



Revenue and results for full-year 2025

Activity and results down despite continued growth in recurring subscription revenue

New roadmap for 2026–2028

Refocus on anti-piracy (video protection), the Group's core business, and deploy growth drivers in the OTT market

Finalise the sale of XTD product line (mobile application protection)

2025 full-year revenue

- Consolidated revenue: \$46.5 million (-19% vs. 2024)
- **Pro forma¹ consolidated revenue (excluding XTD): \$41.7 million (-19% vs. 2024)**
- Recurring revenue: 71% of total revenue at \$33.1 million (-9%)
- ARR from subscriptions: \$18.9 million (+5% vs. 2024)
- Pro forma ARR¹ from subscriptions (excluding XTD): €15.2 million (+7% vs. 2024)

Financial results for full-year 2025

- Adjusted EBITDA: -\$0.2 million (vs. \$2.8 million in 2024)
- **Pro forma¹ adjusted EBITDA (excluding XTD): \$1.1 million**
- Reduction in operating expenses: -16.2%
- Net adjusted loss: \$11.2 million (vs. a loss of \$7.7 million in 2024)
- Cash on hand: \$7.1 million at end-December 2025

Objectives for 2028

- Resumption of business growth
- Increase in EBITDA and generation of positive cash flow
- 80% recurring revenue

Aix-en-Provence, France and San Diego, United States, 12 March 2026, 5.45 p.m. — VERIMATRIX (Euronext Paris: VMX, FR0010291245), a leading provider of user security solutions for a safer connected world, has published its revenue and financial results for the financial year ended 31 December 2025.

“Despite continued growth in subscription revenue, the 2025 results fell short of our expectations due to the difficulties encountered by the XTD product line in establishing itself in the mobile protection market.” **says Laurent Dechaux, Chief Executive Officer of VERIMATRIX.** “The divestment of this product line in early 2026 and the Group's refocusing on its core business mark a new chapter for Verimatrix. We will streamline our product portfolio in favour of those that generate the highest level of recurring revenue and the most profitable, optimise the allocation of our resources and deploy innovative growth drivers in the OTT market. This roadmap should enable the Group to return to profitable growth by 2028 and to reinstate positive free cash flow. Verimatrix has a solid technological base and strategic partnerships that our teams can leverage to seize new business opportunities.”

¹ Pro forma: unaudited data

Laurent Dechaux, CEO
Jean-François Labadie, Chief Financial Officer
will host a webinar at **6.00 p.m.**
to comment on the publication of the **2025 full-year results.**

To join the webinar, click on the following link:
[Webinaire VERIMATRIX | Rejoindre la réunion | Microsoft Teams](#)

The VERIMATRIX Board of Directors met on 11 March 2026, chaired by Amedeo D'Angelo, to review the accounts for the 2025 financial year. These are currently being audited and will be finalised by the end of April 2026. All of the results mentioned below correspond to estimated financial data.

2025 revenue and annual recurring revenue (ARR²)

(in US\$ million)	Q4 2025	Q4 2024	Chg.	12M 2025	12M 2024	Chg.
Recurring revenue	8.0	8.6	-7%	33.1	34.1	-3%
of which subscriptions	4.8	4.6	+6%	18.8	17.3	+8%
of which maintenance	3.2	4.1	-21%	14.3	16.8	-15%
Non-recurring revenue	2.2	3.7	-41%	13.5	23.1	-42%
Total revenue	10.2	12.3	-17%	46.5	57.2	-19%

ARR	31.0	33.0	-6%
of which subscriptions	18.9	18.0	+5%
of which maintenance	12.1	15.0	-19%

Revenue for full-year 2025

VERIMATRIX made revenue in 2025 of \$46.5 million, compared to \$57.2 million for the same period the previous year.

Recurring revenue

Recurring revenue amounted to \$33.1 million, down 3% (\$34.1 million in 2024), and now represents 71% of the Group's total revenue, compared with 60% in 2024. This favourable change in the business mix is in line with the successful strategy the Group has been pursuing since 2021 of deploying a subscription-based business model for the sale of cybersecurity software solutions.

However, the increase in subscription revenue (+8% to \$18.8 million vs. \$17.3 million in 2024), driven by the activation of new contracts with telecom operators, was not enough to offset the correlated decline in maintenance revenue (-15% to \$14.3 million vs. \$16.8 million in 2024).

² ARR (annual recurring revenue) corresponds to the sum of recurring revenue from subscriptions sold, projected over a full year.

Non-recurring revenue

Non-recurring revenue amounted to \$13.5 million, down 42% (\$23.1 million in 2024). In line with the Group's strategy and forecasts, this activity includes a structural and ongoing decline in royalties related to the supply of new set-top boxes, accentuated by a delay in perpetual licence sales in Latin America, where Brazil and Argentina are experiencing difficult economic conditions marked by a strong wait-and-see attitude.

Annual recurring revenue (ARR)

As at 31 December 2025, ARR stood at \$31 million, down 6% compared to 31 December 2024.

This decrease incorporates a 5% increase in ARR from subscriptions to \$18.9 million (compared to \$18 million at 31 December 2024), driven by the momentum of **the Anti-Piracy (video protection) product line**, whose ARR from subscriptions grew by 7%. This performance illustrates Verimatrix's strong positioning in this strategic segment and the momentum of its subscription sales activity, particularly in Europe and Latin America. Conversely, ARR from subscriptions related to **the Extended Threat Defence (mobile application protection) product line** declined by 3%, reflecting the Group's difficulty in winning new customers despite the quality and innovative nature of its offering.

Results for 2025

(in millions of dollars)	2025	2024	Chg.
Revenue	46.5	57.2	-18.7%
Gross margin	29.5	39.1	-24.4%
<i>As a % of revenue</i>	<i>63.5%</i>	<i>68.3%</i>	
Research and development costs	(16.1)	(18.1)	-10.7%
Sales and marketing expenses	(9.8)	(13.5)	-27.0%
General and administrative expenses	(9.5)	(10.2)	-6.8%
Other operating income/(expenses), net	0.3	(0.3)	-185.9%
Total adjusted operating expenses	(35.2)	(42.0)	-16.2%
<i>As a % of revenue</i>	<i>-75.6%</i>	<i>-73.4%</i>	
Adjusted EBITDA	(0.2)	2.8	-105.6%
<i>As a % of revenue</i>	<i>-0.3%</i>	<i>4.9%</i>	
Adjusted operating income	(5.7)	(2.9)	94.9%
<i>As a % of revenue</i>	<i>-12.2%</i>	<i>-5.1%</i>	
Financial income/(loss), net	(4.9)	(3.0)	63.2%
Income tax expenses	(0.6)	(1.7)	-67.7%
Adjusted net income/(loss)	(11.2)	(7.7)	45.6%

Gross margin for 2025 stands at \$29.5 million, compared to \$39.1 million a year earlier, representing 64% of revenue (68% in 2024). This decline is due to low sales of high-margin perpetual licences. Verimatrix has also continued to optimise its support costs and improve the efficiency of its SaaS solutions

Research and development expenditure was kept under control and fell by 11%. The 27% decline in sales and marketing costs reflects the Group's refocus on anti-piracy activities, combined with a geographical realignment of the sales force in line with the trends observed in the regions.

Total adjusted operating expenses amounted to \$35.2 million, down 16% from the previous financial year. Adjusted EBITDA was therefore virtually at break-even (-\$0.2 million compared to \$2.8 million in 2024).

Financial expenses increased by 63% and the tax charge decreased by 68% compared to the 2024 financial year. There was a net loss of \$11.2 million, compared to a net loss of \$7.7 million in 2024.

Reconciliation of adjusted operating profit with operating profit and net profit under IFRS

(in millions of dollars)	2025	2024
Adjusted operating income	(5.7)	(2.9)
Amortization and impairment of assets recognised on acquisitions of businesses and/or businesses (items with no cash impact)	0.0	(0.3)
Acquisition-related costs	-	-
Non-recurring costs related to restructuring	(4.2)	(1.7)
Share-based payments	(0.3)	(0.6)
Impairment loss / goodwill impairment	(60.0)	-
Impairment loss on assets held for sale	(3.0)	-
Operating income (expense)	(73.1)	(5.6)
Net financial income / (expense)	(4.9)	(3.0)
Income tax expenses	(0.6)	(1.7)
Consolidated net income (expense)	(78.6)	(10.3)

Financial position and cash flow

Net debt, excluding lease commitments under IFRS 16, amounted to \$20.1 million as at 31 December 2025, compared to \$14.9 million as at 31 December 2024.

This includes private debt with a fair value of \$18.7 million and the Prêt Participatif Relance (PPR) loan taken out for a total amount of \$8.6 million. The private debt has been reclassified as current financial debt and is under discussion to redefine the maturity and set new covenants to be put in place for the coming years.

(in millions of dollars)	2025	2024
Net income/(loss)	(78.6)	(10.3)
Elimination of non-cash items	11.8	11.1
Elimination of impairment loss / goodwill impairment	60.0	-
Elimination of impairment loss on assets held for sale	3.0	-
Cash flows generated by activities excluding changes in working capital requirements	(3.8)	0.8
Cash flow absorbed by working capital requirements	6.4	2.7
Cash generated by activities	2.6	3.5
Taxes paid	(0.7)	(1.6)
Interests paid	(2.2)	(3.5)
Net cash generated by operating activity	(0.3)	(1.6)
Net cash flow from investment activities	(2.0)	(2.1)
Net cash flow from financing activities	(1.4)	(8.1)
Net change in cash	(3.7)	(11.8)
Cash and cash equivalents at start of period	11.0	22.6

Foreign exchange effects	(0.1)	0.2
Cash and cash equivalents at end of period	7.1	11.0

Cash and cash equivalents amounted to \$7.1 million as at 31 December 2025, a decrease of \$3.9 million compared to the amounts available at the end of December 2024.

This change in cash is mainly due to:

- negative operating cash flow, before changes in working capital requirements, of \$3.8 million;
- a reduction in working capital requirements of \$3.7 million;
- and investments of \$2 million.

Net financial interest amounted to \$2.2 million, and taxes represented \$0.7 million.

New roadmap for 2026–2028

In an increasingly digitalised world, the accelerated development of AI poses new challenges in terms of security. Leveraging its expertise in anti-piracy and deploying new growth drivers in high-potential segments such as sports and the Internet of Things (IoT), Verimatrix aims to establish itself as a global leader in **the security and authentication of digital content and connected objects**.

Beyond the telecoms and media sector, where the Group has long-standing references, Verimatrix will continue its strategy of partnering with distributors, resellers and integrators of cybersecurity solutions in order to win new customers in France and internationally, particularly in the United States and Asia.

By 2028, the Group has set itself the objectives of resuming business growth, combined with an increase in EBITDA and positive free cash flow.

Upcoming events:

Q1 2026 revenue: 27 April 2026 (after market close)

Annual General Meeting: 11 June 2026

H1 2026 revenue and results: 27 July 2026 (after market close)

Q3 2026 revenue: 26 October 2026 (after market close)

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About Verimatrix

Verimatrix (Euronext Paris: VMX, FR0010291245) helps power the modern connected world with security made for people. We protect digital content, applications, and devices with intuitive, people-centred and frictionless security. Leading brands turn to Verimatrix to secure premium movies, live streaming sports, sensitive financial and healthcare data, mission-critical mobile applications, and much more. We enable the trusted connections our customers depend on to deliver compelling content and experiences to millions of consumers around the world. Verimatrix helps partners get to market faster, scale easily, protect valuable revenue streams, and win new business. Visit www.verimatrix.com.

Supplementary non-IFRS financial information

Verimatrix uses performance indicators that are not strictly accounting measures in accordance with IFRS. These indicators 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 - Supplementary non-IFRS financial information - Reconciliation of IFRS results with adjusted results

The performance indicators presented in this press release that are not strictly accounting measures are defined below. These indicators are not defined under IFRS and do not constitute accounting elements used to measure the company's financial performance. They should be considered as additional information, which cannot replace any other strictly accounting-based operating or financial performance measure, as presented in the company's consolidated financial statements and their related notes. The company uses these indicators because it believes they are useful measures of its recurring operating performance and operating cash flows. Although they are widely used by companies operating in the same industry around the world, these indicators are not necessarily directly comparable with those of other companies, which may have defined or calculated their indicators differently than the company, even though they use similar terms.

Adjusted gross profit is defined as gross profit before (i) the amortisation of intangible assets related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with restructuring and business combinations and divestiture undertaken by the company.

Adjusted operating income/(loss) is defined as operating income/(loss) before (i) the amortisation of intangible assets related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with restructuring and business combinations and divestiture undertaken by the company.

EBITDA is defined as adjusted operating income before depreciation, amortisation and impairment expenses not related to business combinations.

Annual recurring revenue, or ARR, corresponds annualized value of all recurring revenues from current contracts at the time of measurement. ARR includes all contract types that are recurring in nature, such as maintenance & support, SaaS and non-SaaS subscriptions, and for which revenue is currently being recognised. ARR is a rolling number that accumulates over time whereas the Total Contract Value (or TCV) metric also used by the Company, is typically used to measure (new or incremental) sales bookings within a period. The Company computes an ARR for SaaS and non-SaaS subscriptions and a distinct ARR metric combining subscriptions and maintenance.

Net debt reconciliation

(in millions of dollars)	31 December 2025	31 December 2025
Cash and cash equivalents	7.1	11.0
Private loan note due 2026, at fair value	(18.7)	(18.2)
Other loans	(8.7)	(7.7)
Net cash/(debt)	(20.2)	(14.9)
Financial lease commitments under IFRS 16	(4.7)	(6.4)
Net cash/(debt) including IFRS 16	(24.9)	(21.3)

Appendix 2 – Consolidated financial statements (IFRS)

Consolidated income statement

(in millions of dollars)	Financial year ended 31 December	
	2025	2024
Revenue	46.5	57.2
Cost of sales	(17.0)	(18.3)
Gross profit	29.5	38.9
Research and development costs	(16.1)	(18.3)
Selling and marketing expenses	(9.8)	(13.4)
General and administrative expenses	(9.8)	(10.8)
Other gains / (losses), net	(3.9)	(2.0)
Impairment loss / goodwill impairment	(60.0)	-
Impairment loss on assets held for sale	(3.0)	-
Operating profit (loss)	(73.1)	(5.6)
Cost of financial debt, net	(3.2)	(3.8)
Other financial income/(loss), net	(1.7)	0.8
Profit (loss) before income tax	(78.0)	(8.6)
Income tax expenses	(0.6)	(1.7)
Net income/(loss)	(78.6)	(10.3)

Consolidated balance sheet

ASSETS

(in millions of dollars)	31 December 2025	31 December 2024
Goodwill	48.2	115.2
Intangible assets	4.2	10.5
Property and equipment	3.0	4.2
Other receivables	0.8	1.1
Non-current assets	56.1	131.0
Inventories	0.4	0.4
Trade receivables	16.7	26.8
Other receivables	2.7	2.7
Derivative financial instruments	0.0	-
Cash and cash equivalents	7.1	11.0
Assets held for sale	8.3	-
Current assets	35.4	40.9
Total assets	91.4	171.9

EQUITY & LIABILITIES

(in millions of dollars)	31 December 2025	31 December 2024
Ordinary shares	10.6	41.5
Share premium	93.9	94.7
Reserves and retained earnings	8.6	(14.4)
Income / (loss) for the period	(78.6)	(10.3)
Equity attributable to equity holders of the Company	34.6	111.5
Non-controlling interests	-	-
Total equity	34.6	111.5
Borrowings	11.5	29.9
Provisions	0.5	1.0
Deferred tax liabilities	0.0	1.0
Non-current liabilities	12.0	31.8
Borrowings	20.6	2.4
Trade payables	5.0	4.2
Other liabilities	6.6	8.0
Current tax liabilities	1.0	
Derivative and financial instruments	0.0	0.3
Provisions	0.4	0.2
Unearned revenues	9.1	13.5
Liabilities related to assets held for sale	2.2	
Current liabilities	44.9	28.6
Total liabilities	56.9	60.4
Total equity and liabilities	91.4	171.9

Cash flow

(in millions of dollars)	31 December 2025	31 December 2024
Income / (loss) for the period	(78.6)	(10.3)
Non-cash income statement items from continuing activities	11.8	11.1
Elimination of impairment loss / goodwill impairment	60.0	-
Elimination of impairment loss on assets held for sale	3.0	-
Cash generated (used) by operations before changes in working capital	(3.8)	0.8
Changes in working capital from continuing operations	6.4	2.7
Cash generated by operating activities	2.6	3.5
Taxes paid	(0.7)	(1.6)
Interests paid	(2.2)	(3.5)
Net cash generated by / (used in) operating activities	(0.3)	(1.6)
Purchases of property and equipment	(0.4)	(0.1)
Purchases of intangible assets	(1.7)	(2.0)
Cash flows from investing activities	(2.0)	(2.1)
Loan repayments	-	(6.5)
Reimbursement of lease commitments under IFRS 16	(1.4)	(1.6)
Cash flows from financing activities	(1.4)	(8.1)
Effect of exchange rate fluctuation	(0.1)	(0.2)
Net increase in cash and cash equivalents	(3.9)	(11.6)
Cash and cash equivalents at beginning of the period	11.0	22.6
Cash and cash equivalents at end of the period	7.1	11.0