GBC Research
Anno study

Verve Group SE

IMPORTANT NOTE:
Please note the disclaimer/risk warning and the disclosure of potential conflicts of interest in accordance with Section 85 WpHG and Art. 20 MAR from page 22.

Note in accordance with MiFID II regulation for "minor non-monetary benefit" research: this research fulfils the requirements for classification as a "minor non-monetary benefit". Further information on this can be found in the disclosure under "I. Research under MiFID II".

GBC AG Investment Research

Verve Group SE*5a, 5b, 7, 11

Q1 closed with significant sales and operating earnings growth, share price target raised after guidance concretisation

Industry: ad-tech
Focus: software applications
Foundation: 2011

Employees: >800
Company headquarters: Stockholm

Management Board: R. Westermann, C. Duus, J. Knauber, A. Stil, S. Sondhi

Verve Group SE (Verve) is a fast-growing, profitable digital media company that provides AI-driven advertising software solutions. Verve matches the demand of global advertisers with the advertising supply of publishers and improves results through first-party data from proprietary content. In line with their mission of "Let's make media better", the company focuses on enabling brands, agencies and publishers to achieve better results with responsible advertising solutions, with a focus on new media channels. Verve operates primarily in North America and Europe and is incorporated as a Societas Europaea in Sweden. The company's shares are listed on the Nasdaq First North Premier Growth Market in Stockholm and on the General Standard of the Frankfurt Stock Exchange. The company has issued a collateralised bond which is listed on Nasdaq Stockholm and on the Open Market of the Frankfurt Stock Exchange.

in € million	FY 23	FY 24	FY 25e	FY 26e	FY 27e
Revenues	321.98	437.01	547.34	652.42	784.77
Adj. EBITDA	95.17	133.25	163.47	198.72	243.44
EBITDA	128.46*1	128.52	157.37	192.42	237.34
Net result (after minorities)	46.73*1	28.80	44.25	68.56	99.08
Earnings per share	0.29	0.15	0.22	0.34	0.50
Dividend per share	0.00	0.00	0.00	0.00	0.00
EV/Revenues	2.67	1.97	1.57	1.32	1.09
EV/Adj. EBITDA	9.03	6.45	5.26	4.32	3.53
EV/EBIT	6.69	6.69	5.46	4.47	3.62
P/E ratio (after minorities)	10.88	17.65	11.49	7.41	5.13
P/B ratio		1.13			

**1 *positively influenced by a revaluation effect of € 62.76 million*

Investment Case

- Verve Group operates a digital advertising software platform and is the market leader in high-growth mobile in-app advertising in the US digital advertising market.
- A dynamic growth series (revenue $CAGR_{20-24}$: +33.0%) has been achieved in the company's history to date, based on organic and inorganic growth effects with a clearly positive M&A track record.
- Strong positioning with innovative advertising solutions (e.g. ATOM or Moments.AI) in established (mobile in-app, mobile web, etc.) and up-and-coming advertising channels (CTV, DOOH, etc.) in the fast-growing programmatic (digital) advertising market.
- Promising company outlook for FY 2025 and strong medium-term guidance was issued, including an expected future revenue CAGR of 25.0% to 30.0% and an Adj. EBITDA CAGR of 30.0% to 35.0%. This results in a revenue target of over € 1.0 billion and an EBITDA of over € 330.0 million in FY 2028/FY 2029.
- **Attractive valuation with upside potential:** with expected double-digit percentage revenue and Adj. EBITDA growth to € 784.77 million and € 243.44 million respectively by 2027 and a derived price target of € 9.20, we assign a "BUY" rating and continue to see significant upside potential in the Verve share.

Rating: BUY
Target price: EUR 9.20

Share and master data

Closing price (previous day)	2.54 EUR
Stock exchange	XETRA
ISIN	SE0018538068
WKN	A3D3A1
Number of shares (in millions)	200.10
MCap (in m EUR)	508.25
Enterprise value (m EUR)	859.25
Transparency level	Nasdaq First North Premier
Market segment	Regulated market
Accounting / end of FY	IFRS / 31/12/

Shareholder structure

Bodhivas GmbH	24.38%
Oaktree	20.33%
Nordnet	5.66%
Free float	49.63%

Financial dates

19/08/25	Annual Report Q2 2025
18/11/25	Annual Report Q3 2025

Analysts

Marcel Goldmann (goldmann@gbc-ag.de)
Cosmin Filker (filker@gbc-ag.de)

Last GBC Research

Date: Publication / Target price in EUR / Rating
06/03/2025: RS / 8.30 / BUY
05/12/2024: RS / 6.70 / BUY
09/09/2024: RS / 6.60 / BUY

** The research studies listed above can be viewed at www.gbc-ag.de

Completion: 02/07/2025 (9:55)
First transfer: 02/07/2025 (11:30)

Validity of the price target: until 31 December 2026 at the latest

* Catalogue of possible conflicts of interest on p. 23

EXECUTIVE SUMMARY

- Thanks to strong organic growth, Verve Group closed the past 2024 financial year with a significant increase in revenue of 35.7% to € 437.01 million (PY: € 321.98 million), making it a record year. The dynamic growth of 46.0% to € 144.2 million in the fourth quarter (Q4 2023: € 98.7 million) made a particularly significant contribution to this. In addition to the organic growth impetus, the Jun Group acquisition carried out in summer 2024 also increased the pace of growth. At the same time, adjusted EBITDA increased disproportionately by 40.0% to € 133.25 million (PY: € 95.17 million).

- Verve also achieved a significant increase in revenue of 32.2% to € 109.04 million in the first quarter of the current financial year 2025 (Q1 2024: € 82.47 million). This was primarily fuelled by a significant increase in large software customers (revenue > USD 100,000) by 51.0% to 1,152 (Q1 2024: 764). At the same time, adjusted EBITDA (Adj. EBITDA) increased significantly by 37.3% to € 30.2 million (Q1 2024: € 22.0 million). The adjusted EBITDA margin improved slightly to 27.7% at the end of the first quarter (Q1 2024: 26.7%).

- With the recent publication of its Q1 business figures, Verve's management has concretised the previous rough company outlook (double-digit organic growth) for the current financial year 2025. Accordingly, Verve now expects sales revenues in a range of € 530.0 million to € 565.0 million and an adjusted EBITDA of € 155.0 million to € 175.0 million for the current financial year. Based on this, Verve Group is aiming for future sales of over € 1.00 billion and an operating result (EBITDA) of over € 330.0 million in 2028/2029. In line with its growth ambitions, Verve recently announced its uplisting to the Geregelten Markt (regulated market) of the Frankfurt Stock Exchange and is aiming to be included in the prominent SDAX in the future.

- In view of the more specific guidance, the confirmed medium-term outlook and the positive Q1 performance, we have adjusted our previous estimates upwards. For the current financial year 2025, we now expect sales of € 547.34 million (previously: € 502.11 million) and EBITDA of € 157.37 million (previously: € 156.84 million). For the following years 2026 and 2027, we are forecasting sales of € 652.42 million (previously: € 596.79 million) and € 784.77 million (previously: € 716.74 million) respectively. At the same time, EBITDA should increase to € 192.42 million (previously: € 191.58 million) or € 237.34 million (previously: € 236.16 million).

- Thanks in particular to its strong positioning in the US core market (especially in the mobile in-app and CTV sector) and with its innovative ID-less advertising solutions as well as the increased expansion of its marketing and sales staff, this ad tech company should be able to continue its dynamic growth trajectory despite the current difficult environment. In the course of this, Verve should also be able to capitalise on its highly diversified customer portfolio with a predominant share of advertising customers from defensive sectors (e.g. gaming/entertainment, retail/e-commerce or social media/internet or consumer goods industries), as customers from these sectors (share of Verve's total customer base GBCe: >70.0%) traditionally keep their advertising budgets relatively stable even across different economic cycles.

- In addition, the mobile in-app and CTV advertising channels, in which Verve is primarily active, have also proven to be significantly more robust in an advertising market phase with a tendency towards "tighter" customer budgets than alternative advertising formats, such as display advertising or web advertising.

- With regard to future Group profitability, Verve should be able to increasingly benefit from the expected positive effects of the efficiency and optimisation measures introduced (bundling and standardisation of cloud-based platforms as part of platform integration, etc.) from the end of the current financial year onwards.

- **Based on our increased sales and earnings estimates, we have also significantly raised our previous price target to € 9.20 (previously: € 8.30) per share. The rollover effect (price target based on the 2026 fiscal year instead of 2025 as previously) also contributed to the increase in the price target. This was offset by the recent dilution effect resulting from the capital increase and the shares issued as part of the employee stock option program. In relation to the current share price level, we therefore continue to assign a "BUY" rating and see significant upside potential for the Verve share. The share could receive an additional "boost" from a possible inclusion in the SDAX. We consider the probability of this ad tech group being included in this prestigious index in the near future to be relatively high.**

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THE COMPANY

Business model and focus of business activities

Verve Group SE (Verve) operates an AI-driven advertising software platform (ad tech platform) with extensive first-party data from its own games content for the automated purchase and sale of digital advertising space. The regional focus of business activities is primarily on North America and Europe. In North America and Europe, Verve is one of the market leaders in the field of mobile in-app advertising.

By investing in organic growth and innovation as well as targeted acquisitions, the Group has succeeded in recent years in establishing a one-stop shop for programmatic advertising that enables customers to buy and sell advertising space fully automatically across all digital devices (mobile apps, web, connected TV and digital out-of-home). Data that enables the most accurate (data protection-compliant) targeting of end users is important for the most efficient purchase and sale of these advertising spaces. The company utilises innovative data solutions and technologies such as ATOM 3.0 and Moments.AI.

With its digital advertising platform (ad tech platform), Verve helps advertisers to acquire customers efficiently via various digital devices and publishers to monetise their advertising space efficiently and optimally.

The existing own games portfolio provides a strong competitive advantage, as it gives direct access to unique advertising space and first-party data and can also significantly accelerate product test cycles.

Key facts and figures on the ad tech platform

€ 437 M Revenue (FY 2024)

€ 133 M Adj. EBITDA (FY 2024)

24% organic growth in traditionally strongest quarter (Q4 2024)

16% organic growth in the first quarter of the current financial year 2025

>800 Employees

>85% Ad-Tech-Revenue (GBCe)

>1,140 Software Clients With Revenues >$100k (demand and supply partners)

110% Net $ Expansion Rate (related to total software clients)

Combining vast global reach...

274 B	+2.5 B	>15
Ad impressions delivered	Monthly end-consumers	Locations worldwide

...with world class first party content access.

+5,000	+65,000	>1.0 B
own games	mobile app integrations	registered gamers

Sources: Verve Group SE, GBC AG

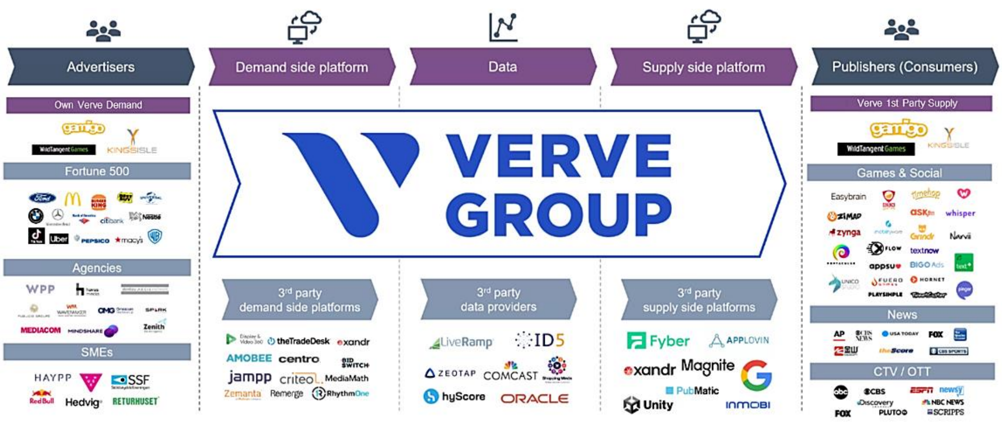
Verve's advertising software platform (ad tech platform)

In the past financial year 2024, Verve Group generated the majority of its revenue (revenue share GBCe: over 90.0%) with its programmatic advertising software platform, which is offered via Verve Group. Due to the ongoing expansion of their ad tech platform business, only around 10.0% (GBCe) of Group revenue was generated from subscriptions and the sale of in-game items through the Group's own games portfolio in the past financial year. Accordingly, the company's core business and strategic focus remains on digital advertising with a particular focus on the high-growth segment of programmatic advertising and, in particular, the segment of mobile in-app advertising.

Programmatic advertising aims to make the process of creating and placing adverts and selling advertising space faster, simpler, more transparent and more effective through the use of artificial intelligence, powerful algorithms and billions of data points.

Programmatic advertising companies are intermediaries between advertisers, who try to reach users on their smartphones, computers, connected TVs or via digital billboards (DOOH) to attract new customers, and publishers, who provide digital content that is consumed by users and monetised by selling advertising space to advertisers.

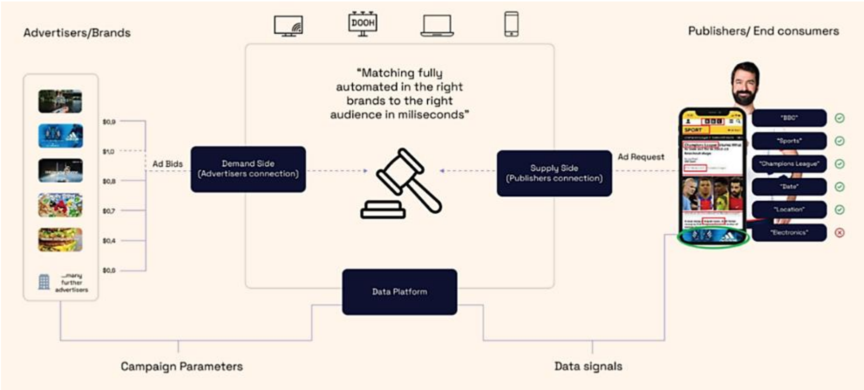
Verve's programmatic value chain



Source: Verve Group SE

With traditional advertising, an advertiser usually requests advertising space directly from the publisher by phone or email, which is very time-consuming and inefficient. Whereas, with programmatic advertising this process is completely automated and takes place in real time. Revenue flows automatically from advertisers to publishers, replacing phone calls, faxes and written contracts (insertion orders, IOs) that were used in the past to manage and track deals.

Automating the buying and selling of adverts on digital devices



Source: Verve Group SE

There are advertising companies that support advertisers (so-called demand-side platforms, DSPs), e.g. in the purchase of advertising space or in the evaluation of campaigns, and there are advertising companies that support publishers (so-called supply-side platforms, SSPs), e.g. in the sale of advertising space and in the processing of user data to create target group segments.

While most (advertising) companies can be assigned to one of these two sides and/or only focus on individual devices (such as mobile, desktop, connected TV or DOOH) or on individual formats (banner, stream, etc.), Verve operates in the digital advertising market with a comprehensive digital platform (full-stack platform) that covers the needs of both advertisers and publishers across all devices and advertising formats.

This strategic positioning of Verve offers multiple benefits for advertisers and publishers, as the flow of information between the two is more direct, leading to greater transparency in the planning, monitoring and evaluation of campaigns, while eliminating the gateways to fraud created by the multiplicity of market participants.

This is also reflected in Verve Group's ranking in Pixalate's Mobile Seller Trust Index, where they have been ranked number one several times. The ranking assesses the quality of the advertising spaces: for example, based on how much, or rather how little, fraud they contain.

The resulting increase in efficiency and quality leads to a higher ROI (return on investment) for advertisers and higher advertising revenue (measured by CPMs / cost per mile) for publishers. In addition, as a "one-stop shop", Verve reduces the number of external media partners coordinating cross-device and cross-format campaigns. This leads to leaner campaign management, where the individual components of the campaign are precisely orchestrated, resulting in higher ROAs.

In addition to the high quality of its fully-integrated platform, Verve is also one of the largest providers in the mobile supply-side platform sector. Whilst many measure this by the number of app integrations (i.e. how many apps have Verve's SDKs integrated), we believe this is not the correct measure of reach. While there are a very large number of apps, only a few premium apps cover the majority of users. When integrated into the premium apps, a smaller number of app integrations is sufficient to reach a large number of end users, which also leads to greater efficiency because fewer staff are required. Accordingly, the number of end users is the really relevant number. According to its own figures, Verve reaches over two billion mobile end users, making it one of the world's leading providers in the mobile sector (mobile in-app exchange). In North America, the world's largest advertising market, Verve is one of the three largest providers in the mobile in-app advertising sector.

Verve's innovative AI-based technologies

Verve relies heavily on innovative technologies as part of its ad tech platform business. The global advertising market is undergoing a major upheaval. Stricter regulation by legislators with regard to data protection and increased efforts by key market players in this area are causing previous technologies to disappear.

For example, Apple has recently switched off its Identifier for Advertisers (IDFA). This is a unique device identifier that Apple generates and assigns to each device. It was used by advertisers to deliver personalised ads and enable recognition of the user and their preferences. Nowadays, (efficient) targeting of advertising budgets is only possible with the user's consent, while around 80.0% of users opt out.

Another technology that is still frequently used today, but is less well known to the general public, is fingerprinting. Fingerprinting uses information (user data/device data/transaction data etc.) to identify the user almost unambiguously in the absence of a device identifier (IDFA/GAID). In some cases, this may also include personal data such as email ID/transaction data. For this reason, alternative identities (such as ID5, UUID 2.0, LiveRamp ID, etc.) fall within the scope of fingerprinting. Fingerprinting is heavily criticised because it is neither transparent nor under the control of the user. In its App Tracking Transparency (ATT) privacy policy, Apple has already labelled fingerprinting as prohibited, but has not yet taken any explicit measures against it. However, industry insiders expect that this could change with new iOS updates.

These examples illustrate that the previous technologies will gradually disappear from the market. The shutdown of IDFA has already had a major impact on the industry and has led to a sharp drop in sales at Meta and Snap Inc., for example. It can be assumed that preventing fingerprinting will have a similar or even greater impact on the industry, which is why it is important to have strong alternatives at this time. Verve started early to invest in modern and forward-looking targeting technologies that do not rely on traditional advertising identifiers such as IDFA, cookies or fingerprinting.

Since the Group began building its ad software platform, their focus has been on privacy-first technologies that do not rely on the use of identifiers (such as cookies or Apple's IDFA). As part of this, Verve has developed innovative technologies that enable efficient targeting of end users without relying on identifiers and instead using contextual data, for example. Thanks to their early focus on identifierless solutions, the Group currently has three promising technologies (Moments.A.I., ATOM 3.0 and SKAN Optimisation) and products that we expect to further increase their potential while identifiers increasingly disappear from the advertising market or become less important.

Selected innovative products are briefly presented below.

Moments A.I. (Moments.AI™)

Visual content analysis, keywords, semantics, meta tags and more are analysed and assigned a trust score within 100 milliseconds. With Verve Group's groundbreaking data processing technology, advertisers reach consumers at meaningful moments that align with brand values.

SKAN: SKAdNetwork (SKAN) by Apple is a solution for attribution and campaign tracking of app installs and in-app events on iOS devices. It is designed to protect user privacy by preventing device-level tracking and instead providing anonymised data to advertisers. Verve's ML-driven optimisation for SKAN is a solution that enables publishers and advertisers to target efficiently using SKAN. Recent research by Singular shows that Verve is the market leader in SKAN adoption, ahead of companies such as X, Reddit, Unity or Meta.

ATOM 3.0

Last year, Verve announced the release of ATOM 3.0, an industry-first on-device targeting solution for iOS that enables mobile marketers to meaningfully predict the characteristics of anonymous users in a privacy-compliant manner. This represents a significant competitive advantage in an ecosystem where 75 percent of iOS users reject tracking, with a similar trend predicted for Android.

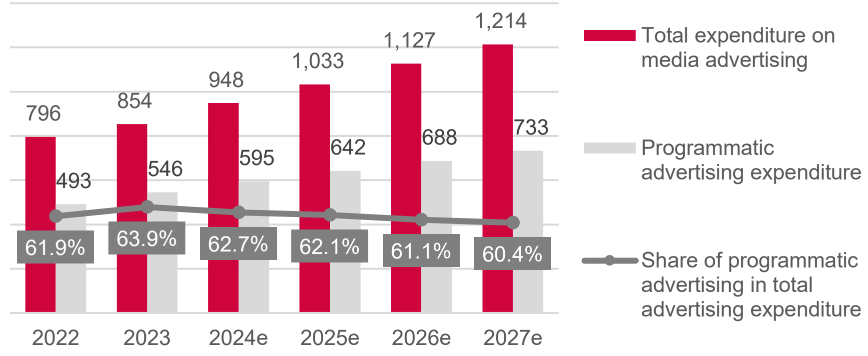
Using state-of-the-art AI technology on the device, ATOM processes signals from mobile devices and real-world context to predict user characteristics and classify them into cohorts. This gives advertisers the tools they need to deliver highly personalised advertising experiences while ensuring compliance with data protection regulations.

Originally launched in 2021, ATOM 3.0 is now seamlessly integrated into Verve's HyBid SDK. The HyBid SDK gives advertisers access to over 1.5 billion users across more than 10,000 apps worldwide. This unprecedented scale makes ATOM 3.0 the only scalable solution currently available for targeting users without ID on mobile devices, ensuring that advertisers and publishers can maintain audience addressability and engagement while respecting user choice.

MARKET AND MARKET ENVIRONMENT

Verve is now one of the largest (digital) marketplaces for mobile in-app advertising in North America and Europe. In view of this, this ad tech group operates in the multi-billion growth sector of digital advertising and is particularly active in the dynamically growing segment of programmatic advertising.

Global advertising expenditure (USD billion) - significant growth in programmatic advertising



Sources: eMarketer; Statista Research Department; GBC AG

According to a study by the industry experts at eMarketer, global media advertising expenditure increased significantly by 11.0% to USD 948.0 billion in 2024 (PY: USD 854 billion). At the same time, according to market data from Statista, global programmatic advertising expenditure increased significantly by 9.0% to USD 595 billion (PY: USD 546.0 billion). As a result, the programmatic advertising market grew just as strongly as the overall advertising market in 2024. With regard to future development, further significant (average) market growth of around 7.0% (CAGR) is expected until 2027.

In our opinion, the positive development to date and the expected continuation of market growth in the programmatic market segment is due, among other things, to the ongoing trend of advertisers increasingly shifting their advertising budgets to automated digital advertising platforms (programmatic marketplaces), as this advertising method is significantly more efficient and also delivers better advertising results and transparency.

Mobile in-app advertising is one of the most important market segments in the programmatic advertising sector. According to analyses by Statista Market Research, this sub-segment, with a current global market volume of around USD 480 billion, will continue to grow at an expected average growth rate of 8.9% in the coming years and then reach a forecast total volume of mobile advertising expenditure of USD 676 billion in 2028.

With its programmatic advertising platform, Verve has focussed on the fastest-growing sub-segments of the digital advertising market with its mobile in-app advertising business (most recent revenue share: 88.0%) and CTV advertising business (most recent revenue share: 9.0%). Thanks to its good positioning within these sub-segments, this ad tech group should be able to benefit significantly from the expected substantial market growth in these segments.

BUSINESS DEVELOPMENT 2024

P&L (in € million)	FY 2022	FY 2023	FY 2024
Revenues	324.44	321.98	437.01
Adjusted EBITDA (Adj. EBITDA)	93.20	95.17	133.25
EBITDA	84.75	128.46*2	128.52
Net result (after minorities)	20.32*1	46.73*2	28.80

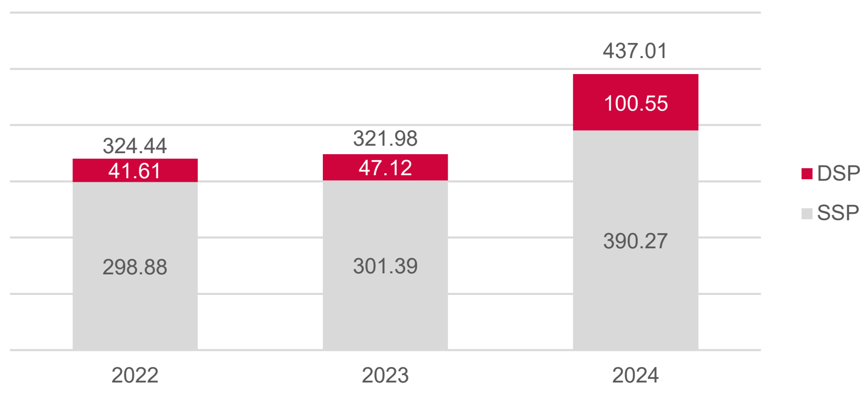
*Sources: Verve Group SE; GBC AG *1negatively influenced by a one-off amortisation effect of € 23.6 million *2positively influenced by a special revaluation effect in the amount of € 62.76 million*

Verve Group's past financial year 2024 was characterised in particular by dynamic growth. Thanks to strong organic growth, the company achieved a record year with a significant increase in sales of 35.7% to € 437.01 million (PY: € 321.98 million). Verve also benefited noticeably from the ongoing recovery of the advertising market. In particular, the dynamic growth of 46.0% (of which 24.0% was organic growth, excluding Jun M&A and currency effects) to € 144.20 million (Q4 2023: € 98.7 million) in the fourth quarter, which traditionally generates the highest revenue, made a significant contribution to the strong expansion of business, with the final quarter also closing with new record figures at revenue and earnings level.

In addition to their significant organic growth of approximately 24%, the Jun Group acquisition carried out in summer 2024 also fuelled the pace of growth.

In terms of revenue composition, the traditionally largest advertising segment "Supply Side Platform" (revenue share of SSP: 89.3%) accounted for the majority of Group revenue with revenue totalling € 390.27 million (PY: € 301.39 million). Primarily due to the strengthening of the "Demand Side Platform" as a result of the Jun takeover, sales in this business segment jumped to € 100.55 million (PY: € 47.12 million) and at the same time ensured a somewhat more balanced sales mix between the segments.

Development of Group and segment sales (in € million)*



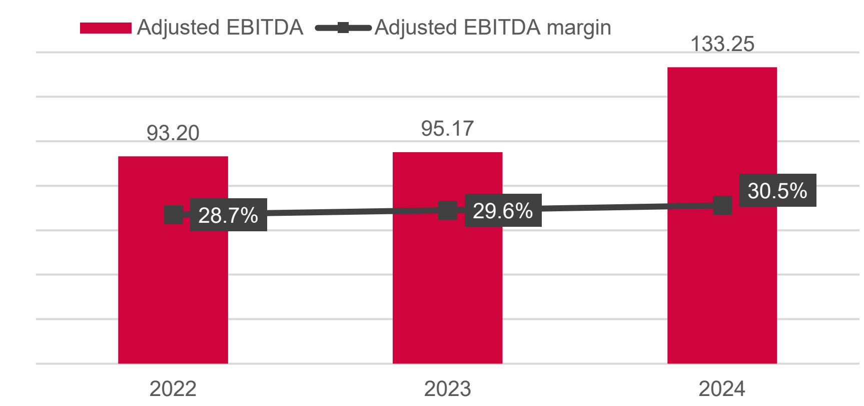
*Sources: Verve Group SE; GBC AG *Segment sales before consolidation effects*

The dynamic revenue growth achieved resulted primarily from an increase in the software customer base and the expansion of advertising budgets with existing software customers. The number of major customers (sales volume > € 100,000) on Verve's ad tech platform increased significantly by 56.8% to 1,140 at the end of the fourth quarter compared to the same quarter of the previous year (number of major customers at the end of Q4 2023: 727). Even excluding the Jun acquisition, the company also reported strong customer growth of 39.5% to 1,014 software customers on an adjusted basis. At the same time, existing software customers significantly expanded their advertising budgets at the end of the fourth quarter, which was reflected in a 15.0% increase in the net USD expansion rate to 110.0% (net USD expansion rate Q4 2023: 95.0%).

At product level, growth was significantly boosted, among other things, by the increasing customer demand for Verve's innovative ID-less advertising solutions (e.g. in the form of ATOM 3.0 or Moments.AI). In view of their disproportionately high revenue growth compared to the advertising industry average, Verve has succeeded in gaining significant market share and thus further expanding its leading market position, particularly in the mobile market segment (in-app advertising).

The clearly positive sales trend was also reflected at all earnings levels. With a reported EBITDA of € 128.52 million, the strong level of the previous year (PY: € 128.46 million) was even slightly exceeded. However, it should be noted that the previous year's operating result was significantly positively influenced by a revaluation of the AxesInMotion earn-out payment liability (positive one-off effect of € 62.76 million). Adjusted for this revaluation effect and other special effects (e.g. M&A and restructuring costs), adjusted EBITDA (Adj. EBITDA) increased significantly by 40.0% to € 133.25 million (PY: € 95.17 million). At the same time, the adjusted EBITDA margin (Adj. EBITDA margin) continued to improve moderately to 30.5% (PY: 29.6%).

Development of adjusted EBITDA & adjusted EBITDA margin (€ million / %)



Sources: Verve Group SE; GBC AG

In terms of net performance, Verve achieved a clearly positive net result (after minority interests) of € 28.80 million, which was below the previous year's level (PY: € 46.73 million). However, this downward trend is primarily the result of the positive one-off effect from the revaluation of an M&A-related payment obligation described above.

The company guidance (sales of € 400 to € 420 million and Adj. EBITDA of € 125 to € 135 million) raised again by Verve's management at the end of August 2024 was thus significantly exceeded in terms of sales and was at the upper end of the earnings guidance. Our sales and earnings estimates (sales of € 410.02 million and Adj. EBITDA of € 128.11 million) were also exceeded.

Presentation of the balance sheet and financial position

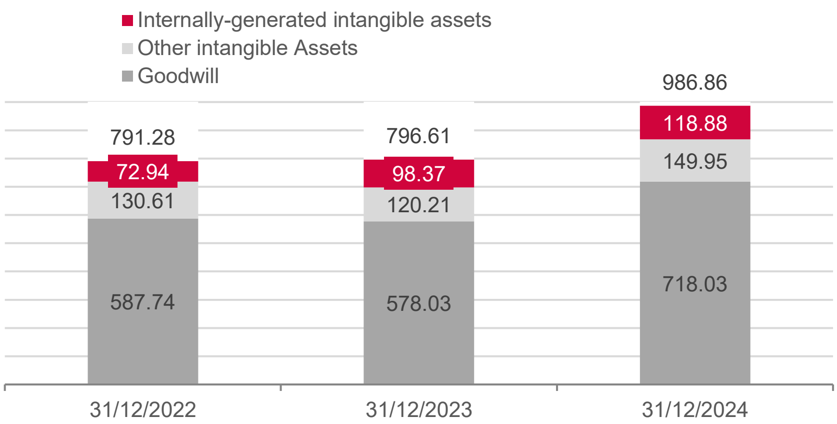
in € million	31/12/2022	31/12/2023	31/12/2024
Equity capital	321.75	352.46	450.88
Intangible assets	791.28	796.61	986.86
thereof goodwill	587.74	578.03	718.03
Cash and cash equivalents	149.99	121.74	146.70
Non-current liabilities	503.44	413.80	498.49
thereof bonds	389.39	348.04	445.78

Sources: Verve Group SE; GBC AG

The positive corporate development of the past financial years, the successful M&A strategy and the pleasing performance of the ad tech group are also reflected in Verve Group's balance sheet.

Due to the digitally-driven business model and the numerous M&As carried out (most recently, the Jun Group acquisition in summer 2024), the assets side of the consolidated balance sheet is primarily characterised by intangible assets (share of total assets: 78.8%). As a result of the Jun Group acquisition in summer 2024, intangible assets increased significantly year-on-year to € 986.86 million at the end of the past financial year (31 December 2023: € 796.61 million). At € 718.03 million, the majority of this is attributable to the balance sheet item goodwill and € 149.95 million to other intangible assets.

Composition of intangible assets (in € million)

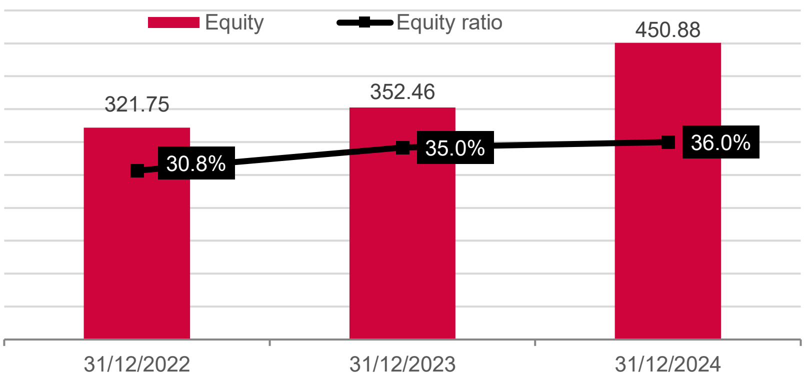


Sources: Verve Group SE; GBC AG

Significant items on the liabilities side of the balance sheet as at the balance sheet date of 31 December 2024 are equity and bonds issued. Due to the clearly positive net result and the cash capital increase carried out last year (gross issue proceeds: approximately € 40.0 million) to refinance the Jun takeover, the equity position increased significantly to € 450.88 million at the end of the past financial year (31 December 2023: € 352.46 million). Bond liabilities also increased significantly to € 445.78 million as at the reporting date of 31 December 2024 (31 December 2023: € 348.04 million).

The equity ratio improved slightly to 36.0% (31/12/2023: 35.0%) due to the slightly disproportionate increase in equity in relation to debt at the end of the past financial year. This means that the equity ratio remains at a relatively high and solid level.

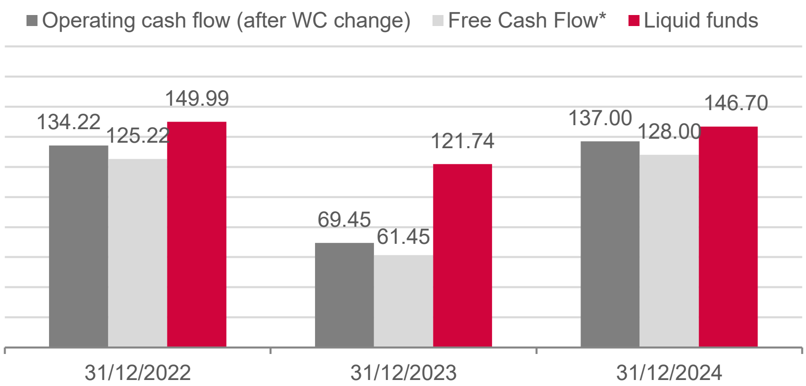
Development of equity (in € million) and equity ratio (in %)



Sources: Verve Group SE; GBC AG

As a result of the significant growth in earnings and the increased (high) profitability, the operating cash flow increased significantly to € 137.00 million at the end of the past financial year (31 December 2023: € 69.45 million). In addition, Verve also had access to extensive cash and cash equivalents of € 146.70 million as at the reporting date (31 December 2023: € 121.74 million).

Operating cash flow and free cash flow as well as liquid funds (in € million)



*Sources: Verve Group SE; GBC AG *Free cash flow = operating cash flow - normal investments (maintenance, optimisation, etc.)*

Given the high profitability of the platform-based business model and strong operating cash flow, Verve Group significantly improved its debt ratio (net debt/adjusted EBITDA) to 2.4x at the end of the last fiscal year (December 31, 2023: 3.1x). At the end of the first quarter of the current fiscal year, this level was almost confirmed with a leverage of 2.5x. In the medium term, the ad tech company even anticipates a further reduction in its debt ratio to between 1.5x and 2.5x (Verve Group's medium-term target range).

The Verve Group recently announced a cash capital increase (gross issue proceeds: approximately € 33.0 million) to finance growth, broaden its shareholder base, and strengthen its equity capital. The significantly oversubscribed transaction involved the issue (placement price: € 2.55) of 12.9 million new ordinary shares to institutional investors, representing approximately 6.9% of the outstanding shares. Among other things, the capital measure expanded the shareholder base to include new long-term investors such as a Swedish multi-family office, Cicero Fonder, and DNB Asset Management.

The technology company now has considerable financial resources at its disposal (estimated cash and cash equivalents at the end of June 2025 GBCe: approximately € 156.0 million) to continue to significantly advance its growth course. This transaction provides significantly greater financial flexibility and room for maneuver, particularly with regard to potential future inorganic opportunities.

BUSINESS PERFORMANCE Q1 2025

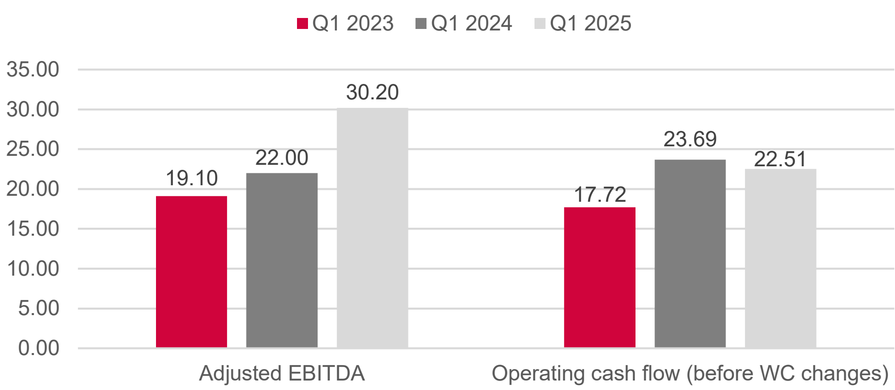
P&L (in € million)	Q1 2023	Q1 2024	Q1 2025
Revenues	68.75	82.47	109.04
Adjusted EBITDA (Adj. EBITDA)	19.10 (27.8%)	22.00 (26.7%)	30.20 (27.7%)
EBITDA (EBITDA margin)	17.43 (25.3%)	20.19 (24.5%)	27.48 (25.2%)
Net result (after minority interests)	0.83	0.60	0.19

Sources: Verve Group SE; GBC AG

On 28 May 2025, Verve Group published its figures for the first quarter of 2025. Thanks to strong organic and inorganic growth, the ad tech company achieved a significant increase in revenue of 32.2% to € 109.04 million in the first quarter (Q1 2024: € 82.47 million) and gained market share in the process. 16.0% of the increase in revenue was due to organic growth effects.

Strong demand for privacy-first targeting solutions, particularly from new customers, proved to be a growth driver in the first three months of the financial year. Accordingly, the number of large software customers (revenue > USD 100,000) increased significantly by 51% to 1,152 (Q1 2024: 764). At the same time, sales revenues with existing software customers were kept stable based on a net USD expansion rate of 100.0% (Q1 2024: 110.0%). The dynamic growth in the customer base and the attractiveness of the advertising solutions are also reflected in a significant increase in adverts of 24.0% to 248 billion (Q1 2024: 199 billion).

Development of adjusted EBITDA and operating cash flow (in € million)



Sources: Verve Group SE; GBC AG

In parallel to the strong sales growth, adjusted EBITDA (Adj. EBITDA) increased significantly by 37.3% to € 30.20 million (Q1 2024: € 22.00 million). Due to the onset of economies of scale, the adjusted EBITDA margin increased slightly disproportionately to 27.7% (Q1 2024: 26.7%). Higher investments in new employees (primarily in marketing and sales forces) prevented a stronger increase in profitability.

Verve also recorded a positive development at cash flow level. At € 22.51 million, operating cash flow (before changes in working capital) at the end of the first quarter was almost on a par with the high level achieved in the same quarter of the previous year (Q1 2024: € 23.69 million).

FORECASTS AND MODEL ASSUMPTIONS

in € million	2024	2025e	2026e	2027e
Revenues	437.01	547.34	652.42	784.77
Adj. EBITDA	133.25	163.47	198.72	243.44
EBITDA	128.52	157.37	192.42	237.34
Net result (after minorities)	28.80	44.25	68.56	99.08

Sources: Verve Group SE; GBC AG (forecasts)

Revenue and earnings forecasts

With the recent publication of its Q1 business figures, Verve's management has concretised its previously-communicated rough company guidance (double-digit organic sales growth), whereby a more precise outlook has been issued with a slightly wider range this time due to the more difficult general conditions. For the current financial year, Verve now anticipates sales in a range of € 530.0 million to € 565.0 million and an adjusted EBITDA (Adj. EBITDA) of € 155.0 million to € 175.0 million.

At the same time, Verve's management also reaffirmed its medium-term guidance (revenue CAGR: 25.0% to 30.0%; Adj. EBITDA margin: 30.0% to 35.0%), which relates to a time horizon of three to five years. Based on this, Verve Group is aiming for future sales of over € 1.00 billion and an operating result (EBITDA) of over € 330.0 million in 2028/2029. This prospective sales target is to be achieved primarily through organic growth.

Most recently, the ad tech group also announced the so-called "uplisting" of the company and the Verve share to the Geregelten Markt (regulated market) of the Frankfurt Stock Exchange (with new ticker symbol: VRV). The strategic move to the Geregelten Markt gives Verve access to a broader range of institutional investors who are only allowed to invest in companies listed on a Geregelten Markt. Due to the increased visibility associated with the uplisting and improved investor access, the technology company expects a further increase in trading liquidity in its own shares. With the change to the Geregelten Markt and the associated higher share-trading liquidity, Verve expects to be included in prominent indices such as the SDAX in the foreseeable future. A possible inclusion in the SDAX would further increase the visibility of the technology company among investors and further strengthen the liquidity and attractiveness of a Verve share.

In light of the more specific guidance, the confirmed medium-term outlook and the positive Q1 performance, we have adjusted our previous sales and earnings estimates upwards. For the current financial year 2025, we now expect sales revenue of € 547.34 million (previously: € 502.11 million) and EBITDA of € 157.37 million (previously: € 156.84 million). For the 2026 financial year, we anticipate a further increase in sales and EBITDA to € 652.42 million (previously: € 596.79 million) and € 192.42 million (previously: € 191.58 million) respectively. In the following year, sales and EBITDA should increase again to € 784.77 million (previously: € 716.74 million) and € 237.34 million (previously: € 236.16 million) respectively.

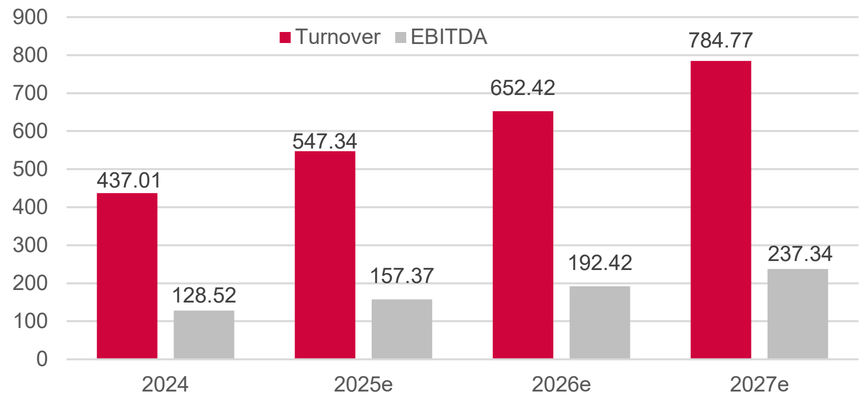
Thanks in particular to Verve Group's strong positioning in the US core market (especially in the mobile in-app advertising segment and connected TV) and with its innovative ID-less advertising solutions as well as the increased expansion of its marketing and sales staff, the ad tech company should be able to continue its dynamic growth trajectory even in the current challenging environment.

As a result, the technology company should also benefit from its highly diversified client portfolio with a predominant share of advertising clients from almost non-cyclical and less "cyclical" sectors (e.g. gaming/entertainment, retail/e-commerce, social media/internet or the consumer goods industry), as clients from these sectors traditionally keep their advertising budgets relatively stable even across different economic cycles. We estimate that Verve advertising clients from the more stable or defensive sectors account for over 70.0% (GBCe) of the total client base.

In addition, the mobile in-app and CTV advertising channels, in which Verve is primarily active, have proven to be significantly more robust in the past than alternative advertising formats, such as display advertising or web advertising, in an advertising market phase where customer budgets tend to be "tighter"

With regard to future Group profitability, Verve should also be able to increasingly benefit from the expected positive effects of the efficiency and optimisation measures initiated (e.g. bundling and standardisation of the cloud-based platforms or standardisation of the platform-related technologies used), starting from the end of the current financial year. According to the ad tech group, it has started the final phase of the initiated platform integration (both for the supply-side platform and the demand-side platform) and expects higher cost efficiencies, better scalability and a generally lower cost base from the end of the year.

Expected future revenue and earnings development (in € million)



Sources: Verve Group; GBC *AG*

Based on our increased sales and earnings estimates, we have also significantly raised our previous price target to € 9.20 (previously: € 8.30) per share. The rollover effect (price target based on the 2026 fiscal year instead of 2025 as previously) also contributed to the increase in the price target. This was offset, however, by the dilution effect resulting from the recent cash capital increase and the shares issued under the employee stock option program. In view of the current share price level, we continue to assign a "BUY" rating and see significant upside potential for the Verve share. The share could receive an additional "boost" from a possible inclusion in the prominent SDAX. We rate the probability of this as relatively high.

Valuation

Modelling assumptions

We have valued Verve Group SE using a three-stage DCF model. Starting with the specific estimates for the years 2025 to 2027 in phase 1, the forecast for 2028 to 2032 in the second phase is based on value drivers. We expect sales to increase by 5.0% (previously: 5.0%). We have assumed an EBITDA target margin of 30.2% (previously: 32.9%). We have included the tax rate in phase 2 at 30.0%. In the third phase, a residual value is also determined after the end of the forecast horizon using perpetuity. In the terminal value, we assume a growth rate of 2.5% (previously: 2.5%).

Determination of the cost of capital

The weighted average cost of capital (WACC) of Verve Group SE is calculated from the cost of equity and the cost of debt. The fair market premium, the company-specific beta and the risk-free interest rate must be calculated to determine the cost of equity.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the IDW's Technical Committee for Business Valuations and Business Administration (FAUB). This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method. The average yields of the previous three months are used to smooth out short-term market fluctuations. The value currently used for the risk-free interest rate is 2.5% (previously: 2.5%).

We use the historical market premium of 5.5% as a reasonable expectation of a market premium. This is supported by historical analyses of equity market returns. The market premium reflects the percentage by which the equity market is expected to outperform low-risk government bonds.

According to the GBC estimation method, the current beta is 1.36 (previously: 1.36).

Using the assumptions made, we calculate a cost of equity of 10.0% (previously: 10.0%) (beta multiplied by risk premium plus risk-free interest rate). As we assume a sustainable weighting of the cost of equity of 85.0% (previously: 80.0%), the weighted average cost of capital (WACC) is 9.3% (previously: 9.0%).

Valuation result

The fair value per share we have calculated for the end of the 2026 financial year corresponds to a target price of € 9.20 per share (previously: € 8.30 per share). Our price target increase is mainly the result of our increased estimates for the current financial year 2025 and the following years 2026 and 2027. In addition, the rollover effect (price target based on fiscal year 2026 instead of fiscal year 2025 as previously) also had an upward impact on the price target. This was offset, however, by the dilution effect resulting from the recent capital increase and the employee stock option program that was launched.

DCF MODEL

Phase	estimate		consistency						final
In EUR million	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e	FY 32e	
Turnover	547.34	652.42	784.77	824.01	865.21	908.47	953.89	1001.59	
Sales growth	25.2%	19.2%	20.3%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%
EBITDA	157.37	192.42	237.34	249.21	261.67	274.75	288.49	302.91	
EBITDA margin	28.8%	29.5%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	
EBITA	114.16	145.70	185.81	197.62	214.34	230.63	246.84	263.15	
EBITA margin	20.9%	22.3%	23.7%	24.0%	24.8%	25.4%	25.9%	26.3%	23.7%
NOPLAT	79.91	101.99	130.07	138.34	150.04	161.44	172.79	184.20	
Working capital (WC)	4.15	11.99	17.88	41.20	43.26	45.42	47.69	50.08	
Fixed assets (OAV)	255.43	236.91	217.20	199.26	185.77	175.36	167.44	161.34	
Invested capital	259.58	248.90	235.08	240.46	229.03	220.78	215.13	211.42	
Return on investment	30.5%	39.3%	52.3%	58.8%	62.4%	70.5%	78.3%	85.6%	80.5%
EBITDA	157.37	192.42	237.34	249.21	261.67	274.75	288.49	302.91	
Taxes on EBITA	-34.25	-43.71	-55.74	-59.29	-64.30	-69.19	-74.05	-78.94	
Change OAV	-25.50	-28.20	-31.82	-33.65	-33.83	-33.71	-33.73	-33.67	
Change WC	-15.61	-7.84	-5.89	-23.32	-2.06	-2.16	-2.27	-2.38	
Investments in goodwill	-66.00	-25.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free cash flow	16.01	87.67	143.89	132.95	161.47	169.69	178.43	187.91	2443.55

Development of cost of capital	
Risk-free return	2.50%
Market risk premium	5.50%
Beta	1.36
Cost of equity	9.96%
Target weighting	85.00%
Borrowing costs	6.50%
Target weighting	15.00%
Tax shield	20.18%
WACC	**9.25%**

Determination of fair value	FY 25e	FY 26e
Value of operating business	2046.92	2148.54
Present value of explicit FCFs	731.30	711.26
Present value continuing value	1315.62	1437.29
Net debt	346.32	306.55
Value of equity	1700.60	1841.99
Minority interests	-0.22	-0.24
Value of the share capital	1700.38	1841.75
Outstanding shares in million	200.10	200.10
Fair value of the share in EUR	**8.50**	**9.20**

Sensitivitätsanalyse

		WACC				
		8.6%	**8.9%**	**9.2%**	**9.5%**	**9.8%**
Kapitalrendite	**80.0%**	10.12	9.61	9.16	8.74	8.36
	80.2%	10.14	9.64	9.18	8.76	8.38
	80.5%	10.17	9.66	**9.20**	8.79	8.40
	80.7%	10.20	9.69	9.23	8.81	8.42
	81.0%	10.22	9.71	9.25	8.83	8.45

ANNEX

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or

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A specific update of the present analysis(es) at a fixed date has not yet been scheduled. GBC AG reserves the right to update the analysis without prior notice.

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BUY	The expected return, based on the calculated price target, including dividend payment within the corresponding time horizon is >= + 10%.
HOLD	The expected return, based on the calculated price target, including dividend payment within the corresponding time horizon is > - 10% and < + 10%.
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The analysts responsible for this analysis are

Marcel Goldmann, M.Sc., Financial Analyst

Cosmin Filker, Business Economist (FH), Deputy Chief Analyst

Other person involved in this study:

Manuel Hölzle, Business graduate, Chief Analyst

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GBC AG
Halderstrasse 27
D 86150 Augsburg
Tel.: 0821/24 11 33-0
Fax: 0821/24 11 33-30
Internet: http://www.gbc-ag.de

e-mail: compliance@gbc-ag.de

GBC AG®
- RESEARCH & INVESTMENT ANALYSES -

GBC AG
Halderstrasse 27
86150 Augsburg
Internet: http://www.gbc-ag.de
Fax: ++49 (0)821/241133-30
Phone: ++49 (0)821/241133-0
Email: office@gbc-ag.de