

FIRST QUARTER

UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2024

20
» 24

» SELECTED GROUP KEY FIGURES

	Q1 2024	Q1 2023	Change
	kEUR	kEUR	in percent
Gross sales	20,772	19,593	6.0
Revenue	5,176	5,099	1.5
Gross profit	5,014	4,893	2.5
EBIT	8	-581	<-100.0
EBITDA	221	-328	<-100.0
Net loss for period	-24	-626	-96.2
Earnings per share in EUR (basic)	-0.01	-0.03	66.7

	31/3/2024	31/3/2023	Change
	kEUR	kEUR	in percent
Liquid funds*	22,537	21,297	5.8
Equity	18,833	15,069	25.0
Total assets	40,880	36,844	11.0
No. of employees	213	242	-12.0

*Liquid funds is an alternative performance measure and includes cash & cash equivalents and listed debt and marketable securities and deposits with maturity over three months.

» CONTENTS

The ad pepper share	6
Interim Management Report	8
The structure of the ad pepper Group	8
General information about this management report	13
Macroeconomic framework	14
Earnings, financial and net asset position	15
Research and development activities	17
Employees	17
Risk and opportunity report	18
Outlook	18
Interim Consolidated Financial Statements (IFRS)	20
Consolidated income statement	20
Consolidated statement of comprehensive income	22
Consolidated statement of financial position	24
Consolidated statement of cash flows	28
Consolidated statement of changes in equity	32
Selected explanatory notes	36
Additional Information	48
Financial Calendar	48
Investor Contact	48
Imprint	49

» KEY FIGURES AT A GLANCE

Key data about the ad pepper share	
Security Identification Number (WKN)	940883
ISIN	NL0000238145
Type of share	Ordinary bearer shares
Stock market segment (Frankfurt Stock Exchange)	Prime Standard
Initial public offering	9 October 2000
Designated Sponsor	Pareto Securities
Capital stock (EUR)	1,160,000
No. of shares	23,193,244
Sector	Advertising

Key share figures	Q1	Q1
	2024	2023
XETRA closing price at end of period (EUR)	2.14	2.28
Highest price (EUR)	2.44	2.62
Lowest price (EUR)	1.80	1.84
Market capitalisation at end of period (EUR)	49.6m	49.0m
Average no. of shares traded (XETRA) per day	3,773	6,833
Earnings per share (basic) (EUR)	-0.01	-0.03
Net cash per share* (EUR)	0.99	1.05

* (liquid funds – long-term debt) / number of shares outstanding

Share price performance over the past twelve months (Xetra)



Shareholder structure as at 31/3/2024	Number of shares	Shareholding
		in percent
EMA B.V.	9,486,402	40.90
Treasury stock	1,242,128	5.36
Euro Serve Media GmbH	1,641,786	7.08
Subtotal	12,370,316	53.34
Free float	10,822,928	46.66
Total	23,193,244	100.0

» THE STRUCTURE OF THE AD PEPPER GROUP

ad pepper media International N.V. is the holding Company of one of Europe's leading international performance marketing groups. Founded in 1999, the ad pepper Group is one of the pioneers in the online marketing business. With eleven offices in Germany, Italy, France, Spain, Switzerland, the United Kingdom and the Netherlands, the ad pepper Group develops performance marketing solutions for its customers around the world.

The ad pepper Group operates in the highly dynamic digital commerce market, which is characterised by dynamic growth in both consumer and advertising expenditure. Channels such as social media, search, video and mobile – to name just a few – continue to expand their market share.

The ad pepper Group provides services to large corporations and major SMEs based in Europe and abroad. Our clients operate primarily in the "Trade & Consumer Goods", "Financial Services", "Telecommunications & Technology" and "Transport and Tourism" sectors. The ad pepper Group strives for long-term client relationships and has been working with some of its clients for more than a decade.

The ad pepper Group focuses on long-term value creation through organic growth in its existing businesses, while also evaluating inorganic growth opportunities through value-accretive acquisitions. The Group is divided into three reporting segments, which work in close cooperation with the holding Company and operate independently in the marketplace: **ad pepper** (performance marketing Company), **ad agents** (digital marketing agency) and **Webgains** (affiliate marketing network). The holding Company assumes responsibility for the transfer of know-how between the segments, the strategic focus, as well as financing and liquidity as part of the overall governance and administration of the Group. The ad pepper Group's overall strategy is to support and strengthen each segment individually, as each business has its own distinctive culture, clients, product range and regional focus. All three business segments offer their clients performance-based solutions. This means that the advertiser only pays if there are measurable results (completion of specific actions). The most common models in performance-based marketing are: CPM (cost-per-mile), CPC (cost-per-click), CPL (cost-per-lead) and CPA (cost-per-acquisition).

The ad pepper Group also offers a broad range of services, such as consulting and the development of strategies for the use of digital technologies, the design, implementation and execution of digital marketing and communication solutions as well as consulting on digital media strategies and digital media technologies and tools. The ever-increasing importance of digital processes for businesses leads to an increase in the corresponding budgets, and the vast amounts of data thus generated require thorough analysis (preferably in real time). To be successful in the field of digital marketing, companies therefore need to develop competencies that go beyond an effective allocation of digital media spend across multiple channels and managing the respective campaigns. And they need help to achieve this. It is therefore not surprising that – in some areas of our business – the ad pepper Group is competing more and more with well-known strategy and IT consultancies that offer consulting services in the digital marketing space.



The segments of the ad pepper Group

ad pepper

The Group's success story began with ad pepper in 1999. As a leading performance marketing company, ad pepper specialises in lead generation and targeting specific audiences. ad pepper works with its clients to develop on-line marketing strategies for over 50 countries worldwide and uses the latest technologies for each project. Whether at the local, national or international level, ad pepper helps its customers meet their goals by developing the most efficient online marketing strategies for their budget. Taking local conditions into account, ad pepper is able to optimise campaigns for the target markets. Whether working with an agency or a direct client, the aim is always to deliver the best possible result. What sets ad pepper apart from its competitors? Many years of experience – and iLead. This unique platform enables the agency to generate customised campaigns that are adapted to the specific markets of their clients in next to no time. And the iLead platform was developed in-house. With the help of iLead, over 30,000 campaigns have been successfully launched and managed worldwide and millions of qualified leads have been generated.

Offices: Nuremberg / Madrid

Webgains

Webgains has been part of the ad pepper Group since 2006. Today, the registered and approved affiliate network serves over 1,800 clients worldwide, from start-ups to global brands, in more than 170 global markets. When it comes to designing local and international campaigns, Webgains not only benefits from its strong publisher network, but also from the extensive experience of over 100 highly motivated experts with excellent market knowledge, which they continuously develop. Webgains became the world's first certified B-corp affiliate Network in 2023, balancing globally aligned standards with hi-performance and profits.

Thanks to partnerships with over 250,000 publishers, Webgains' clients have access to one of the world's leading, performance affiliate marketing networks, offering the widest possible reach. Furthermore, Webgains has recently launched the Affiliate Discovery product to create smarter connections, as well as The Tag for seamless integration of technology partners.

The current strategy focuses on a service-oriented and performance-differentiated approach. By investing in talent and technology, Webgains has created the optimum blend of human and artificial intelligence. High-tech advances make it easy to quickly roll out scalable, international campaigns. Meanwhile, customers can count on outstanding data security at all times and benefit from near real-time performance reporting.

**Offices: Nuremberg / Madrid / Bristol / London / Paris /
Milan / Amsterdam**



ad agents

ad agents joined the ad pepper Group in 2007. Today, it is one of Germany's most successful online and performance marketing agencies – and for a good reason. Their strategies are as unique as their personalised consulting and support services, which are always optimised to suit the situation and the specific requirements of ad agents' clients. ad agents maintains an overview of the entire digital advertising market and adapts its comprehensive service portfolio accordingly, thus supporting its clients with planning and implementing efficient and effective online and performance marketing strategies. ad agents' digital marketing experts always find the perfect strategy to increase our clients' brand awareness and sales – across all digital channels and on all devices.

As a full-service performance marketing agency, ad agents has a sixth sense for trends, extensive experience and transparent reporting structures. They advise and support national and international companies from virtually every industry who partner with ad agents to create exceptional and successful performance marketing campaigns.

Exceptional quality always pays off: *ad agents is a certified Google Premier Partner, Microsoft Advertising Elite Agency as well as a Meta (Platform) Business Partner and maintains strong partnerships with leading-edge technology providers.*

Offices: Herrenberg / Zurich

ad agents

» GENERAL INFORMATION ABOUT THIS MANAGEMENT REPORT

Definitions

All mentions of "ad pepper media International N.V.", "ad pepper Group" or the "Group" in this management report relate to the ad pepper Group.

This management report contains forward-looking statements and information based on the beliefs of and assumptions made by our management using information currently available to them. We have based these forward-looking statements on our current expectations, assumptions, and projections about future conditions and events. As a result, our forward-looking statements and information are subject to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materialise, or if the management's underlying assumptions prove incorrect, our actual results could differ materially from those described in or inferred from our forward-looking statements and information. We describe these risks and uncertainties in the risk report of our Annual Report 2023.

The words "aim", "anticipate", "assume", "believe", "continue", "could", "counting on", "is confident", "estimate", "expect", "forecast", "guidance", "intend", "may", "might", "outlook", "plan", "project", "predict", "seek", "should", "strategy", "want", "will", "would" and similar expressions as they relate to us are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date specified or the date of this report. Unless we are required to do so by law, we accept no obligation to publicly update or revise any forward-looking statements due to new information, changed conditions, or any other future events that had not existed before the publication of this report.

Internal control system

Revenue and profits (EBIT, EBITDA, gross profit) are some of the parameters that the ad pepper Group analyses monthly and compares with the original business plan to control and monitor the development of individual subsidiaries. In addition, further key performance indicators are calculated each month for control purposes and are used within all the operating companies of the ad pepper Group. External indicators are also regularly analysed for company management purposes. In addition, weekly jour fixes as well as regular shareholder meetings are held with the individual subsidiaries.

» MACROECONOMIC FRAMEWORK

In April 2023, the International Monetary Fund (IMF) has updated its macroeconomic outlook. The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies – where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 – will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now – at 3.1 percent – is at its lowest in decades. Global inflation - according to IMF - is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

Online advertising market

Growth forecasts such as by Dentsu indicate dynamic growth of the online advertising market in the first quarter of 2024. According to expert market research by Mordor Intelligence, the global market size is estimated to reach approximately USD 257.97 billion in 2024, fuelled by increased social media usage, mobile advertising and content marketing demand.

Mobile devices have emerged as the primary access point to the internet, prompting advertisers to allocate a significant portion of their budgets to mobile ad formats. Social media platforms are experiencing a significant shift towards mobile usage while advertisers increasingly use these platforms to effectively target specific demographics.

As the industry prepares for the phase-out of third-party cookies by the end of 2024, there will be a heightened focus on privacy-compliant advertising technologies and innovative audience targeting methods. According to Smart Insights, companies will need to adapt their analytics and attribution techniques to continue to advertise effectively in the new landscape.

Despite global challenges such as geopolitical instability and economic uncertainty, the online advertising market shows robust and steady growth. It is expected to reach USD 431.76 billion by 2029, growing at a CAGR of 10.85 percent.

Source: Mordor Intelligence, Expert Market Research

» EARNINGS, FINANCIAL AND NET ASSET POSITION

Earnings position

The Group generated gross sales of EUR 20,772k (Q1 2023: EUR 19,593k) and revenue of EUR 5,176k (Q1 2023: EUR 5,099k), corresponding to an increase of 6 percent and around 2 percent, respectively. The Webgains segment generated revenue of EUR 2,957k in the quarter under review (Q1 2023: EUR 2,826k), while ad agents achieved revenue of EUR 1,756k (Q1 2023: EUR 1,742k) and the ad pepper segment reached EUR 463k (Q1 2023: EUR 531k).

Group EBITDA improved considerably in Q1 2024 to EUR 221k (Q1 2023: EUR -328k). The segment EBITDAs for the first quarter of 2024 were as follows: Driven by revenue growth and a significantly reduced cost base, Webgains more than tripled its EBITDA to EUR 631k (Q1 2023: EUR 189k). The performance of the ad agents segment was also very positive with an EBITDA increase to EUR 192k (Q1 2023: EUR -97k). The ad pepper segment achieved EBITDA of EUR -13k (Q1 2023: EUR 1k).

Financial position

Gross cash flow amounted to EUR 75k (Q1 2023: EUR -586k). The cash flow from operating activities shows a figure of EUR -547k as against EUR -1,634k for the first three months of 2023. Both figures improved mainly due to the significant higher income generated in the first quarter 2024.

Cash outflow for investing activities amounted to EUR 1,482k (Q1 2023: EUR -2,754k) and is driven by the reclassification of short term deposits of EUR 1,517k into cash and cash equivalents.

Cash flow from financing activities amounted to EUR -200k in the first quarter 2024 (Q1 2023: EUR -110k) and consists of cash outflow for leasing payments of EUR 177k (Q1 2023: EUR 110k) made in conjunction with capitalised right-of-use assets and costs of EUR 23k (Q1 2023: EUR 0k) for the issuance of shares in conjunction with the purchase of the 25.64 percent investment in solute Holding GmbH & Co.KG in in the last quarter of 2023.

Net asset position

Total assets decreased by EUR 2,061k to EUR 40,880k compared with 31 December 2023 (EUR 42,941k). The decrease was mainly due to lower trade receivables and lower trade payables, which fell by EUR 1,335k to EUR 11,790k (31 December 2023: EUR 13,124k) respectively by EUR 1,721k to EUR 15,935k (31 December 2023: EUR 17,657k). Mainly lower VAT liabilities resulted in a decrease in other liabilities by EUR 661k to EUR 1,328k (31 December 2023: EUR 1,990k). Financial liabilities amount to EUR 3,197k (31 December 2023: EUR 3,006k), showing a slight increase of EUR 191k mainly due to higher leasing liabilities in conjunction with newly capitalised office agreements. Right-of-use assets for capitalised leasing contracts for offices and vehicles amount to EUR 1,276k (31 December 2023: EUR 1,184k). Total non-current liabilities amount to EUR 801k (31 December 2023: EUR 822k), whereof EUR 753k (31 December 2023: EUR 754k) relate to long term-lease liabilities for capitalised right-of-use assets.

Total liabilities amount to EUR 22,047k (31 December 2023: EUR 24,060k). The Group still has no liabilities to banks. Total equity stands at EUR 18,833k (31 December 2023: EUR 18,881k). The equity ratio increased to 46 percent (31 December 2023: 44 percent).

» RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development largely comprises activities in the Webgains segment. However, no investment in research and development was made in the period covered by this report, i.e. research costs are expensed as incurred.

» EMPLOYEES

As at 31 March 2024, the ad pepper Group had 213 employees, as against a total of 242 employees at the end of the equivalent period in the previous year. The workforce of the ad pepper Group is assigned to the following segments:

	31/3/2024	31/3/2023
	Number	Number
ad pepper	21	21
Webgains	91	107
ad agents	85	98
Administration	16	16

» RISK AND OPPORTUNITY REPORT

There have been no material changes in the opportunity and risk situation of ad pepper media International N.V. compared with the information provided in the Annual Report as at 31 December 2023. Reference is therefore made to the information presented in the management report for the 2023 financial year.

» OUTLOOK

Trading in the first quarter was difficult, reflecting the global macroeconomic conditions with continued client caution to commit and extended sales cycles, particularly for larger campaigns. Despite this environment, we delivered strong overall results in Q1 and we expect to see year to date growth especially in the Webgains segment. We also expect, as usual, Q4 profitability to be the strongest quarter of the year - and we are already working hard to make the final quarter a success. In the light of these seasonal levels of client activity, our Artificial Intelligence initiatives, along with the actions taken on cost management, we therefore remain confident as regards to our strategy, business model and talented staff.

Nuremberg, 7 May 2024

ad pepper media International N.V.



Dr Jens Körner, CEO

» CONSOLIDATED INCOME STATEMENT

	Q1 2024	Q1 2023
	kEUR	kEUR
Gross sales ¹	20,772	19,593
Media cost ²	-15,596	-14,493
Revenue³	5,176	5,099
Cost of sales	-161	-207
Gross profit	5,014	4,893
Selling and marketing expenses	-3,284	-3,728
General and administrative expenses	-2,066	-1,916
Other operating income	417	223
Other operating expenses	-74	-51
Operating profit	8	-581
Financial income	73	22
Financial expenses	-16	-11
Income before taxes	65	-569
Income taxes	-89	-57
Net income	-24	-626
Attributable to shareholders of the parent company	-120	-584
Attributable to non-controlling interests	96	-42
Basic earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	-0.01	-0.03
Diluted earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	-0.01	-0.03
	No. of shares	No. of shares
Weighted average number of shares outstanding (basic)	21,951,116	20,257,872
Weighted average number of shares outstanding (diluted)	21,951,116	20,257,872

1 Gross sales represents the total amount billed and billable to clients by the Group, net of discounts, VAT and other sales-related taxes. Disclosure of gross revenue information is not required under IFRS; however, it is voluntarily disclosed in the Consolidated Income Statement since management has concluded that the information is useful for users of the financial statements.

2 Media costs relate to payments made to suppliers of ad inventory (commonly referred to as media buys and publishers). Disclosure of media cost information is not required under IFRS; however, it is voluntarily disclosed in the Consolidated Income Statement since management has concluded that the information is useful for users of the financial statements.

3 Revenue is defined pursuant to IFRS 15.

» CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

	Q1 2024	Q1 2023
	kEUR	kEUR
Net income	-24	-626
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	-20	-24
Revaluation of listed debt securities	-4	3
Other comprehensive income, net of tax	-24	-21
Total comprehensive income	-48	-648
Attributable to non-controlling interests	96	-43
Attributable to shareholders of the parent company	-144	-605

» CONSOLIDATED STATEMENT OF
FINANCIAL POSITION – ASSETS

	31/3/2024	31/12/2023
	kEUR	kEUR
Non-current assets		
Intangible assets	175	168
Property, plant, and equipment	150	173
Right-of-use assets	1,276	1,184
Investment in associate	3,687	3,687
Other financial assets	243	249
Deferred tax assets	183	183
Total non-current assets	5,714	5,644
Current assets		
Securities and deposits with maturity over three months	1,981	3,523
Trade receivables	11,790	13,124
Other receivables	337	400
Income tax receivables	435	310
Other financial assets	67	98
Cash and cash equivalents	20,556	19,842
Total current assets	35,166	37,297
Total assets	40,880	42,941

» CONSOLIDATED STATEMENT OF
FINANCIAL POSITION – EQUITY AND LIABILITIES

	31/3/2024	31/12/2023
	kEUR	kEUR
Equity attributable to shareholders of the parent company		
Issued capital*	1,160	1,160
Share premium	67,150	67,173
Reserves	-50,790	-50,670
Total	17,520	17,664
Non-controlling interests	1,313	1,217
Total equity	18,833	18,881
Non-current liabilities		
Other liabilities	801	822
Total non-current liabilities	801	822
Current liabilities		
Trade payables	15,935	17,657
Contract liabilities	555	382
Other liabilities	1,328	1,990
Other financial liabilities	3,197	3,006
Income tax liabilities	231	203
Total current liabilities	21,246	23,238
Total liabilities	22,047	24,060
Total equity and liabilities	40,880	42,941

*The authorised share capital amounts to EUR 4,000,000 divided into 80,000,000 shares with a par value of EUR 0.05 each, of which 23,193,244 are issued and 21,951,116 shares were floating at 31 March 2024 (31 December 2023: 21,951,116).

» CONSOLIDATED STATEMENT OF CASH FLOWS – 1/2

	1/1 - 31/3/2024	1/1 - 31/3/2023
	KEUR	KEUR
Net loss	-24	-626
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets	212	253
Gain/loss on sale of fixed assets	0	-7
Share-based compensation	43	40
Other financial income and financial expenses	-57	11
Income taxes	89	57
Income from the release of accrued liabilities	-211	-244
Other non-cash expenses and income	22	-70
Gross cash flow	75	-586
Change in trade receivables	1,283	5,269
Change in other assets	124	-187
Change in trade payables	-1,472	-4,486
Change in other liabilities	-411	-1,623
Income taxes received	0	211
Income tax paid	-178	-242
Interest received	49	22
Interest paid	-16	-11
Net cash flow from/used in operating activities	-547	-1,634
Purchase of intangible assets and property, plant, and equipment	-32	-29
Proceeds from sale of intangible assets and property, plant and equipment	0	7
Proceeds from sale of security and maturity of deposits	1,513	0
Purchase of securities	0	-2,732
Net cash flow from/used in investing activities	1,482	-2,754

» CONSOLIDATED STATEMENT OF CASH FLOWS – 2/2

	1/1 - 31/3/2024	1/1 - 31/3/2023
	kEUR	kEUR
Payment of lease liabilities	-177	-110
Transaction costs of issue of shares	-23	0
Net cash flow from/used in financing activities	-200	-110
Net decrease/increase in cash and cash equivalents	735	-4,498
Cash and cash equivalents at beginning of period	19,842	17,008
Effect of exchange rates on cash and cash equivalents	-20	-24
Cash and cash equivalents at end of period	20,556	12,486

» CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2024

	Balance at 1/1/2024	Profit/ (Loss) for the period	Other comprehen- sive income	Total comprehen- sive income	Share-based payment	Dividends	Transaction costs related to issue of share capital	NCI put liability	Balance at 31/3/2024
Issued capital (kEUR)	1,160	0	0	0	0	0	0	0	1,160
Share premium (kEUR)	67,173	0	0	0	0	0	-23	0	67,150
Reserves									
Treasury reserve (kEUR)	-6,138	0	0	0	0	0	0	0	-6,138
For employee stock option plans (kEUR)	3,073	0	0	0	23	0	0	0	3,096
Accumulated deficit (kEUR)	-44,854	-120	0	-120	0	0	0	0	-44,973
Currency translation basis of preparation differences (kEUR)	-1,120	0	-20	-20	0	0	0	0	-1,140
Revaluation of listed debt securities (kEUR)	2	0	-4	-4	0	0	0	0	-2
Other reserves (kEUR)	-1,633	0	0	0	0	0	0	0	-1,633
Subtotal reserves (kEUR)	-50,669	-120	-24	-144	23	0	0	0	-50,790
Equity attributable to shareholders of the parent company (kEUR)	17,664	-120	-24	-144	23	0	-23	0	17,520
Non-controlling interests (kEUR)	1,217	96	0	96	0	0	0	0	1,313
Total equity (kEUR)	18,881	-24	-24	-48	23	0	-23	0	18,833

» CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2023

	Balance at 1/1/2023	Profit/ (Loss) for the period	Other comprehen- sive income	Total comprehen- sive income	Share-based payment	Dividends	Transaction costs related to issue of share capital	NCI put liability	Balance at 31/3/2023
Issued capital (kEUR)	1,075	0	0	0	0	0	0	0	1,075
Share premium (kEUR)	63,782	0	0	0	0	0	0	0	63,782
Reserves									
Treasury reserve (kEUR)	-6,138	0	0	0	0	0	0	0	-6,138
For employee stock option plans (kEUR)	2,906	0	0	0	51	0	0	0	2,957
Accumulated deficit (kEUR)	-43,910	-584	0	-584	0	0	0	0	-44,494
Currency translation basis of preparation differences (kEUR)	-1,153	0	-24	-24	0	0	0	0	-1,177
Revaluation of listed debt securities (kEUR)	-3	0	3	3	0	0	0	0	0
Other reserves (kEUR)	-2,070	0	0	0	0	0	0	0	-2,070
Subtotal reserves (kEUR)	-50,367	-584	-21	-605	51	0	0	0	-50,922
Equity attributable to shareholders of the parent company (kEUR)	14,490	-584	-21	-605	51	0	0	0	13,935
Non-controlling interests (kEUR)	1,176	-42	-1	-43	0	0	0	0	1,134
Total equity (kEUR)	15,666	-626	-22	-648	51	0	0	0	15,069

» SELECTED EXPLANATORY NOTES

Consolidated segment information (IFRS)

Q1 2024	ad pepper	Webgains	ad agents	admin	Intersegment elimination	Group
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Gross sales	955	13,893	5,924	0	0	20,772
Revenue	463	2,957	1,757	38	-39	5,176
Thereof external	463	2,957	1,756	0	0	5,176
Thereof intersegment	0	0	1	38	-39	0
Gross profit	403	2,861	1,713	38	-1	5,014
Expenses (including cost of sales) and other income	-510	-2,417	-1,615	-664	38	-5,168
Thereof depreciation and amortisation	-34	-91	-50	-37	0	-212
Thereof other non-cash expenses	-16	-35	0	-32	0	-83
Thereof other non-cash income	0	263	0	10	0	273
EBITDA	-13	631	192	-588	-1	221
Operating profit/(loss)	-47	540	142	-626	-1	8
Financial income	0	7	3	73	-10	73
Financial expenses	-4	-17	-4	-1	10	-16
Income taxes	-10	-43	-36	0	0	-89
Net income/(loss) for the period	-61	487	105	-554	-1	-24

Consolidated segment information (IFRS)

Q1 2023	ad pepper	Webgains	ad agents	admin	Intersegment elimination	Group
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Gross sales	1,160	13,421	5,012	0	0	19,593
Revenue	531	2,826	1,742	46	-46	5,099
Thereof external	531	2,826	1,742	0	0	5,099
Thereof intersegment	0	0	0	46	-46	0
Gross profit	475	2,687	1,685	46	0	4,893
Expenses (including cost of sales) and other income	-559	-2,745	-1,899	-523	46	-5,680
Thereof depreciation and amortisation	-29	-108	-60	-55	0	-253
Thereof other non-cash expenses	-5	0	-6	0	0	-10
Thereof other non-cash income	5	286	19	14	0	324
EBITDA	1	189	-97	-421	0	-328
Operating profit/(loss)	-28	81	-157	-476	0	-581
Financial income	0	0	0	37	-14	22
Financial expenses	-1	-8	-10	-6	14	-11
Income taxes	-10	-17	-30	0	0	-57
Net income/(loss) for the period	-38	56	-197	-446	0	-626

1. Basis for the preparation of the Interim Financial Statements

The current condensed interim consolidated financial statements of ad pepper media International N.V. were prepared according to the provisions of the International Financial Reporting Standards IFRS as applicable on the closing date and are presented in euros (EUR). The comparative figures from the previous year were determined according to the same principles and adjusted where necessary. The quarter-end financial statements meet the requirements of IAS 34. The condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements and should therefore be read in conjunction with the consolidated Annual Report for the year ended 31 December 2023.

The consolidated interim financial statements as at 31 March 2024 were authorised for issue by the Board of Directors on 7 May 2024.

2. Accounting principles

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new standards effective from 1 January 2024. The Group has not prematurely adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

No new standards or improvements have been released by the authorities in the first quarter 2024.

3. Consolidated Group

The entities included in consolidation are as follows:

Entity	31/3/2024	31/3/2023
	percent	percent
ad pepper media GmbH, Nuremberg, Germany	100	100
Webgains GmbH, Nuremberg, Germany	100	100
Webgains France S.A.R.L., Paris, France	100	100
ad pepper media Spain S.A., Madrid, Spain	65	65
Webgains S.L., Madrid, Spain	65	65
ad pepper media USA LLC, New York, USA	100	100
Webgains Ltd, London, United Kingdom	100	100
ad agents GmbH, Herrenberg, Germany	60	60
ad agents AG, Zurich, Switzerland	60	60
Webgains Italy S.r.l SB., Milan, Italy	100	100
Webgains B.V., Amsterdam, Netherlands	100	100

4. Notes to the Interim Financial Statements

Revenue from contracts with customers

Set out below is a breakdown of the Group's revenue from the contracts with customers:

For the three months ended 31 March 2024				
Segments	ad pepper	Webgains	ad agents	Total
	kEUR	kEUR	kEUR	kEUR
Geographical markets				
Germany	162	650	1,326	2,138
United Kingdom	0	1,450	0	1,450
Spain	301	508	0	809
Other	0	349	430	779
Total revenue	463	2,957	1,756	5,176

For the three months ended 31 March 2023				
Segments	ad pepper	Webgains	ad agents	Total
	kEUR	kEUR	kEUR	kEUR
Geographical markets				
Germany	234	687	1,288	2,210
United Kingdom	0	1,449	0	1,449
Spain	297	440	0	737
Other	0	250	454	704
Total revenue	531	2,826	1,742	5,099

Regarding results of operations, financial position and net assets, reference is made to the comments in the Interim Management Report.

The following one-off items affecting the income statement occurred in the period under review:

Other operating income includes reversals of EUR 62k (Q1 2023: EUR 6k) of time barred claims and income of EUR 188k (Q1 2023: EUR 107k) from reversals of non-disbursed affiliate credits in the Webgains segment that are classified by the ad pepper Group as not being likely to be paid out.

The net foreign exchange loss amounts to EUR 19k, while a net foreign exchange loss of EUR 38k was posted in the equivalent prior year's period.

Write downs on receivables included in other operating expenses amount to EUR 51k (Q1 2023: EUR 10k).

5. Segment reporting according to IFRS 8

IFRS 8 requires an entity to report financial and descriptive information about its so-called "reportable segments". Reportable segments are either operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity for which separate financial information is available that is evaluated regularly by the chief operating decision-maker for the purpose of allocating resources and assessing performance.

In general, financial information is required to be reported on the same basis as used internally to evaluate the operating segments (management approach). The information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance is focused on the category of services delivered. For this reason, the Group reports segment information for the operating segments of "ad pepper" (lead, mail, banner), "Webgains" (affiliate marketing), "ad agents" (SEM/SEO), and for the non-operating "admin" (administration) segment. The accounting policies of the reportable segments correspond to the Group's accounting policies described in Note [2] of the consolidated Annual Report for the year ended 31 December 2023.

The segment results are measured by EBIT and EBITDA for each segment without differences to IFRS. The segment results thus calculated are reported to the chief operating decision-maker for the purpose of allocating resources and assessing segment performance.

The “dealing at arm’s length” principle forms the basis of accounting for intersegment transactions.

Geographical information

The Group operates in three principal geographical areas – Germany, United Kingdom and Spain.

Information on segment assets is broken down by geographical location below. Non-current assets do not include financial instruments or deferred tax assets:

	Non-current assets	
	31/3/2024	31/3/2023
	kEUR	kEUR
Germany	541	697
United Kingdom	814	738
Spain	141	222
Other	106	97
Total	1,602	1,754

In the first three months of 2024, there is no single customer who accounts for 10 percent or more of the Group’s total revenue (Q1 2023: none).

6. Treasury stock

Acquisition of treasury stock

By a shareholders’ resolution dated 13 June 2023, the Board of Directors was authorised to repurchase treasury stock of up to 50 percent of the issued capital within the following 18 months. There is currently no active share repurchase programme.

As at 31 March 2024, ad pepper media International N.V. held 1,242,128 treasury shares (31 March 2023: 1,242,128) at a nominal value of EUR 0.05 each, corresponding to 5.36 percent (31 March 2023: 5.78 percent) of the share capital. According to a shareholders’ resolution, these shares can be used for stock option plans or the cancellation of shares.

Sale of treasury stock

No treasury shares were sold during the first three months of 2024 (Q1 2023: 0). No shares were sold under the stock option plans (Q1 2023: 0). No equity settled stock options have been settled in cash in the first three months of 2024 (Q1 2023: 0).

Number of shares outstanding

The number of shares issued and outstanding as at 31 March 2024 totals 21,951,116 (31 March 2023: 20,257,872). Each share has a nominal value of EUR 0.05.

7. Seasonal influences on business operations

The ad pepper Group is engaged in the field of online advertising in the broadest sense. Due to the seasonal character of the advertising industry, with its traditional focus on expenditure in the fourth quarter, revenue and, thus, operating profit are generally higher in the second half of the year.

8. Stock options and shareholdings

As at 31 March 2024, a total of 799,625 (31 March 2023: 846,500) stock options existed for members of the Board of Directors, members of the Supervisory Board and employees. The exchange ratio for each of the stock options is one share per option. The exercise price is between EUR 1.86 and EUR 1.9751. In the first quarter 2024 46,875 cash settled shares have been exercised resulting in a total payment of EUR 20k (Q1 2023: EUR 0k).

	Shares as at 31/3/2024	Options as at 31/3/2024
Board of Directors		
Dr Jens Körner		140,625
Supervisory Board		
Dagmar Bottenbruch		18,000
Thomas Bauer		18,000
Dr Stephan Roppel		23,000
Employees		600,000
Associated companies		
EMA B.V.	9,486,402	
Euro Serve Media GmbH	1,641,786	

9. Report on major transactions with related companies and persons

There have been no material changes in transactions with related parties compared with the 2023 financial year.

10. Events after the balance sheet date

Up until the day of authorisation for publication, no events took place that would have exerted substantial influence on the net assets, financial position or result of operations as at 31 March 2024.

Nuremberg, 7 May 2024

ad pepper media International N.V.



Dr Jens Körner, CEO

» FINANCIAL CALENDAR

All financial and press dates relevant for the capital market at a glance:

Annual General Meeting	18 June 2024
Quarterly Report II / 2024	16 August 2024
Quarterly Report III / 2024	19 November 2024

» INVESTOR CONTACT

ad pepper media International N.V.
 Frankenstraße 150 C (FrankenCampus)
 90461 Nuremberg
 GERMANY

Phone: +49 (0) 911 929057-0

Fax: +49 (0) 911 929057-157

E-mail: ir@adpepper.com

www.adpeppergroup.com

» IMPRINT

Published by

ad pepper media International N.V.
 Frankenstraße 150 C (FrankenCampus)
 90461 Nuremberg
 GERMANY

Phone: +49 (0) 911 929057-0

Fax: +49 (0) 911 929057-157

E-mail: info@adpepper.com

www.adpeppergroup.com

Limited liability public company (N.V.)
 Headquarters Amsterdam, The Netherlands
 Nuremberg office

Prime Standard, Frankfurt Stock Exchange

ISIN: NL0000238145

HRB Nuremberg 17591

VAT-ID-No.: DE 210757424

Board of Directors:

Dr Jens Körner, CEO

Our 2023 Annual Report as well as the Interim Financial Reports for 2024 are available in English at www.adpeppergroup.com under:

Investor relations / Publications / Financial reports



ad pepper media International N.V.

Frankenstraße 150 C

90461 Nuremberg

GERMANY

www.adpeppergroup.com