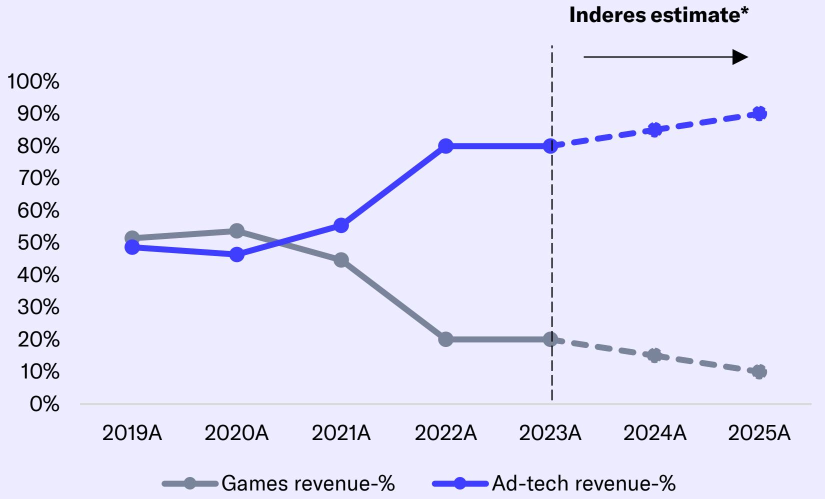
Revenue split development (DSP/SSP)

in MEUR and % of net revenue



The transition to a full-stack ad-tech platform

Games/ad-tech share of revenue



* Verve stopped reporting games share of revenue following the re-branding to Verve in 2024

Sources: Verve, Inderes

Overview of Verve's ad platform business model

Ad tech value chain (simplified)

verve

Advertisers Brands/agencies	DSP	Ad exchange/ Marketplace	SSP	Publishers
Advertising spend	→	→	→	*Revenue for publisher*

Commissions / Revenue-Share

Scenarios

#	Scenario	Advertisers	DSP	Ad exchange/Marketplace	SSP	Publishers	verve
1	Verve facilitates the entire transaction	100 € HAVAS	20 € verve	10 € verve	20 € verve	50 € LinkedIn	Total commission: 50 €
2	Verve only acts as the DSP	100 € HAVAS	20 € verve	10 € Other	20 € Other	50 € LinkedIn	Total commission: 20 €
3	Verve facilitates the entire transaction and is also the publisher (Gamigo)	100 € HAVAS	20 € verve	10 € verve	20 € verve	50 € verve	Verve keeps the entire 100 €

- Verve DSP
- Verve Ad Exchange
- Verve SSP
- Publisher

Sources: Verve, Inderes

Company description and business model 3/7

In addition, performance-driven budget allocation and the liquidity benefits of operating within a scaled marketplace contribute to repeat transaction flows over time.

In 2025, based on reported figures, Verve's revenues were split 75% SSP (FY24: 84%) and 25% DSP (16%), before consolidation. On a pro forma basis, the split is closer to 70/30. The games business is reported in the SSP segment as it provides audience data and advertising inventory to advertisers.

Cyclical and seasonal revenue

Along with the shift to becoming a pure ad software company, in which we estimate that Verve's games business constitutes less than 10% of revenue today, Verve has become increasingly sensitive to the overall level of advertising spending in the economy. Ad spending is both cyclical and seasonal. Depending on the industry and overall market environment, advertisers scale their advertising budgets up and down. Ad budgets are often the first to take a hit when the economy deteriorates or the level of macroeconomic or geopolitical uncertainty increases. As Verve operates in the faster-growing submarkets of advertising (e.g. programmatic ads), it is less exposed to the cyclicality of total ad spending. This is because programmatic (especially mobile) ads have grown faster due to taking market share from non-programmatic advertising forms. This was evident in 2020, when total ad spending contracted due to COVID-19, yet programmatic proved more resilient, recovering faster than traditional formats as advertisers accelerated their shift to digital channels. A similar dynamic played out in the 2022-2023 ad downturn, when broader ad spending pulled back sharply, yet programmatic share of total digital ad spend continued to grow as advertisers gravitated toward more measurable, performance-driven channels.

Ad spending tends to be lowest in the first quarter of the year, with each subsequent quarter being stronger than the previous one as advertisers ramp budgets ahead of the holiday shopping season, encompassing Halloween, Thanksgiving, Black Friday, Cyber Monday, and Christmas. Consequently, we see a roughly 20% drop in Verve's revenues from Q4 to Q1.

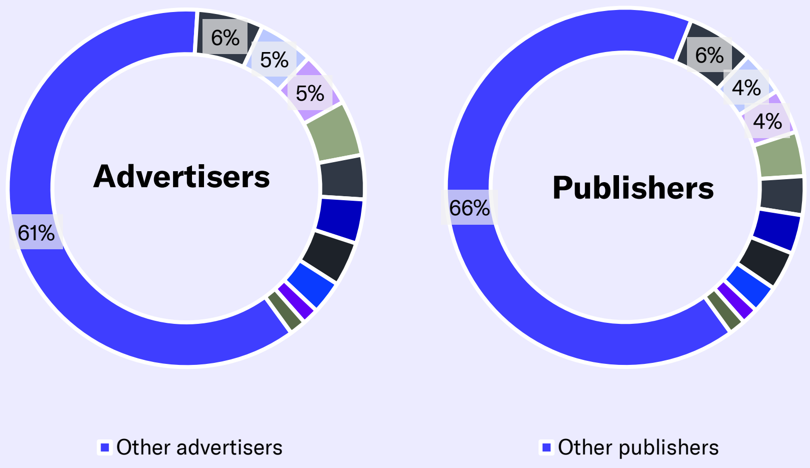
Customer concentration is low

In addition to advertisers, publishers, and players of its games, Verve's customer base includes other companies in the ad tech value chain. These include other DSPs that route their business through Verve's SSPs and ad exchanges. As of Q4'25 Verve had 1,124 (Q4'24: 1,140) large software customers with more than USD 100,000 in revenue, and around 3,700 software customers in total. As such, the customer base is wide and no customer make up more than 10% of the Group's revenue, resulting in low customer concentration risks.

Key performance indicators

Verve uses different KPIs to measure its ad platform's performance. This includes indicators such as retention rate, net dollar expansion rate, ad impressions, and number of large software customers (see more on page 11). The **retention rate** shows how many of the company's customers with revenues over USD 100,000 did repeat business with them on a year-on-year basis. In Q4'25, Verve's retention rate was at high 99%. Over the past 4-8 quarters, the metric has remained stable at an average of around 97%, implying an annual churn of ~3% among larger customers. In our view, this represents a solid level for a transaction-based B2B platform in the ad-tech industry, where advertisers and publishers typically use multiple platforms and budgets can shift between providers.

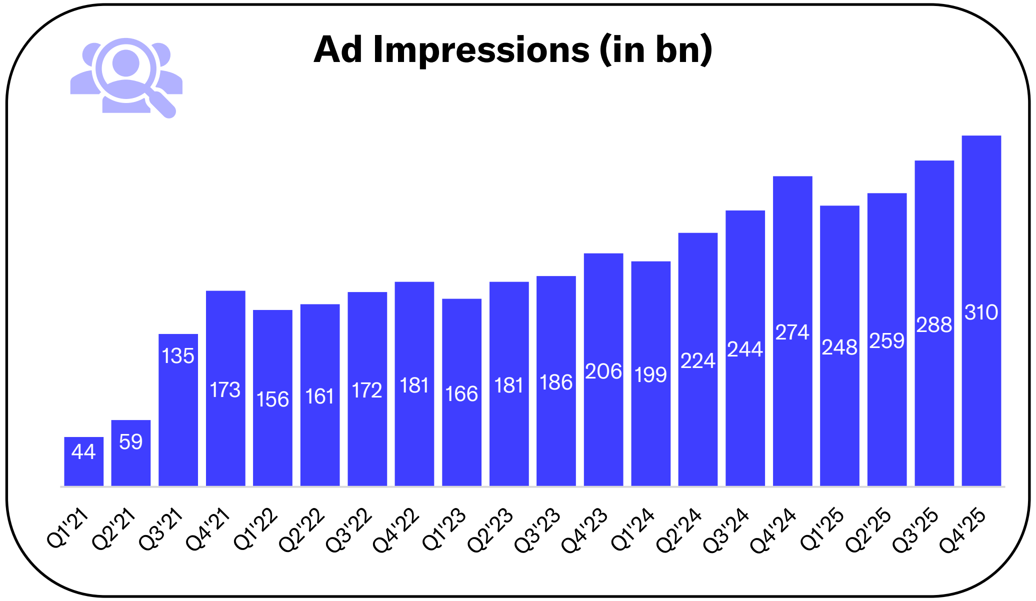
Top 10 advertisers and publisher concentration
-% of Verve revenue, 2024

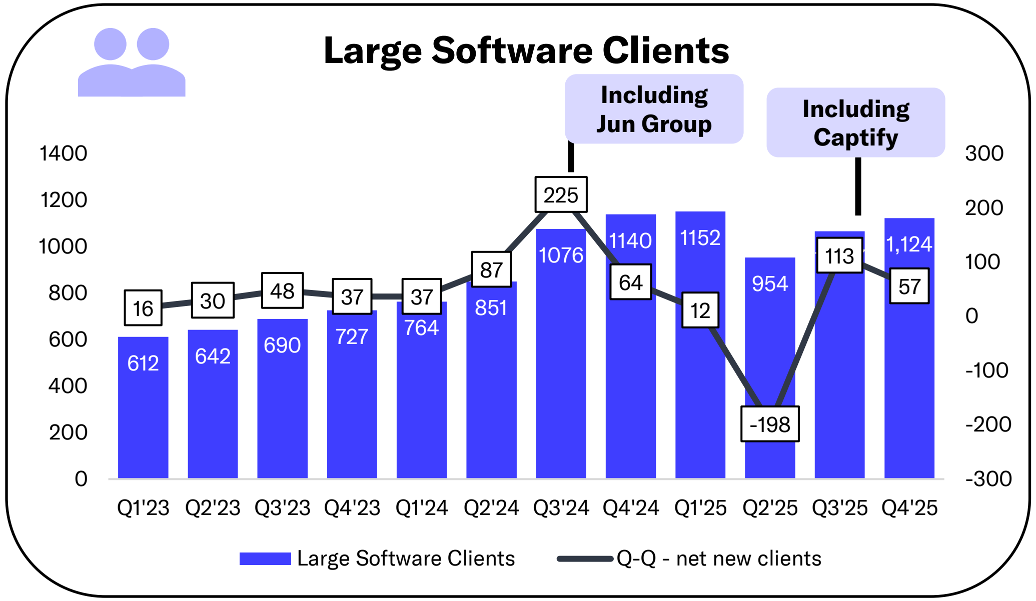


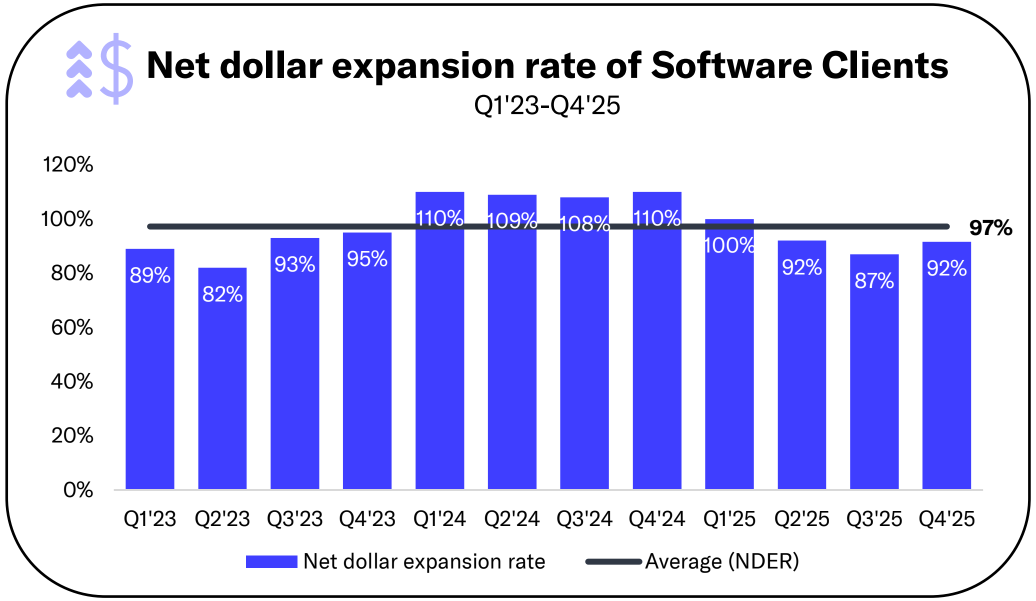
Verve: Seasonality of revenue
Q1-Q4, 2022-2025

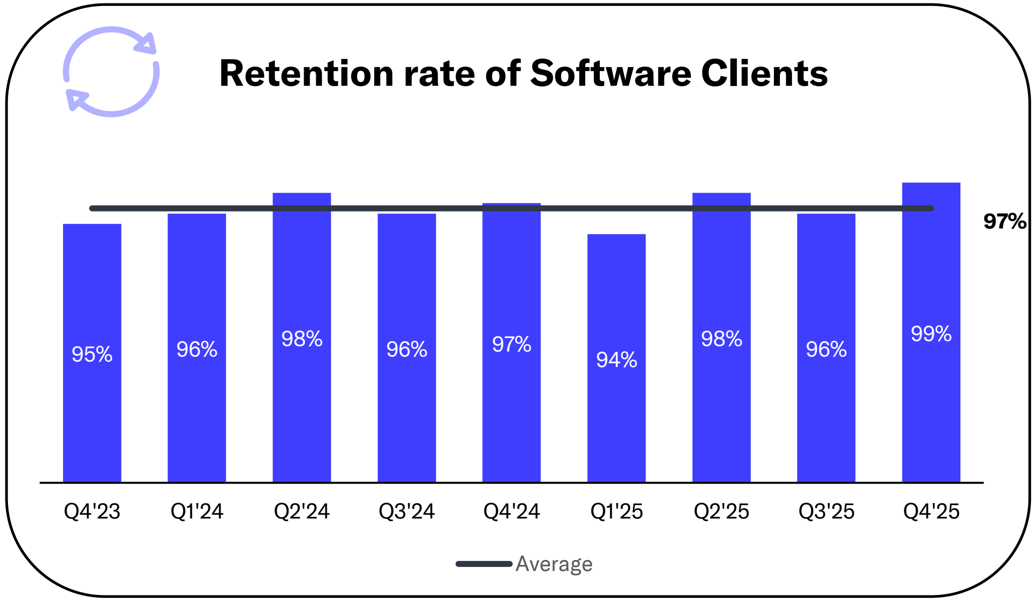
Sources: Verve, Inderes

Company KPI's









Sources: Verve

Company description and business model 4/7

The **net dollar expansion rate** (NDER) shows how much Verve's customers spent compared to the same period last year. A rate above 100% means that customers are spending more than they did last year. Importantly, NDER captures changes in spending from existing customers only and does not reflect new customer acquisition. In Q4’25, NDER was 92%, implying that the same customer cohort spent 8% less than a year earlier. During 2025, Verve was negatively impacted by technical issues related to the unification of its in-app SSP platforms (~85% of its total SSP revenue), which significantly disrupted the company’s ability to scale existing customers. As NDER is calculated on a trailing four-quarter basis, the platform outage earlier in 2025 continued to weigh on the ratio in Q4’25 due to the rolling calculation mechanics. More broadly, NDER tends to correlate with the overall advertising market cycle, where advertisers typically reduce spending in weaker markets, while improving market conditions support expansion. Historically, since Verve began reporting NDER in late 2021, the metric has largely mirrored broader market conditions, falling below 100% during the softer 2022-2023 ad market and recovering above 100% during the rebound in 2024. However, we believe that the platform disruption in 2025 complicates the interpretation of this ratio, making it harder to distinguish company-specific operational effects from broader, market-driven softness.

Ad impressions measure how many times an ad has been displayed. In Q4 of 2025, Verve delivered 310 billion ad impressions, and over the last twelve months, over 1.1 trillion ad impressions were delivered. These figures have grown dramatically in recent years, with Verve delivering 91 billion ad impressions in 2020. Generally, if reported growth exceeds the rate at which ad impressions increase, it means underlying ad pricing (CPMs) has increased, and vice versa.

A scalable, marketplace-driven cost structure

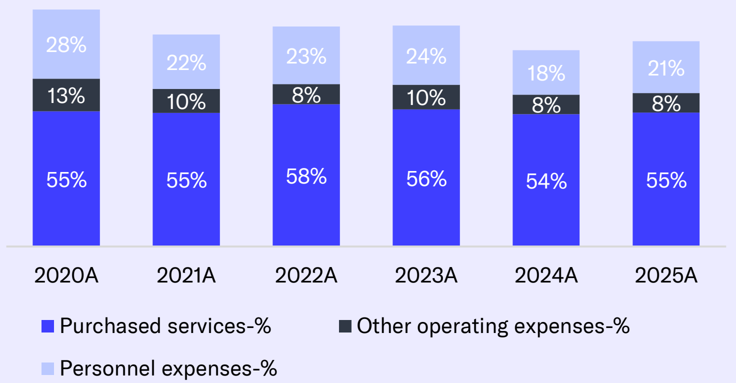
Since the strategic shift toward a pure-play ad-tech platform (-2019), Verve’s cost structure has stabilized into a clearly marketplace-driven model. Over the past five to six years, purchased services have consistently represented around 54-58% of revenue. This line primarily consists of revenue shares paid to publishers, media buying costs, and usage-based infrastructure such as cloud hosting, ad serving, and data processing. These costs scale largely in line with advertising volumes and platform activity, making them structurally variable.

Other operating expenses have remained relatively stable at around 8-10% of revenue in recent years. This item includes legal, audit, marketing, IT, and administrative costs. While some elements are variable to some extent, the majority are best characterized as fixed or semi-fixed overhead rather than truly volume-linked costs.

Personnel expenses have declined from the mid-20% range to around 18-21% of revenue in recent years. This reflects scale effects following acquisitions and operational integration. Personnel costs remain the primary fixed component of the cost base and are relatively inflexible in the short term, making them the main driver of operating leverage. The increase in 2025, despite revenue growth, primarily reflects Verve’s ongoing efforts to expand its sales organization, particularly on the brand and agency side (DSP). Overall, Verve operates with a high variable cost base, which is typical of an ad-tech intermediary model, in which more than half of the revenue flows through to partners and infrastructure providers.

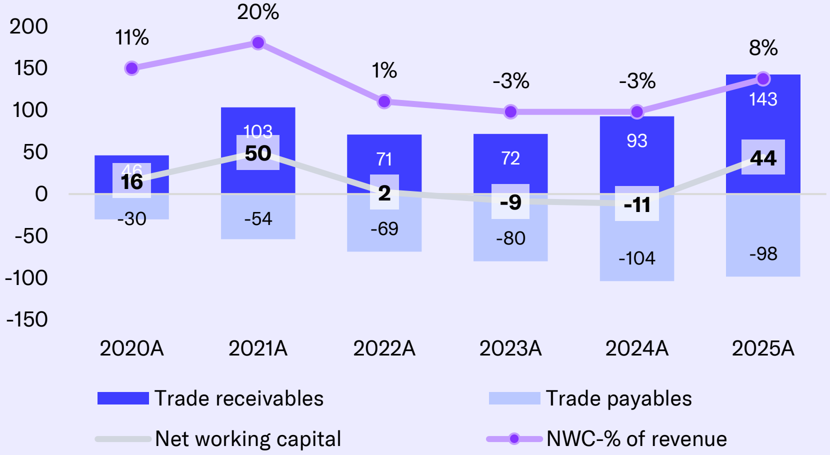
Cost structure, % of revenue*

2020-2025



Net working capital development

MEUR & -% of revenue, 2020-2025



*Net revenue, i.e. adjusted for the impact of change in revenue recognition in Q3’25

Sources: Verve, Inderes

Company description and business model 5/7

At the same time, we believe that the declining relative share of personnel and overhead costs highlights the increasing scalability of the business model. Therefore, profitability is driven by revenue growth, stability in the take rate within purchased services, and continued discipline in scaling fixed costs more slowly than gross platform activity.

Working capital and cash flows

The transition from a pure-play gaming company to a media-focused business has structurally changed Verve's working capital profile. Until 2019, the company's net working capital (NWC) was slightly negative, reflecting the upfront payment dynamics typical for gaming revenues. As the media segment expanded, NWC turned positive in 2020 and increased to 50 MEUR in 2021, equal to ~20% of revenue.

Within the ad-tech industry, and for Verve in particular, working capital is structurally positive, as payments to publishers are typically due within 30-45 days, while receivables from advertisers are collected after roughly 60-90 days. This timing difference results in higher working capital requirements as the business grows.

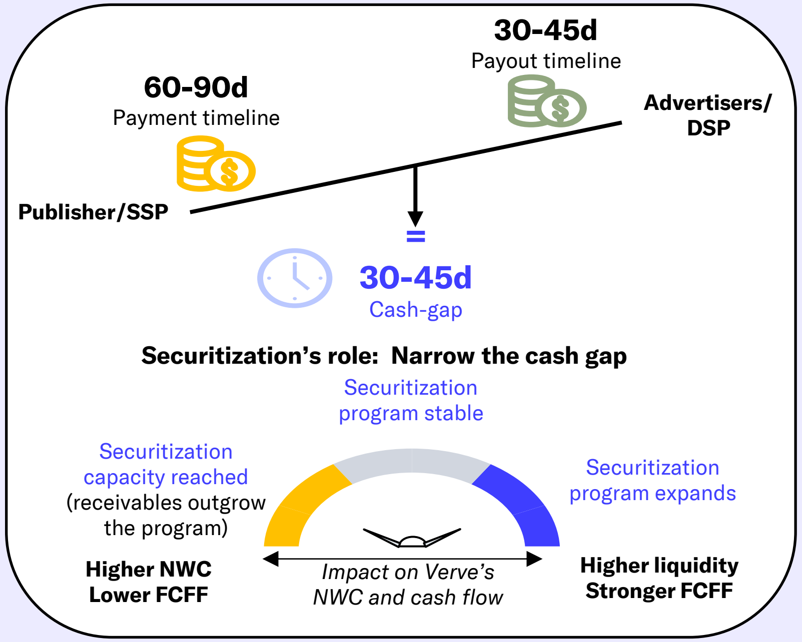
As such, Verve's business has a structural cash gap of roughly 30-45 days, meaning Verve must finance the period between paying publishers and receiving cash from advertisers. To manage this and also to reduce balance sheet intensity, Verve entered into a receivable securitization program in late 2022. Under the arrangement, trade receivables are sold on a non-recourse, revolving basis to a structured, non-controlled entity. Economically, this converts receivables into liquidity earlier than its current contractual payment terms would otherwise allow.

The program has two effects: First, it reduces net working capital by removing receivables from the balance sheet. Second, it improves the timing of operating cash flow, as receivables are collected earlier. As shown in the graph to the right, the introduction of the program in 2022 improved Verve's NWC ratio in subsequent years, reducing it from 20% of revenue to the low single digits. supporting improved cash flow generation. Without the securitization program, the average NWC as a percentage of revenue from 2022 to 2025 would have been 25%, which highlights the program's significance for Verve.

However, the securitization program is not an unlimited source of liquidity. It operates within a defined facility size, currently up to 100 MEUR, and only eligible legal entities and receivables can be included. In 2025, Verve reached the program's practical capacity and encountered limitations in expanding it to match revenue growth. As a result, the structural working capital build-up re-emerged. Although receivables grew, additional volumes could not be securitized at the same pace as in prior years. Consequently, net working capital increased materially and free cash flow fell to 9 MEUR in 2025 (FY24: 94 MEUR). Given this, we think the development in 2025 clearly illustrated the mechanical sensitivity of Verve's cash flows to changes in its securitization capacity.

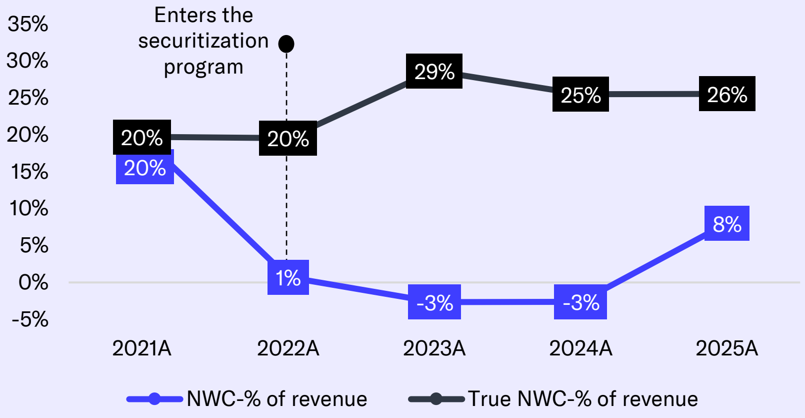
In our view, the securitization program should be understood as a working capital financing tool. Its purpose is to optimize liquidity timing, reduce balance sheet funding needs and serve as a tool to attract new clients through favorable payment terms. As long as the program expands alongside revenue growth, cash flow can appear structurally strong. If it reaches maximum capacity, however, cash flow will converge toward closer to the business's underlying working capital requirements. Related to this, management has indicated that it intends to expand the program and include additional legal entities going forward (two more entities are planned for H1'26).

Verve's structural cash gap and securitization's role of working capital



Securitization program's impact on NWC

NWC with and without securitization, 2021-2025



Sources: Verve, Inderes

Company description and business model 6/7

If executed well, this would likely reduce NWC again and mechanically improve Verve's cash flows. Over time, management also expects the cash gap itself to narrow, as a growing market position allows it to shift from offering favorable payment terms to win clients, toward negotiating more balanced terms as those relationships mature.

Given the securitization program's implications on Verve's net working capital, we believe it is appropriate to also assess Verve's normalized cash generation assuming stable securitization capacity (see graph to the right). This provides a clearer picture of Verve's underlying cash flow generation but also reduces the risk of over-extrapolating temporary liquidity benefits.

Achieving scaling benefits on its capital expenditures

Verve operates an asset-light business model, where fixed assets are minimal. However, as an ad-tech company operating in a swiftly evolving digital advertising landscape, continuous investment in R&D and product innovation is essential to remain competitive and relevant. Historically, Verve's capital expenditures have amounted to mid-double-digit percentages of revenue, with the majority directed toward intangible assets. These primarily consist of capitalized own work related to the development of its advertising software platform, gaming content, and game licenses. Investments in tangible assets remain limited and mainly relate to IT equipment, operating equipment, and right-of-use assets.

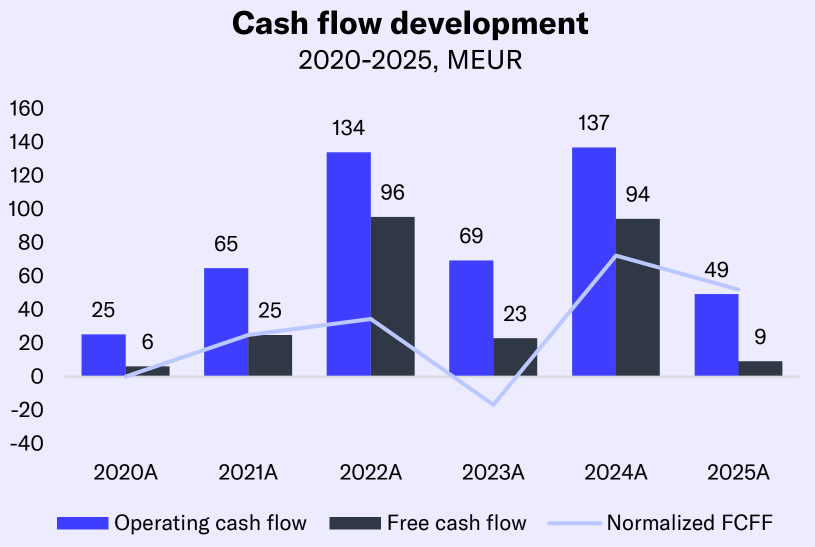
In recent years, capex as a share of revenue has declined as the business has scaled. More importantly, efficiency has improved materially following the consolidation of Verve's previously fragmented technology infrastructure. Through its acquisition-driven expansion, the company had accumulated multiple development teams operating across different tech stacks. This setup was suboptimal from both a cost and R&D standpoint, as resources were spread across parallel systems requiring ongoing maintenance.

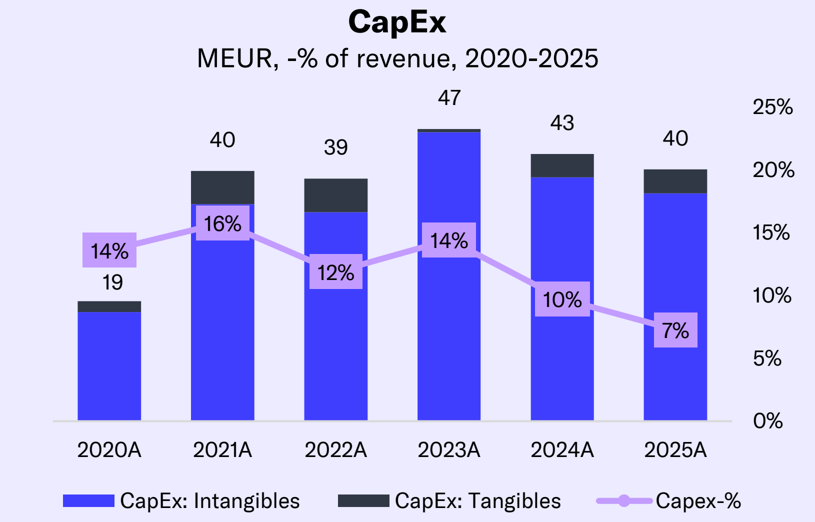
In 2025, Verve completed its largest platform unification effort to date, consolidating all of its in-app marketplace activities into a single platform and integrating development teams into a unified structure. This transition lays the groundwork for improving the efficiency of R&D. Rather than maintaining multiple platforms and overlapping teams, the company now operates on a unified tech stack, enabling more centralized innovation, lower maintenance complexity, and improved scalability. While the migration process involved operational challenges (including server load constraints, bidding interruption, and AI synchronization problems, which slowed customer onboarding and limited customer scaling), a unified platform improves cost efficiency and create a stronger base for future development.

Management has indicated that annual investments of 40-45 MEUR are sufficient to sustain product development and innovation going forward. This level of spending is expected to support continued business scaling without proportionate increases in capex intensity, as efficiency gains from platform consolidation and the increasing use of AI tools across development workflows improve innovation output per euro invested.

The benefits of first-party content

Different targeting solutions are used to profile the end user and determine which ad best fits them, in order to maximize the value of every ad displayed. The main solution has been to use identifiers, such as third-party cookies, Apple's IDFA, and Google's GAID. These identifiers track and gather user data, including information such as age, location, demographics, and interests.





Sources: Verve, Inderes

Company description and business model 7/7

With this data, ad platforms can display relevant ads to users (e.g., diapers and children's clothes to recent parents). Efficient targeting allows advertisers to personalize ads for end users instead of showing random ads that may or may not be relevant. Therefore, the better the targeting, the more advertisers are willing to pay for each ad viewed. This benefits publishers as well, since each ad slot sells for a higher price, allowing them to better monetize their inventory.

To carry out this targeting, an ad software platform requires user data. This data is generally classified as either first-party or third-party. Third-party data can be purchased from vendors or gathered using tools such as cookies and IDFA/GAID. First-party data is gathered from content owned or controlled by the party in question. If identifiers (cookies, mobile IDs) are license plates, then ID-less targeting is like understanding traffic without knowing who is driving. As mentioned briefly earlier, Verve gathers first-party data through its SDK integrations across 20,000+ direct publisher connections, supplemented by data from its own games portfolio. The benefits of having first-party data are numerous and have become increasingly necessary within the digital advertising landscape, as concerns over user privacy and data protection have increased. This is driven by shifting consumer preferences regarding data sharing, as well as an evolving regulatory landscape. We will discuss this further in the market section (p. 17-27), but overall, the decrease in user data consent and the implementation of new privacy-focused regulations have led to a decrease in companies' ability to track individuals online.

Verve uses first-party data to improve the efficacy of its ad platform in targeting users. Using first-party data also gives the company more control and transparency over advertising transactions. Having first-party content that supplies ad inventory makes Verve more attractive to advertisers because there are observable, assured publishers on the platform.

Additionally, Verve can use its own inventory as testing platforms to quickly receive feedback on what works and what doesn't. Without it, Verve would have to rely on third-party developers to implement and test new products. Verve can also use first-party data to improve its machine learning algorithms for its proprietary targeting capabilities, including its contextual intelligence engine Moments.AI and its on-device cohort targeting solution ATOM. Verve also acquired a significant amount of zero-party data through the acquisition of Jun Group. Zero-party data includes information that customers voluntarily share, such as through polls. This data offers direct insights into consumer preferences, enabling efficient, privacy-friendly targeting.

In March 2026, Verve took this a step further by becoming the first ad-tech company to use signals from major AI chat platforms, such as conversations happening inside large language model (LLM) environments, for ad targeting. As consumers increasingly turn to AI assistants rather than traditional search engines to research products and make purchase decisions, these conversations contain valuable clues about what people intend to buy. Verve now combines this new signal source with its existing data assets (Jun Group's opt-in survey data and Captify's search intelligence) into a single targeting layer processing over one billion daily signals, all without storing personal conversations or identifying individual users. The launch is the first concrete commercial product to emerge from the combined capabilities of Verve's recent acquisitions, and a direct result of having completed its platform unification.

Why data quality matters

Better data → Precise target → Relevant ad → Higher CPM → **Verve earns more**

Data types

↓ Declining

Third-party data/ Device ID targeting

Cookies, IDFA, GAID - powerful but eroding as privacy regulation tightens.

Cookies | IDFA | GAID

Verve's core asset

First-party data

From Verve's own games, SDKs and 20,000+ direct publisher integrations.

gamigo | SDKs

Jun Group acquisition

Zero-party data

Voluntarily shared by users via surveys. Privacy-safe, highest-quality signal.

Polls | Direct user input

Verve's first-party-data advantage

SDK & direct publisher integrations

20,000+ direct publisher integrations via its HyBid SDK - clean first-party supply, no reseller chain

Trains AI targeting products

First-party data trains Moments.AI and ATOM (contextual/on-device cohort targeting without identifiers)

Privacy-safe by design

First-party data sidesteps cookies/identifiers and evolving privacy regulations structurally

Transparency & publisher trust

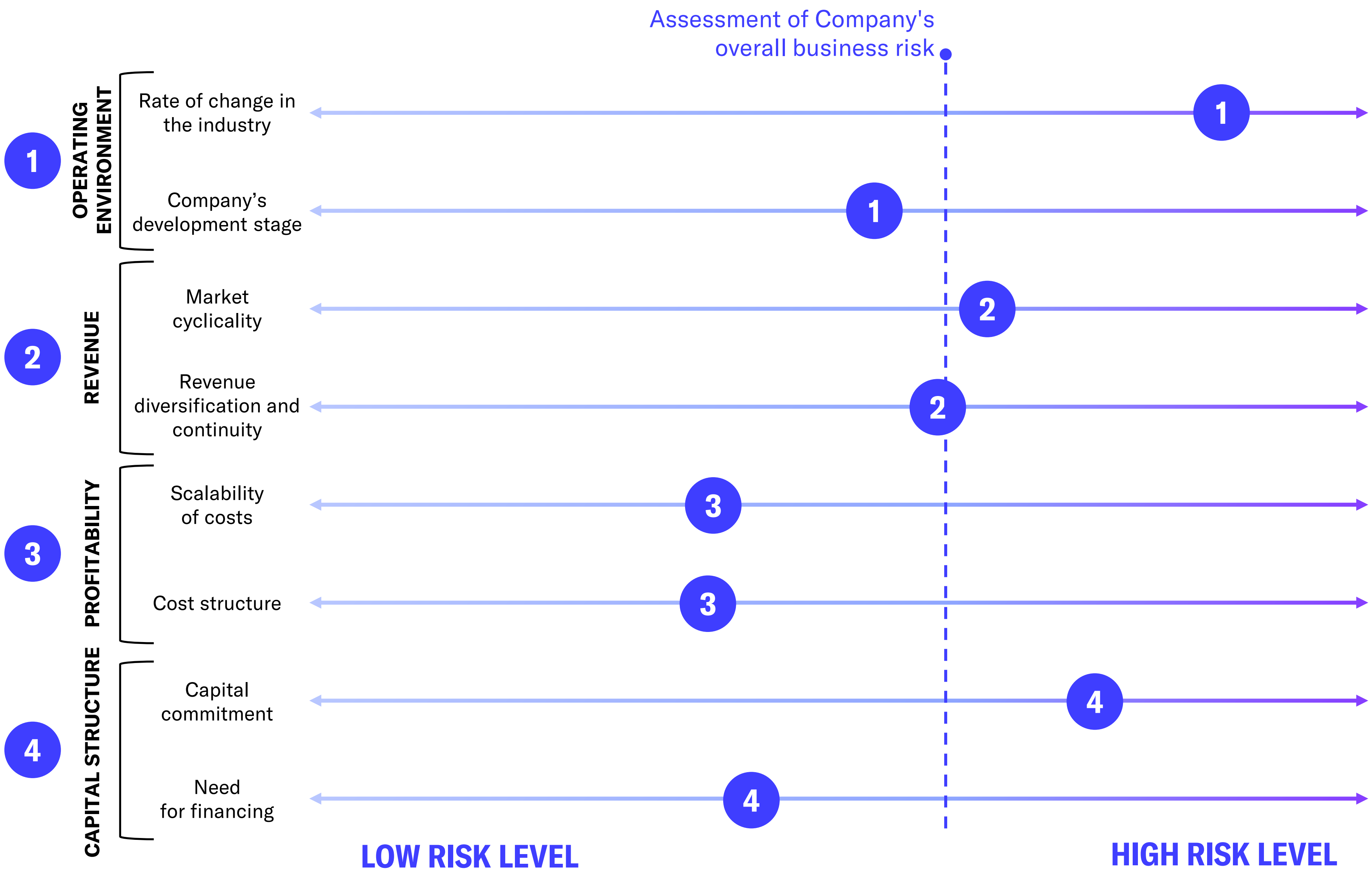
Verve controls the full transaction - known publishers, observable placements, higher trust

Own games as testing labs

gamigo portfolio enables rapid testing - no reliance on third-party developers

Sources: Verve, Inderes

Risk profile of the business



Industry in constant and rapid change as technology evolves and new regulatory frameworks are established

Through acquisitions and organic growth, Verve has established a position as a recognized player in the digital advertising industry.

Ad spending is cyclical and Verve has meaningful macro exposure, partially offset by structural growth in programmatic and share gains from traditional formats

Verve serves a diversified customer base across channels and geographies, though revenue is transactional in nature rather than contractually recurring, reflecting the programmatic ad spending model where budgets can be reallocated or paused at short notice.

The variable cost base is predominantly cloud infrastructure, which offers meaningful flexibility to scale in line with business activity.

Cost structure mostly variable (~70%), fixed costs consist mainly of personnel cost

Underlying operations are relatively capital-intensive, with NWC requirements typically running at ~20-25% of revenue. The receivables securitization program reduces this, bringing reported NWC closer to low single-digits as a percentage of revenue.

Verve is cash flow positive and refinanced its bond portfolio in 2025 (to 2029) at more favorable terms

Market overview – Digital advertising (1/8)

Introduction to the digital advertising market

The digital advertising market is a submarket of the overall advertising market that is made up of digital and non-digital ads. The market size is estimated based on media ad spending. According to Statista and Dentsu the total worldwide ad spending amounted to around 1,000-1,100 BUSD in 2025, with digital ads accounting for ~70% of the total.

Traditionally, digital advertisements were sold the same way as non-digital ads. Advertisers and publishers would negotiate directly with one another about placing ads on their platforms. These ads functioned the same way as a traditional billboard where every visitor to the site saw the same ad regardless of whether it was relevant to them or not. Eventually, the practice of automatically matching ads and ad inventory was introduced and together with user targeting programmatic advertising was born. The share of digital ads served programmatically has increased rapidly and as of 2021, programmatic advertising was the main form of digital ads. In 2025, global programmatic ad spending was ~600 BUSD (Statista). This corresponds to 81% of digital ad spending and 55% of total ad spending.

Geographically, North America is the largest market, accounting for around 40% of global ad spending. The second largest market is Asia with a market share of 36% followed by EMEA at 20% (Dentsu).

In terms of advertising medium/segment, mobile is the largest digital ad platform, with global spending amounting to around 450 BUSD in 2025. Of this, around 390 BUSD stems from mobile in-app and open web advertising, with mobile in-app ad spending in the US alone makes up ~190 BUSD.

Growth outlook

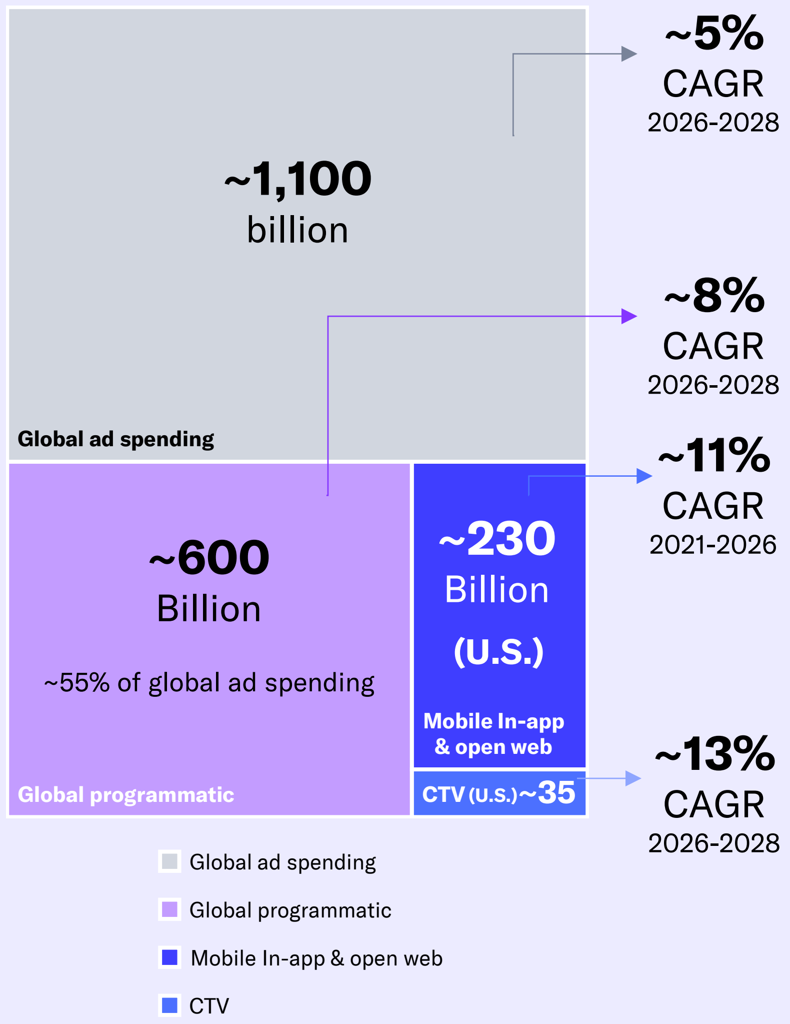
The overall ad market is expected to grow at an annual pace of around 5% in the coming years. The digital ad market has grown rapidly over the last decades as it has captured market share from non-digital forms. Global digital ad spending is expected to keep gaining market share and is projected to grow at a CAGR of ~7%.

Programmatic ad spending is projected to grow slightly faster than digital ad spending. Statista projects that global programmatic ad spending will grow to 800 BUSD by 2028, from 595 BUSD in 2025, which represents a CAGR of 8%. With these projections programmatic would grow to represent ~84% of the total digital ad market in 2028 and 60% of total ad spend.

Looking at platforms, among the fastest growing ones have been mobile and CTV, having grown at an average pace of ~13% and ~16% across the last three years. Mobile is already the largest platform, and it is expected to continue to grow faster than the overall market (~8-9%) According to eMarketer, US ad spending on CTV alone was around 33 BUSD in 2025 and is set to grow to 48 BUSD by 2028, corresponding to a CAGR of ~13%. Verve's ad software platform offers services to almost all devices but is strongest on mobile (96% of revenue in 2025).

Retail/commerce media is a relatively new market, but it's among the fastest growing segments, although Verve's current exposure to this segment is very low.

Verve primarily addresses Mobile in-app and CTV
Market size, BEUR



Sources: Statista, Dentsu, eMarketer, Verve, Inderes

Market overview – Digital advertising (2/8)

Mobile in-app is the largest and most strategic channel for Verve

Mobile advertising is the largest single channel within digital advertising globally, accounting for ~450 BUSD in 2025 and roughly 60% of total global digital ad spend. Within mobile advertising, in-app environments decisively dominate over mobile web. In the US, where Verve generates around two-thirds of its revenue, in-app advertising accounted for 188 BUSD in 2025, representing 82% of total US mobile ad spending.

Globally, the in-app advertising market reached ~388 BUSD in 2025, and is forecast to grow to ~570 BUSD by 2030 at a CAGR of 8-9%. Video advertising within in-app environments is the fastest-growing format, currently commanding ~37% of in-app spend, with rewarded video growing at ~13% per annum. Gaming apps remain the single largest category for in-app advertising inventory, accounting for around a third of total in-app ad spend, which is a structural tailwind that directly benefits Verve given its gaming heritage and mobile-first positioning. Verve's HyBid SDK, integrated across more than 20,000 direct app integrations, is a core distribution asset that gives the company privileged access to in-app supply across both gaming and non-gaming applications.

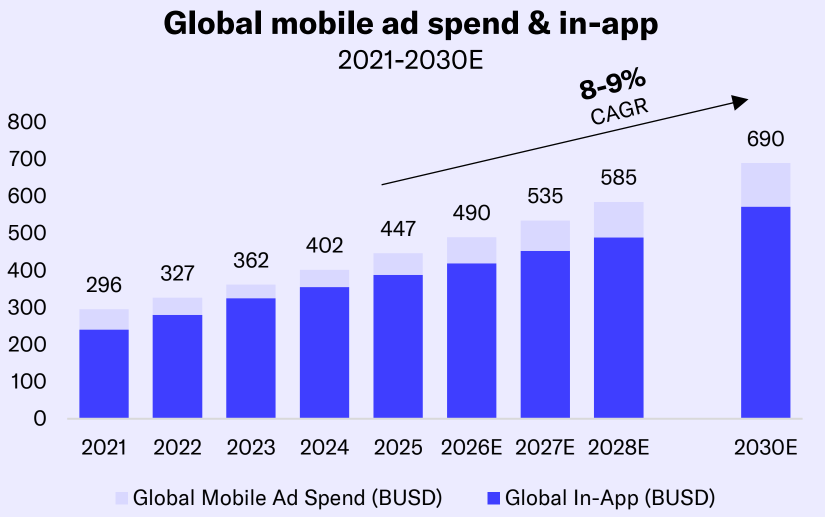
Why in-app is structurally superior to mobile web

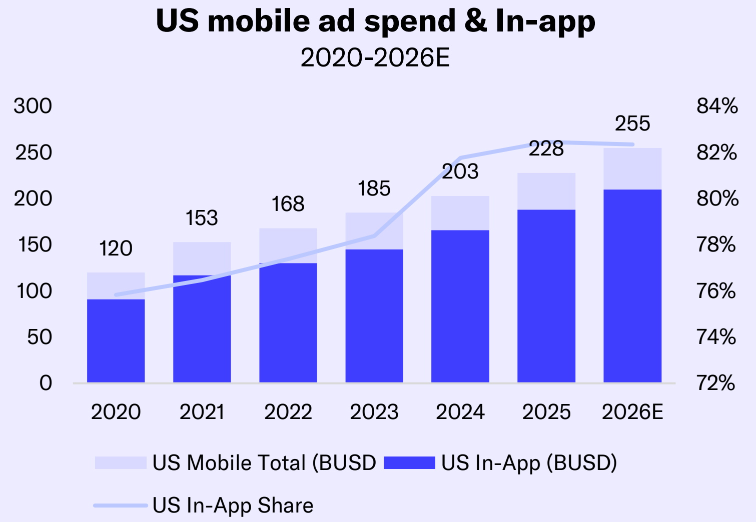
In-app advertising offers several structural advantages over mobile web that have driven its share of mobile spend consistently higher. From the publisher side, in-app inventory typically commands meaningfully higher CPMs (often 2-3x mobile web) due to better viewability rates, richer ad formats (full-screen, playable, rewarded), and lower fraud incidence. From the advertiser side, in-app provides richer contextual targeting signals derived from app category and in-session behavior, higher engagement rates driven by immersive formats, and improved attribution through SDK-level instrumentation. The growing adoption of header bidding within in-app environments has further improved yield for publishers and fill rates for advertisers.

Linear TV in structural decline as CTV scales

Connected TV (CTV), which is advertising delivered through internet-connected television sets via streaming apps and smart TV operating systems, is one of the fastest-growing segment within digital advertising by growth rate. US CTV ad spending reached ~23.6-28.8 BUSD (eMarketer, IAB) in 2024 and is projected to reach ~47-52 BUSD by 2028, a CAGR of 13-18%. For context, the CTV market has grown roughly four-fold since 2020. US digital video ad spend surpassed linear TV for the first time in 2024, reaching ~64 BUSD, and digital video is forecast to constitute ~60% of total US TV and video ad spend by 2025.

The structural driver is quite straightforward, as audiences increasingly have migrated from linear television to streaming, and advertising dollars follow audiences. Nielsen data indicates that streaming accounted for ~47% of all US TV viewing time by mid-2025, surpassing linear TV for the first time. This tipping point in viewership fundamentally alters where brand-safe, premium video inventory resides, shifting it decisively from broadcast and cable networks toward streaming platforms.





Sources: Verve, Inderes, Statista, Mordor Intelligence, eMarketer, IAB

Market overview – Digital advertising (3/8)

The ad-supported streaming revolution

The rapid expansion of ad-supported streaming tiers has created a substantial new pool of premium CTV inventory. For instance, Netflix's ad-supported tier reached around 190 million global monthly active users by late 2025. Amazon Prime Video's shift to an ad-supported default in early 2024, combined with the continued growth of Disney+, Peacock, Paramount+, and Pluto TV, has transformed CTV from a niche channel into mainstream premium video inventory at scale. This supply expansion is critical for programmatic buyers, where more inventory means more auction liquidity, more competitive pricing, and greater scale for campaign delivery.

The programmatic share of CTV is growing rapidly, currently estimated at 90% of total CTV spend in the US, as publishers open inventory to automated buyers to improve fill rates and yield. Verve strengthened its CTV capabilities both organically and through the acquisitions of LKQD and Jun Group, where the latter added a significant premium video demand layer complementary to Verve's CTV supply infrastructure.

CTV growth is expected to moderate from the exceptional rates of 2022-2024 as the market matures. However, absolute dollar growth remains very strong and the channel is taking sustained share from linear TV budgets, which are structurally declining. Measurement and attribution remain the primary friction point, creating opportunities for ad-tech players able to offer cross-screen measurement capabilities.

Retail media is the fastest-growing digital advertising channel

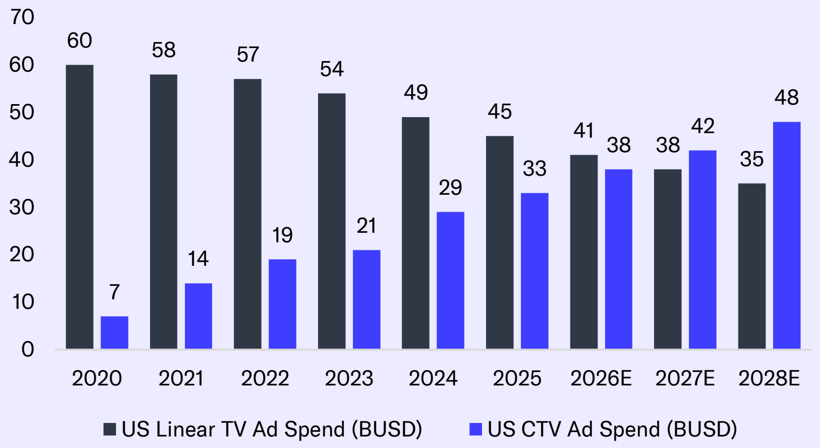
Retail media, where advertising sold by retailers against their first-party purchase data and shopper audiences, both on-site and off-site, has emerged as the most consequential structural development in digital advertising since the rise of social media. US retail media ad spend reached ~52-55 BUSD in 2024, growing 20% year-on-year and outpacing every other major digital channel. eMarketer projects US retail media will reach 60 BUSD in 2025 and approach 100 BUSD by 2028, representing a 2025–2028 CAGR of ~18%. Global retail media spend exceeded 140 BUSD in 2025 (eMarketer), with MAGNA forecasting ~163 BUSD. The global market is expected to exceed 200 BUSD by 2026.

The channel's rapid growth reflects a fundamental shift in advertiser strategy. In a world of eroding third-party identifiers, retailers offer something otherwise unavailable elsewhere in the open web: deterministic, purchase-intent-based targeting grounded in verified transaction data. Retail media networks (RMNs) monetize the relationship between retailers and shoppers by providing closed-loop measurement that links ad exposure directly to purchase. This is the "holy grail" of attribution that programmatic advertising has long sought.

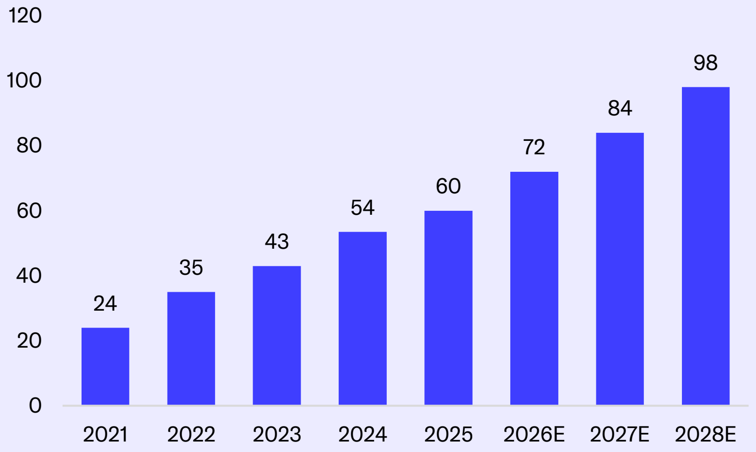
Market structure within retail media

Amazon dominates US retail media with a share exceeding 50% of all US retail media revenue, making it the third-largest digital advertising platform in the US behind only Google and Meta. Walmart Connect and Target's Roundel are the next largest domestic RMNs, and the ecosystem has expanded rapidly to include Kroger, Instacart, Home Depot, Best Buy, and dozens of other retailers. The IAB estimates that more than 80% of digital advertisers have now allocated budget to retail media, and a 2024 ANA survey found that 58% of US marketers work with five or more RMNs simultaneously.

Linear TV vs CTV (U.S.)
BUSD, 2020-2028e



U.S Retail media
BUSD, 2021-2028e



Sources: Verve, Inderes, eMarketer, Nielsen, IAB

Macroeconomics and ad spending

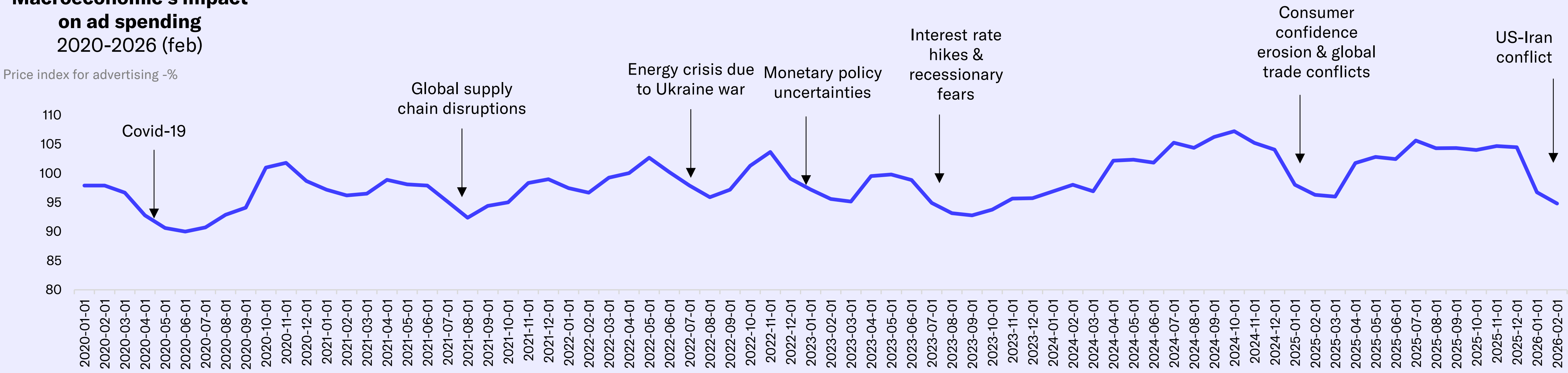
Cyclicality of advertising spending

Advertising is a cyclical industry by nature. Marketing budgets are among the most flexible costs for companies and are often adjusted quickly in response to changes in the macroeconomic environment. When economic growth slows, consumer confidence weakens, or financial policy tightens, advertising spending is usually one of the first discretionary expenses to be cut. Conversely, during periods of economic expansion and improving sentiment, advertising budgets tend to recover quickly and grow more than GDP. The chart below tracks the global advertising price index from 2020 to 2025 and highlights major macroeconomic and geopolitical events. For instance, when the pandemic began in early 2020, advertising prices and demand plummeted as businesses paused campaigns amid unprecedented uncertainty. As economies reopened and stimulus measures supported consumption, ad demand rebounded.

Therefore, advertising is ultimately linked to end-market demand. When consumer spending slows, brands reduce their marketing investments in order to protect their margins and cash flow. When demand accelerates, marketing is scaled up to capture incremental growth. However, advertising is also sensitive to uncertainty. Even before hard economic data deteriorates, rising uncertainty (whether geopolitical, financial, or regulatory) can cause advertisers to adopt a more cautious stance by delaying or scaling back campaigns.

Nevertheless, cyclicality varies meaningfully across subsegments. Although total advertising spending is sensitive to the economy, structurally growing formats, particularly digital and programmatic advertising, have historically shown greater resilience. Programmatic channels, especially mobile and performance-oriented formats, offer measurable ROI, flexibility, and efficiency. Companies such as Verve, which operate primarily within programmatic mobile and CTV advertising, remain exposed to macroeconomic swings. However, structural tailwinds, including digitalization and the automation of media buying, as well as ongoing share gains from non-programmatic formats, can mitigate the impact of cyclical downturns, though they cannot eliminate it.

Macroeconomic's impact on ad spending
2020-2026 (feb)



Sources: Verve, Inderes, US Bureau of Labor Statistics

Market overview – Digital advertising (4/8)

Market participants and competitors

Market players can be divided into two categories: walled gardens and the open internet. Walled gardens control about 80% of the digital ad market and consist of large, vertically integrated internet companies, such as Google, Meta, Apple, and Amazon. These companies have their own closed ecosystems that cover the entire value chain, including owning content platforms such as YouTube, Facebook, and Amazon.com. Walled garden companies typically manage the entire transaction, from advertiser to publisher, in-house. Their primary competitive advantage is first-party data at scale. Google's search intent signals, Meta's social graph, and Amazon's purchase behavior data enable precise targeting that open internet companies find difficult to replicate on a comparable scale.

The open internet encompasses the remaining ~20% of the digital ad market and includes the programmatic ecosystem in which Verve operates. Within this ecosystem, participants compete with and conduct business with each other. The open internet segment of the programmatic market is characterized by fragmentation, with many participants throughout the value chain. Some companies specialize in one aspect, some in multiple aspects, and some, like Verve, cover the entire value chain. Walled garden companies also engage with the open internet to some extent and operate beyond their "walls." For example, Meta's Audience Network allows advertisers to place ads on third-party apps that are not owned by Meta.

From Verve's perspective, many of the other ad-tech companies on the open internet are both competitors and partners at the same time. The Trade Desk is a large DSP, which competes with Verve for advertisers, but at the same time The Trade Desk also drives business to Verve's SSP platforms. The same is also true for SSP providers such as Pubmatic. On one hand, they are a competitor to Verve but on the other, they also do business with Verve's DSPs and ad exchanges.

Verve themselves identify their largest peers as Applovin, The Trade Desk, Magnite, and the walled garden companies. The former, Applovin, is in many ways a peer to Verve as they to some extent cover the same sections of the value chain, i.e., from DSP to SSP.

Choosing between multiple ad platforms

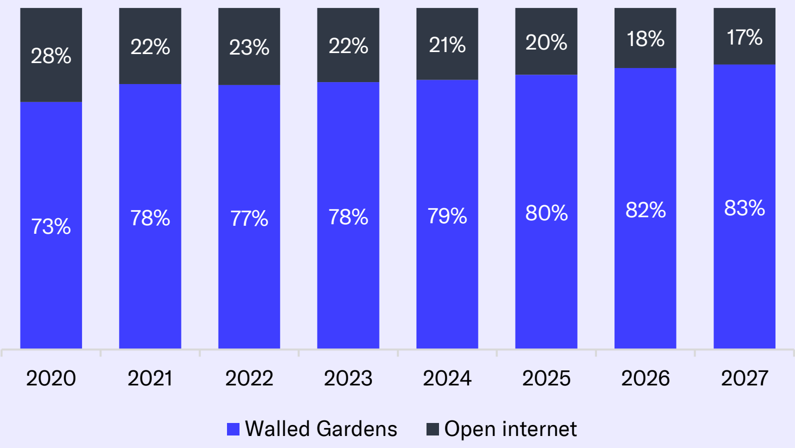
With so many options, how do advertisers and publishers decide which ad platforms to use? They can choose between walled gardens and open internet companies. Moreover, there are several companies within both categories to choose from. Based on market share, it's clear that many customers choose one of the major walled garden companies. Using a walled garden means you only have to deal with one counterparty, which simplifies the process in some ways. Large players such as Google are often the starting point for companies entering the world of programmatic advertising. Walled gardens also have large amounts of user data that they can use for accurate ad targeting.

However, they're by no means always the best option. Like the name 'walled garden' implies, the companies are not very transparent in how ads are bought and sold, but rather their platforms are known as 'black boxes'.

On the open internet side, transparency is a way to differentiate yourself from the walled garden behemoths.

Walled gardens | **Open Internet**

Market share in digital advertising (Statista)



Sources: Verve, Inderes, Statista

Market overview – Digital advertising (5/8)

For example, Verve's HyBid SDK is a piece of software that mobile app developers can integrate into their apps to sell ad inventory automatically. The SDK is an open-source solution that provides transparency for mobile app developers on how the SDK works, what user data it uses, and how to best integrate it with their applications. In other words, it's an open box as opposed to the black boxes of walled garden companies. Open internet players are often more flexible in incorporating features according to customers' wishes. For instance, they're often more willing to work with independent measurement providers chosen by the customer.

Platforms are also chosen by trying out a handful of platforms and comparing the performance. An advertiser might sign up with a couple of different DSP providers and run trial ad campaigns on them. The budgets allocated to each platform can then be adjusted in accordance with the campaigns' performances. The DSP's that perform well will get more money allocated to them and the ones underperforming will be dropped all together.

Publishers can also do the same. They can try a couple of different SSPs and monitor the results. Let's take the Swedish news site Aftonbladet as an example. By visiting the newspaper's website and inspecting the ads shown there, we find an ad from adns.com, which belongs to Xandr (a Microsoft-owned ad platform). Little further down we find another ad delivered to us through Google Ads. Using multiple providers enables the publishers to compare the performances between different SSPs. In some cases, using multiple SSPs also helps with fill rates, i.e., making sure every available ad slot gets sold. This practice of trying out different platforms highlights why the retention rate is a useful KPI.

A notable structural development is the acceleration of supply-path optimization (SPO), whereby large advertisers and agencies are deliberately reducing the number of programmatic intermediaries they work with, concentrating spend on fewer, larger platforms. This consolidation pressure creates headwinds for smaller specialists but, in our view, is broadly favorable for integrated, full-stack operators like Verve, which can capture a higher share of the transaction margin by facilitating both sides of the auction. This view is supported by Verve's leading SPO rankings in mobile in-app advertising, where the company ranks first in the US, Canada, Japan, and Singapore according to Pixalate's H2 2024 SPO rankings, suggesting that buyers conducting SPO are actively consolidating spend onto Verve's platform in its core verticals.

ATT as the new normal – and the GAID reversal

Apple's App Tracking Transparency (ATT) framework, introduced in April 2021, required apps on iOS to request user permission before accessing the device's Identifier for Advertisers (IDFA). The initial impact was severe, as it made targeting iPhone users notably harder. However, the market has since fully adapted. ATT opt-in rates have stabilized at ~30% in major markets, and the ad tech industry has rebuilt targeting and attribution infrastructure around contextual signals, cohort-based methods, and probabilistic modelling. ATT is now simply the operating environment, no longer an acute disruption.

Google has also effectively shelved its analogous plan to deprecate the Google Advertising ID (GAID) on Android. The Privacy Sandbox for Android initiative, intended to replace GAID with privacy-preserving APIs, has been substantially de-prioritized following developer ecosystem pushback and regulatory scrutiny. As of 2025, GAID remains fully operational, a meaningful positive development for in-app advertising on Android, which is the dominant mobile OS globally by installed base. The combination of stabilized ATT dynamics and GAID continuity means that the in-app targeting environment is materially more benign than was anticipated in 2023-24.

The Google cookie reversal represent the most important market development since ATT

The digital advertising industry spent much of 2021-2024 preparing for a world without third-party cookies in Google Chrome. Google had committed to completing the phase-out by 2025, a development that would have been seismic given Chrome's ~65% global browser market share. This expectation shaped significant product investment across the industry, including Verve's own development of ID-less targeting solutions.

In July 2024, Google announced a fundamental reversal. Rather than deprecating third-party cookies outright, Google pivoted to a "user choice" model, presenting Chrome users with a prompt to make an informed decision about tracking preferences while keeping cookie functionality intact for those who do not opt out. This reversal, driven by developer ecosystem pushback, UK Competition and Markets Authority (CMA) scrutiny, and the practical complexity of Privacy Sandbox APIs, effectively means that third-party cookies will persist in Chrome for the foreseeable future.

Sources: Verve, Inderes, IAB, Apple, Alphabet, Pixalate

Market overview – Digital advertising (6/8)

The reversal deepened through 2025. In April, Google confirmed it would not introduce any cookie consent prompt and cookies would simply remain on by default. By October, Google retired the Privacy Sandbox initiative entirely, formally shutting down the APIs that were meant to replace third-party cookies after six years of development.

The implications are nuanced. Although the acute crisis has passed, the structural shift away from cross-site user tracking remains intact. Safari and Firefox already block third-party cookies by default, rendering ~35% of browser traffic effectively cookie-free.

Additionally, under GDPR and CCPA, consent rates for tracking cookies continue to decline. The market is moving toward a multi-signal world, not a binary of "cookies on" or "cookies off". For Verve, the cookie reversal modestly reduces the risk of near-term disruption but does not diminish the long-term strategic value of first-party data assets, contextual solutions, and ID-less infrastructure. These now operate alongside, rather than as replacements for, traditional cookie-based targeting.

Agentic AI: the next frontier for media buying

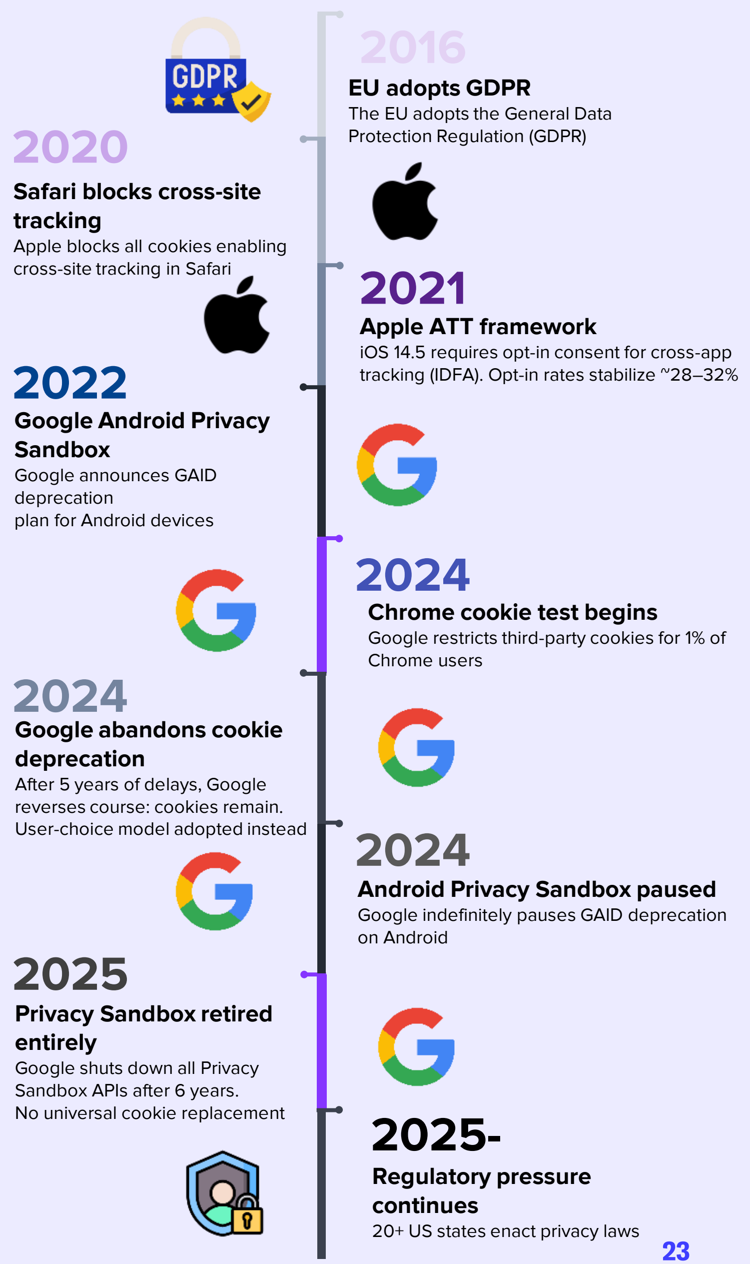
Artificial intelligence has rapidly become a central competitive variable in programmatic advertising. The ability to deploy machine learning across bid optimization, audience targeting, and campaign measurement is no longer a differentiator but a baseline requirement.

The next development taking shape is agentic AI, where AI systems do not merely optimize campaigns but plan, execute, and manage them end-to-end with minimal human involvement. In practice, an advertiser describes an objective, and the system handles the rest. Adoption remains early but accelerating. While only 30% of agencies and brands report full-scale AI deployment today, 53% expect to reach full-scale adoption by 2026 (IAB State of Data, 2025), suggesting the transition is a near-term reality rather than a distant prospect.

For open internet operators, this transition broadly favors full-stack platforms over point solutions, as autonomous systems benefit from unified planning, buying, and measurement environments rather than having to stitch together multiple vendors. Verve's integrated demand and supply infrastructure, combined with its direct publisher connections, is a credible asset in this context. In fact, the company has already begun acting on it, becoming the first ad-tech provider* in March 2026 to activate conversational intent signals from major AI chat environments for programmatic targeting.

That said, the opportunity carries a meaningful caveat. The walled gardens (e.g. Google, Meta, and Amazon) are themselves full-stack and command close to 80% of digital ad spending, and are investing in agentic infrastructure on a scale no open internet operator can match. If agentic systems lower the friction for advertisers to direct budgets entirely into walled garden environments, open internet operators including Verve could face further concentration pressure regardless of their own AI capabilities. The agentic transition is a genuine opportunity for Verve within the open internet, but the structural headwind from walled garden dominance remains the binding constraint.

A decade of tightening privacy controls



Sources: Verve, Inderes, IAB, Apple, Alphabet, EDPB

Market overview – Digital advertising (7/8)

AI-generated content and open web quality risk

The explosion of AI-generated content has created a significant quality problem for open web advertising. A growing share of websites are AI content farms, with low-quality pages designed purely to attract programmatic ad spend rather than genuine readers.

According to Basis Technologies (2025), 57% of advertisers see AI-generated content as a major challenge and 54% believe it has measurably reduced overall media quality. Advertisers are responding by shifting budgets toward safer, more trusted environments like walled gardens, premium publisher direct deals, and private marketplaces at the expense of undifferentiated open exchange supply.

Verve is largely insulated from this risk. In Q4’25, 96% of Verve's revenue was mobile-derived, and according to management at the company's 2025 CMD, in-app advertising constitutes the predominant portion of this (we estimate around 90-95%), with mobile web present but at considerably lower volumes. In-app environments sit entirely outside the open web inventory ecosystem and are structurally unaffected by AI content farm proliferation. A parallel risk facing open web publishers, where declining referral traffic as AI assistants like ChatGPT and Google's AI Overviews answer search queries directly without users clicking through to websites, is similarly limited in its impact on Verve.

Verve's quality positioning within its core in-app supply adds a further layer. According to research by Jounce Media (2023), Verve holds the largest share of best-quality mobile advertising inventory in the US, underpinned by its direct SDK-level publisher integrations via HyBid. As 68% of media experts now believe inventory should be labelled as "verified human-created" or "AI-audited" (IAS AI B2B Study, 2025), operators able to credibly guarantee supply quality are better placed as the market increasingly rewards verified premium inventory over commodity supply.

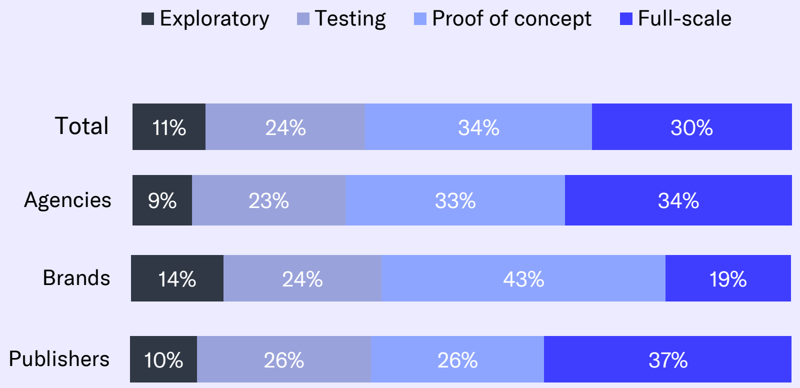
Advertising in an ID-less and cookie-less world

For several years, third-party cookies and identifiers have been the backbone of online advertising, enabling the tracking of users across websites and building detailed profiles of their browsing habits and interests. This made targeted advertising relatively straightforward for advertisers.

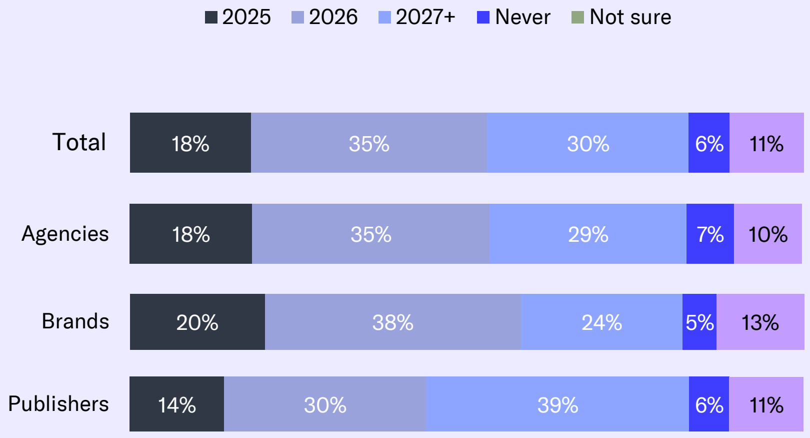
However, as discussed earlier, the identifier landscape with the Google cookie reversal, Apple's ATT framework, and the indefinite deferral of Android's Privacy Sandbox, has produced an outcome that is more nuanced than the "cookie-less world" the industry spent years preparing for. Third-party cookies persist in Chrome, GAID remains operational, and ATT opt-in rates have stabilized at roughly 30% of iOS users. As such, the acute crisis has passed.

What remains is structural fragmentation. No single identifier works at full scale across all environments. For instance, cookies are absent in Safari and Firefox, IDFA is limited on iOS, and regulatory pressure across the EU, UK, and US continues to constrain data collection practices. Advertisers operating across the open internet must manage a mix of signals, varying from first-party data, probabilistic modelling, cohort targeting, and data clean rooms.

Current AI adoption in the media campaign cycle



Time expected to full-scale AI adoption in the media campaign lifecycle



Sources: Verve, Inderes, Basis Technologies, Jounce Media, IAS

Market overview – Digital advertising (8/8)

Contextual advertising has undergone a meaningful strategic reappraisal within this fragmented environment. It is no longer considered a temporary fallback for when identifiers are unavailable; rather, it is a structurally durable method that works regardless of consent status, cookie availability, or identifier policy.

The structural case for contextual

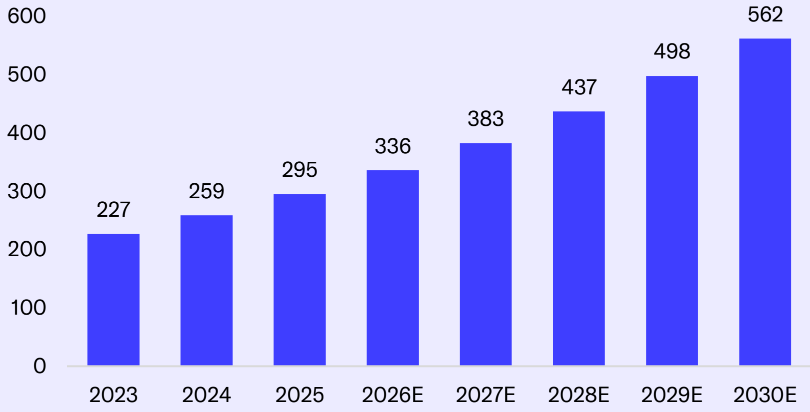
Modern contextual advertising operates by analyzing the content of a webpage or app, varying from keywords, topic, sentiment, and semantic meaning, in order to deliver ads aligned with what the user is actively consuming at that moment. Contextual ads can target users based on the time of day and their current interests. For example, an ad for a meal kit or cooking app could appear during midday when people start thinking about dinner or display book-related ads book-focused webpage. Unlike behavioral targeting, it requires no user-level tracking data, making it inherently privacy-compliant under GDPR, CCPA, and emerging regulatory frameworks globally.

The global contextual advertising market is projected to grow from ~230 BUSD in 2023 to ~560 BUSD by 2030, representing a 14% CAGR (Statista). This growth is being driven not primarily by the cookie deprecation narrative (which has partially abated with Google's reversal) but by the fundamental recognition that context-based signals generate positive ROI across all inventory types. Contextual advertising works in-app, on CTV, in audio, and on the open web, without requiring any user-level tracking data, making it the most universally applicable privacy-compliant targeting methodology.

The performance case for contextual has strengthened materially with advances in AI-powered semantic analysis. Modern contextual engines can classify content at a granular level in real time, enabling advertisers to target not just broad topic categories but specific editorial contexts, such as breaking sports news, financial market commentary, product review content, that correlate strongly with purchase intent. This semantic precision closes much of the performance gap with behavioral targeting that existed with earlier, keyword-matching contextual systems.

Verve's Moments.AI solution has been independently validated to deliver significantly superior[1] contextual targeting performance versus alternatives, particularly in time-sensitive environments such as sports, news, and entertainment, where recency of content is critical to advertiser relevance.

Global contextual advertising spending (BUSD)
2023-2030



[1] TPA Labs, 2023 & Digiday Awards Europe, 2023
Sources: Verve, Inderes, Statista

Verve's strategy and financial targets (1/4)

Full-stack platform leadership and market share gains

Verve's core strategic ambition is to strengthen its position as an independent full-stack advertising platform outside of the major walled gardens. The company aims to capture market share in the highly fragmented programmatic advertising market by leveraging its end-to-end offering that spans SSP, ad exchange, and DSP capabilities. This vertical integration allows Verve to offer strong data insights, better pricing, and more transparent attribution compared to competitors operating only in one segment of the value chain. Management has emphasized that market share gains remain a key priority, particularly in high-growth segments like mobile in-app advertising, CTV, and retail media, where the company has been strengthening its capabilities through both organic initiatives and via M&A.

Multichannel approach across emerging formats

A core element of Verve's go-to-market strategy is to serve advertisers across all relevant emerging formats and channels through direct supply integrations. Verve currently operates across mobile in-app, CTV, retail media, DOOH, and audio/podcast, covering the full spectrum of emerging programmatic channels. Mobile remains the dominant and most mature channel, with access to ~2 billion mobile phones and 65,000 in-app integrations, while CTV is a strong and growing contributor. Retail media, DOOH, and audio represent Verve's upcoming channel investments, each with strong underlying market growth. By maintaining direct publisher relationships across all formats rather than relying on resold inventory, Verve aims to deliver more transparency, better pricing efficiency, and stronger results for advertisers.

Verticalization by industry

Alongside its multichannel ambitions, Verve is deepening its strategy through verticalization, developing customized solutions tailored to specific customer industries, including CPG, retail, medical and health, and media and entertainment. The rationale is straightforward: advertisers in these verticals have distinct campaign objectives, measurement needs, and regulatory constraints, and a platform with deep industry expertise can offer meaningfully better outcomes than a generalist alternative. Verve's acquisition of Acardo enhances this approach by adding point-of-sale retail media capabilities, directly connecting digital ad exposure to measurable in-store and online consumer action, a particularly attractive proposition for CPG and retail advertisers.

Positioning for a privacy-first future

A central part of Verve's strategy is leading the shift to a privacy-first, ID-less advertising environment. Despite Google's unexpected reversal on third-party cookie deprecation, the structural pressure on identifier-based targeting remains intact, driven by tightening privacy regulation globally and shifting consumer attitudes toward data sharing. Verve has invested heavily in privacy-compliant targeting solutions that do not depend on the outcome of any single platform's policy decisions. Its flagship solution, ATOM, runs AI models on users' devices (via Verve's SDKs) to classify users into cohorts without sending personal data off-device. This means Verve can target ads effectively even when ~75% of iOS users opt out of tracking. Verve's acquisition of Captify in September 2025 added a vast search-intent dataset (up to 1B queries/day) that provides behavioral signals without cookies. Combined with first-party data from its owned games and apps, zero-party data from Jun Group, and behavioral signals from direct SDK publisher integrations, Verve has a broad pool of privacy-compliant targeting signals. In turn, it enables the company to deliver targeted advertising at scale while remaining compliant with evolving privacy standards.

1 Multichannel approach

Mobile · CTV · Retail · DOOH · Audio

Direct supply focus · All relevant formats and channels

Strategic focus

- Serve all emerging formats via direct publisher integrations
- Mobile, CTV, retail media, DOOH & audio
- More transparency, multi-channel reach, direct publisher access for advertisers

Channel market growth (CAGR)

Retail Media	18% CAGR 2025–2028
CTV	13-18% CAGR 2024–2028
Mobile	8-9% CAGR 2025–2030

2 Verticalization by industry

Digital brands · CPG · Medical & health

Verticalization

Strategic focus

- Building dedicated vertical sales teams with sector-specific expertise, enabling deeper engagement with both agencies and direct clients on industry-relevant KPIs
- Sector depth drives better outcomes, clients get solutions tailored to their specific objectives and compliance requirements

Key verticals

Digital brands	Sector-tailored campaigns
CPG (Consumer packaged goods)	Incremental sales, add-to-cart
Medical & Health	Patient reach. cost efficiency

Sources: Verve, Inderes,

Verve's strategy and financial targets (2/4)

Management views this as a competitive differentiator that will drive market share gains as the industry shifts away from legacy tracking methods and increasingly values privacy.

Strategic M&A to fill capability gaps

While organic growth remains the primary focus, selective M&A continues to play a strategic role in Verve's playbook. The Jun Group acquisition (July 2024) brought direct brand/agency relationships and video ad formats, while Captify (Sept 2025) added global advertiser clients and search-data, and Acardo (Sept 2025) added point-of-sale (POS) retail media. Together, these acquisitions enhance Verve's value chain positioning by connecting consumer intent (search data), ad exposure (Verve's multi-channel platform), and consumer action (POS redemption). Management has indicated it will remain opportunistic on M&A where strategic fit is clear and valuations are attractive, though the near-term focus circulates around organic execution.

Sales force expansion and customer intimacy

Recognizing that direct client relationships drive higher margins and better customer retention, Verve has made sales force expansion a strategic priority for 2025-2026. The Captify and Acardo acquisitions brought ~45 experienced salespeople in key markets (US, UK, Australia, Germany), and management intends to continue to grow its sales organization organically. This supports Verve's goal of deepening relationships with major advertisers and agencies, particularly in high-value verticals like retail media and CPG. Notably, despite the operational challenges in 2025, Verve maintained a very high customer retention rate of 99% in Q4'25, demonstrating the strength of its client relationships. In practice, Verve intends to increase the number of US sales managers to about 150 by the end of 2026, from around 35 in the beginning of 2025. The underlying rationale is that localized, industry-specific sales approaches drive more efficient market penetration and stronger customer loyalty.

Geographic expansion with European focus

The US currently dominates Verve's revenue mix, accounting for 76% of total revenues, with Europe contributing 12% and the rest of the world 12%. Since pivoting from gaming to ad-tech, the US market has been Verve's primary strategic focus, as it represents not only the world's largest advertising market but also offers stronger scaling economics compared to other regions. Europe, on the other hand, requires a fragmented, country-by-country market entry approach due to varying languages, regulations, and agency landscapes, while Asia and Latin American markets typically generate lower CPMs and smaller revenue pools per country.

While the US remains the core strategic focus, with management explicitly committed to doubling down on the US market in 2025/26, Verve has increasingly prioritized international expansion as a key growth driver. In 2025, the company concentrated on strengthening its market positioning in the UK, Scandinavia, Brazil, and Mexico, with plans to scale into 3-5 new markets in 2026. Looking further ahead, management has identified APAC as the next major geographic expansion horizon for 2026/27. Management recognizes that organic market entry can be challenging and time-consuming, making small, strategic acquisitions a valuable tool for accelerating regional access, though M&A remains complementary to the primary focus on organic growth. The Acardo acquisition (September 2025) exemplifies this approach, establishing a stronger foothold on the German market while simultaneously building retail media capabilities across Europe more broadly.

3 Privacy-first & quality standards

ID-less, privacy by design

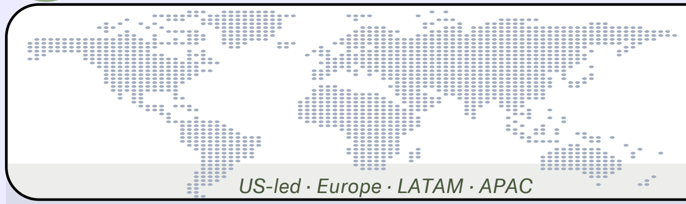
Strategic focus

- Match consumer privacy needs with advertiser expectations
- ATOM: on-device AI cohorts, ID-less (~75% iOS users opt out)
- Meet highest quality standards via both ID-less and ID-based targeting
- First-party data (games/SDKs), zero-party data (Jun Group) & Captify search intent

Key privacy products

ATOM 3.0	On-device · 20,000+ app integrations
Moments.AI	Contextual targeting· Identifier & cookieless
Jun Group	Zero-party data · opt-in surveys

4 Sales Force & Geo Expansion



US-led · Europe · LATAM · APAC

Strategic focus

- 35 → 150 Sales Managers in US by Dec 2026
- 2025: UK, Scandinavia, Brazil, Mexico · 2026e: 3–5 new markets
- 2026/27: APAC as next major expansion horizon

Expansion timeline

2025/26: US + Europe + LATAM	Doubling down on core + new
2026e: 3–5 new markets	Localized sales approach
2026/27: APAC	Next major expansion horizon

Sources: Verve, Inderes,

Verve's strategy and financial targets (3/4)

Financial targets

Verve's medium-term financial targets are as follow:

- **Growth**: yearly revenue CAGR of 25-30% across 3 to 5-year time horizon.
- **Profitability**: Adj. EBITDA margin of 30-35%. EBITDA is adjusted for nonrecurring costs.
- **Profitability**: Adj. EBIT margin 20-25%. EBIT is adjusted for nonrecurring costs and PPA amortization.
- **Leverage**: Pro forma leverage ratio of 1.5-2.5x.
- **2028/2029 financials**: Revenue of +1 BEUR and adjusted EBITDA of +330 MEUR (33% margin), of which 80% of revenue growth should be organic.

Revenue recognition change in 2025 and its implications on financial targets

In light of Verve's revenue recognition change in Q3'25, which came after the completed platform unification, Verve now report revenue on its migrated in-app platforms (constituting a majority of its revenue base) on a gross basis rather than net one, in accordance with IFRS 15. The implications of this change is essentially that reported revenue and gross expenses increases, while earnings (EBITDA/EBIT) remain unchanged. In turn, this means that the revenue recognition change ultimately depress reported margins, why we believe that Verve will update its financial targets accordingly to reflect this impact. That said, when evaluating Verve's performance relative to its current targets and improve comparability, we have adjusted its 2025 revenue and margins in accordance to how it was calculated before the change in revenue recognition.

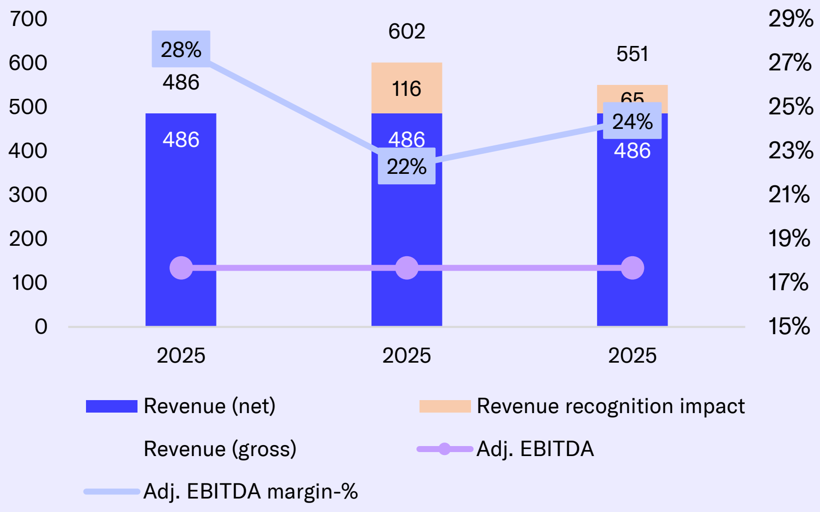
Performance versus targets

When comparing the revenue target to the previous years' outcomes, we can see that overall growth easily exceeded the target between 2020-2021, partly due to number of acquisitions made by Verve, but also through strong organic growth. However, in end of 2022 and throughout 2023, the advertising landscape changed as the macroeconomic environment worsen, and therefore impacted the demand for ads and CPMs negatively. As such, Verve's growth slowed quite substantially and was below target in 2023. However, the revenue growth bounced back along with the broader advertising market in 2024, with organic growth amounting to 25%. In 2025, Verve experienced company-specific challenges (platform unification issues) which coupled with softening ad spending, particularly during H1'25 due to escalating trade and tariff conflicts, weighed on its growth. The 4-year revenue CAGR therefore amounts to 14%, below its target of 25-30% on a 3-5 year time horizon.

Going forward we assess the revenue growth target as quite ambitious, especially as the majority should be organic, considering the outlook of the current macro environment, geopolitical risks, the expected growth rate of the overall programmatic ad market (~8%), mobile in-app (~9%, Verve's largest revenue driver), and CTV (~15%). What further reinforce our view that the revenue target seems too ambitious is that we believe that Verve, given its current leverage, only will have capacity to pursue smaller M&A in the coming years.

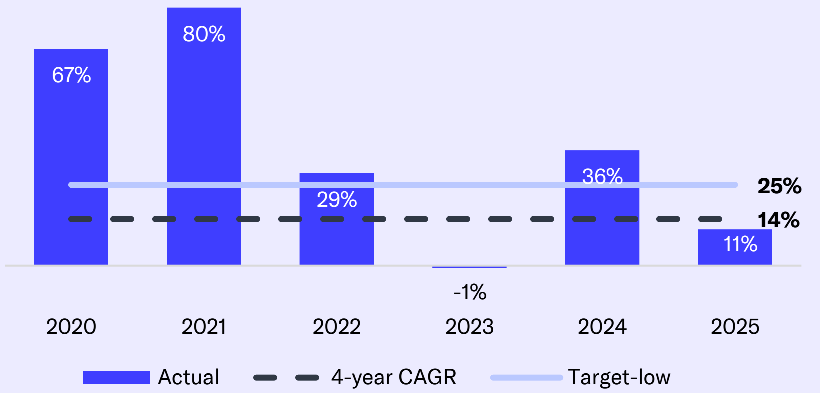
Margin impact following change in revenue recognition

Net revenue, gross revenue, reported revenue (MEUR), 2025



Revenue growth vs target low

2020-2025



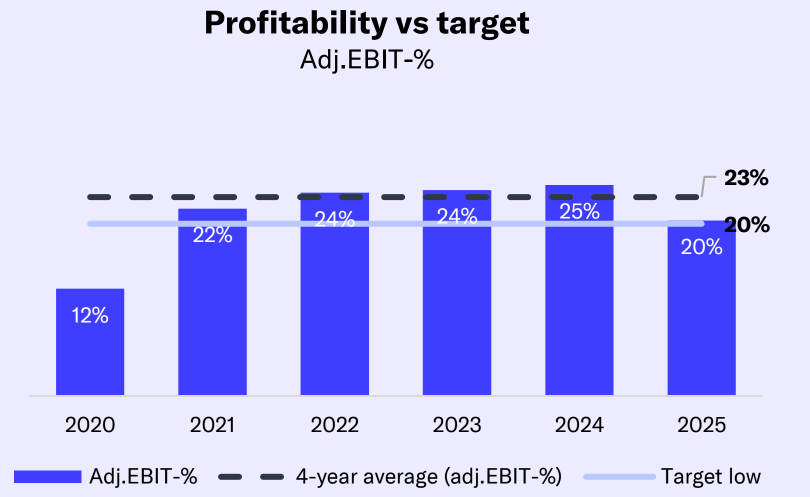
Sources: Verve, Inderes

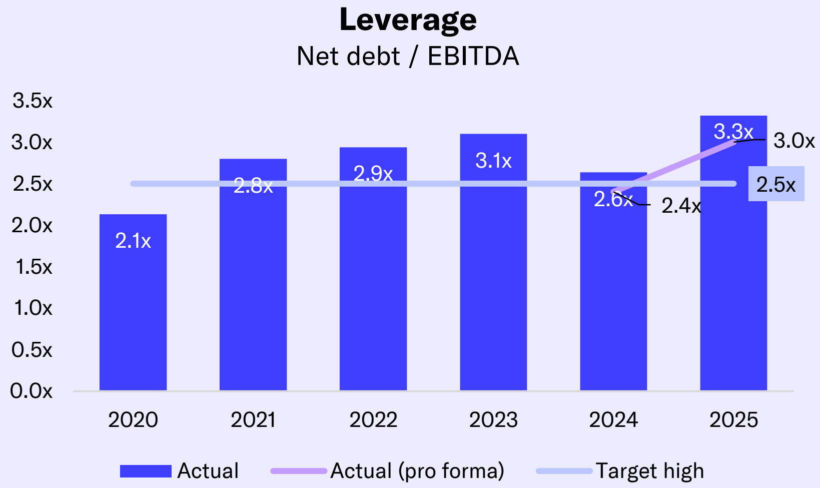
Verve’s strategy and financial targets (4/4)

Before evaluating Verve’s profitability in relation to its current targets, it is important to note that the company increased its profitability targets in mid-2024. Following the acquisition of Jun Group, the company raised its adjusted EBITDA margin target from 25-30% to 30-35% and its adjusted EBIT margin target from 15-20% to 20-25%. Jun Group was a significant acquisition for Verve (around 40% of Verve’s market cap at the time), with adjusted EBITDA margins in the range of 45-50%. The higher margin level supported the increased Group-level targets.

Against this backdrop, Verve's adjusted EBITDA margins have remained below the target low of 30%, except in 2023 and 2024. However, they surpassed the previous target low of 25% from 2021 to 2025. Regarding adjusted EBIT, Verve was below the previous target range in 2020, primarily due to increased investments in the media business. However, by integrating acquired businesses and realizing revenue synergies, Verve increased its profitability and has since exceeded both the old and new adjusted EBIT margin targets. Therefore, we consider an adjusted EBIT margin target of 20%-25% to be reasonable for Verve in the coming years (calculated on net revenue).

Since 2019, Verve’s reported net debt-to-adjusted EBITDA ratio has steadily increased due to several acquisitions, particularly within the media space. In Q4’25, the ratio was 3.3x, above the company’s target range. The corresponding pro forma figure, which accounts for the full financials of the acquired businesses in 2025, was 3.0x. The increase from 2024 levels of 2.4x was due partly to acquisitions made during the year and partly to lower earnings resulting from platform unification, which resulted in disruptions to scaling existing customers and increased infrastructure costs among other things. Additionally, according to management, cash generation was severely impacted by limitations in the securitization program, which increased working capital tie-ups and pressured the cash position.





Sources: Verve, Inderes

Financial position 1/2

Capital-light balance sheet

Verve's balance sheet total at the end of Q4’25 was 1,253 MEUR. Verve’s non-current assets are dominated by intangible assets (78% of balance sheet), where the majority is goodwill (57% of balance sheet) following a series of over 40 acquisitions since 2013. The remaining assets consist primarily of cash and cash equivalents (7%), receivables (11%), and other long-term assets (4%).

Due to the number of acquisitions made, Verve’s capital structure has changed considerably in recent years. The acquisitions have been funded mostly by debt and equity. As of Q4’25 Verve’s net gearing amounted to 105% while the equity ratio stood at 34%.

We believe that it’s important to note that the high goodwill balance makes Verve's acquired businesses sensitive to underlying performance, as weaker earnings expectations could eventually lead to the need for impairment. Following a challenging 2025, during which earnings stagnated and margins declined, we believe this sensitivity has increased. However, we do not consider the recent developments to be an immediate trigger for impairment. In our view, the sharp decline in free cash flow is largely linked to working capital dynamics and temporary effects from platform unification rather than structural deterioration in earnings power. Nevertheless, if margin pressure persists or long-term growth expectations weaken materially, the risk of goodwill impairments would increase, given the size of the goodwill balance. Such write-downs would be non-cash in nature, but they would reduce equity and mechanically increase leverage ratios. Overall, we consider the near-term impairment risk to be limited. However, the development of profitability and cash generation remains an important factor than we will continue to monitor.

Balance sheet is highly levered following recent M&A and weak cash conversion in 2025

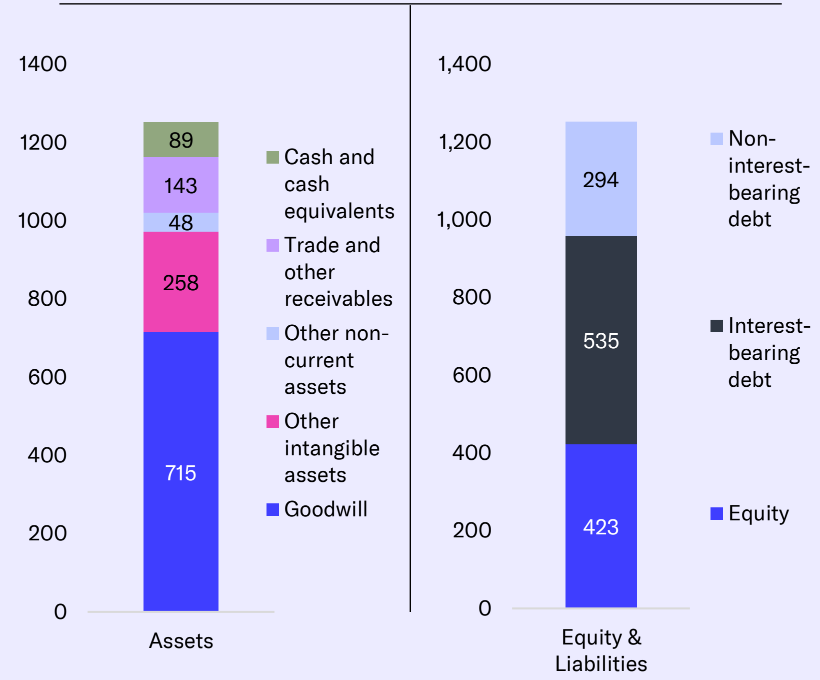
In 2025, Verve refinanced its outstanding debt through the issuance of a 500 MEUR senior unsecured floating-rate bond (under a framework of 650 MEUR) with a four-year maturity and a coupon of 3-month EURIBOR + 4%. The proceeds were primarily used to redeem the company’s existing 2026 and 2027 bonds in full, as these bonds carried higher interest costs. Thus, the refinancing reduced Verve’s funding costs, with management estimating annual interest savings of around 12.5 MEUR.

At the end of Q4’25, Verve had 535 MEUR in interest-bearing debt, primarily comprised of issued bonds, and 89 MEUR in cash and cash equivalents, resulting in a net debt position of 446 MEUR. After the end of Q4’25, Verve has placed subsequent senior unsecured bonds of 50 MEUR under its 650 MEUR framework, and thus, further increased its interest-bearing debt position. This bond tap was sought to enhance the company’s financial flexibility following a year marked by platform unification issues, investments in expanding its sales organization on the DSP-side as well as M&A activity (Captify & Acardo) which, coupled with experienced limitations with its securitization program, weighed on its cash position.

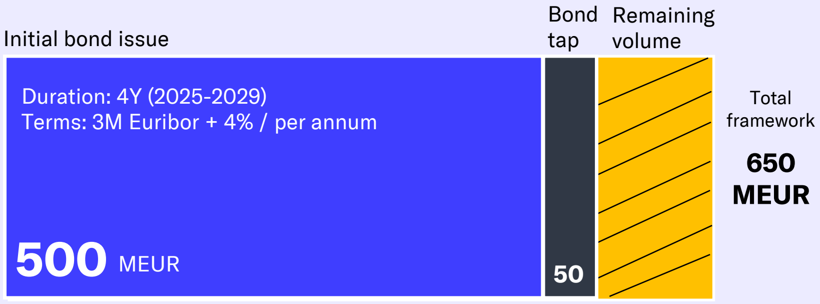
As of the end of Q4’25, the reported net debt to adjusted EBITDA ratio was 3.3x (Q4’24: 2.6x), which is above the company's target level of 1.5-2.5x. On a pro forma basis (incl. Captify and Acardo), corresponding leverage was 3x, assuming that the acquisitions completed in 2025 had contributed to the full-year earnings.

While these figures reflect the company’s reported leverage, we believe they do not fully capture the extent to which Verve finances its operations through its receivable securitization program (initiated from 2022).

Balance sheet total per Q4’25: 1,253 MEUR



Outstanding bonds, framework, and terms



*In-App purchases
Sources: Verve, Inderes

Financial position 2/2

Under this program, receivables are sold to a structured entity on a non-recourse basis, providing Verve with upfront liquidity and effectively accelerating cash collections. Economically, this facility functions as a form of external working capital financing. The cost for Verve to utilize this is 3M Euribor + 2%, and therefore functioning as debt, although the terms is favorable.

Typically, credit institutions (e.g. S&P Global) and lenders treat securitized receivables similarly to debt when assessing leverage and liquidity risk. In our updated analysis, we have reassessed our view on this financing facility and therefore place greater emphasis than previously on an adjusted view of leverage that incorporates the company's reliance on this facility when evaluating its financial position, even though it does not appear on the balance sheet. We think this approach provides a more comprehensive picture of the capital required to support Verve's growth and the underlying funding structure of its working capital. Based on 2025 ending figures, Verve adjusted net debt would instead be around 510 MEUR, representing a leverage ratio of 3.4x (pro forma).

The year-on-year increase in leverage is a combination of the aforementioned factors, resulting in revenue disruptions, an increased cost base, cash outflows related to M&A and challenges in converting operating receivables to cash within the framework of its securitization program due to size and usage limitations. Regarding the latter, management emphasized that expanding the securitization program is a top priority for 2026. They outlined plans to add group legal entities to the program and expect these changes to notably strengthen cash conversion and contribute meaningfully to deleveraging throughout 2026.

At the end of Q4'25, Verve also had around. 39 MEUR in deferred purchase price considerations (fixed future payments related to made acquisitions), to be paid in cash, and around 9 MEUR in earn-outs (future payments related to M&A but is performance-based), primarily related to the acquisitions of Jun Group, Acardo, and Captify.

As such, total deferred acquisition considerations amount to around 49 MEUR, of which ~33 MEUR to be paid in 2026. During the Q4'25 earnings call, management said that the deferred purchase price considerations related to Jun Group (~24 MEUR) was paid during Q1'26, leaving around 10 MEUR left to be paid for the remainder of 2026.

Return of equity and invested capital

Verve's adjusted* return on invested capital (ROIC) and adjusted return on equity (ROE) have averaged 10% and 6%, respectively, during 2021-2025. Adjusted ROIC has been relatively stable, ranging between 9-11% during the past five years. Adjusted ROE, however, has been more volatile. After reaching around 9% in 2021, ROE declined to -2% in 2023 amid rising interest rates, which increased financial expenses, and a softer advertising market environment. In the subsequent years, profitability has gradually recovered as operating performance improved. The relatively low figures are primarily due a rapid expansion of Verve's balance sheet following its M&A-driven growth strategy. Invested capital increased significantly from 231 MEUR in 2020 to around 870 MEUR in 2025, largely driven by debt and equity raised to finance numerous acquisitions. Looking ahead, we believe the current balance sheet leaves limited capacity for similarly large-scale M&A in the near term. Coupled with our expectation of improved profitability as revenues normalize and cost efficiencies materialize following platform unification, we anticipate gradual improvements in ROIC and ROE.

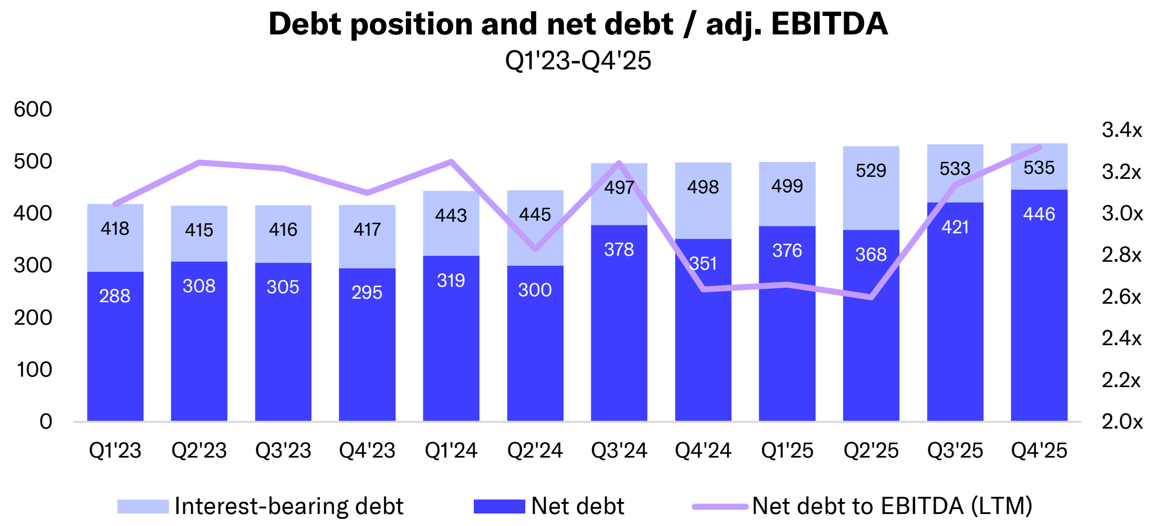
Cash flow

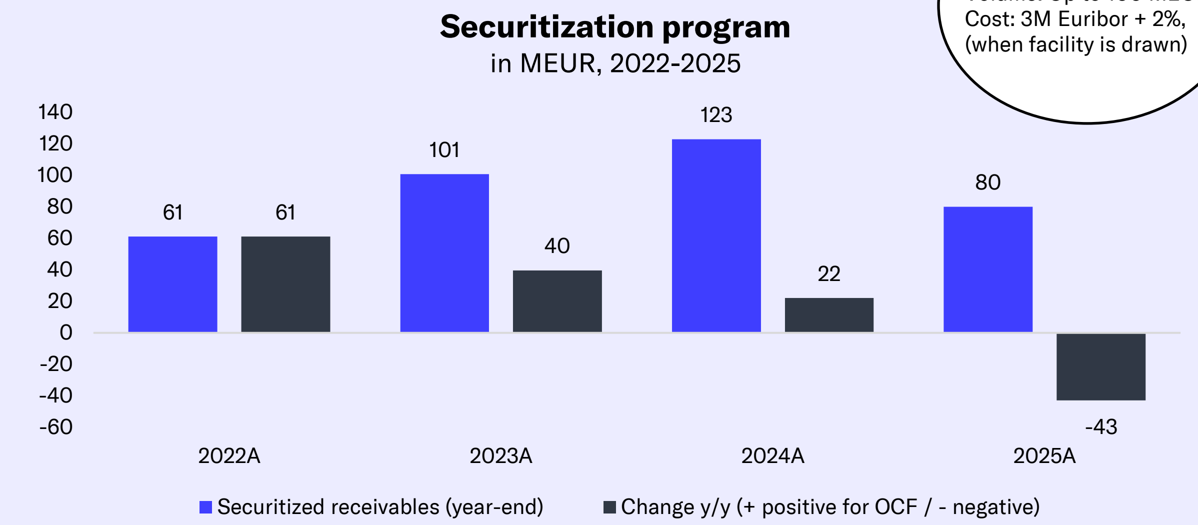
Verve's underlying operations generate a decent level of cash flow, but the translation from EBITDA to free cash flow has been volatile in recent years due to working capital swings and a still meaningful investment need in the platform. As shown in the cash conversion metrics on page 33, operating cash flow after working capital changes has fluctuated materially relative to adjusted EBITDA, improving sharply in 2022 when the securitization program was introduced, before weakening again in 2025 as the facility reached its practical limits. This also fed through to free cash flow conversion, which fell back materially in 2025, and even more so after interest payments, highlighting that Verve's cash generation remains sensitive not only to working capital timing but also to its financing burden. In our view, this underscores why reported free cash flow should be interpreted with caution from year to year, as it can be significantly influenced by temporary support or pressure from receivables financing. Additionally, while the company's 2025 refinancing helped reduce its cost of debt, it's important to note that a significant portion of Verve's free cash flow is still required to service interest payments (FY25: 41 MEUR).

At the same time, we think Verve's investment needs remains reasonable for a technology platform business. Capex has historically amounted to around mid-double-digit percentages of revenue, with the vast majority directed toward intangible assets, mainly capitalized development related to the advertising software platform and product capabilities, while investments in tangible assets have remained modest. As the business has scaled and the technology stack has become more unified, capex intensity has trended down, as evidenced in 2025 (8% of revenue). Management has indicated that annual investments of roughly 40-45 MEUR should be sufficient to sustain product development and innovation going forward, which suggests improving operating leverage if revenue growth continues. However, given the current leverage and interest burden, we do not view dividends or buybacks as realistic in the near term. Instead, cash flow is likely to remain focused on interest servicing, deleveraging, and selected reinvestments into the business.

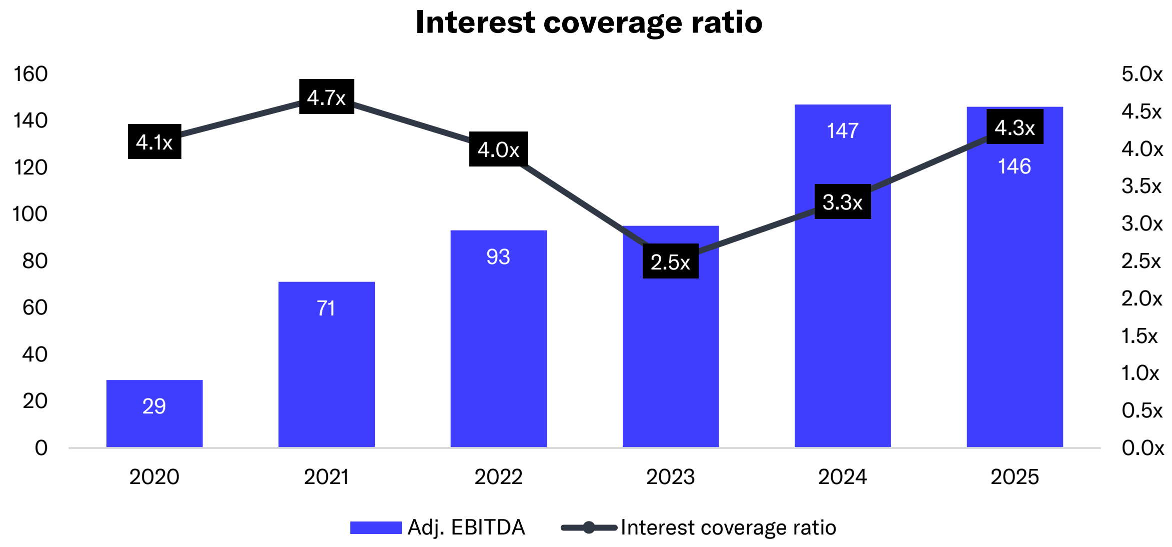
*Adjusted for purchase price allocation (PPA) and non-recurring costs and other one-time effects
Sources: Inderes

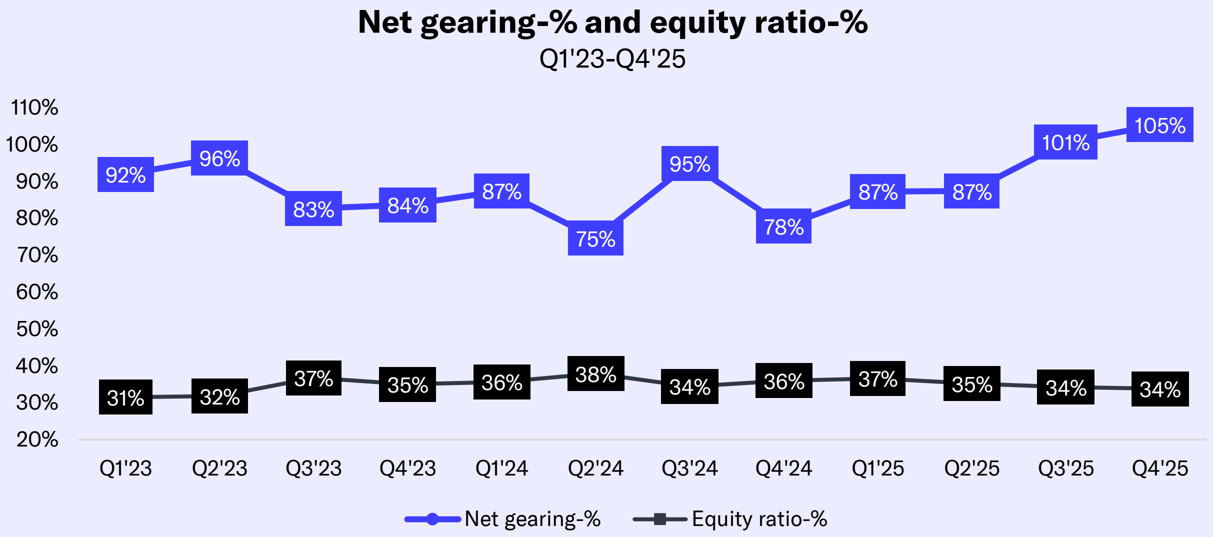
Financial position – an overview 1/2





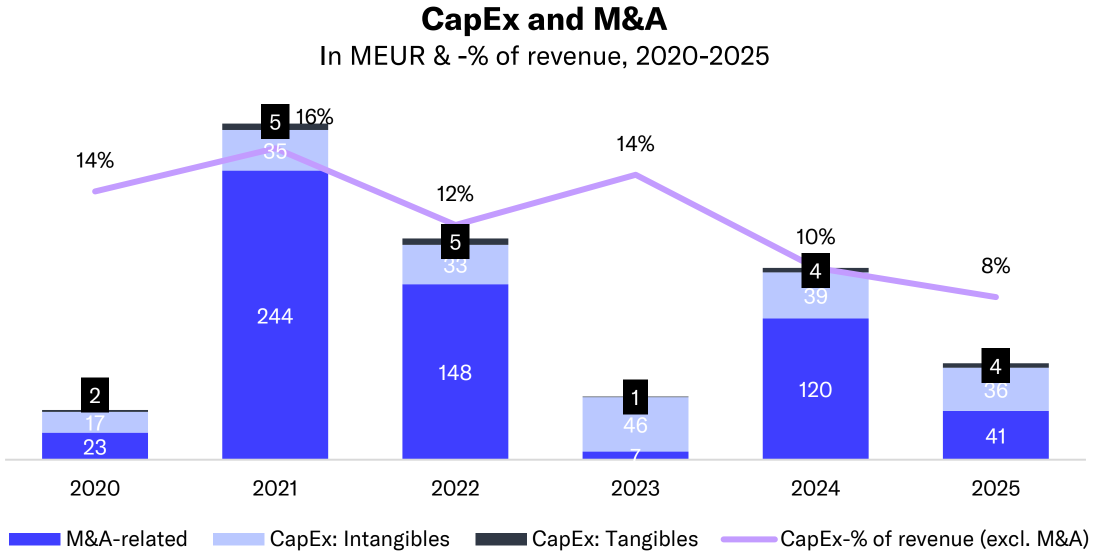
Current terms:
Volume: Up to 100 MEUR
Cost: 3M Euribor + 2%,
(when facility is drawn)

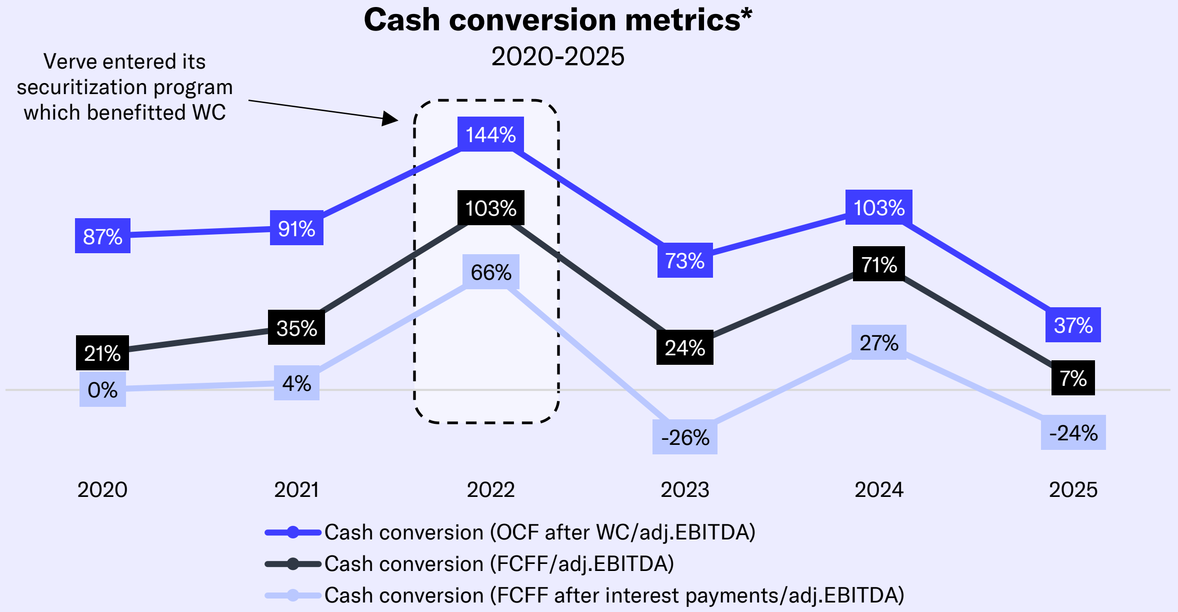


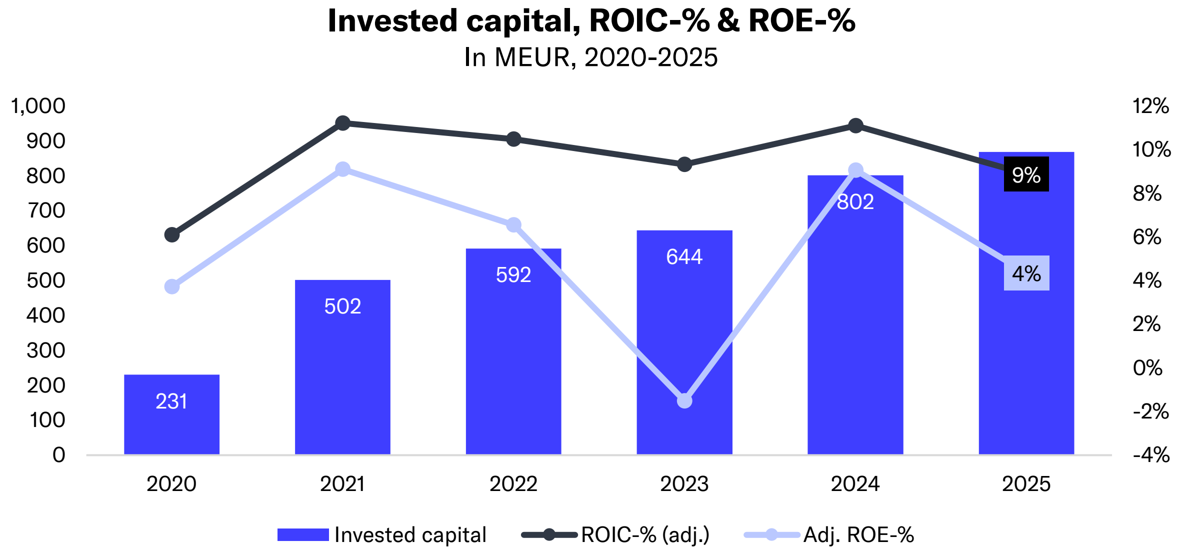


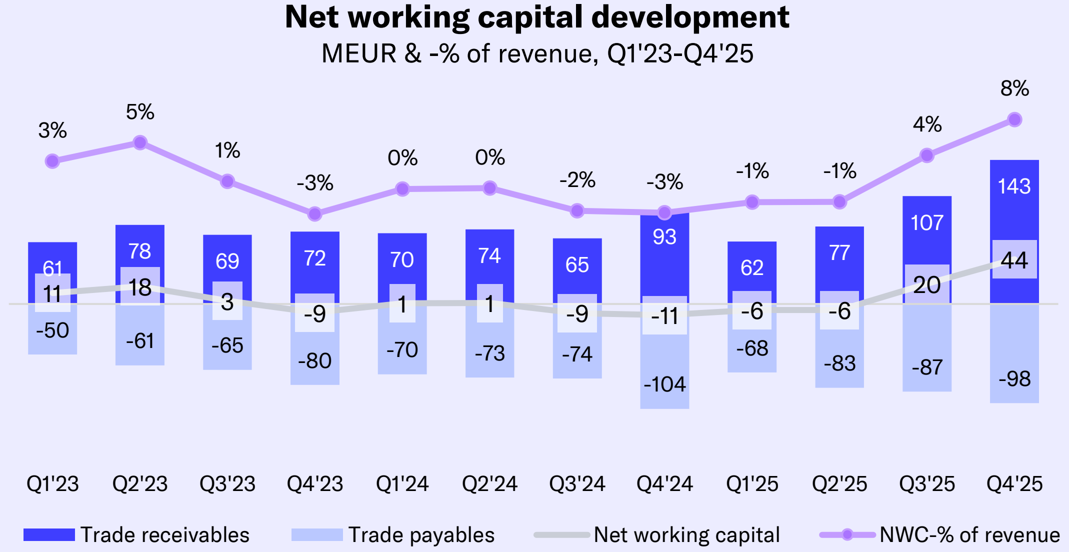
Sources: Verve, Inderes

Financial position – an overview 2/2









*Adjusted for purchase price allocation (PPA) and non-recurring costs
Sources: Inderes

Investment profile (1/2)

Growth story with execution challenges to overcome

Verve is a full-stack ad software platform complemented by first-party games content, operating in the large and growing programmatic advertising market. In 2025, the company completed a major platform unification project aimed at integrating its acquired technologies into a single, efficient platform. Although the project was strategically sound and showed early signs of efficiency gains (Q4'25 adj. EBITDA reached 25%), the transition proved to be operationally challenging. Difficulties in platform migration led to a mid-2025 guidance downgrade. Combined with limitations on its securitization program, this resulted in persistent cash flow weakness, preventing meaningful deleveraging despite solid profitability on paper.

We feel that Verve currently presents a classic high-risk, high-reward investment profile. The company trades at low absolute valuation multiples, reflecting investor skepticism following execution missteps, weakened cash conversion, and elevated leverage during 2025. In our view, the investment case, at least in the short term, hinges on management proving three critical capabilities: (1) converting a higher share of its profits into free cash flow, (2) demonstrating that operational improvements are sustainable, and (3) executing on 2026 guidance to rebuild credibility. If these hurdles are cleared, we believe the current valuation offers a high upside. However, should the challenges persist, further downside remains possible. This is fundamentally a show-me story where management must prove the platform unification was worth the pain.

Positive value drivers and opportunities

Programmatic market growth tailwinds: The global programmatic advertising market continues growing at a high single-digit pace, with Verve's focus areas, mobile in-app and CTV, growing even faster. We believe the company is well-positioned in these high-growth segments with its ID-less targeting solutions.

Full-stack platform: Verve's omnichannel platform spans in-app, CTV, mobile web, digital out of home (DOOH), audio, and retail media, enabling unified cross-device campaigns through a single platform. This end-to-end integration from supply-side (SSP) through ad exchange to demand-side (DSP) is relatively rare among independent players. Competitors like AppLovin focus primarily on mobile/CTV, while PubMatic and Magnite are active on web/CTV but lack strong in-app presence. This vertical integration provides superior data insights, pricing transparency, and supply path optimization.

Well-positioned as the market continues to shift toward more privacy: Verve has invested heavily in privacy-compliant targeting solutions as the industry undergoes this fundamental shift. The Captify acquisition brought one of the largest independent search intent datasets globally (~up to 1 billion daily searches), complementing Verve's contextual solution (Moments.AI), cohort-based ATOM technology, and first-party gaming and SDK data. These capabilities position Verve as a differentiated alternative to traditional identifier-based targeting as cookies and device IDs are decreasing in relevance amid increasing concerns over user privacy and stricter privacy regulations.

Strong customer relationships despite operational challenges: Verve achieved a record-high 99% customer retention rate in Q4'25 (vs. 96% 2-year average), despite platform migration issues in 2025. The customer base remained intact and grew, demonstrating that the core value proposition resonates and operational challenges were viewed as temporary. This sticky customer base provides a strong foundation for growth.

Proprietary targeting solutions: Verve's contextual solution, Moments.AI, and cohort solution ATOM, supported by, e.g., Jun Group's solutions for delivering targeted ads with zero-party data, provides Verve with alternative targeting methods without the need of ID-based signals.

Scalable cost structure: Verve's costs are mainly variable in nature, which should scale decently and help the company maintain its current profitability.

Risks and threats

Cash flow conversion and credibility gap: The most immediate risk is to showcase that the inability of converting profitability into meaningful free cash flow throughout 2025 was temporary (FCFF 25': 9 MEUR vs FCFF 24': 94 MEUR). Management attributes this to receivables securitization program limitations and payment timing mismatches, with plans to expand the program in 2026, though no specific targets have been provided. Until sustained improvement is demonstrated, elevated leverage (3.0x net debt/EBITDA vs. 1.5-2.5x target) constrains flexibility and perpetuates investor skepticism.

Execution track record concerns: The 2025 platform migration issues that led to a mid-year guidance downgrade damaged management credibility. While the strategic rationale was sound, execution fell short. Verve must now rebuild trust through consistent delivery against 2026 guidance and demonstrate that Q4'25's operational improvements represent sustainable progress rather than a one-quarter anomaly.

High leverage limits strategic flexibility: Net debt/EBITDA at 3.0x and significant interest expenses limit financial flexibility for opportunistic M&A, reinvestment, or downturns.

Sources: Verve, Inderes

Investment profile (2/2)

Despite the debt refinancing in March 2025 at better terms, deleveraging remains slow due to weak cash conversion. Until leverage reaches the 1.5-2.5x target range, the balance sheet remains vulnerable to risks such as a weaker advertising market, rising interest rates, ongoing cash flow weakness, or renewed operational risks.

Navigating the evolving identifier landscape: Despite Google's decision not to fully deprecate third-party cookies in Chrome, the digital advertising ecosystem continues to transition toward more privacy-centric targeting frameworks. Regulatory pressure, platform restrictions, and increasing reliance on first-party data, contextual signals, and cohort-based approaches are reshaping how advertising inventory is bought and sold. As a result, uncertainty remains regarding which targeting methods will become industry standards over time. If Verve's chosen solutions (e.g., contextual, cohort-based) fail to gain broad adoption, or if competing platforms develop comparable capabilities, the expected competitive advantage may not materialize. Furthermore, the gradual and fragmented nature of the identifier transition may reduce the urgency for advertisers to adopt alternative solutions, potentially slowing the pace of monetization improvements.

AI-driven disruption to digital advertising ecosystem: The rapid adoption of AI-powered search tools (ChatGPT, Claude, Perplexity, Google's AI Overview) and emergence of "agentic AI" represent potential structural threats. As users obtain information directly through AI interfaces rather than browsing websites, ad-monetizable pageviews could decline materially. If autonomous AI agents handle shopping while filtering promotional content, traditional advertising mechanisms may be bypassed. Management argues Verve is well-insulated because 96% of revenue comes from mobile advertising (primarily in-app), and its proprietary transactional data (1.1 trillion annual ad transactions) and 65,000+ app integrations cannot be quickly replicated. While we think management's counterarguments have merit, the pace of AI development has exceeded expectations, and second-order effects remain very hard to predict. Broader shifts in consumer behavior or how major platforms integrate AI could create headwinds. This remains an evolving risk warranting ongoing monitoring, though immediate impact appears limited given Verve's in-app positioning and early stage of AI agent adoption.

Advertising market cyclicality: Ad spending is closely tied to macro conditions, with downturns creating a double impact through lower volumes and weaker CPMs. While Verve operates in faster-growing segments and derives 76% of revenue from North America, the 2023 contraction demonstrated clear cyclicality in Verve's business. Future macro weakness could pressure both growth and margins.

Competitive advantage

Verve's games portfolio gives it a degree of first-party content ownership that is uncommon among independent ad-tech peers. While the games business is no longer a strategic priority, it serves as an internal testing environment for new advertising solutions. It allows Verve to develop and validate product features before deploying them to third-party publishers and contributes supplementary audience data to the platform. However, the more meaningful data differentiation today comes from Verve's SDK integrations across 20,000+ direct publisher connections, Captify's search intent dataset, and Jun Group's zero-party data, which together form the core of its proprietary targeting capability.

Originating as a gaming company, Verve has built strong experience within the gaming vertical, one of the largest segments in mobile advertising. This background enabled the company to respond relatively quickly to industry shifts such as Apple's IDFA restrictions by introducing on-device and cohort-based targeting solutions, helping advertisers maintain performance despite reduced identifier availability. The company has also established a strong position in premium mobile app supply, where high-quality inventory tends to attract performance-focused advertisers willing to pay higher CPMs, which in turn makes the platform more attractive to additional publishers.

Transparency and vertical integration provide additional differentiation. Verve's open-source HyBid SDK helps build trust with developers, while its presence across multiple parts of the ad-tech value chain enables more direct advertiser-publisher connections, improving efficiency and measurement. Acquisitions have strengthened demand-side data, advertiser relationships, and attribution capabilities. Early investment in contextual, cohort-based, search-intent, and first-party targeting also provides flexibility as the industry reduces reliance on identifiers, supporting Verve's positioning as an independent alternative within the open-internet ecosystem.

Despite these strengths, we think the company's competitive moat should be viewed as moderate rather than wide. Verve's data scale remains smaller than that of Google, Meta, and Amazon, transparency alone does not guarantee premium pricing, and vertical integration adds operational complexity. In addition, technological advantages in ad-tech tend to erode relatively quickly as competitors replicate new features, meaning the company's position must be continuously reinforced through execution, innovation, and customer relationships.

Sources: Verve, Inderes

Investment profile overview

1. Profitable and growing ad-software platform with first-party content
2. Positioned in faster-growing segments of digital advertising, particularly mobile in-app, CTV and other emerging channels
3. Omnichannel full-stack platform with proprietary data, privacy-first targeting solutions, and premium mobile supply relationships
4. Cross-selling and synergy potential across a now-unified platform and expanded client network
5. Elevated leverage and weak cash conversion in 2025 increase risks and limits strategic flexibility in the near term

Potential

- Low valuation multiples reflect execution concerns but offer upside if operational improvements continue
- Strong positioning in privacy-first and ID-less targeting as the advertising ecosystem evolves
- Growing exposure to high-growth programmatic segments such as mobile in-app and CTV
- Sticky customer base and premium supply relationships support long-term growth potential

Risks

- High leverage and weak cash conversion in 2025 constrain financial flexibility
- Uncertainty around future targeting standards in a privacy-first, identifier-light environment
- AI-driven changes to search and browsing behavior could disrupt parts of the ad ecosystem
- Advertising market cyclicality can pressure both volumes and pricing

Estimates (1/5)

Basis for the estimates

Our revenue estimates are built around several key drivers, including growth in the overall programmatic market, expansion of Verve's software client base, ad impression volumes, customer retention, net dollar expansion, and CPM development. These have been calibrated against the company's historical organic growth, its own financial targets, and the growth trajectories of key competitors.

Macroeconomic outlook in target markets

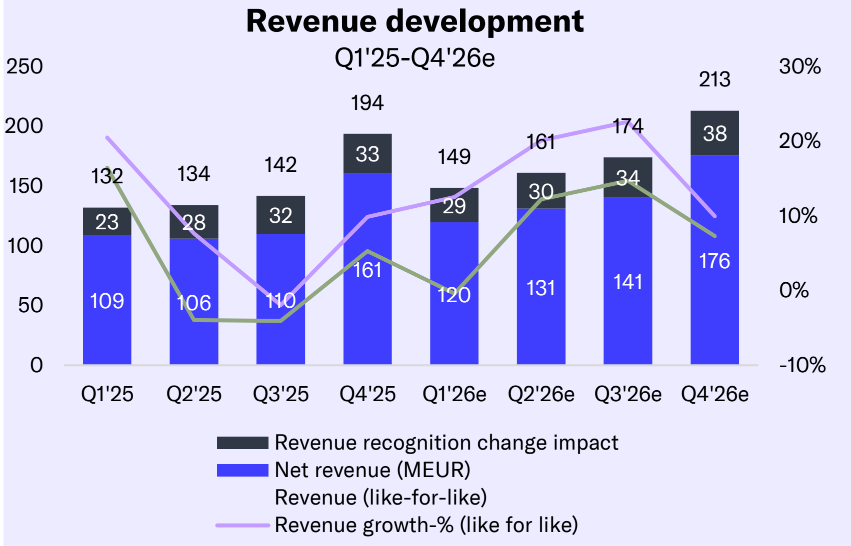
As the majority of Verve's revenue is generated in North America, particularly in the US, our estimates are also closely tied to the outlook for the US economy, consumer spending and sentiment, and overall advertising market conditions. Programmatic advertising demand is highly correlated with overall economic activity, corporate marketing budgets, and consumer confidence, making macro trends an important driver of revenue growth.

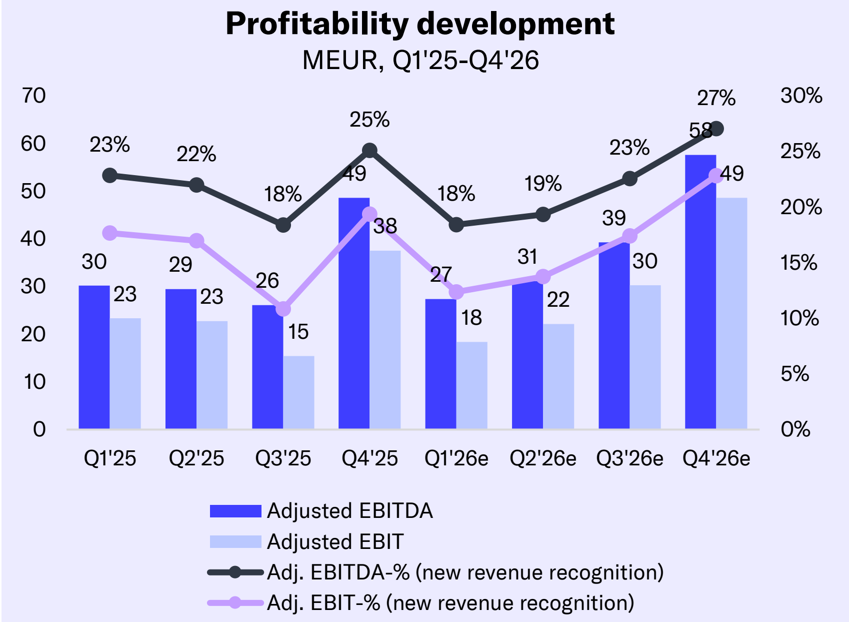
The US economy is expected to remain on a moderate growth path over the coming years, although at a slower pace than in the post-pandemic recovery period. According to IMF forecasts (January, 2026), U.S. real GDP growth is projected at 2.4% in 2026 (2025: 2.1%), supported by continued fiscal stimulus through investment tax incentives for corporate spending, a lower policy rate environment as the Federal Reserve continues its easing cycle, and the gradual waning of headwinds from higher trade barriers. Inflation is expected to gradually decline toward the Federal Reserve's target, while interest rates are assumed to trend lower as monetary policy normalizes.

The labor market remains relatively resilient, although job creation has slowed compared to earlier years, and unemployment is expected to increase slightly as growth moderates. Consumer spending continues to be supported by solid real wage growth, but higher interest rates and tighter credit conditions have reduced discretionary spending momentum compared to the strong levels seen in 2021-2022. As advertising spending is closely linked to consumer demand, this suggests a more stable but less supportive growth environment in the near term.

Consumer sentiment indicators have improved from recent lows but remain below long-term averages, reflecting continued uncertainty around inflation, interest rates, and geopolitical developments. Historically, advertising demand has been sensitive to changes in business confidence and consumer sentiment, meaning that a gradual improvement in macro conditions should support programmatic advertising growth, while renewed weakness could quickly impact volumes and pricing.

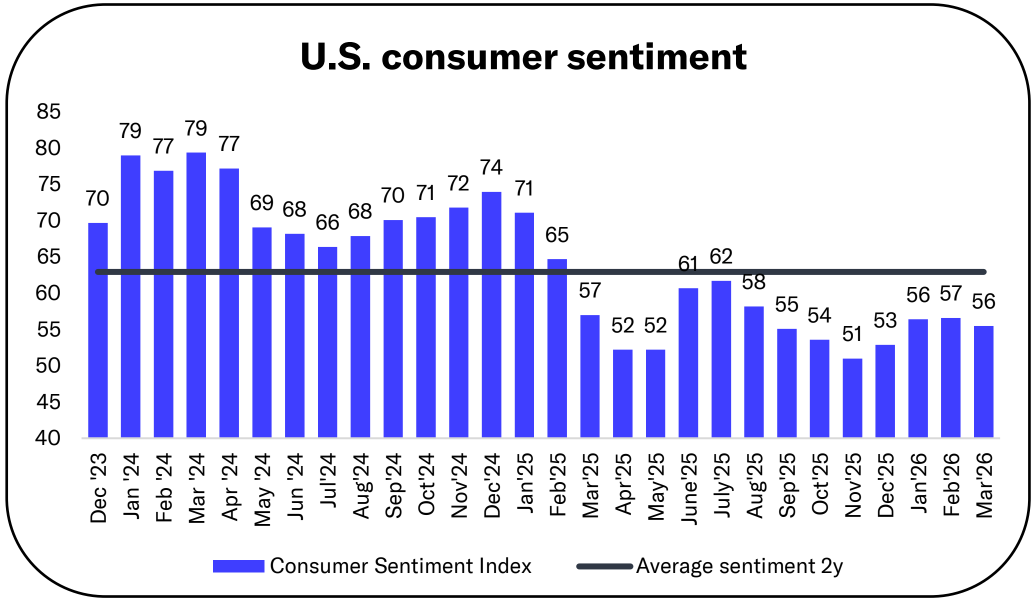
On balance, we believe the near-term macro environment remains relatively supportive for Verve's core market. Lower interest rates, easing inflation, and the structural growth of digital advertising should provide tailwinds, though the company is not fully insulated from cyclical softness, which could introduce short-term volume and pricing volatility. It should be noted that the IMF projections predate the US-Iran military conflict that escalated in late February 2026, which has introduced renewed uncertainty around energy prices and consumer sentiment, and which may weigh on growth outcomes relative to the January baseline, ultimately impacting advertising spending.

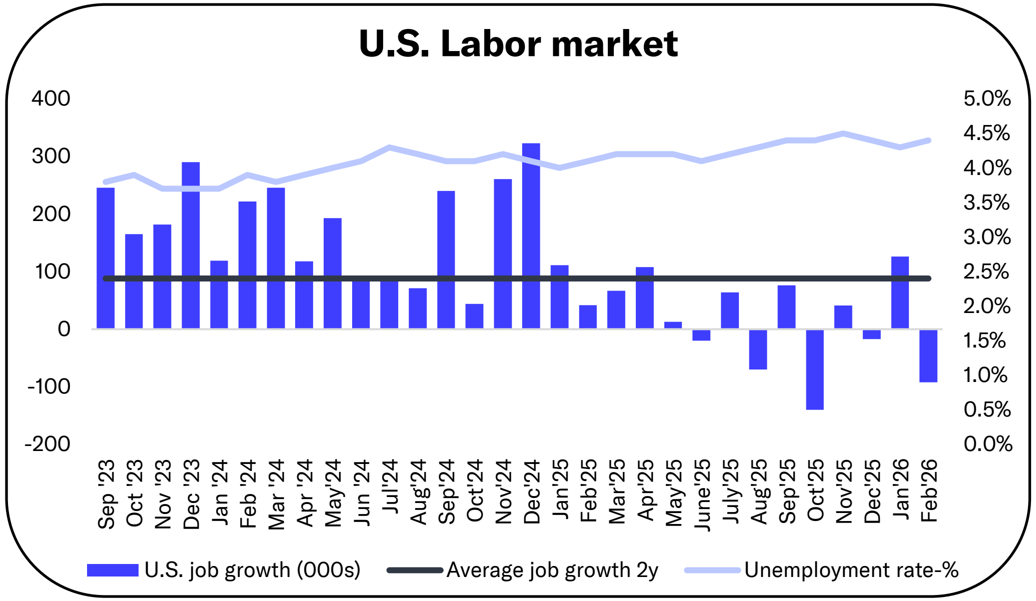


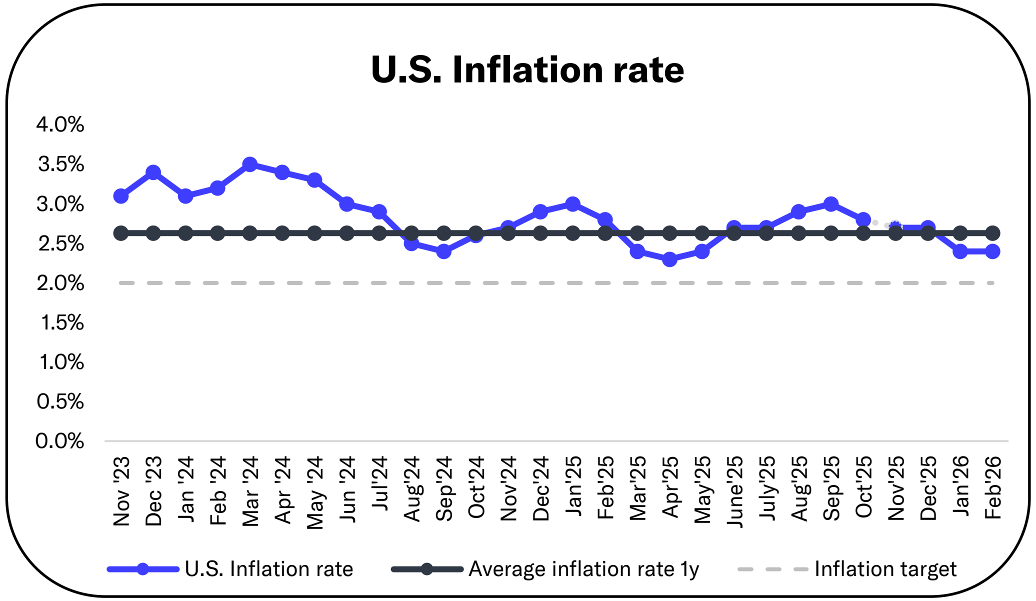


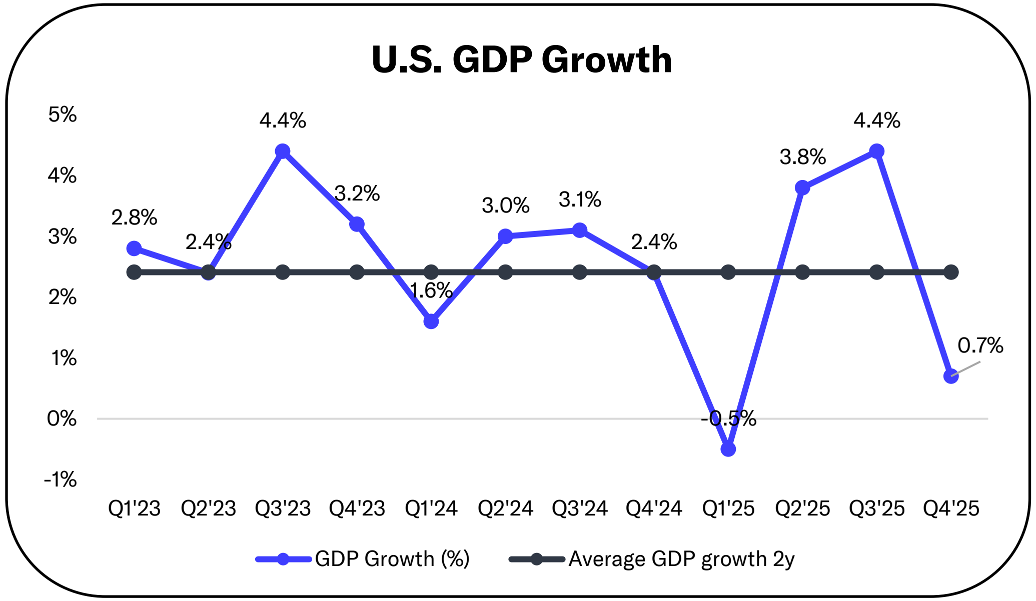
Sources: Verve, Inderes estimates

Current macro snapshot





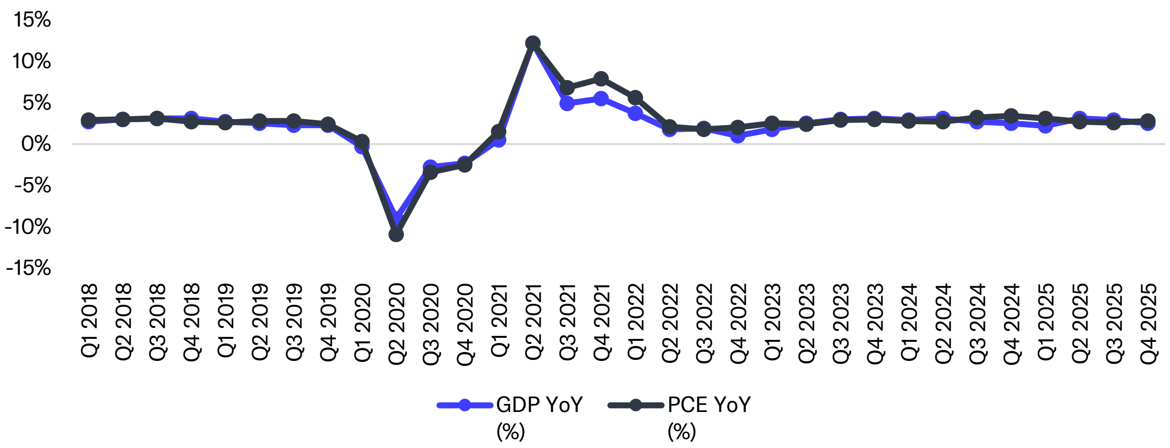




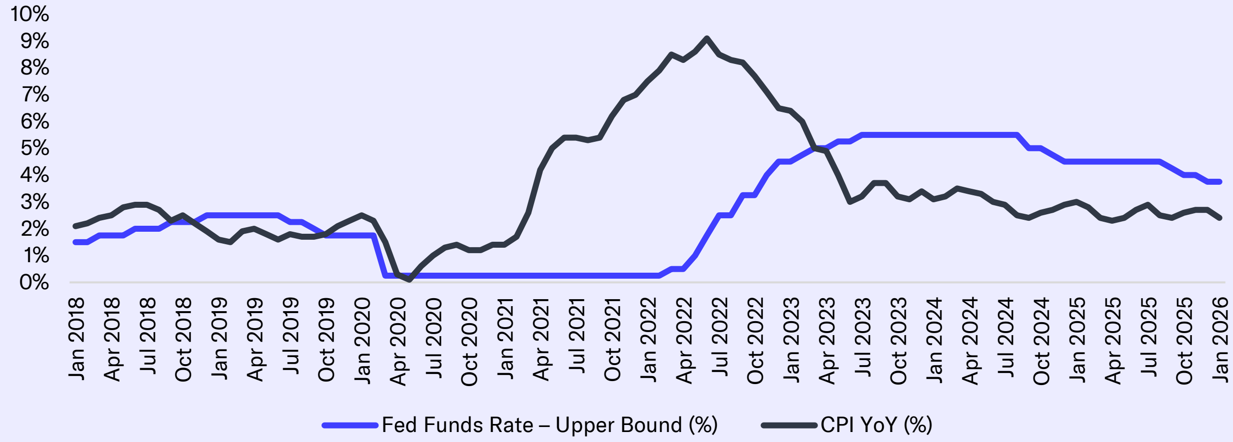
Sources: U.S. Bureau of Labor Statistics, University of Michigan

Macro outlook

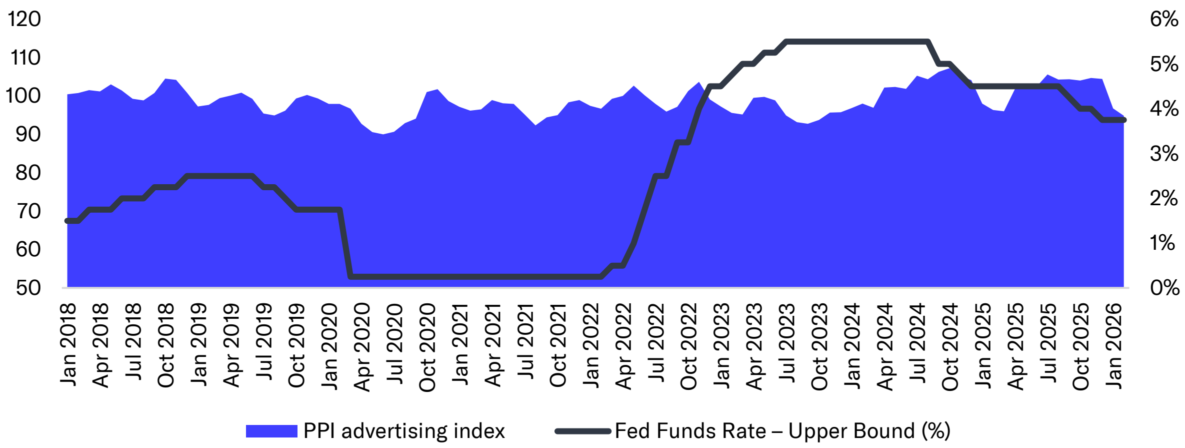
U.S. Consumer spending and GDP growth go hand in hand
y/y-%, 2018-2025



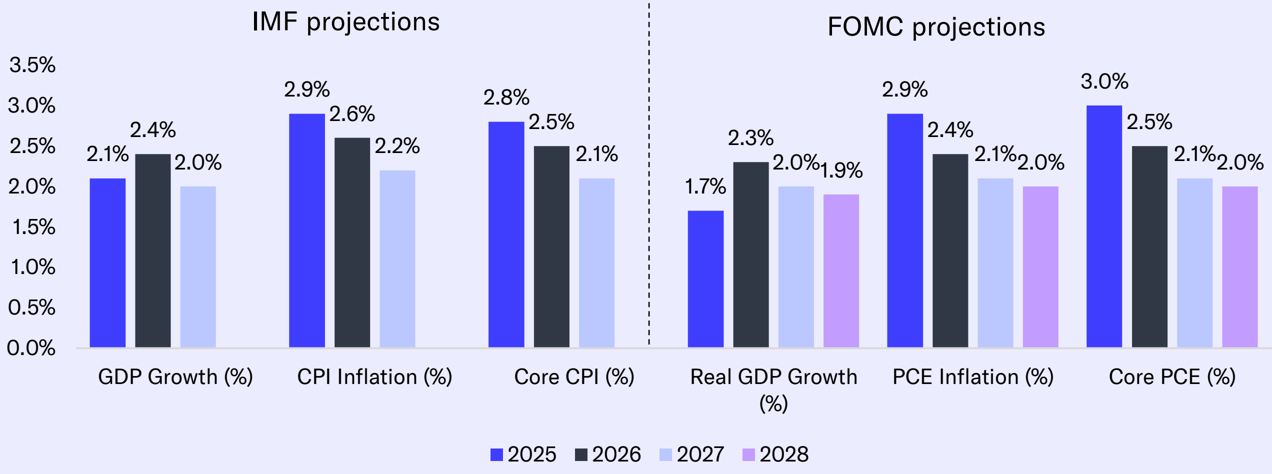
Interest rate are coming down while inflation stabilizes...
U.S. inflation rate, U.S. policy rate, 2018-2026



PPI advertising and FED rates
2018-2026, monthly



Projected U.S. GDP growth and inflation
2026-2028



Sources: IMF: World Economic Outlook Update, Federal Reserve: FOMC

Estimates (2/5)

2025 in review: a year that tested the investment case

Since the July 2024 extensive report, several notable events have affected both the structure of the business, the near-term trajectory, as well as challenged our investment thesis. First, the acquisitions of Acardo Group (Germany) and Captify (UK) in September 2025 extended Verve's European footprint, broadened its demand-side capabilities, and strengthened its data layer. While these acquisitions are strategically sound, Captify in particular added a degree of margin dilution in the near term due to its lower initial profitability, which we believe will be partially offset by cost-saving and cross-selling synergies from 2026 and onward.

Second, and more consequentially, the SSP platform migration and unification process in H1'25. The unification, which aimed to consolidate Verve's fragmented supply-side infrastructure onto a single, unified platform, was strategically sound as a unified platform lowers operational complexity, enhances scalability, and reduce the inherent inefficiencies (and extra costs) associated with managing multiple, uncoordinated systems. However, the execution proved significantly more challenging than anticipated. The migration triggered a severe platform outage in Q2'25, which disrupted Verve's ability to serve publisher and advertiser, and ultimately forced Verve to issue a profit warning in August 2025. On a full-year basis, management estimated that the disruption alone cost Verve ~34 MEUR in revenue and ~19 MEUR in adjusted EBITDA relative to pre-warning expectations. The outage also had lingering effects on key operational KPIs, where the net dollar expansion rate fell from around 110% pre-outage to 90% by Q3'25, and the large software client count declined sharply in Q2 before beginning to recover. Encouragingly, customer retention remained resilient throughout the disruption, and the record-high retention rate of 99% in Q4'25 is, in our view, the clearest signal that underlying client relationships stayed largely intact. Although the platform has been stable since mid-August 2025 and Q4'25 demonstrated a rebound in several operational metrics, we believe the full recovery is still in progress as the trailing effects of the outage continue to affect the net dollar expansion rate and client momentum heading into 2026.

The most significant test to our investment thesis, however, has been the persistent weakness in cash flow generation throughout 2025. Full-year FCFF came in at 9 MEUR, versus 94 MEUR in 2024, representing a sharp deterioration that management attributes to constrained utilization of the receivables securitization program rather than any structural change in the underlying business. The program's limitations forced the company to fund working capital requirements through operating cash flow and debt throughout the year, impairing free cash flow even in the seasonally strong second half. Expanding the program, including broadening it to additional legal entities and increase its volume, is management's stated top priority for 2026, and we expect this to be the primary driver of cash conversion improvement over the course of the year. That said, we note that the burden of proof firmly rests with management to demonstrate this improvement in actual reported figures.

Lastly, from Q3'25 onwards, Verve changed its revenue recognition on the migrated in-app SSP platform from net to gross reporting in accordance with IFRS 15. This change increases the reported revenue base but has a dilutive effect on margins, making direct year-on-year comparisons more complex. In this section, we focus primarily on reported figures as per the new recognition standard, which is the basis on which management issued its 2026 guidance.

2026 will be a year crucial year to restore credibility

For 2026, management has guided for revenues of 680-730 MEUR, implying ~17% growth (like-for-like) at the midpoint, and adjusted EBITDA of 145-175 MEUR, corresponding to a margin of 23% at the midpoint. Management has characterized this guidance as conservative, and has noted that USD weakness since the start of the year is creating meaningful FX headwinds, at least during the first half of the year.

Our 2026 revenue estimate stands at 697 MEUR (16% y/y), in line with the midpoint of the guidance range. For organic growth, we estimate 8% in 2026, which reflects a gradual recovery from the platform disruption, a more stabilized macro environment, and early benefits from the sales force expansion and platform unification efficiencies.

We expect the quarterly phasing to be notably skewed toward H2, driven by three factors: the impact of FX headwinds that are predominantly felt in H1, a gradual recovery from the large customer loss that occurred in Q4'25, and the front-loading of sales force investments in Q1 and Q2 that will weigh on short-term conversion before the new staff reach full productivity later in the year.

Sources: Verve, Inderes

Estimates (3/5)

In terms of underlying revenue drivers, we think the record-high customer retention rate of 99% in Q4’25 suggests that the platform unification, despite its near-term disruption, has not structurally eroded Verve's competitive position with its existing client base. With churn this low, new customer wins are largely additive to the revenue base rather than partially replacing losses. The net dollar expansion rate improved slightly to 92% in Q4’25, up from 90% in Q3’25, though it remains well below the 108-110% levels seen throughout 2024. Given that this metric is calculated on a trailing twelve-month basis, we expect the lingering effects of the platform outage will continue to suppress it through H1’26, and we expect it to gradually recover toward a more normalized range, at least to above 100%, through the second half of the year, considering the current market conditions.

Verve has also been able to defend its number-one position in North America mobile in-app SSP market share throughout 2025 (Q4’25: 54% on Apple, 32% on Google Play per Pixalate) which we expect to support organic growth through new customer onboarding, at least in the short term.

Medium-term growth anchored in structural tailwinds

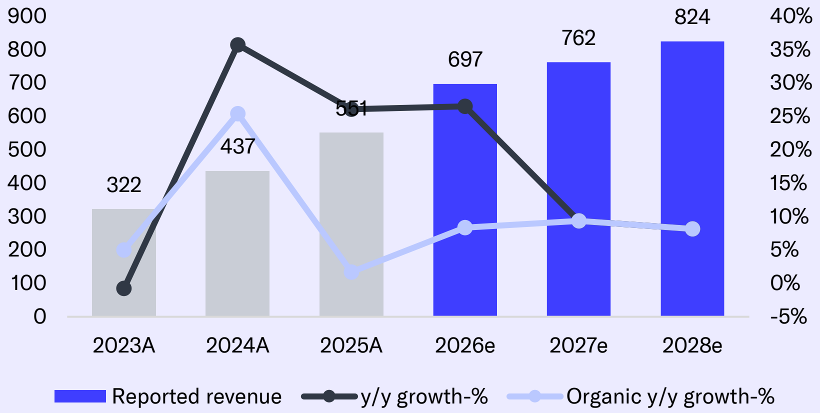
For 2027-2028, we estimate revenue growth of 9% and 8%, respectively, with revenue reaching 824 MEUR by 2028. By this point, the large customer loss will have been fully anniversaried and the new sales cohorts should be operating at full productivity, providing a cleaner underlying growth trajectory. Our medium-term assumptions are underpinned by Verve's focus on ID-less targeting solutions and its strong positioning in the faster-growing sub-segments of programmatic advertising, particularly mobile in-app and CTV, as well as the structural tailwind from continued programmatic penetration of total advertising budgets and the growing importance of privacy-compliant targeting. That said, we are mindful of the complexity and uncertainty inherent in the evolving advertising landscape. The potential for AI-driven disruption to established advertising models, combined with the inherent cyclicality of advertising markets, leads us to adopt a somewhat conservative stance on medium-term growth.

Profitability and earnings estimates

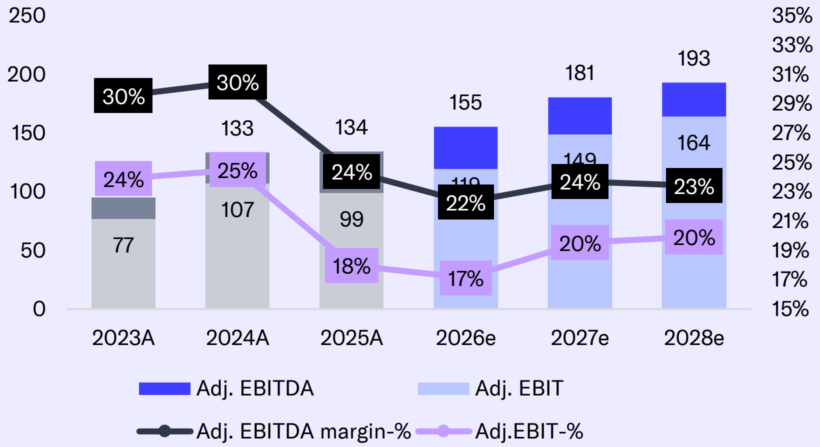
Our profitability estimates for 2026-2028 reflects several moving parts. In the near term, we expect the front-loading of sales force investments and some dilutive impact of the Captify integration will weigh on margins in H1’26, before a combination of revenue scaling, platform efficiencies, and synergies to support a margin improvement in H2’26 and beyond. Management indicated during the Q4’25 earnings call that the exact timing of the sales productivity inflection point is difficult to forecast with quarterly precision, which we feel introduces a degree of uncertainty into our 2026 margin assumptions.

For the full year 2026, we estimate an adjusted EBITDA of 155 MEUR, corresponding to a margin of 22%, largely in line with the midpoint of management's guidance range. Adjusted EBIT is estimated at 119 MEUR, representing a margin of 17% (FY25: 16%, like-for-like).

Revenue and growth-%
MEUR, 2023-2028e



Profitability and margin estimates
MEUR and % of revenue, 2023-2028e



Sources: Verve, Inderes

Estimates (4/5)

For 2027 and 2028, we expect the adjusted EBIT margin to expand to 19.5% and 20% (unadjusted EBIT-%: 17% and 17.6%), respectively, with corresponding EBITDA margin to improve to around 24%. The improvement reflects the operating leverage from continued revenue growth, the gradual absorption of the front-loaded sales force investments made in 2026, broader platform efficiencies from the now-unified SSP infrastructure, and a more normalized cost structure as post-acquisition integration activities wind down.

We estimate adjusted* EPS of EUR 0.31 in 2026 (2025: EUR 0.09) and EUR 0.42 and EUR 0.47 in 2027 and 2028, respectively. The year-on-year improvement in EPS is driven by earnings growth and the absence of larger non-recurring items related to bond re-financing. Along with the company's intention to expand its securitization program, we expect the additional financing costs associated with the increased capacity to broadly offset the interest savings we expect from partial repayment of short-term debt, keeping net financial expenses relatively stable over the 2026-2028 period.

Long-term estimates

Over the long term, we expect the key revenue drivers to be continued growth in the programmatic advertising market, increasing exposure to the higher-growth channels of mobile in-app, CTV, retail media, and the sustained focus on privacy-first and ID-less targeting through proprietary solutions such as Moments.AI and ATOM. After 2028, we estimate that organic revenue growth will begin to moderate, gradually converging toward our terminal growth rate of 2%. Between 2029-2033, we expect the compounded annual growth rate (CAGR) to be around 5%.

In terms of profitability, we expect the EBIT margin to gradually converge to ~14% in the terminal year, which reflects our conservative steady-state margin that accounts for sustained competitive intensity in the programmatic ecosystem and the ongoing need for investment in innovation.

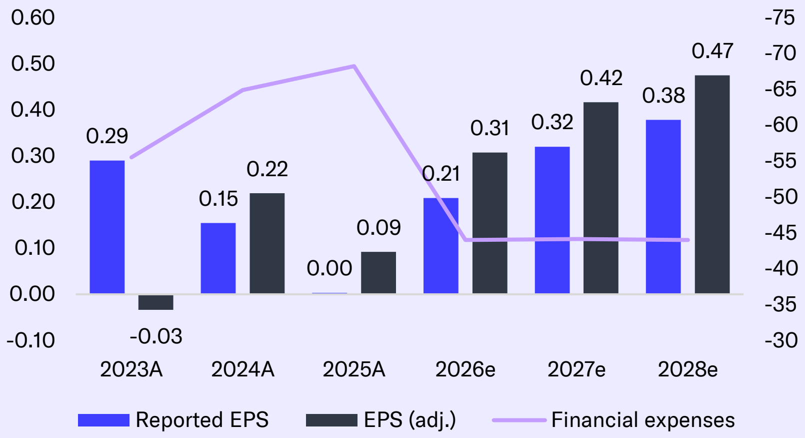
Balance sheet and net leverage

Verve's leverage ratio remained elevated at 3x net debt to adjusted EBITDA on a pro forma basis at the end of Q4'25 (Q4'24: 2.4x), which is above the company's long-term target range of 1.5-2.5x. The primary reason for this is the weak cash flow generation throughout 2025 and the platform unification issues, which prevented the deleveraging trajectory we had anticipated in our previous extensive report from materializing. Going forward, we note that the path to leverage reduction is more dependent than before on the successful expansion and utilization of the receivable securitization program, in order to strengthen cash flow generation.

Interest-bearing debt stood at 535 MEUR at the end of Q4 2025, and will increase modestly in 2026 following the 50 MEUR bond tap. Remaining earn-out payments linked to the Jun Group and Acardo acquisitions are estimated at ~30 MEUR in 2026, which will place a further call on cash generation. We expect most of the contingent payments to be largely settled by end of 2026, after which the absence of larger earn-out payments (only ~9 MEUR remaining in 2027) should accelerate deleveraging into 2027. Taken these factors into account, alongside our earnings estimates, we forecast net leverage to decline to 2.8x by year-end 2026.

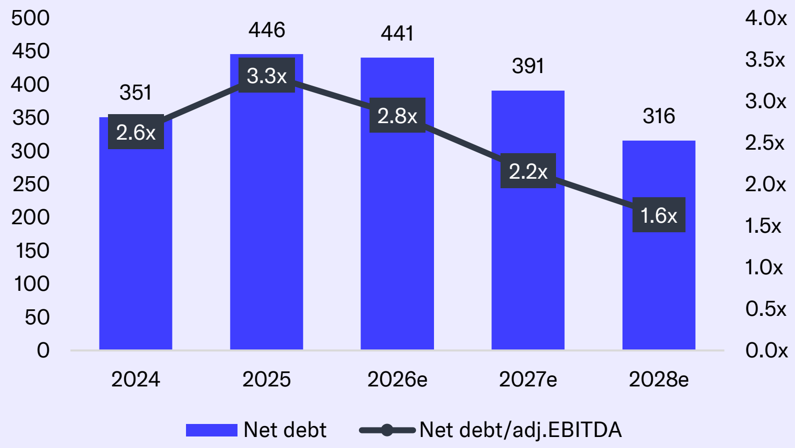
Earnings per share (EUR) and financial expenses (MEUR)

2023-2028e



Net debt (MEUR) and leverage

2024-2028e



*Adjusted for PPA amortization
Sources: Verve, Inderes

Estimates (5/5)

As such, we believe that leverage will remain above the top of the 1.5-2.5x target range through 2026, and that it will likely take until late 2027 to sustainably enter the target range, assuming the securitization program expansion and resulting cash flow improvement materializes broadly as we expect. Should the improvement in cash conversion be slower or more modest than we anticipate, the deleveraging trajectory could extend further. This remains one of the key variables in the investment case, in our view.

Cash flow and investments

Verve's underlying cash conversion capability, when the securitization program is functioning as intended, is strong, as evidenced by the 94 MEUR in FCFF generated in 2024. However, 2025 demonstrated what happens when the program is constrained, were full-year FCFF deteriorated to 9 MEUR despite solid EBITDA generation, as working capital consumed cash throughout the year, including in Q4, which is seasonally Verve's strongest period for cash conversion. We also think it is important to note the impact of the company’s high financing costs on cash generation, which can be seen in the adjacent cash conversion metrics, as it reduces Verve’s ability to return capital to shareholders and deleverage faster.

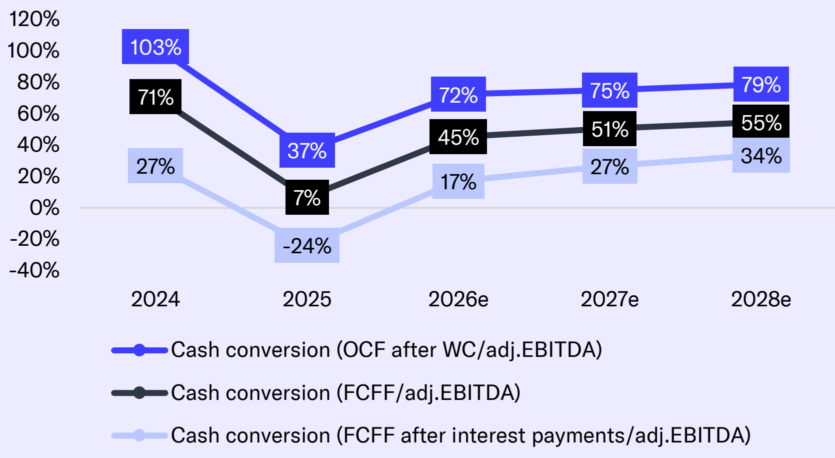
As Verve works to expand the securitization program and onboard additional legal entities, were two are planned for H1’26, we expect the working capital profile to normalize and cash conversion to improve meaningfully through the year relative to 2025. We conservatively model a stepwise program increase to ~125 MEUR in 2026 and ~150 MEUR from 2027 onwards. We estimate FCFF (adjusted for earn-out payments of ~30 MEUR) of 70 MEUR in 2026, representing ~45% conversion from our estimated adjusted EBITDA and a 10% margin. This is lower than our previous estimates from the last extensive report and reflects the execution uncertainty around the securitization expansion, which, while directionally sound, has uncertain timing and magnitude in the near term. For 2027, we estimate FCFF of 91 MEUR (excl. contingent considerations), assuming a further normalization of the working capital cycle.

We will continue to monitor cash conversion as the key swing factor in our investment thesis, and believe management's ability to demonstrate sustained improvement on this metric is the primary prerequisite for a meaningful re-rating of the stock.

In terms of capital expenditures, we expect annual investments of 42-47 MEUR over the 2026-2028 period (~6% of revenue), including both maintenance and expansion capex. Maintenance capex is expected to represent ~10% of the total, with the remainder directed toward expansion and growth initiatives. At this level of investment, we expect, despite the improved cash conversion we anticipate from the securitization expansion, limitations on Verve’s ability to meaningfully improve its net debt position in the short term, considering the contingent considerations due in 2026 coupled with elevated financial expenses in 2026 (~44 MEUR). From 2027 and onward, however, we see better conditions, with the absent of larger contingent considerations, for Verve to increasingly fund its growth initiatives organically while still reducing net debt.

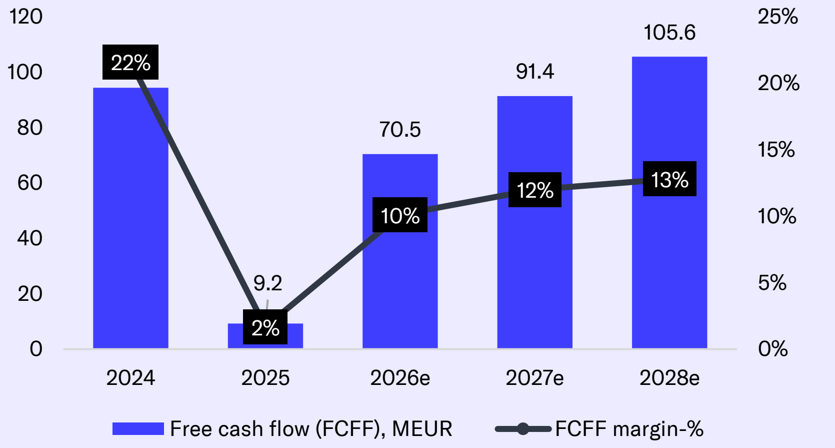
Cash conversion metrics*

2024-2028e



Free cash flow (MEUR)*

2024-2028e



*Excluding contingent considerations & earn-outs, which for 2026 is estimated at ~30 MEUR (Jun Group and Acardo) and 9 MEUR (Captify) in 2027
Sources: Verve, Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**437**	**109**	**106**	**142**	**194**	**551**	**149**	**161**	**174**	**213**	**697**	**762**	**824**	**886**
EBITDA (excl. NRI)	133	30.2	29.5	26.1	48.6	134	27.4	31.1	39.3	57.6	155	181	193	202
EBITDA	**129**	**27.5**	**27.0**	**21.8**	**45.8**	**122**	**27.4**	**31.1**	**39.3**	**57.6**	**155**	**181**	**193**	**202.5**
Depreciation	-38.2	-10.8	-10.4	-15.4	-16.6	-53.1	-13.9	-13.9	-13.9	-13.9	-55.7	-51.1	-48.2	-50.9
EBIT (excl. NRI)	**107**	**23.3**	**22.8**	**15.4**	**37.5**	**99.0**	**18.4**	**22.2**	**30.3**	**48.6**	**119**	**149**	**164**	**152**
EBIT	**90.3**	**16.7**	**16.6**	**6.5**	**29.2**	**69.1**	**13.4**	**17.2**	**25.3**	**43.7**	**99.7**	**130**	**145**	**152**
Net financial items	-58.5	-13.2	-20.8	-12.6	-15.2	-61.9	-11.0	-11.0	-11.0	-11.0	-44.1	-44.1	-44.0	-41.3
PTP	**31.8**	**3.5**	**-4.2**	**-6.2**	**14.1**	**7.2**	**2.4**	**6.2**	**14.3**	**32.7**	**55.5**	**85.4**	**101**	**110**
Taxes	-3.0	-3.3	4.6	2.6	-10.4	-6.5	-0.6	-1.5	-3.6	-8.2	-13.9	-21.4	-25.2	-27.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**28.8**	**0.18**	**0.4**	**-3.6**	**3.7**	**0.7**	**1.8**	**4.6**	**10.7**	**24.5**	**41.7**	**64.1**	**75.7**	**82.7**
EPS (adj.)	**0.24**	**0.03**	**0.03**	**0.03**	**0.06**	**0.15**	**0.03**	**0.05**	**0.08**	**0.15**	**0.31**	**0.42**	**0.47**	**0.41**
EPS (rep.)	**0.15**	**0.00**	**0.00**	**-0.02**	**0.02**	**0.00**	**0.01**	**0.02**	**0.05**	**0.12**	**0.21**	**0.32**	**0.38**	**0.41**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	35.7 %	32.2 %	9.9 %	24.8 %	34.4 %	26.1 %	36.3 %	51.8 %	22.6 %	10.0 %	26.5 %	9.4 %	8.2 %	7.5 %
Adjusted EBIT growth-%	39.2 %	40.2 %	-1.7 %	-38.8 %	-10.9 %	-7.5 %	-21.2 %	-2.7 %	96.5 %	29.6 %	20.6 %	24.6 %	10.4 %	-7.7 %
EBITDA-%	29.4 %	25.2 %	25.4 %	15.4 %	23.6 %	22.2 %	18.4 %	19.3 %	22.6 %	27.0 %	22.3 %	23.7 %	23.4 %	22.8 %
Adjusted EBIT-%	24.5 %	21.4 %	21.5 %	10.9 %	19.4 %	18.0 %	12.4 %	13.7 %	17.4 %	22.8 %	17.1 %	19.5 %	19.9 %	17.1 %
Net earnings-%	6.6 %	0.2 %	0.4 %	-2.5 %	1.9 %	0.1 %	1.2 %	2.9 %	6.2 %	11.5 %	6.0 %	8.4 %	9.2 %	9.3 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**1013**	**1021**	**1007**	**1000**	**999**
Goodwill	718	715	715	715	715
Intangible assets	269	258	244	237	236
Tangible assets	4.3	13.0	13.0	13.1	13.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	4.9	7.1	7.1	7.1	7.1
Deferred tax assets	17.0	27.9	27.9	27.9	27.9
Current assets	**239**	**232**	**307**	**370**	**460**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	31.7	30.0	41.8	45.7	49.5
Receivables	60.9	113	146	166	180
Cash and equivalents	147	89.0	119	158	231
Balance sheet total	**1252**	**1252**	**1314**	**1370**	**1458**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**451**	**423**	**465**	**529**	**605**
Share capital	1.6	1.6	1.6	1.6	1.6
Retained earnings	76.9	77.6	119	183	259
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	372	344	344	344	344
Minorities	0.2	0.2	0.2	0.2	0.2
Non-current liabilities	**499**	**525**	**600**	**591**	**591**
Deferred tax liabilities	21.7	25.9	25.9	25.9	25.9
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	446	474	550	550	550
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	31.0	24.3	24.3	14.9	14.9
Current liabilities	**303**	**305**	**249**	**250**	**263**
Interest bearing debt	52.0	60.4	10.0	0.0	0.0
Payables	145	147	174	185	198
Other current liabilities	106	97.6	65.3	65.3	65.3
Balance sheet total	**1253**	**1253**	**1314**	**1370**	**1458**

Valuation 1/7

Re-rating hinges on improving cash conversion, deleveraging, and restoring investor confidence

Following several years of strong growth, Verve encountered headwinds in 2023 as advertising budgets contracted. This, combined with the company's high leverage and rising interest rates, resulted in a sharp contraction in both the stock price and valuation multiples. The company responded with several strategic actions during 2024-2025, including the acquisition of Jun Group to enhance earnings quality and strengthen its demand side, raised 810 MSEK through directed share issues, and refinanced its outstanding bonds on more favorable terms to reduce annual interest expenses. However, 2025 proved to be more difficult than anticipated. Platform unification, while strategically necessary, created operational friction that resulted in a profit warning and weighed on investors' confidence. Separately, limitations in the securitization program led to persistent weakness in free cash flow conversion. Although Q4 showed early signs of the expected efficiency gains from the completed unification, most notably in margin improvement, the full year's inability to convert profitability into free cash flow left leverage at 3x net debt/adj. EBITDA (pro forma), clearly above the company's 1.5-2.5x target range. The re-rating we had anticipated failed to materialize, and the stock continues to trade at very low absolute multiples, reflecting both execution uncertainty, investor confidence issues, and a stretched balance sheet.

Before a meaningful multiple expansion can occur, we believe management needs to demonstrate that Q4's margin improvement was the beginning of a durable trend rather than a one-quarter event, show tangible progress in cash conversion, not just profitability, and rebuild investor confidence through consistent delivery against guidance.

At current levels around SEK 15 (2026e EV/ adj. EBIT 6x, EV/adj. FCFF: 10x), we still view the risk/reward as positive. However, given the increased uncertainty surrounding cash flow generation and the broader valuation compression within the peer group, we are adopting a more cautious stance at this time, leading us to lower our recommendation to Accumulate (was Buy) and reduce our target price to SEK 18 (was SEK 20)

Valuation methods used

We approach the valuation of Verve using absolute valuation multiple, relative valuation, and a DCF analysis. In addition to these, we use a total expected return calculation for the coming years as well as a scenario analysis.

We continue to favor a cash flow-based approach, specifically a discounted cash flow (DCF) model as well as cash flow multiples such as EV/FCFF, as Verve's income statement includes several non-cash and non-recurring items that obscure the true economics of the business. Of the earnings multiples, we have a preference EV/EBIT (adj.) multiples over EV/EBITDA, particularly in a peer comparison context, as EBITDA strips out D&A in full, which are expenses that are economically real for Verve given that capitalized platform development must be continuously reinvested to maintain competitive relevance, and because it better neutralizes the R&D capitalization asymmetry between Verve and peers that expense equivalent costs directly through the P&L.

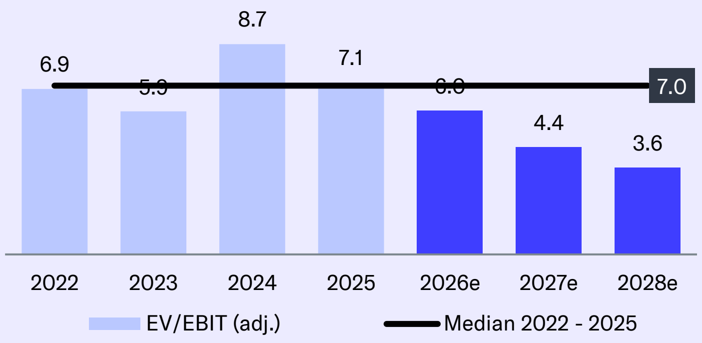
Absolute valuation multiples

Verve's median EV/EBIT ratio, adjusted for non-recurring costs and PPA amortization, over the last five years is 7x, and the corresponding figures for the adjusted P/E ratio and EV/S ratio are 8x and 1.6x, respectively. The average ratios are 9x, 11x and 2x, respectively.

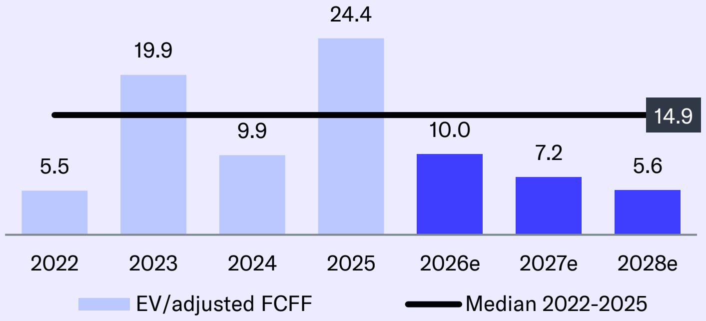
Valuation	2026e	2027e	2028e
Share price (EUR)	1.35	1.35	1.35
Number of shares, millions	200.1	200.1	200.1
Market cap (MEUR)	270	270	270
EV (MEUR)	711	662	590
P/E (adj.)	4.4	3.2	2.8
P/E	6.5	4.2	3.6
P/B	0.6	0.5	0.4
P/S	0.4	0.4	0.3
EV/Sales	1.0	0.9	0.7
EV/EBITDA	4.6	3.7	3.1
EV/EBIT (adj.)	6.0	4.4	3.6
EV/FCFF (adj.)*	10.1	7.2	5.6
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

EV/EBIT (adj.*)



EV/FCFF (adj.*)



*EBIT is adjusted for PPA amortization and FCFF is adjusted for earn-outs.
Sources: Verve, Inderes

Valuation 2/7

Looking at the unadjusted multiples, the corresponding median EV/EBIT and P/E ratios are 10x and 20x. To assess how Verve is priced relative to FCFF generated, we can look at a cash flow-based multiple, such as EV/FCFF. The four-year median EV/FCFF, adjusted for earn-outs, is 15x, and if we would instead use the “normalized” FCFF during the same period, assuming stable securitization capacity, the corresponding figure is 13x. In general, we believe this demonstrates that Verve's adjusted earnings multiples does not currently reflect cash flows very well.

Based on our estimates, Verve's adjusted EV/EBIT multiples for 2026e and 2027e stand at 6x and 4x respectively, with unadjusted equivalents of 7x and 5x. On a cash flow basis, EV/FCFF excluding earn-outs stands at 10x and 7x for the same years. As such, the forward multiples are all below its historical medians. We consider the downside in absolute multiples from here to be limited, and find it difficult to construct a scenario where a business of Verve's scale and market position deserves to trade at a meaningful further discount to already historically depressed levels.

We think the current low absolute multiples reflect the market questioning the sustainability of revenue growth and margins, the high leverage, and FCFF generation. While understandable to some extent, given the challenging 2025, we note that the current 2026e forward EV/EBIT sits at a similar level to the lows seen in 2023, a period that, in our view, reflected harsher underlying conditions. During this time, we saw a deteriorating advertising market, rapidly decelerating growth, and a leverage profile under acute pressure from rising interest rates, with essentially all free cash flow consumed by interest payments and no meaningful capacity for debt reduction. The situation today is, in our view, structurally more favorable. The Q1’25 bond refinancing secured on better terms, and the acquisitions of Jun Group, Captify, and Acardo have added earnings capacity that was absent then. All else equal, this should support a more meaningful deleveraging trajectory, provided management delivers on its stated targets.

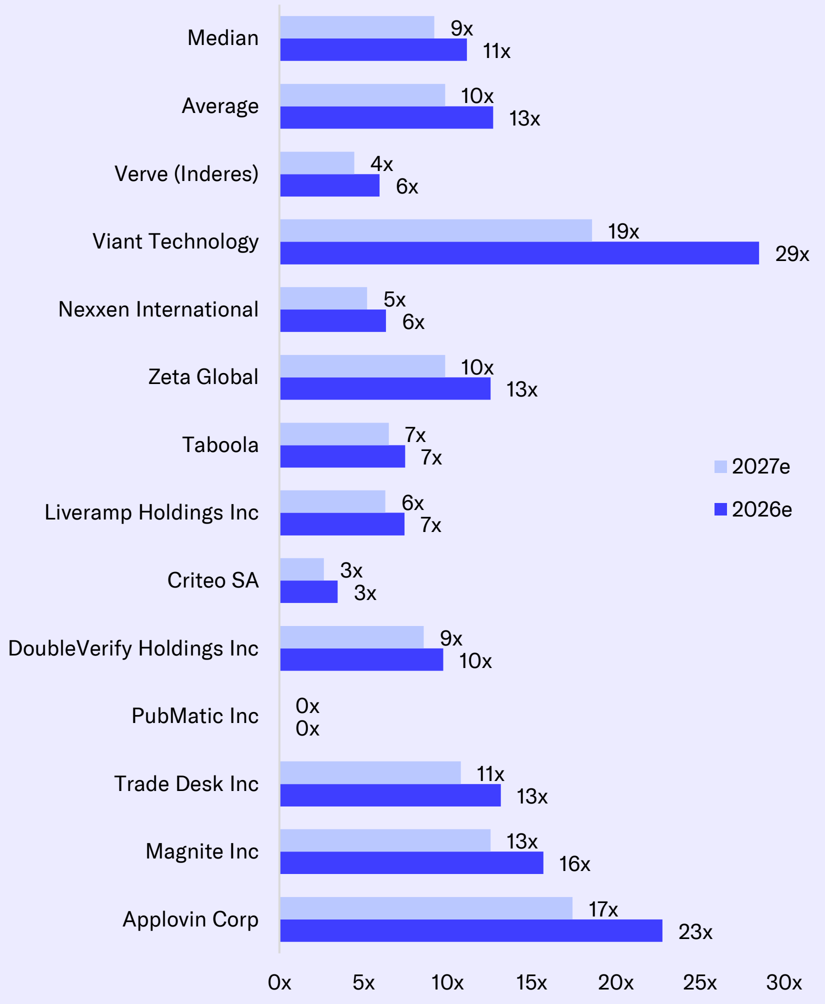
That said, we are mindful that 2025 has made the picture harder to read. Verve entered the year against a demanding comparison (2024 organic growth: 24%) and the largely self-inflicted platform unification difficulties obscured the underlying performance throughout much of the year. Additionally, the profit warning and weak free cash flow conversion have raised questions about management's credibility, and the near-term outlook is less certain than it was twelve months ago.

However, when weighing all of this together, we assess that the overall earnings-based valuation for the current and next years are on the low side, both in absolute terms and compared to historical figures. Should management restore growth momentum, realize the guided synergies, and demonstrate sustained improvement in cash conversion and deleveraging, the forward multiples could compress quickly from already low levels, which in itself represents a meaningful potential return component.

Peer group and acceptable valuation

To evaluate how Verve's valuation compares to similar companies, we have assembled a peer group of listed ad software companies spanning the programmatic value chain. Although some of the selected peers differ in terms of positioning, size, growth and profitability profile, they share similar revenue drivers and cost structures, and we believe the group offers valuable insights into an indicative valuation range for Verve.

EV/EBIT 2026-2027e



* Adjusted for earn-outs
Sources: Inderes

Valuation 3/7

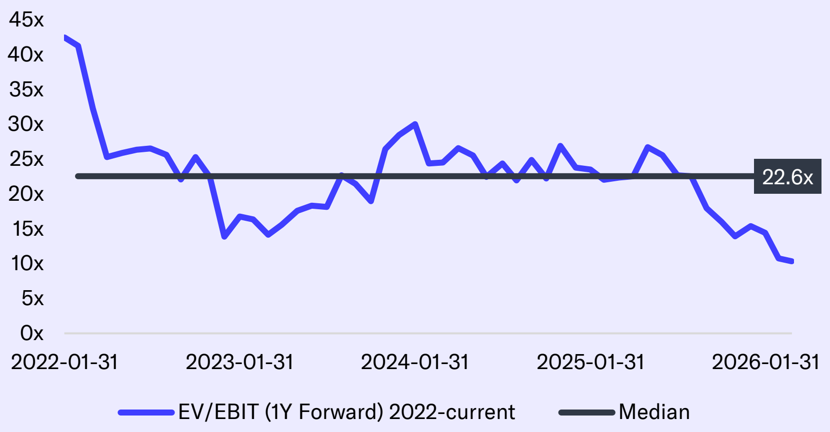
Relative to our previous extensive report (July 2024), we have added Taboola, Nexxen, Zeta Global, and Viant, reflecting Taboola's structural parallels on owned inventory and first-party data monetization, Nexxen's similar full-stack DSP/SSP architecture, Zeta's thematic overlap on data-driven targeting on a conditional basis given its more SaaS-oriented revenue model, and Viant for its cookieless DSP positioning and CTV exposure, which mirrors an important part of Verve's strategic direction, albeit without the supply side or owned inventory dimension.

The peer group's median EV/EBIT and EV/FCFF multiples for 2026 and 2027 are 11x-9x and 9x-7x, respectively. Corresponding EV/EBITDA, P/E, and EV/S multiple are 7x-6x, 12x-10x and 1.7x-1.5x. These multiples are overall clearly below their 4-year historical median multiples (on a next twelve-month basis*) of 23x (EV/EBIT), 17x (EV/FCFF), 11x (EV/EBITDA), 23x (P/E), and 2.6x (EV/S). As seen in adjacent graphs (as well as on p.49), open internet ad-tech multiples have been under notable pressure recently. We view this reflecting the market's concerns around factors such as AI-driven disruption, supply path optimization, walled garden encroachment, and the absence of meaningful switching costs.

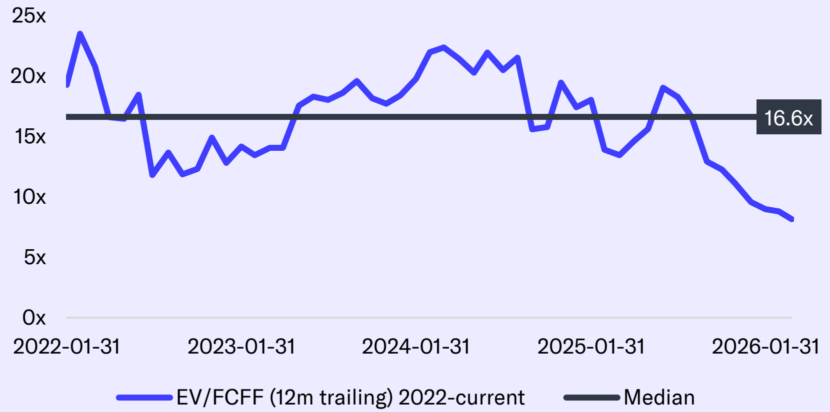
AppLovin is a clear outlier in the opposite direction, commanding a significant premium (2026-2027e EV/EBIT: 23-17x) as the market has re-rated it from ad network to AI platform on the back of AXON's closed-loop performance flywheel. The company's financials, in terms of revenue growth, margins, and cash generation, have also dramatically improved and are meaningfully stronger than other peers. Viant represents an outlier on EV/EBIT for different reasons. With an EBIT margin of just ~3% in FY2025 (vs adjusted EBITDA margin of 17%), the EBIT base is too thin to make the multiple analytically meaningful, and we therefore exclude it from our EV/EBIT median calculation. On EV/FCFF, however, we think Viant is a relevant and informative data point, reflecting a business that converts revenue to free cash flow at a respectable ~12% margin despite the slim operating profit. When adjusting for both AppLovin and Viant, the peer group's corresponding EV/EBIT multiple is 9x for 2026e and 8x for 2027e. We think these dynamics are important context when reading the peer medians: the median is anchored by a group of companies the market views as structurally challenged intermediaries, which means any re-rating of Verve toward AppLovin's narrative (data-driven, AI-powered, own inventory) would represent a step-change in multiple rather than a gradual convergence.

As shown on the next page, Verve is expected to grow its revenue and adjusted EBITDA at a similar pace as its peers between 2026 and 2028, while maintaining an adjusted EBIT margin on par with the peer group. On these parameters alone, the current valuation gap on earnings-based multiples seems unjustified at first glance. However, considering that Verve, relative to the peer group, currently (LTM) has significantly more leverage and is expected to have higher leverage going forward (see graph on p.49), a larger portion of Verve's earnings and FCFF is allocated to interest expenses, which reduces its ability to return capital to shareholders. As a result, we believe that a valuation discount to peers is justified, as Verve's current earnings and FCFF should be valued lower relative to peers, who typically maintain minimal debt or net cash positions. We also note that Verve's cash conversion from adjusted EBITDA trails that of its peers, which we believe further justifies a discount relative to peers, as the quality of earnings are at a lower level.

EV/EBIT (forward), peer group
Monthly, 2022-current



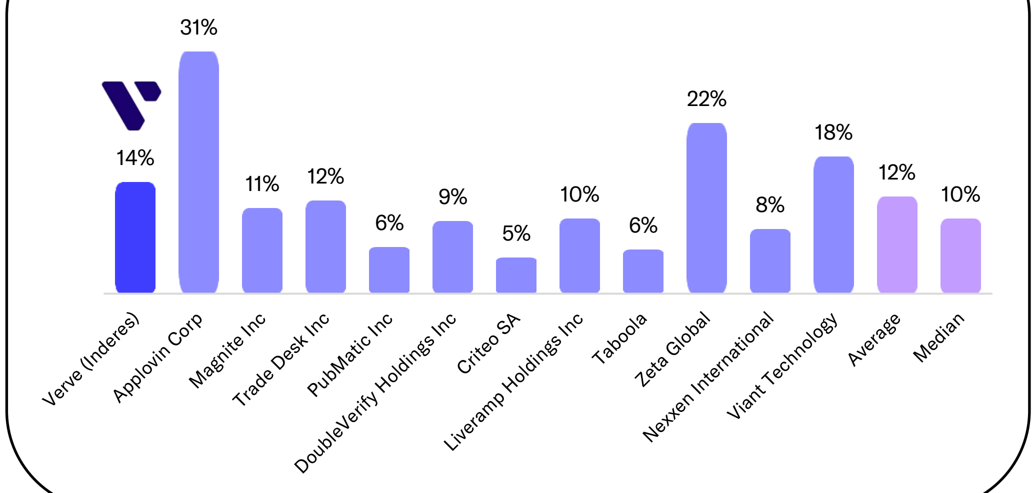
EV/FCFF (12m trailing), peer group
Monthly, 2022-current



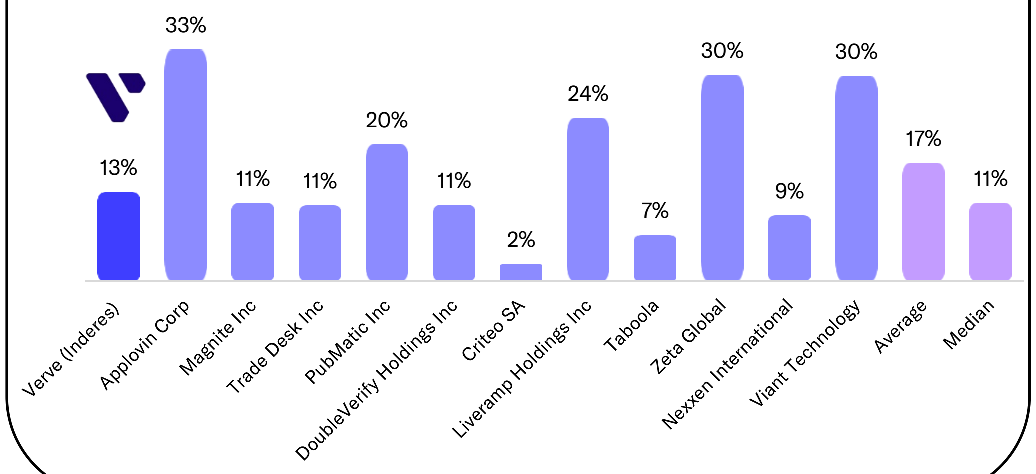
* For EV/FCFF, historical average is based on a trailing 12-month basis.
Sources: Verve, Inderes, Bloomberg

Verve vs Peers: At a glance

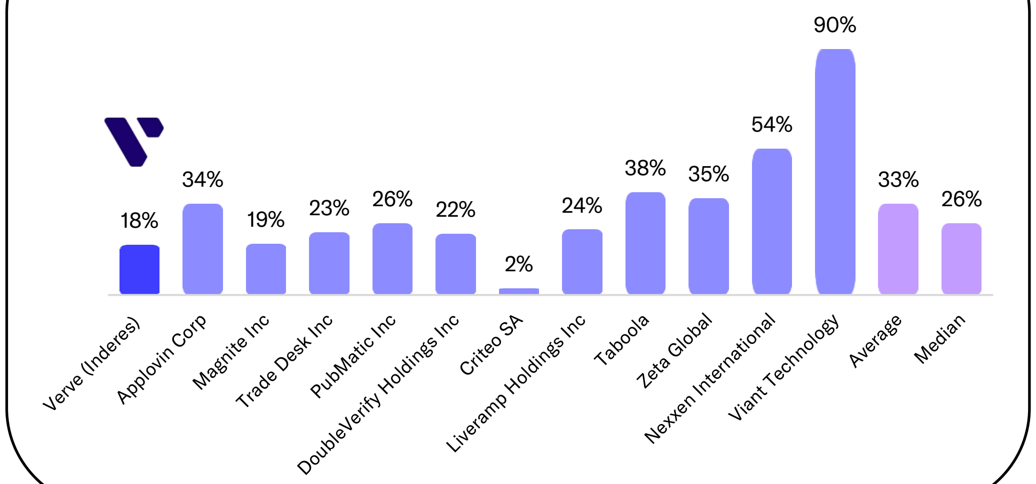
Revenue CAGR 2026-2028e



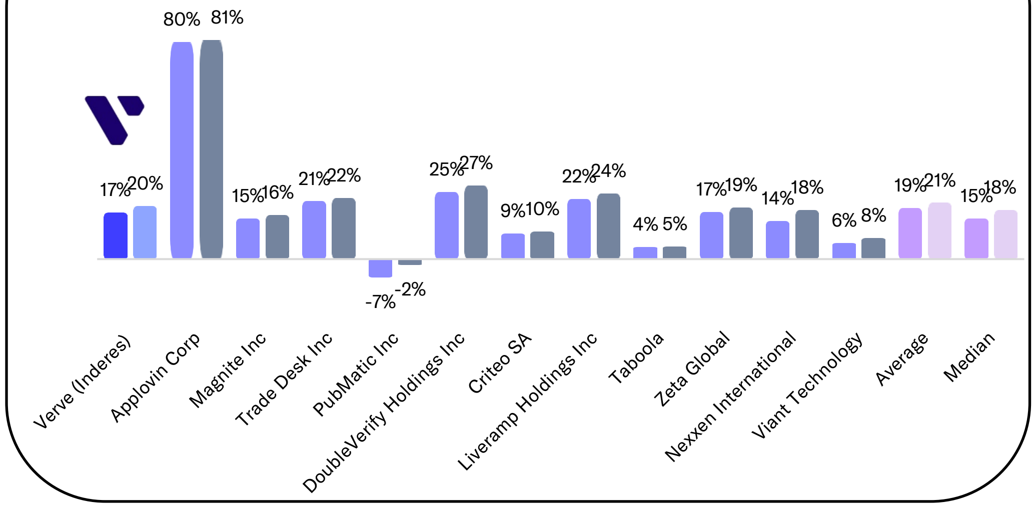
EBITDA CAGR 2026-2028e



EBIT CAGR 2026-2028e



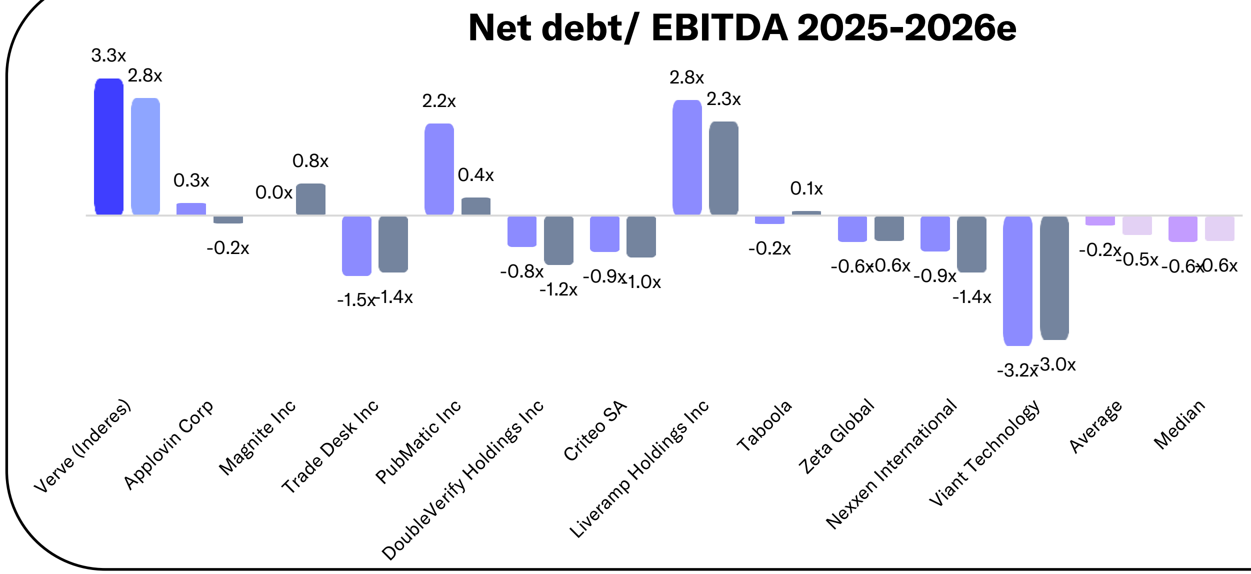
EBIT margin 2026-2027e

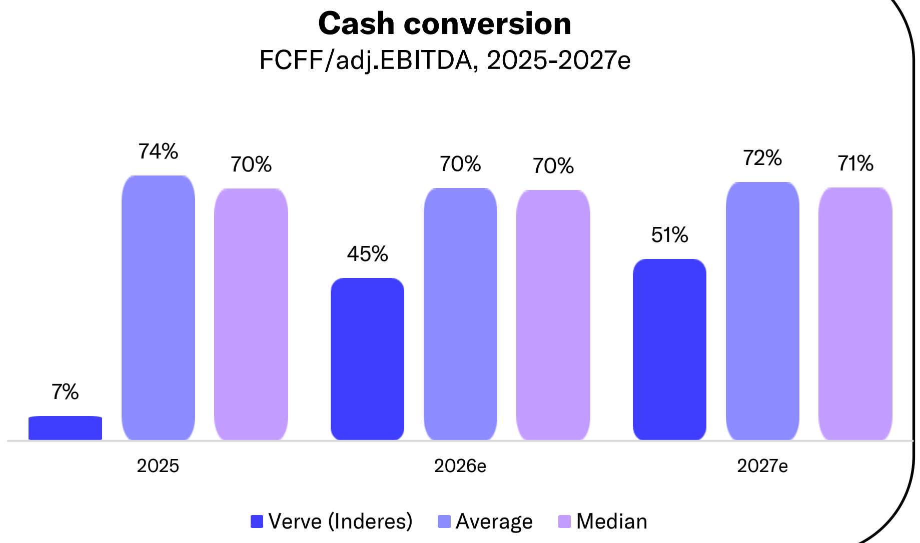


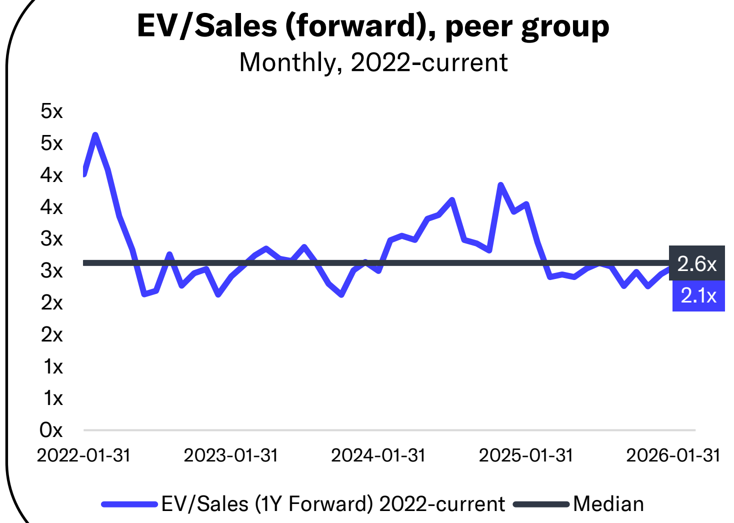
Source: Inderes, Bloomberg

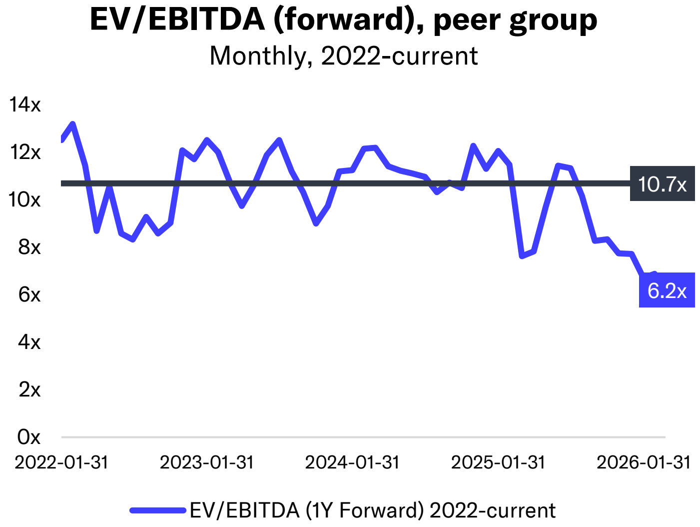
*Adjusted for earn-outs

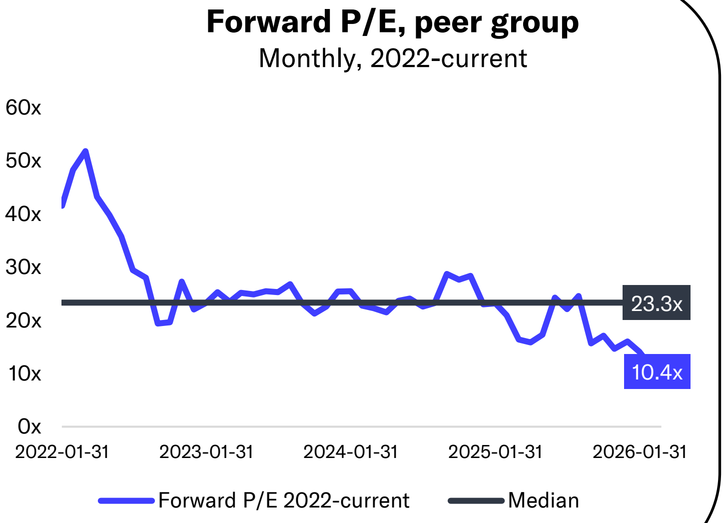
Verve vs Peers: At a glance











Source: Inderes, Bloomberg

Valuation 4/7

On this basis, we believe that the FCFF multiple is a more reasonable multiple to benchmark Verve against peers. We also believe it shows that Verve does not deserve a significant multiple expansion based on its cash flow generation capabilities and aforementioned financial projections comparisons.

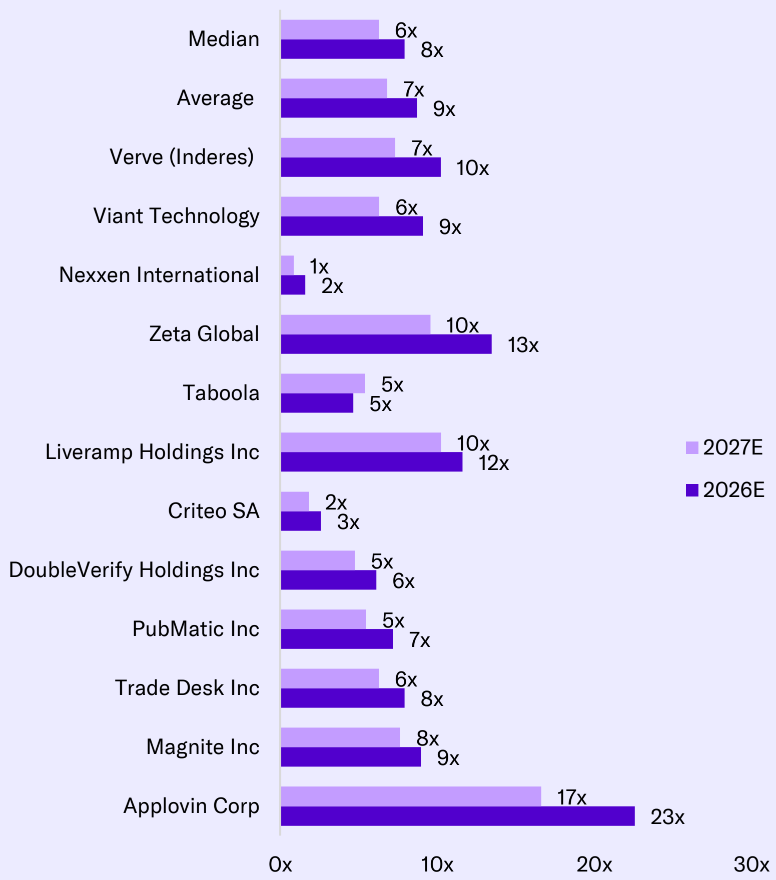
In fact, Verve trades at premium relative to the peer average/median on 2026e estimates (10x vs 9x/8x), but in line on 2027e estimates (7x) as we expect Verve to further normalize its working capital as the securitization program expands. That said, we acknowledge that Verve's FCFF is on the road to recovery following the issues it encountered with the securitization program in 2025. The company aims to resolve these issues in 2026.

However, we assess that the securitization program requires an adjustment to Verve's net debt, and therefore its EV, when the multiple's denominator is a cash flow metric. As we understand it, all peers carry their full trade receivables on their balance sheets and fund the associated working capital requirements with their own resources. This means that their reported net debt reflects the true economic cost of running their businesses. Considering that most peers have net cash or minimal debt, we believe that peers are less motivated to monetize receivables earlier. By contrast, Verve has effectively pre-funded a portion of its receivables off-balance sheet through securitization, which artificially reduces reported net debt and understates the true economic capital employed in the business. As a result, Verve appears cheaper on EV/FCFF than it genuinely is relative to its peers. As such, we believe adding back the off-balance-sheet receivables to net debt corrects for this asymmetry and ensures a like-for-like comparison. For EV/EBIT and EV/EBITDA, however, no such adjustment is warranted. The securitization program is entirely invisible in the income statement, EBIT and EBITDA are unaffected by whether receivables are held on or off-balance sheet, meaning the denominator is already fully comparable across the peer group. As such, when we adjust for Verve's securitization program and treat it as debt, the company's corresponding FCFF multiples are 12x and 9x on our 2026-2027e estimates, corresponding to a premium to peers.

Taking Verve's historical absolute multiples, expected financial performance relative to peers, and current and average historical peer group multiples into account, we believe its acceptable valuation range is around 7x-10x at EV/EBIT and 8x-11x at EV/FCFF (was 8x-11X EV/EBIT and 9x-12x EV/FCFF).

Following Verve's challenging 2025 (platform unification, profit warning, weak cash flows) and, what we feel, increased uncertainty surrounding the macroeconomic and geopolitical environment after escalating Iran-US conflict, we feel the near-term uncertainties around both execution and demand picture (revenue growth) are elevated. We also flag that investors' trust in management has taken a beating throughout 2025. Based on these factors, we believe it is justified to value Verve toward the lower end of our acceptable valuation range in the short term. If management succeeds in restoring investor confidence and alleviating near-term uncertainties regarding execution and macroeconomic and geopolitical issues, we see upside potential within our acceptable valuation range.

EV/FCFF 2026-2027e



Sources: Verve, Inderes, Bloomberg

Valuation 5/7

Total expected return in the coming years

We also examined an investor's expected return over the next few years, simplifying our acceptable valuation and 2028 earnings estimates. Based on our estimates and assuming there are no major changes in the company's growth outlook and margin development, we believe Verve could be valued around 7-8x EV/EBIT and 8-9x EV/FCFF at the end of 2028.

This means that, if our estimates materialize, Verve could be valued at roughly SEK 37-44 per share at the end of 2028 (at current EUR/SEK exchange rate). Hence, in this scenario, the total annual expected return would, on average, be well above the cost of equity that we use. However, given Verve's high exposure to the digital advertising market, which is volatile by nature, we believe it is premature to place significant reliance on this scenario. Moreover, the continued uncertainty around the economic outlook in the US (e.g. low consumer sentiment and slowing job growth), which is Verve's largest market, coupled with current geopolitical turmoil introduces additional risks to this valuation path. We also feel that the operational trajectory following platform outage and increasing uncertainty around the company's cash conversion, cast some additional uncertainty. Furthermore, the expected return is somewhat back-loaded and depends on an EV-based valuation, which introduces additional uncertainty, e.g., regarding the capital structure, which is difficult to accurately forecast over a longer period of time.

DCF model

We believe a discounted cash flow model is more appropriate to value Verve as it better reflects the long-term value creation of the business. It also takes into account the impact of investments and cash payments related to contingent considerations.

Unlike our previous extensive report, we now treat Verve's securitization program as debt in our DCF. We do this because the program represents a genuine economic funding obligation, where Verve effectively pre-finance receivables* that would otherwise appear on its balance sheet and require funding from its own resources. Including it in net debt therefore provides a more accurate picture of the business's true economic indebtedness. The cost of the program is included in our operating cash flow assumptions, so a separate income statement adjustment is not necessary.

As outlined in our medium-term estimates, we project solid revenue growth during 2026-2028 (total CAGR: 14%, organic CAGR: ~8-9%), coupled with gradual margin expansion. Looking further ahead (2029-2033), we forecast that growth will gradually slow to ~5% per year (CAGR) as Verve matures. Concurrently, we assume some EBIT margin compression, reflecting intense competition within the industry, ultimately stabilizing at 14% in the terminal period, where we also apply a terminal growth rate of 2%.

In the DCF model, we have set the WACC at 11.7% and the cost of equity at 12.7%. In our view, the required return is at a reasonable level considering the current interest rate level, size of the company, seasonal and cyclical nature of the overall advertising industry as well as overall the risk profile of Verve's business.

TSR drivers 2026-2028e

Positive | Neutral | Negative

Profit drivers

- High organic growth in coming years (Positive)
- Upside potential in profitability, supported by revenue scaling, platform efficiencies, and synergies (Positive)
- Front-loaded sales force investments and some dilutive impact from Captify integration weight on margins short term (Negative)

→ 18% CAGR Adj.EBIT (Positive)

Dividend yield drivers

- Cash generation is strong but hinges on securitization functioning as intended. (Neutral)
- Leveraged balance sheet needs strengthening (Negative)
- Free cash flow are primarily directed to service interest payments and strengthen financial situation (Negative)

→ Dividend yield % 0% p.a. (Negative)

Valuation multiple drivers

- Valuation multiples (2026e) are on the low side both in absolute and relative terms (Positive)
- Uncertainty regarding the FCFF turnaround keeps the risk level elevated (Neutral)
- DCF model SEK 25 per share (Positive)

→ Upside potential in valuation multiples (Positive)

Total expected return is positive and above required rate of return.

*80 MEUR by year-end 2025

Sources: Verve, Inderes

Valuation 6/7

Our DCF model indicates a value of SEK 25 per share, which is well above the current share price and supports our valuation. As illustrated by the figures on the next page, we note that the DCF model is especially sensitive to the required rate of return and, to some extent, to Verve's long-term profitability assumption.

Scenario analysis

Due to the complex and rapidly evolving digital advertising landscape, predicting Verve's performance over a five-to-ten-year horizon is inherently challenging. This complexity and uncertainty has accelerated further as advancements in AI continue to redraw competitive boundaries across the programmatic value chain. Therefore, we complement our base-case estimates with upside and downside scenarios, stress-testing the assumptions that we deem most consequential for long-term value creation.

That said, we believe Verve has the potential for even greater revenue growth than we project, and we could see Verve sustain mid-double-digit revenue growth (within the company's target range for organic growth) over an extended period of time if the company proves highly successful in leveraging its first-party data and ID-less targeting solutions to gain market share. However, there are risks: More innovative and effective technology solutions could emerge. Dominant players (walled gardens) could use their extensive first-party data and financial resources to gain greater market share. New regulatory challenges could also emerge. All of these risks could significantly slow Verve's revenue growth.

To capture these varying scenarios and provide a more comprehensive valuation, we have constructed three different scenarios to illustrate the potential returns based on different assumptions about Verve's revenue and profitability by 2029.

In our baseline forecast, we expect Verve's 2029 revenue to grow to 886 MEUR. The adjusted EBIT margin is expected to be about 19%, resulting in an adjusted EBIT of 171 MEUR. By assuming an EV/EBIT multiple of 7x, the company's EV would be 1,195 MEUR. Deducting our estimated net debt, we get an equity value of 967 MEUR or SEK 52.7 per share (present value of SEK 34, using our cost of capital of ~12%). This would equate to a 53% annual return. Overall, we think these estimates are quite reasonable with the adj. EBIT margin being lower than previous years and the EV/EBIT multiple used is also lower than of its peer group and in line with its historical (5Y) median.

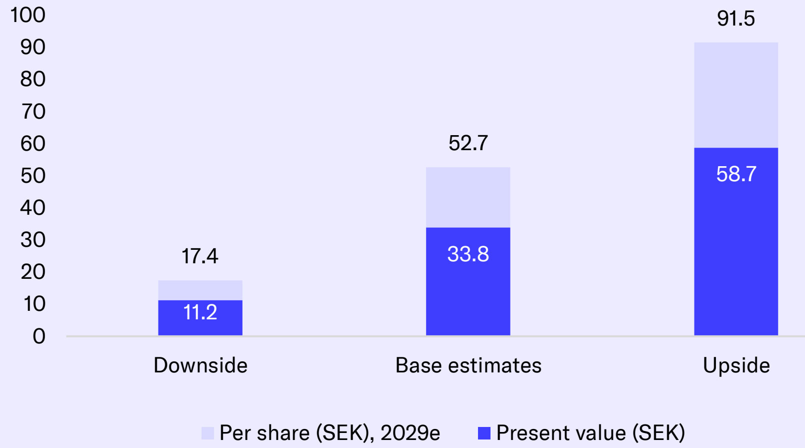
In the downside scenario, revenue comes in ~25% below the base case, implying roughly 5% annual growth between 2026 and 2029 (including M&A effects in 2026). We apply an adjusted EBIT margin of 15% and a conservative EV/EBIT multiple of 5x, reflecting a scenario in which Verve underperforms market growth, profitability retreats from current levels, and the already modest multiples compress further. This produces an equity value of 299 MEUR, or SEK 17 per share (present value of SEK 11), corresponding to a 6% annual return, below our required rate of return of 12% (WACC).

In the upside scenario, revenue runs ~25% above the base case, implying a revenue CAGR of 19% between 2026 and 2029. We assume an adjusted EBIT margin three percentage points above the base case and apply an EV/EBIT multiple of 8x. Under these assumptions, equity value increases to 1,680 MEUR, or SEK 91 per share (present value of SEK 59).

Scenarios by 2029e	Downside	Base estimates	Upside
Revenue 2029e (MEUR)	665	886	1108
Adj.EBIT %	15%	19%	22%
Operating profit (adj.) (MEUR)	101.5	170.7	246.6
x pricing multiple (EV/Adj.EBIT)	6x	7x	8x
EV (MEUR), 2029e	**609**	**1,195**	**1,874**
- Net debt (2029e)	310	228	195
Equity value (MEUR), 2029e	**299**	**967**	**1,679**
Per share (EUR), 2029e	*1.6*	*4.8*	*8.4*
Per share (SEK), 2029e	*17.4*	*52.7*	*91.5*
Present value (SEK)	*11.2*	*33.8*	*58.7*
Current share price vs present value (%)	*-24%*	*129%*	*299%*
Total return potential, 2029e	19%	258%	522%
Annual return, 2026-2029e	6%	53%	84%

Potential share price in 2029e in different scenarios (SEK)

By 2029e and present value



Valuation 7/7

The significant difference between our scenarios, which have present values ranging from SEK 11 to SEK 59 per share, reflects a highly levered business's inherent sensitivity to changes in underlying operational assumptions and applied multiples. In our view, the risk/return profile is attractive at current levels. However, the investment case depends on management's ability to achieve its future goals.

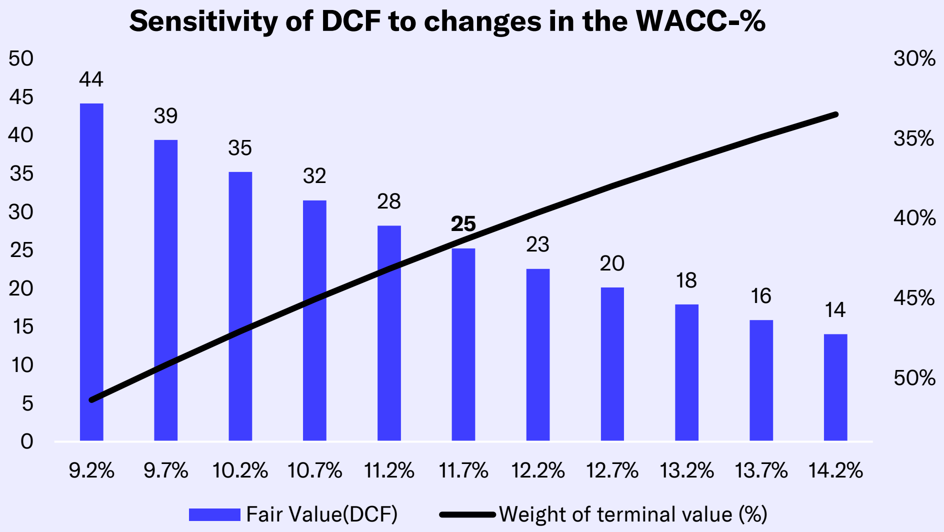
We lower the recommendation to Accumulate and slightly trim the target price

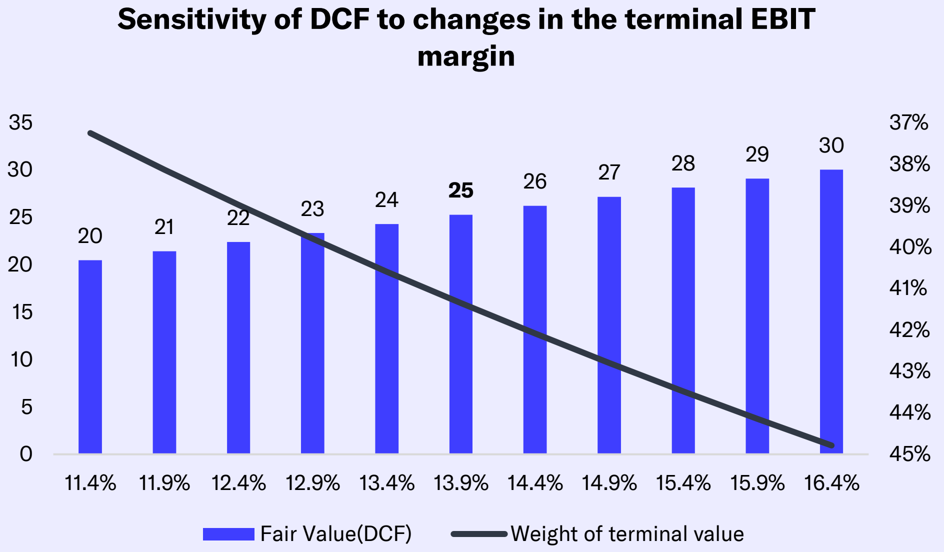
In this updated extensive report, we lower our recommendation to Accumulate (was Buy) and reduce our target price to SEK 18 (was SEK 20), reflecting a narrower acceptable valuation range. At this level, the 2026e EV/adjusted EBIT sits at the low end of our acceptable range, while corresponding EV/FCFF is positioned at the higher end, reflecting a first step in the recovery in free cash flow generation that we expect after a challenging 2025, before normalizing further in 2027 (27’ EV/FCFF: 7x)

Our revised stance reflects heightened uncertainty around Verve's medium-term trajectory, particularly regarding cash flow generation. Despite relatively stable earnings, we feel that recent volatility in cash flows has materially reduced visibility and predictability around these. Additionally, the peer group has experienced notable valuation compression since our last extensive update, which we view diminishing Verve's relative attractiveness, especially given its weaker cash conversion and higher leverage compared to peers.

We also acknowledge near-term headwinds as management works to rebuild investor trust. This dynamic may continue to pressure share price performance and limit the multiples we consider reasonable at this stage

Currently, our DCF analysis provides limited near-term support for the share price given these uncertainties. We believe consistent operational delivery, primarily on cash conversion and deleveraging, over the coming quarters is essential before we can confidently align our target price closer to our fair value estimate.



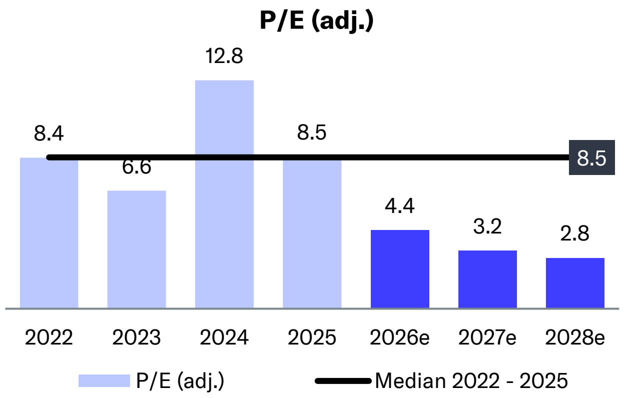


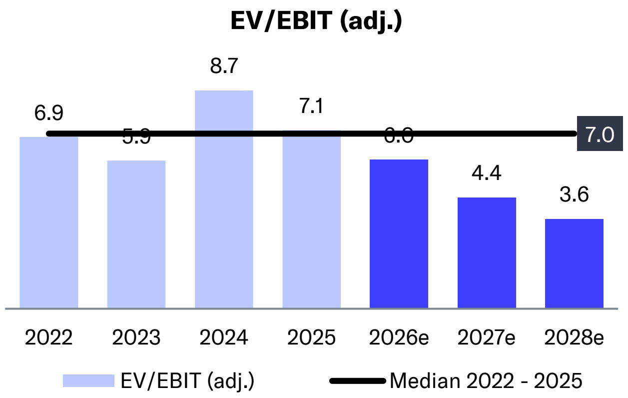
Sources: Inderes

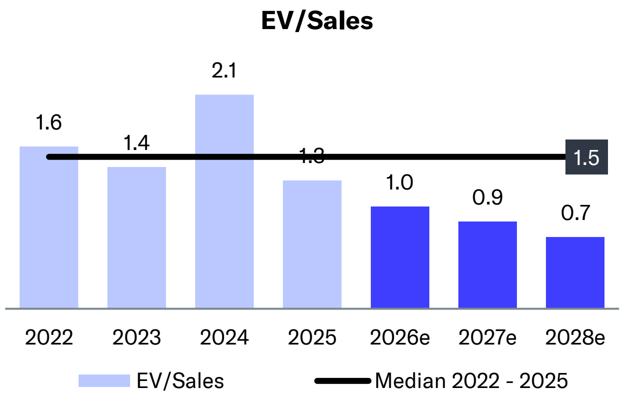
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price (EUR)	1.60	1.02	3.12	1.30	**1.35**	**1.35**	**1.35**	**1.35**
Number of shares, millions	156.2	159.2	186.7	200.1	**200.1**	**200.1**	**200.1**	**200.1**
Market cap (MEUR)	255	163	583	260	**270**	**270**	**270**	**270**
EV (MEUR)	525	456	934	706	**711**	**662**	**590**	**499**
P/E (adj.)	8.4	6.6	12.8	8.5	**4.4**	**3.2**	**2.8**	**2.7**
P/E	neg.	3.5	20.2	>100	**6.5**	**4.2**	**3.6**	**3.3**
P/B	0.8	0.5	1.3	0.6	**0.6**	**0.5**	**0.4**	**0.4**
P/S	0.8	0.5	1.3	0.5	**0.4**	**0.4**	**0.3**	**0.3**
EV/Sales	1.6	1.4	2.1	1.3	**1.0**	**0.9**	**0.7**	**0.6**
EV/EBITDA	5.6	4.8	7.0	5.3	**4.6**	**3.7**	**3.1**	**2.5**
EV/EBIT (adj.)	6.9	5.9	8.7	7.1	**6.0**	**4.4**	**3.6**	**2.9**
EV/FCFF (adj.)*	5.5	19.9	9.9	76.6	**10.1**	**7.2**	**5.6**	**4.7**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

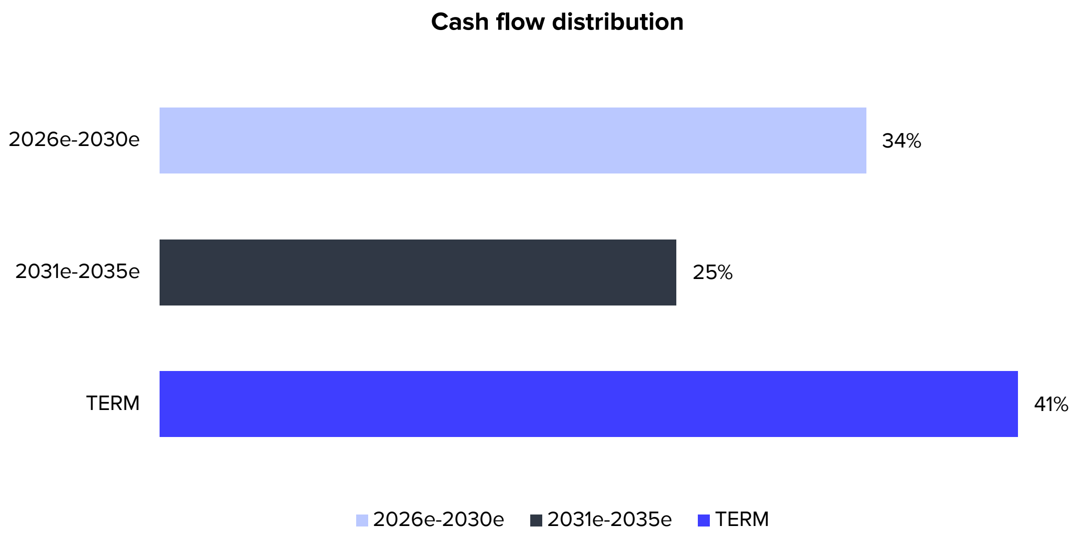
Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Applovin Corp	120,644	121,639	22.8	17.4	20.9	16.1	17.5	13.6	26.4	20.1	27.4
Magnite Inc	1,521	1,523	15.7	12.6	6.7	5.9	2.3	2.1	11.5	9.9	1.7
Trade Desk Inc	9,159	8,034	13.2	10.8	7.0	6.2	2.8	2.5	10.7	9.3	3.3
PubMatic Inc	349	223			5.0	4.2	0.9	0.8			0.9
DoubleVerify Holdings Inc	1,412	1,198	9.7	8.6	5.0	4.5	1.7	1.5	19.1	15.8	1.3
Criteo SA	806	530	3.5	2.7	1.6	1.5	0.5	0.5	4.3	3.9	0.8
Liveramp Holdings Inc	1,508	1,158	7.4	6.3	7.2	6.1	1.7	1.5	12.0	9.8	1.7
Taboola	704	687	7.5	6.5	3.5	3.2	0.4	0.4	5.5	5.4	
Zeta Global	3,344	3,238	12.6	9.9	9.6	7.9	2.1	1.8	16.8	13.3	3.1
Nexxen International	330	256	6.3	5.2	2.3	2.1	0.8	0.7	6.3	5.5	
Viant Technology	621	632	28.5	18.6	9.5	7.6	1.8	1.5	33.7	20.9	2.2
Verve (Inderes)	**270**	**711**	**6.0**	**4.4**	**4.6**	**3.7**	**1.0**	**0.9**	**4.4**	**3.2**	**0.6**
Average			**12.7**	**9.8**	**7.1**	**5.9**	**3.0**	**2.5**	**14.6**	**11.4**	**4.7**
Median			**11.1**	**9.2**	**6.7**	**5.9**	**1.7**	**1.5**	**11.7**	**9.9**	**1.7**
Diff-% to median			***-47%***	***-52%***	***-32%***	***-38%***	***-40%***	***-43%***	***-63%***	***-67%***	***-67%***

Source: Refinitiv / Inderes

DCF-calculation

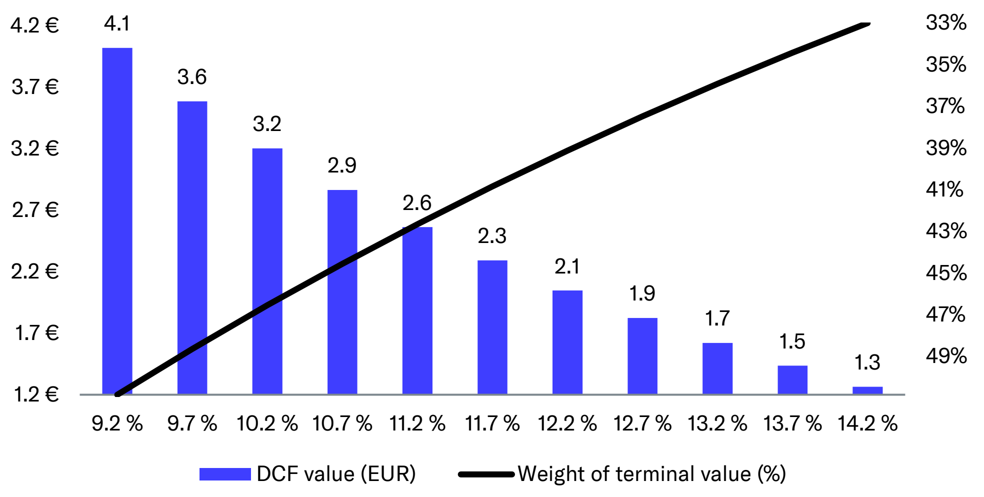
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	26.1 %	26.5 %	9.4 %	8.2 %	7.5 %	6.5 %	4.0 %	3.5 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	12.5 %	14.3 %	17.0 %	17.6 %	17.1 %	16.6 %	15.6 %	15.6 %	14.3 %	13.9 %	13.9 %	13.9 %
EBIT (operating profit)	**69.1**	**99.7**	**130**	**145**	**152**	**157**	**153**	**158**	**150**	**150**	**153**	
+ Depreciation	53.1	55.7	51.1	48.2	50.9	56.0	55.7	60.0	59.2	59.4	55.1	
- Paid taxes	-13.2	-13.9	-21.4	-25.2	-27.6	-31.0	-31.2	-33.0	-31.3	-31.8	-33.1	
- Tax, financial expenses	-15.5	-11.0	-11.0	-11.0	-10.3	-8.1	-7.1	-6.6	-6.1	-5.6	-5.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-56.8	-50.4	-12.7	-4.7	6.5	5.9	-0.8	-0.7	-0.6	4.8	0.2	
Operating cash flow	**36.7**	**80.1**	**136**	**152**	**171**	**179**	**170**	**178**	**171**	**177**	**170**	
+ Change in other long-term liabilities	-6.7	0.0	-9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-49.9	-42.0	-44.1	-46.7	-49.3	-53.0	-55.7	-59.8	-62.0	-61.0	-55.0	
Free operating cash flow	**-19.9**	**38.1**	**82.0**	**106**	**122**	**126**	**114**	**118**	**109**	**116**	**115**	
+/- Other	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	13.1	38.1	82.0	106	122	126	114	118	109	116	115	1200
Discounted FCFF		**35.1**	**67.7**	**78.0**	**80.6**	**74.9**	**60.5**	**56.2**	**46.2**	**43.9**	**39.1**	**409**
Sum of FCFF present value		991	956	888	810	729	654	594	538	492	448	409
Enterprise value DCF		**991**										
- Interest bearing debt		-614.9										
+ Cash and cash equivalents		89.0										
+ Associated companies		0.0										
-Minorities		-0.1										
-Dividend/capital return		0.0										
Equity value DCF		**465**										
Equity value DCF per share		**2.3**										
Equity value DCF per share (SEK)		**25**										

WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	8.2 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	1.64%
Risk free interest rate	2.5 %
Cost of equity	**12.7 %**
Weighted average cost of capital (WACC)	**11.7 %**

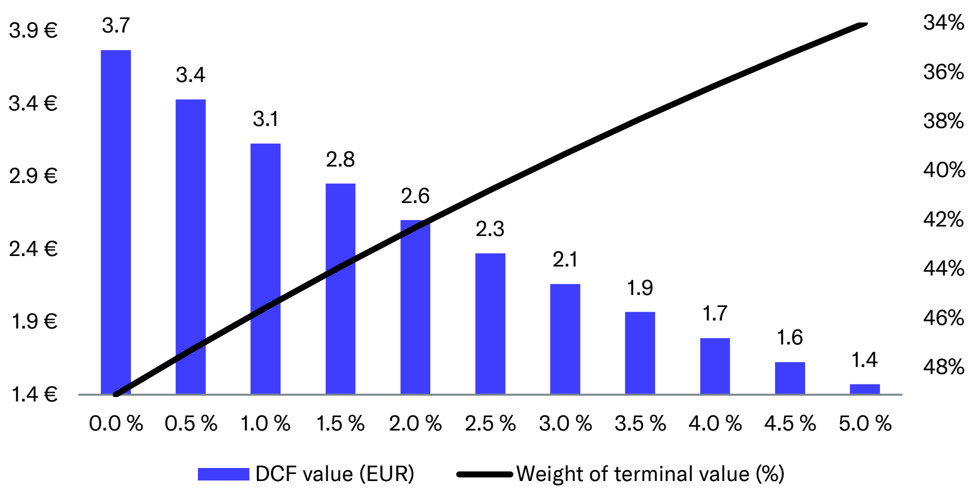


DCF sensitivity calculations and key assumptions in graphs

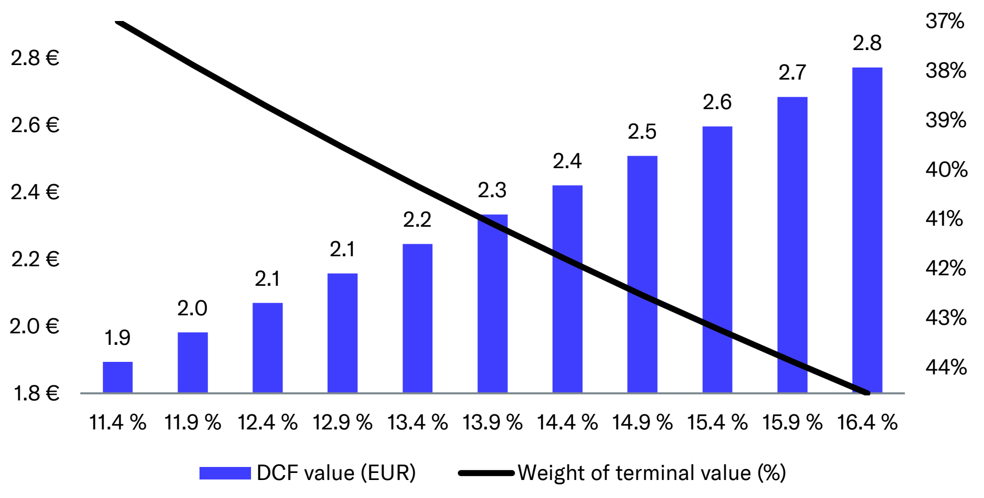
Sensitivity of DCF to changes in the WACC-%



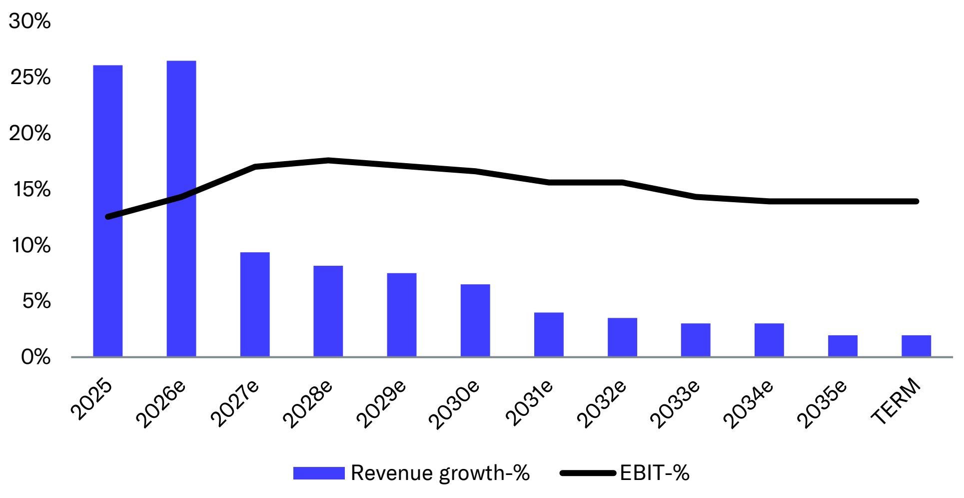
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	322.0	437.0	550.9	**696.8**	**762.0**
EBITDA	128.5	128.5	122.1	**155.4**	**180.6**
EBIT	99.0	90.3	69.1	**99.7**	**129.5**
PTP	48.9	31.8	7.2	**55.5**	**85.4**
Net Income	46.7	28.8	0.7	**41.7**	**64.1**
Extraordinary items	22.1	-16.8	-30.0	**-19.8**	**-19.3**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	1007.0	1252.4	1252.5	**1314.5**	**1370.1**
Equity capital	352.5	450.9	423.1	**464.8**	**528.9**
Goodwill	578.0	718.0	714.7	**714.7**	**714.7**
Net debt	292.8	351.2	445.9	**440.8**	**391.8**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	128.5	128.5	122.1	**155.4**	**180.6**
Change in working capital	-14.1	56.0	-56.8	**-50.4**	**-12.7**
Operating cash flow	109.5	162.3	36.7	**80.1**	**135.5**
CAPEX	-15.5	-232.3	-49.9	**-42.0**	**-44.1**
Free cash flow	41.3	-35.9	13.1	**38.1**	**82.0**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.4	2.1	1.3	**1.0**	**0.9**
EV/EBITDA	4.8	7.0	5.3	**4.6**	**3.7**
EV/EBIT (adj.)	5.9	8.7	7.1	**6.0**	**4.4**
P/E (adj.)	6.6	12.8	8.5	**4.4**	**3.2**
P/B	0.5	1.3	0.6	**0.6**	**0.5**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.29	0.15	0.00	**0.21**	**0.32**
EPS (adj.)	0.15	0.24	0.15	**0.31**	**0.42**
OCF / share	0.69	0.87	0.18	**0.40**	**0.68**
OFCF / share	0.26	-0.19	0.07	**0.19**	**0.41**
Book value / share	2.21	2.41	2.11	**2.32**	**2.64**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-1%	36%	26%	**26%**	**9%**
EBITDA growth-%	52%	0%	-5%	**27%**	**16%**
EBIT (adj.) growth-%	0%	39%	-8%	**21%**	**25%**
EPS (adj.) growth-%	-18%	58%	-37%	**100%**	**36%**
EBITDA-%	39.9 %	29.4 %	22.2 %	**22.3 %**	**23.7 %**
EBIT (adj.)-%	23.9 %	24.5 %	18.0 %	**17.1 %**	**19.5 %**
EBIT-%	30.7 %	20.7 %	12.5 %	**14.3 %**	**17.0 %**
ROE-%	13.8 %	7.2 %	0.2 %	**9.4 %**	**12.9 %**
ROI-%	13.1 %	10.5 %	7.2 %	**10.1 %**	**12.3 %**
Equity ratio	35.0 %	36.0 %	33.8 %	**35.4 %**	**38.6 %**
Gearing	83.1 %	77.9 %	105.4 %	**94.8 %**	**74.1 %**
Net debt/EBITDA	2.3	2.7	3.7	**2.8**	**2.2**
EBITDA/net financials	2.6	2.2	2.0	**3.5**	**4.1**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2022-12-12	Buy	23 kr	16.90 kr
2023-01-03	Buy	26 kr	18.00 kr
2023-06-01	Buy	22 kr	12.70 kr
2023-09-01	Buy	21 kr	15.20 kr
2023-12-01	Buy	16 kr	10.10 kr
2024-03-01	Buy	17 kr	12.09 kr
2024-03-21	Buy	20 kr	16.98 kr
Change of Analyst			
2024-05-08	Accumulate	24 kr	20.85 kr
2024-06-24	Buy	28 kr	18.52 kr
2024-07-05	Accumulate	29 kr	25.25 kr
2024-08-13	Accumulate	35 kr	31.55 kr
2024-08-30	Accumulate	38 kr	33.65 kr
2024-10-31	Accumulate	50 kr	45.20 kr
2024-11-29	Accumulate	50 kr	41.00 kr
2025-02-28	Buy	57 kr	42.85 kr
2025-04-09	Buy	45 kr	29.60 kr
2025-05-28	Buy	45 kr	34.24 kr
2025-08-18	Buy	32 kr	20.20 kr
2025-09-19	Buy	36 kr	25.70 kr
2025-11-19	Buy	26 kr	17.99 kr
2026-01-27	Buy	24 kr	18.37 kr
2026-02-20	Buy	20 kr	13.82 kr
2026-04-08	Accumulate	18 kr	14.74 kr

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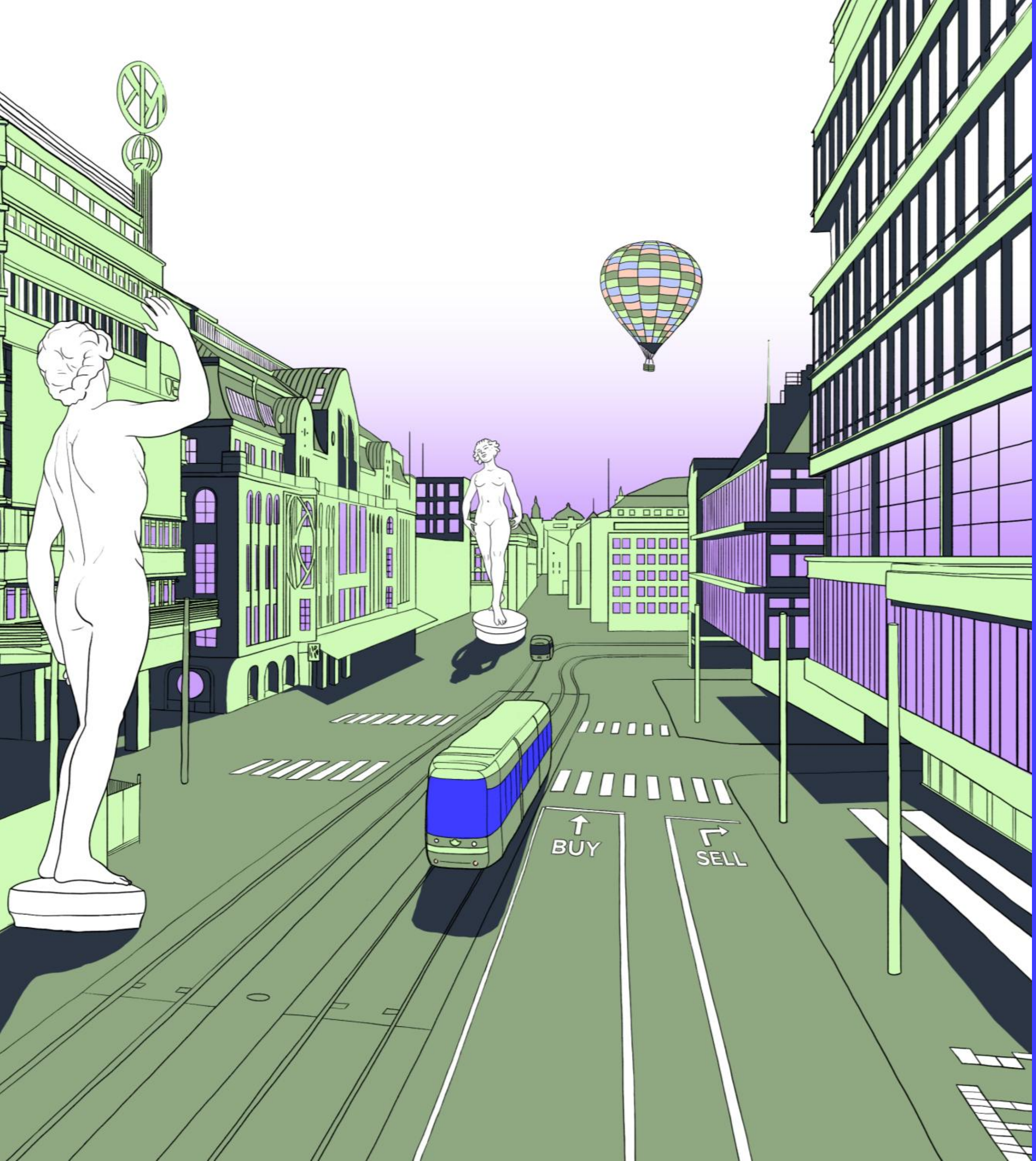

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