

## **H1 2025 revenue and results**

Activity rose sharply in the second quarter compared with the start of the year (+30,5%), down over the half-year period

Lengthening sales cycle with customers taking longer to make investment decisions

Significant improvement in adjusted EBITDA over the first half to \$2.5m (+49.2%), revised downwards for the full year

### **Q2 2025 revenue**

- Consolidated revenue: \$15.0m (-10% vs. Q2 2024)
- Significant improvement in activity compared to Q1 2025 (+30.5% and +\$3.5m)
- Growth in ARR from subscriptions: \$18.4m (+10% vs. Q2 2024)

### **H1 2025 revenue**

- Consolidated revenue: \$26.5m (-14% vs. H1 2024)
- Recurring revenue: 65% of revenue at \$17.3m (+1% vs. H1 2024)

### **Financial results for H1 2025**

- Significant improvement in adjusted EBITDA to \$2.5m (vs. \$1.7m in H1 2024 and \$2.8m for full-year 2024)
- Adaptation of the workforce to activity levels and optimization of marketing expenses
- Adjusted Net loss: \$3.3m vs. a loss of \$3.3m in H1 2024
- Free cash flow of \$5m at end-June 2025, mainly impacted by late payments in Latin America

### **Outlook for 2025**

- Economic uncertainties will continue to weigh on business
- New target for EBITDA as a percentage of annual sales slightly higher than 2024 (4.9%) compared with a previously announced target of 10%
- Ambition maintained for another year of double-digit growth in ARR from subscriptions

**Aix-en-Provence, France and San Diego, USA, July 28, 2025, 5.45 p.m.** — VERIMATRIX (Euronext Paris: VMX, FR0010291245), a leading provider of security solutions for a safer connected world, is publishing its second quarter revenue and results for the six month period ended June 30, 2025.

*“During the first half of 2025, Verimatrix operated in a more mixed environment, marked by a slowdown in activity and the deferral of orders. In this context, the Group has shown resilience and stayed the course thanks to a clear strategy focused on innovation, digital security and continuous adaptation to the needs of its customers worldwide. The recognition it obtained – including the 2025 Intellyx Digital Innovator Award and Leader and Ace Performer status by QKS Group in its 2025 SPARK Matrix™: In-App Protection report – highlights our unique arsenal of in-app protection solutions and confirms the relevance of our technological and strategic directions. I would like to acknowledge the commitment and professionalism of all the teams, who remain fully committed to supporting*

Verimatrix's transformation. Despite the wait-and-see stance observed in our main markets, we are approaching the second half of the year with determination, underpinned by solid fundamentals and a clearly defined roadmap for recurring and sustainable growth", says Amedeo D'Angelo, Executive Chairman of VERIMATRIX.

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*Amedeo D'Angelo, Executive Chairman, and Jean-François Labadie, Chief Financial Officer, will host a webcast today at 6.00 p.m. to present Q2 2025 revenue and H1 2025 results.*

*To join the webcast, click on the following link:  
["Q2 2025 revenue and H2 2025 results"](#)*

*To join the webcast in audio only, call the following number:  
 France: +33 (0)4 88 80 09 30  
 Phone Conference ID: 465 325 068#*

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#### ○ Q2 2025 revenue and Annual Recurring Revenue (ARR)

(in US\$ million)	Q2 2025	Q2 2024	Var.
<b>Recurring revenue</b>	<b>8.7</b>	<b>8.6</b>	<b>+1%</b>
of which subscriptions	4.7	4.4	+8%
of which maintenance	3.9	4.2	-6%
<b>Non-recurring revenue</b>	<b>6.3</b>	<b>8.0</b>	<b>-21%</b>
<b>Total revenue</b>	<b>15.0</b>	<b>16.6</b>	<b>-10%</b>
<b>ARR</b>	<b>31.7</b>	<b>32.0</b>	<b>-1%</b>
of which subscriptions	18.4	16.8	+10%
of which maintenance	13.2	15.3	-13%

In the second quarter of 2025, VERIMATRIX made **consolidated revenue** of \$15.0 million, down 10% on the same period in 2024. Note that this represented an increase of 30% (+\$3.5 million) compared to the first quarter of 2025, which had been significantly impacted by the macroeconomic environment and order deferrals.

#### **Recurring revenue**

Recurring revenue in Q2 came to \$8.7 million, slightly higher than in Q2 2024. Subscription revenue remained strong at \$4.7 million, up 8%, while maintenance revenue was down 6%.

#### **Non-recurring revenue**

After a complex first quarter 2025, non-recurring revenue showed a more positive trend, reaching \$6.3 million in Q2. The Group benefited from several significant sales of perpetual license contracts, amounting to nearly \$4 million, confirming steady interest from traditional broadcasting customers. However, this level is still significantly lower than that seen in Q2 2024 (\$8 million).

#### **Annual recurring revenue (ARR)**

Total ARR at June 30, 2025 was \$31.7 million, down by a slight 1% compared to June 30, 2024, and down in relation to \$33.2 million recorded at the end of March 2025.

ARR from subscriptions rose by 10% compared to Q2 2024, reaching \$18.4 million, in line with the target announced by the Group at the beginning of the year to achieve another year of double-digit

growth in ARR from subscriptions in 2025. ARR from subscriptions in Q2 was stable versus Q1 (\$18.5 million). While a contract with a long-standing banking client of the Group was terminated, also impacting ARR from maintenance, the sales teams were able to extend services to certain customers and successfully converted several prospective contracts with video operators to our subscription offers, particularly in Latin Europe.

#### ○ H1 2025 revenue

(in US\$ million)	H1 2025	H1 2024	Chg.
<b>Recurring revenue</b>	<b>17.3</b>	<b>17.1</b>	<b>+1%</b>
<i>of which subscriptions</i>	<i>9.3</i>	<i>8.6</i>	<i>+9%</i>
<i>of which maintenance</i>	<i>7.9</i>	<i>8.5</i>	<i>-7%</i>
<b>Non-recurring revenue</b>	<b>9.2</b>	<b>13.7</b>	<b>-33%</b>
<b>Total revenue</b>	<b>26.5</b>	<b>30.8</b>	<b>-14%</b>

**Revenue for the first half of 2025** was down 14% versus the first half of 2024.

**Recurring revenue** rose by 1% to \$17.3 million, thanks to strong subscription revenue, which rose by 9% to \$9.3 million. At June 30, 2025, recurring revenue accounted for 65% of VERIMATRIX's total revenue.

**Non-recurring revenue** fell 33% to \$9.2 million, significantly impacted by the first quarter, during which license sales more than halved compared to the first quarter of 2024.

#### - H1 2025 revenue by business activity:

**Anti-Piracy revenue** reached \$23.9 million, down 16% in H1, and accounting for 90% of the Group's total activity. Business activity was characterized by success in winning a major contract with a long-standing telecom operator in South America and the extension of commercial decision-making from new customers.

**Extended Threat Defense (XTD) revenue** amounted to \$2.6 million, up 6% on the first half of 2024, confirming the market's interest in this product range.

#### - H1 2025 revenue by region:

**The Group's revenue figures by region reflect the overall evolution of the Group's activity, with mixed performances depending on the geographical area.**

Revenue in the EMEA region came to \$13.7 million, up 24% (51% of VERIMATRIX's total revenue in the first half of 2025).

Revenue in Asia Pacific was \$2.8 million, down 20% over the first half. Revenue in Latin America was \$5.3 million, down by a sharp 55%; this is the third consecutive quarter of decline, attributable to ongoing political and economic instability in the Group's main locations, namely Brazil, Colombia, Mexico and Argentina. Revenue in the United States and Canada reached \$4.7 million (18% of VERIMATRIX's total revenue in the first half of 2025), a slight increase of 8%.

#### ○ Results for H1 2025

(in US\$ million)	H1 2025	H1 2024	Chg.
<b>Revenue</b>	<b>26.5</b>	<b>30.8</b>	<b>-13.9%</b>
<b>Gross profit</b>	<b>17.7</b>	<b>21.5</b>	<b>-17.7%</b>
<i>As a % of revenue</i>	66.6%	69.7%	
Research & development expenses	(8.6)	(9.6)	-10.9%
Sales and marketing expenses	(4.8)	(7.1)	-32.7%
General & administrative expenses	(4.8)	(5.9)	19.4%
Other gains / (losses), net	0.1	(0.1)	-245.3%
<b>Total adjusted operating expenses</b>	<b>(18.0)</b>	<b>(22.7)</b>	<b>-20.7%</b>
<i>As a % of revenue</i>	-67.8%	-73.6%	
<b>Adjusted EBITDA</b>	<b>2.5</b>	<b>1.7</b>	<b>+49.2%</b>
<i>As a % of revenue</i>	9.5%	5.5%	
<b>Adjusted operating income</b>	<b>(0.3)</b>	<b>(1.2)</b>	<b>-73.9%</b>
<i>As a % of revenue</i>	-1.2%	-3.9%	
Financial income / (loss)	(2.3)	(1.5)	51.1%
Income tax expenses	(0.7)	(0.5)	+32.2%
<b>Adjusted net income / (loss)</b>	<b>(3.3)</b>	<b>(3.3)</b>	<b>+2.3%</b>

In the first half of 2025, VERIMATRIX generated a gross profit of \$17.7 million, i.e. 66.6% of revenue compared to 69.7% in the same period the previous year. Despite an improvement in its production and support costs over the period, the fall in non-recurring revenue was too strong for it to maintain the same level of profitability as seen in the first half of 2024.

Research and development expenses continued to be closely managed and were adjusted according to the Group's activity levels and customers' expressed needs. They fell by more than 10% to \$8.6 million.

Sales and marketing expenses were also down sharply, by \$2.3 million compared to the first half of 2024. This is in line with the Group's wish to refocus on commercial operations that generate a strong return on investment and generate direct commercial leads, with more targeted attendance at events and trade shows specializing in the field of cybersecurity.

Total operating expenses came to \$18 million, down \$4.7 million from the first half of 2024 and by \$1.3 million from the second half of 2024.

Adjusted EBITDA improved substantially to \$2.5 million in the first half of 2025, compared to \$1.7 million in the first half of 2024 and \$2.8 million in full-year 2024.

Financial expenses and the tax expense increased by 51% and 32% respectively compared to the first half of 2024. This resulted in an adjusted net loss of \$3.3m, compared with \$3.3m in the first half of 2024.

In accordance with IFRS, and as part of the fair valuation of its assets, Group also recognised an asset impairment charge of \$60m at 30 June. The Group's consolidated net result therefore shows a loss of \$65m.

#### ○ Reconciliation of adjusted operating income to IFRS operating income and net income

(in millions of dollars)	H1 2025	H1 2024
<b>Adjusted operating income</b>	<b>(0.3)</b>	<b>(1.2)</b>
Amortization and impairment of assets recognised on acquisitions of businesses and/or businesses (items with no cash impact)		(0.3)
Acquisition-related costs	(0.0)	-
Non-recurring costs related to restructuring	(1.2)	(0.5)
Share-based payments	(0.5)	(0.3)
Impairment loss / goodwill impairment	(60.0)	
<b>Operating income (expense)</b>	<b>(62.0)</b>	<b>(2.3)</b>
Net financial income / (expense)	(2.3)	(1.5)
Income tax expenses	(0.7)	(0.5)
<b>Net income (expense) from continuing operations</b>	<b>(65.0)</b>	<b>(4.4)</b>

○ **Financial position and cash flow**

(In millions of US\$)	H1 2025	H1 2024
<b>Income / (loss) for the period</b>	<b>(65.0)</b>	<b>(4.4)</b>
Non cash income statement items from continuing activities	6.1	5.5
Impairment loss / goodwill impairment	60.0	-
Changes in working capital from continuing operations	(2.7)	(6.9)
<b>Cash generated by operating activities</b>	<b>(1.6)</b>	<b>(5.9)</b>
Taxes paid	(0.6)	(0.5)
Interests paid	(1.4)	(1.8)
<b>Net cash generated by / (used in) operating activities</b>	<b>(3.6)</b>	<b>(8.2)</b>
Purchases of property and equipment	(0.3)	(0.0)
Purchases of intangible assets	(0.8)	(1.0)
<b>Cash flows from investing activities</b>	<b>(1.1)</b>	<b>(1.0)</b>
Loan repayments	-	-
Reimbursement of lease commitments under IFRS16	(0.7)	(0.9)
<b>Cash flows from financing activities</b>	<b>(0.7)</b>	<b>(0.9)</b>
Effect of exchange rate fluctuation	(0.2)	0.2
<b>Net increase in cash and cash equivalents</b>	<b>(5.7)</b>	<b>(10.0)</b>
Cash and cash equivalents at beginning of the period	11.0	22.6
<b>Cash and cash equivalents at end of the period</b>	<b>5.3</b>	<b>12.6</b>

The first half of 2025 was marked by a deterioration in cash and cash equivalents to \$5.3 million (compared to \$12.6 million at end-June 2024 and \$11 million at end-December 2024), attributable to the deferral of customer inflows, mainly in Latin America.

The short-term position of the debt is currently under discussion with the Apera Group, aiming at optimising the conditions of downpayment of the debt. The debt with Apera Group has been reclassified as a short term.

## ○ Outlook for 2025

VERIMATRIX's security solutions help companies to comply with and meet the strictest regulatory standards such as those in the media and entertainment, sports content, telecommunications, finance and healthcare sectors. In 2025, VERIMATRIX intends to continue winning new market share and to accelerate the dissemination of its solutions across all these business segments.

Despite the economic downturn, ARR from subscriptions is again expected to show double-digit growth over the full year. This commercial performance will also be accompanied by a further improvement in profitability, albeit below initial forecasts. The ratio of EBITDA to annual sales should therefore be slightly higher than the level achieved in 2024 (4.9%), contrary to the initial target of 10% communicated by the Group at the start of the year.

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### Next event:

Publication of Q3 revenue: October 22, 2025 (after market close)

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#### About VERIMATRIX

VERIMATRIX (Euronext Paris: VMX) is contributing to making the connected world safer through its user-friendly security solutions. The Group protects content, applications and smart objects by providing intuitive, unconstrained and fully user-oriented security. The leading players in the market trust VERIMATRIX to protect their content, including premium films, sports streaming, sensitive financial and medical data, and the mobile applications essential to their business. VERIMATRIX ensures a relationship of trust that its customers count on to deliver quality content and service to millions of consumers worldwide. VERIMATRIX supports its partners, bringing them faster access to the market and helping them to develop their business, safeguard their revenue and win new customers. Find out more at [www.verimatrix.com](http://www.verimatrix.com).

#### Supplementary non-IFRS financial information

Verimatrix uses performance indicators that are not strictly accounting measures in accordance with IFRS. They are defined in Appendix 1 of this press release. They should be considered as additional information, which cannot replace any other strictly accounting-based operating or financial performance measure, as presented in the consolidated financial statements, including the income statement set out in Appendix 1 hereof.

#### Forward-looking statements

This press release contains certain forward-looking statements concerning Verimatrix. Although Verimatrix believes its expectations to be based on reasonable assumptions, they do not constitute guarantees of future performance. Accordingly, the Company's actual results may differ materially from those anticipated in these forward-looking statements owing to a number of risks and uncertainties.

## Appendix 1 — Additional non-IFRS financial information — Reconciliation of IFRS results with the adjusted results

The performance indicators presented in this press release that are not strictly accounting metrics are defined below. These indicators are not aggregates defined under IFRS and do not constitute accounting metrics used to measure the Company's financial performance. They must be considered supplemental information which is not a substitute for any operational and financial metric of a strictly accounting nature, as presented in the Company's consolidated financial statements and accompanying notes. The Company uses these indicators because it believes they are relevant measures of its current operating profitability and operating cash flow generation. Although generally used by companies in the same sector around the world, these indicators may not be strictly comparable to those of other companies as they may be defined or calculated differently even though similarly labeled.

**Adjusted gross profit** is defined as gross profit before (i) the amortization of intangible assets related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expenses and (iv) non-recurring costs associated with restructuring and acquisitions and disposals carried out by the Company.

**Adjusted operating profit** is defined as operating profit before (i) the amortization of intangible assets related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expenses and (iv) non-recurring costs associated with restructuring and acquisitions and disposals carried out by the Company.

**EBITDA** is defined as adjusted operating profit before depreciation, amortization and impairment expenses not related to business combinations.

Annual recurring revenue (ARR) corresponds to the annualized value of all recurring revenue from contracts in place at the time of measurement. ARR includes all types of contracts that generate recurring revenue and for which revenue is currently recognized. ARR is a rolling number that accumulates over time whereas the total contract value (TCV) metric also used by the Company is typically used to measure (new or incremental) orders made within a period. The Company computes an ARR for SaaS and non-SaaS subscriptions and ARR combining subscriptions and maintenance.

### Reconciliation of net debt

(in millions of US\$)	June 30, 2025	December 31, 2024	June 30, 2024
Cash and cash equivalents	5.3	11.0	12.6
Private loan note due in 2026	(17.8)	(18.2)	(24.6)
Other borrowings	(8.7)	(7.7)	(7.9)
<b>Net cash/(debt)</b>	<b>(21.2)</b>	<b>(14.9)</b>	<b>(19.8)</b>
Lease liabilities (IFRS16)	(5.7)	(6.4)	(7.2)
<b>Net cash/(debt) including IFRS16</b>	<b>(26.8)</b>	<b>(21.3)</b>	<b>(27.0)</b>



## Appendix 2 — Consolidated financial statements (IFRS)

### Consolidated income statement

(in millions of US\$)	Six month period ended June 30,	
	2025	2024
<b>Revenue</b>	<b>26.5</b>	<b>30.8</b>
Cost of sales	(8.9)	(9.5)
<b>Gross profit</b>	<b>17.7</b>	<b>21.3</b>
Research and development expenses	(8.6)	(9.8)
Sales and marketing expenses	(4.8)	(7.0)
General and administrative expenses	(5.2)	(6.2)
Other net operating income/(expenses)	(1.1)	(0.6)
Impairment loss / goodwill impairment	(60.0)	-
<b>Operating income/(expense)</b>	<b>(62.0)</b>	<b>(2.3)</b>
Cost of net financial debt	(1.5)	(2.0)
Other net financial income/(expenses)	(0.8)	0.5
<b>Profit/(loss) before income tax</b>	<b>(64.3)</b>	<b>(3.9)</b>
Income tax expense	(0.7)	(0.5)
<b>Consolidated net profit/(loss)</b>	<b>(65.0)</b>	<b>(4.4)</b>

### Consolidated balance sheet

Assets		
(in millions of US\$)	June 30, 2025	December 31, 2024
Goodwill	55.2	115.2
Intangible fixed assets	9.1	10.5
Property, plant and equipment	3.9	4.2
Other assets	0.8	1.1
<b>Total non-current assets</b>	<b>69.1</b>	<b>131.0</b>
Inventories	0.4	0.4
Accounts receivable	26.8	26.8
Other current assets	3.3	2.7
Derivative financial assets	0.2	-
Cash and cash equivalents	5.3	11.0
<b>Total current assets</b>	<b>35.9</b>	<b>40.9</b>
<b>Total assets</b>	<b>105.0</b>	<b>171.9</b>

### Liabilities and shareholders' equity

(in millions of US\$)	June 30, 2025	December 31, 2024
Capital	42.3	41.5
Issue premiums	94.0	94.7
Reserves and retained earnings	(24.0)	(14.4)
Profit/(loss) for the period	(65.0)	(10.3)

<b>Equity - Group share</b>	<b>47.3</b>	<b>111.5</b>
Non-controlling interests	-	-
<b>Total shareholders' equity</b>	<b>47.3</b>	<b>111.5</b>
Financial liabilities	12.5	29.9
Provisions for liabilities	0.8	1.0
Deferred tax liabilities	1.1	1.0
<b>Total non-current liabilities</b>	<b>14.4</b>	<b>31.8</b>
Financial liabilities	19.6	2.4
Trade payables	3.7	4.2
Other liabilities	7.8	8.0
Derivative instruments	0.0	0.3
Provisions	0.2	0.2
Deferred income	12.0	13.5
<b>Total current liabilities</b>	<b>43.3</b>	<b>28.6</b>
<b>Total liabilities</b>	<b>57.7</b>	<b>60.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>105.0</b>	<b>171.9</b>

### Cash flow

(in millions of US\$)	June 30, 2025	June 30, 2024
<b>Net income/(loss)</b>	<b>(65.0)</b>	<b>(4.4)</b>
Elimination of items with no impact on cash	6.1	5.5
Impairment loss / goodwill impairment	60.0	-
Change in working capital requirement	(2.7)	(6.9)
<b>Cash from operating activities</b>	<b>(1.6)</b>	<b>(5.9)</b>
Taxes paid	(0.6)	(0.5)
Interest paid	(1.4)	(1.8)
<b>Net cash from operating activities</b>	<b>(3.6)</b>	<b>(8.2)</b>
Acquisitions of property, plant and equipment	(0.3)	(0.0)
Acquisitions of intangible assets	(0.8)	(1.0)
<b>Net cash flow from investment activities</b>	<b>(1.1)</b>	<b>(1.0)</b>
Repayment of loans	-	-
Repayment of lease liabilities under IFRS16	(0.7)	(0.9)
<b>Net cash flow from financing activities</b>	<b>(0.7)</b>	<b>(0.9)</b>
Impact of exchange rate on cash	(0.2)	0.2
<b>Change in net cash position</b>	<b>(5.7)</b>	<b>(10.0)</b>
Cash and cash equivalents at start of period	11.0	22.6
<b>Cash and cash equivalents at end of period</b>	<b>5.3</b>	<b>12.6</b>