

# THIRD QUARTER

UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENTS  
AS AT 30 SEPTEMBER 2024

20  
» 24

## » SELECTED GROUP KEY FIGURES

	Q3 2024	Q3 2023	Change	Q1-Q3 2024	Q1-Q3 2023	Change
	kEUR	kEUR	in percent	kEUR	kEUR	in percent
Gross sales	21,867	21,414	2.1	63,042	61,973	1.7
Revenue	5,224	5,383	-2.9	15,624	15,881	-1.6
Gross profit	5,029	5,155	-2.4	15,186	15,240	-0.4
EBIT	275	-163	<-100.0	559	-1,129	<-100.0
EBITDA	485	101	>100.0	1,192	-345	<-100.0
Net income for period	270	-201	<-100.0	481	-1,215	<-100.0
Earnings per share in EUR (basic)	0.01	-0.01	<-100.0	0.01	-0.06	<-100.0

	30/9/2024	30/9/2023	Change
	kEUR	kEUR	in percent
Liquid funds*	18,247	19,343	-5.7
Equity	18,769	14,296	31.3
Total assets	39,005	34,490	13.1
No. of employees	213	224	-4.9

\*Including securities and deposits with maturity over three months.

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## » THE AD PEPPER SHARE

Key data on 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-Q3	Q1-Q3
	2024	2023
XETRA closing price at end of period (EUR)	1.75	2.26
Highest price (EUR)	2.44	2.60
Lowest price (EUR)	1.75	2.14
Market capitalisation at end of period (EUR)	40.6m	48.6m
Average no. of shares traded (XETRA) per day	2,863	4,345
Earnings per share (basic) (EUR)	0.01	-0.01
Net cash per share* (EUR)	0.80	0.91

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

## Share price performance over the past twelve months (Xetra)



Shareholder structure as at 30/9/2024	Number of shares	Shareholding
		in percent
EMA B.V.	9,486,402	40.90
Euro Serve Media GmbH	1,641,786	7.08
Treasury stock	1,242,128	5.36
<b>Subtotal</b>	<b>12,370,316</b>	<b>53.34</b>
Free float	10,822,928	46.66
<b>Total</b>	<b>23,193,244</b>	<b>100.00</b>

## » 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.

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.

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 / Manchester / 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 Facebook Marketing Partner and maintains strong partnerships with leading-edge technology providers.

**Office: Herrenberg / Zurich**

ad<sub>..</sub>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

The German economy has been stagnating for more than two years. A slow recovery is likely to set in next year, but economic growth will not return to its pre-coronavirus trend for the foreseeable future. The overlapping effects of structural change and the economic downturn are particularly evident in the manufacturing sector. The Kiel Institute for the World Economic (IfW) therefore forecasts a 0.1 percent decline in Germany's gross domestic product in 2024. Looking further ahead, the institute expects a weak recovery with growth of 0.8 percent (2025) and 1.3 percent (2026). Compared to the spring forecast, this represents a downward revision of 0.2 (2024) and 0.6 (2025) percentage points. As a consequence, the economic outlook in the Eurozone as a whole - according to IfW has recently become more clouded. After a meagre expansion of economic output in the first half of the year, leading indicators increasingly paint a gloomy picture. Although consumer confidence has continued to recover, firms have recently been far less confident than they were a few months ago. Business sentiment of manufacturing firms is particularly poor. However, these negative trends of economic sentiment are unlikely to persist. With energy prices largely back to normal, rising real incomes and increasing support from the global economy, the euro area is expected to gain grip. Nevertheless, economic momentum will likely remain subdued as monetary policy will be eased rather cautiously. Overall, GDP is expected to increase by 0.6 percent in the current year, followed by 1.4 percent (2024) and 1.7 percent (2025).

## Online advertising market

Digital advertising expenditure in Europe continued to grow in the third quarter of 2024, reaching an estimated total volume of EUR 96.9 billion, an increase of 11.1 percent year-on-year. The IAB Europe AdEx Benchmark Report shows that the main markets – UK, Germany and France – account for roughly 69 percent of the total European digital advertising market. ([IAB Europe](#)) The dominant formats in the market are display and programmatic advertising. Programmatic advertising in particular remains strong, accounting for over 50 percent of display spending. However, growth is slowing as companies increasingly use data protection compliant channels and alternative solutions to meet stricter data privacy requirements. This trend is exacerbated by the challenges associated with the end of third-party cookies, forcing advertisers to adapt their strategies.

Affiliate marketing in Europe is expected to reach a market volume of around USD 5.55 billion in 2024, with expected annual growth of 6.5 percent. According to Cognitive Market Research, the UK market volume will amount to approx. USD 933 million with expected annual growth of 7.3 percent, while the German market is expected to reach approximately USD 1.1 billion with an expected annual growth rate of 6.7 percent. ([Cognitive Market Research, Backlinko](#)) The affiliate marketing concept is attractive for companies looking to pay only for successfully completed transactions, which makes it particularly profitable for SMEs and e-commerce providers.

In addition, investment in artificial intelligence (AI) plays a key role in the transformation of the digital advertising market. According to Deloitte and the IAB Europe Report, AI spending in Europe in 2024 is estimated to reach USD 47.6 billion in 2024. Investments focus on the core areas marketing, healthcare, finance and manufacturing. In marketing, predictive analytics enable a more targeted approach and personalisation, thus contributing to a more sustainable transformation of the digital advertising environment. ([Deloitte United States, QWERTYLABS](#))

Sources: IAB Europe AdEx Benchmark Report, Cognitive Market Research, Backlinko, Deloitte United States, QWERTYLABS



## » EARNINGS, FINANCIAL AND NET ASSET POSITION

### Earnings position

In the third quarter 2024 ad pepper media Group generated gross sales of EUR 21,867k (Q3 2023: EUR 21,414k) and Group revenue of EUR 5,224k (Q3 2023: EUR 5,383k).

EBITDA improved significantly to EUR 485k (Q3 2023: EUR 101k) as a result of cost optimisation. The segment EBITDAs were as follows: Webgains generated EUR 642k (Q3 2023: EUR 724k), ad agents achieved an EBITDA of EUR 159k (Q3 2023: EUR 62k) and the ad pepper segment generated EUR 38k (Q3 2023: EUR 6k).

In the entire nine-month period, gross sales amounted to EUR 63,042k (Q1-Q3 2023: EUR 61,973k), while Group revenue amounted to EUR 15,624k (Q1-Q3 2023: EUR 15,881k). Q1-Q3 2024 EBITDA came out at EUR 1,192k (Q1-Q3 2023: EUR -345k).

### Financial position

Gross cash flow amounted to EUR 407k, as against EUR -834k for the first nine months of 2023. Reason for the increase was mainly due to significantly higher net income generated in the period and increased financial income from interest paid on investments in securities. Cash flow from operating activities shows a figure of EUR -3,783k as against EUR -2,995k in the prior years period, which is particularly driven by higher trade receivables by EUR 1,095k and outgoing cash for affiliate commissions of EUR 2,883k.

Cash flow from investing activities amounted to EUR 3,391k (Q1-Q3 2023: EUR 3,931k) and consisted mainly of the reclassification of securities held amounting of EUR 3,535k into cash and cash equivalents due to its remaining maturity of less than 3 months.

Cash flow from financing activities amounted to EUR -1,222k in the first nine months of 2024 (Q1-Q3 2023: EUR -668k) and included cash outflows for leasing payments of EUR 529k (Q1-Q3 2023: EUR 382k) made in conjunction with capitalised right-of-use assets and dividends paid to non-controlling interests amounting to EUR 670k (Q1-Q3 2023: EUR 286k).

### Net asset position

Total assets decreased by EUR 3,936k to EUR 39,005k compared with 31 December 2023. The decrease was mainly due to the high cash outflow from operating activities, which resulted in a declined liquid funds position (cash and cash equivalents including securities at fair value) by EUR 5,118k compared with 31 December 2023.

Trade payables fell by EUR 3,562k to EUR 14,094k (31 December 2023: EUR 17,657k), which is particularly due to affiliate and website payments made. Primarily lower VAT liabilities resulted in a decrease in other liabilities by EUR 290k to EUR 1,699k (31 December 2023: EUR 1,990k).

Financial liabilities amounted to EUR 3,316k (31 December 2023: EUR 3,006k), showing a slight increase of EUR 310k mainly due to higher bonus accruals. Total non-current liabilities amounted to EUR 585k (31 December 2023: EUR 822k), whereof EUR 562k relate to long-term lease liabilities for capitalised right-of-use assets.

Total liabilities amounted to EUR 20,236k (31 December 2023: EUR 24,060k). The Group has no liabilities to banks. Total equity stands at EUR 18,769k (31 December 2023: EUR 18,881k). The equity ratio increased to 48 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 30 September 2024, the ad pepper Group had 213 employees, as against a total of 224 employees at the end of the equivalent period in the previous year. The headcount of the ad pepper Group is assigned to the following segments:

	30/9/2024	30/9/2023
	Number	Number
ad pepper	21	21
Webgains	95	96
ad agents	83	90
admin	14	17
<b>Total</b>	<b>213</b>	<b>224</b>

## » 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

In the upcoming final quarter, we are aiming stable Group revenue compared to the corresponding period of the previous year. With the implemented cost optimisation measures, we expect a further improvement of our EBITDA figure.

Nuremberg, 14 November 2024

ad pepper media International N.V.



Dr Jens Körner, CEO

## » CONSOLIDATED INCOME STATEMENT

	Q3 2024	Q3 2023	1/1 - 30/9/2024	1/1 - 30/9/2023
	kEUR	kEUR	kEUR	kEUR
Gross sales <sup>1</sup>	21,867	21,414	63,042	61,973
Media cost <sup>2</sup>	-16,642	-16,031	-47,418	-46,092
<b>Revenue <sup>3</sup></b>	<b>5,224</b>	<b>5,383</b>	<b>15,624</b>	<b>15,881</b>
Cost of sales	-195	-228	-438	-640
<b>Gross profit</b>	<b>5,029</b>	<b>5,155</b>	<b>15,186</b>	<b>15,240</b>
Selling and marketing expenses	-3,361	-3,663	-9,982	-11,159
General and administrative expenses	-1,521	-1,858	-5,346	-5,907
Other operating income	214	221	936	770
Other operating expenses	-86	-18	-234	-73
<b>Operating profit</b>	<b>275</b>	<b>-163</b>	<b>559</b>	<b>-1,129</b>
Financial income	81	61	242	137
Financial expenses	-13	-8	-43	-31
<b>Income before taxes</b>	<b>343</b>	<b>-111</b>	<b>759</b>	<b>-1,023</b>
Income taxes	-74	-91	-277	-192
<b>Net income</b>	<b>270</b>	<b>-201</b>	<b>481</b>	<b>-1,215</b>
Attributable to shareholders of the parent company	178	-263	171	-1,297
Attributable to non-controlling interests	91	61	310	82
Basic earnings per share on net income for the year attributable to shareholders of the parent company	0.01	-0.01	0.01	-0.06
Diluted earnings per share on net income for the year attributable to shareholders of the parent company	0.01	-0.01	0.01	-0.06
	No. of shares	No. of shares	No. of shares	No. of shares
<b>Weighted average number of shares outstanding (basic)</b>	<b>21,951,116</b>	<b>20,257,872</b>	<b>21,951,116</b>	<b>20,257,872</b>
<b>Weighted average number of shares outstanding (diluted)</b>	<b>21,966,779</b>	<b>20,257,872</b>	<b>22,021,050</b>	<b>20,257,872</b>

1 Gross sales represent 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

	Q3 2024	Q3 2023	1/1 - 30/9/2024	1/1 - 30/9/2023
	kEUR	kEUR	kEUR	kEUR
<b>Net income</b>	<b>270</b>	<b>-201</b>	<b>481</b>	<b>-1,215</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences	14	10	19	12
Revaluation of listed debt securities	7	3	12	-9
<b>Other comprehensive income, net of tax</b>	<b>21</b>	<b>13</b>	<b>31</b>	<b>3</b>
<b>Total comprehensive income</b>	<b>290</b>	<b>-188</b>	<b>512</b>	<b>-1,212</b>
Attributable to non-controlling interests	91	61	310	82
Attributable to shareholders of the parent company	199	-249	202	-1,294

## » CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

	30/9/2024	31/12/2023
	kEUR	kEUR
<b>Non-current assets</b>		
Intangible assets	222	168
Property, plant, and equipment	130	173
Right-of-use assets	977	1,184
Investment in associate	3,687	3,687
Other financial assets	267	249
Deferred tax assets	183	183
<b>Total non-current assets</b>	<b>5,467</b>	<b>5,644</b>
<b>Current assets</b>		
Securities and deposits with maturity over three months	-	3,523
Trade receivables	14,059	13,124
Other receivables	321	400
Income tax receivables	845	310
Other financial assets	66	98
Cash and cash equivalents	18,247	19,842
<b>Total current assets</b>	<b>33,539</b>	<b>37,297</b>
<b>Total assets</b>	<b>39,005</b>	<b>42,941</b>

» CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION – EQUITY AND LIABILITIES

	30/9/2024	31/12/2023
	kEUR	kEUR
<b>Equity attributable to shareholders of the parent company</b>		
Issued capital*	1,160	1,160
Share premium	67,150	67,173
Reserves	-50,398	-50,669
<b>Total</b>	<b>17,912</b>	<b>17,664</b>
Non-controlling interests	857	1,217
<b>Total equity</b>	<b>18,769</b>	<b>18,881</b>
<b>Non-current liabilities</b>		
Other liabilities	585	822
<b>Total non-current liabilities</b>	<b>585</b>	<b>822</b>
<b>Current liabilities</b>		
Trade payables	14,094	17,657
Contract liabilities	172	382
Other liabilities	1,699	1,990
Other financial liabilities	3,316	3,006
Income tax liabilities	369	203
<b>Total current liabilities</b>	<b>19,650</b>	<b>23,238</b>
<b>Total liabilities</b>	<b>20,236</b>	<b>24,060</b>
<b>Total equity and liabilities</b>	<b>39,005</b>	<b>42,941</b>

\*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 30 September 2024 (31 December 2023: 21,951,116).

## » CONSOLIDATED STATEMENT OF CASH FLOWS – 1 / 2

	1/1 - 30/9/2024	1/1 - 30/9/2023
	kEUR	kEUR
<b>Net income</b>	<b>481</b>	<b>-1,215</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	633	784
(Gain)/loss on sale of fixed assets	0	-6
Share-based compensation	25	164
(Gain)/loss on sale of securities and other investments (after bank charges)	0	-2
Other financial (income) and financial expenses	-200	108
Income taxes	277	192
Income from the release of accrued liabilities	-785	-687
Other non cash income	-24	-173
<b>Gross cash flow</b>	<b>407</b>	<b>-834</b>
Change in trade receivables	-1,095	5,302
Change in other assets	143	-75
Change in trade payables	-2,833	-6,251
Change in other liabilities	141	-1,118
Income taxes received	0	360
Income taxes paid	-645	-410
Interest received	192	99
Interest paid	-43	-68
<b>Net cash flow used in operating activities</b>	<b>-3,783</b>	<b>-2,995</b>
Purchase of intangible assets and property, plant and equipment	-144	-92
Proceeds from sale of intangible assets and property, plant and equipment	0	6
Proceeds from sale of securities and maturity of deposits	3,535	6,000
Purchase of securities and deposit investment	0	-1,983
<b>Net cash flow from investing activities</b>	<b>3,391</b>	<b>3,931</b>

## » CONSOLIDATED STATEMENT OF CASH FLOWS – 2/2

	1/1 - 30/9/2024	1/1 - 30/9/2023
	kEUR	kEUR
Payment of lease liabilities	-529	-382
Transaction cost on issue of shares	-23	0
Dividends to non-controlling interests	-670	-286
<b>Net cash flow used in financing activities</b>	<b>-1,222</b>	<b>-668</b>
Net decrease/increase in cash and cash equivalents	-1,613	268
<b>Cash and cash equivalents at beginning of period</b>	<b>19,842</b>	<b>17,008</b>
Effect of exchange rates on cash and cash equivalents	18	12
<b>Cash and cash equivalents at end of period</b>	<b>18,247</b>	<b>17,288</b>



## » CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2024

	Balance at 1/1/2024	Profit/(Loss) for the period	Other com- prehensive income	Total com- prehensive income	Share-based payment	Dividends	Transaction costs related to issue of share capital	Balance at 30/9/2024
<b>Issued capital (kEUR)</b>	<b>1,160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,160</b>
<b>Share premium (kEUR)</b>	<b>67,173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-23</b>	<b>67,150</b>
<b>Reserves</b>								
Treasury reserve (kEUR)	-6,138	0	0	0	0	0	0	-6,138
For employee stock option plans (kEUR)	3,073	0	0	0	70	0	0	3,143
Accumulated deficit (kEUR)	-44,854	171	0	171	0	0	0	-44,683
Currency translation basis of preparation differences (kEUR)	-1,120	0	18	18	0	0	0	-1,102
Revaluation of listed debt securities (kEUR)	2	0	12	12	0	0	0	14
Other reserves (kEUR)	-1,633	0	0	0	0	0	0	-1,633
<b>Subtotal reserves (kEUR)</b>	<b>-50,669</b>	<b>171</b>	<b>30</b>	<b>202</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>-50,398</b>
<b>Equity attributable to shareholders of the parent company (kEUR)</b>	<b>17,664</b>	<b>171</b>	<b>30</b>	<b>202</b>	<b>70</b>	<b>0</b>	<b>-23</b>	<b>17,912</b>
Non-controlling interests (kEUR)	1,217	310	0	310	0	-670	0	857
<b>Total equity (kEUR)</b>	<b>18,881</b>	<b>481</b>	<b>30</b>	<b>512</b>	<b>70</b>	<b>-670</b>	<b>-23</b>	<b>18,769</b>

## » CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2023

	Balance at 1/1/2023	Profit/(Loss) for the period	Other com- prehensive income	Total com- prehensive income	Share-based payment	Dividends	Transaction costs related to issue of share capital	Balance at 30/9/2023
<b>Issued capital (kEUR)</b>	<b>1,075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,075</b>
<b>Share premium (kEUR)</b>	<b>63,782</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,782</b>
<b>Reserves</b>								
Treasury reserve (kEUR)	-6,138	0	0	0	0	0	0	-6,138
For employee stock option plans (kEUR)	2,906	0	0	0	128	0	0	3,034
Accumulated deficit (kEUR)	-43,910	-1,297	0	-1,297	0	0	0	-45,207
Currency translation basis of preparation differences (kEUR)	-1,153	0	12	12	0	0	0	-1,141
Revaluation of listed debt securities (kEUR)	-3	0	-9	-9	0	0	0	-12
Other reserves (kEUR)	-2,070	0	0	0	0	0	0	-2,070
<b>Subtotal reserves (kEUR)</b>	<b>-50,367</b>	<b>-1,297</b>	<b>3</b>	<b>-1,294</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>-51,533</b>
<b>Equity attributable to shareholders of the parent company (kEUR)</b>	<b>14,490</b>	<b>-1,297</b>	<b>3</b>	<b>-1,294</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>13,324</b>
Non-controlling interests (kEUR)	1,176	82	0	82	0	-286	0	972
<b>Total equity (kEUR)</b>	<b>15,666</b>	<b>-1,215</b>	<b>3</b>	<b>-1,212</b>	<b>128</b>	<b>-286</b>	<b>0</b>	<b>14,296</b>

## » SELECTED EXPLANATORY NOTES

## Consolidated segment information (IFRS)

Q1-Q3 2024	ad pepper	Webgains	ad agents	admin	Intersegment elimination	Group
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
<b>Gross sales</b>	<b>3,145</b>	<b>40,432</b>	<b>19,466</b>	<b>0</b>	<b>0</b>	<b>63,042</b>
<b>Revenue</b>	<b>1,562</b>	<b>8,761</b>	<b>5,302</b>	<b>126</b>	<b>-126</b>	<b>15,624</b>
Thereof external	1,562	8,761	5,302	0	0	15,624
Thereof intersegment	0	0	0	126	-126	0
<b>Gross profit</b>	<b>1,375</b>	<b>8,562</b>	<b>5,123</b>	<b>126</b>	<b>0</b>	<b>15,186</b>
<b>Expenses (including cost of sales) and other income</b>	<b>-1,548</b>	<b>-7,327</b>	<b>-4,838</b>	<b>-1,479</b>	<b>126</b>	<b>-15,065</b>
Thereof depreciation and amortisation	-96	-272	-149	-116	0	-633
Thereof other non-cash expenses	-74	-70	-15	0	0	-159
Thereof other non-cash income	138	768	63	-2	0	968
<b>EBITDA</b>	<b>109</b>	<b>1,706</b>	<b>613</b>	<b>-1,237</b>	<b>0</b>	<b>1,192</b>
<b>Operating profit (EBIT)</b>	<b>14</b>	<b>1,434</b>	<b>464</b>	<b>-1,353</b>	<b>0</b>	<b>559</b>
Financial income	0	48	9	221	-35	242
Financial expenses	-18	-46	-11	-2	35	-43
Income taxes	-15	-147	-110	-6	0	-277
<b>Net income for the period</b>	<b>-19</b>	<b>1,289</b>	<b>351</b>	<b>-1,140</b>	<b>0</b>	<b>481</b>

## Consolidated segment information (IFRS)

Q1-Q3 2023	ad pepper	Webgains	ad agents	admin	Intersegment elimination	Group
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
<b>Gross sales</b>	<b>3,702</b>	<b>40,189</b>	<b>18,082</b>	<b>0</b>	<b>0</b>	<b>61,973</b>
<b>Revenue</b>	<b>1,831</b>	<b>8,673</b>	<b>5,378</b>	<b>148</b>	<b>-149</b>	<b>15,881</b>
Thereof external	1,831	8,673	5,377	0	0	15,881
Thereof intersegment	0	0	1	148	-149	0
<b>Gross profit</b>	<b>1,645</b>	<b>8,266</b>	<b>5,181</b>	<b>148</b>	<b>0</b>	<b>15,240</b>
<b>Expenses (including cost of sales) and other income</b>	<b>-1,877</b>	<b>-7,830</b>	<b>-5,517</b>	<b>-1,935</b>	<b>149</b>	<b>-17,010</b>
Thereof depreciation and amortisation	-84	-358	-176	-166	0	-784
Thereof other non-cash expenses	-190	0	0	0	0	-190
Thereof other non-cash income	53	936	19	42	0	1,050
<b>EBITDA</b>	<b>38</b>	<b>1,200</b>	<b>37</b>	<b>-1,620</b>	<b>0</b>	<b>-345</b>
<b>Operating profit (EBIT)</b>	<b>-46</b>	<b>842</b>	<b>-139</b>	<b>-1,786</b>	<b>0</b>	<b>-1,129</b>
Financial income	0	10	0	167	-40	137
Financial expenses	-8	-39	-14	-9	40	-31
Income taxes	-37	-76	-79	0	0	-192
<b>Net income for the period</b>	<b>-91</b>	<b>737</b>	<b>-232</b>	<b>-1,628</b>	<b>0</b>	<b>-1,215</b>

## 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). Unless specified otherwise, all of the amounts are stated in thousands of Euro (kEUR). For computational reasons, rounding differences of kEUR 1 may occur in the tables.

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 30 September 2024 were authorised for issue by the Board of Directors on 14 November 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.

The following amendment to the standard has been endorsed and released by the authorities in the first nine months of 2024:

- Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements (issued on 25 May 2023). The standard requires application in financial years beginning 1 January 2024, however it has no impact on the Group.

## 3. Consolidated Group

The entities included in consolidation are as follows:

Entity	30/9/2024	30/9/2023
	Share in percent	Share in 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., Bristol, 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 disaggregation of the Group's revenue from the contracts with customers:

For the nine months ended 30 September 2024				
Segments	ad pepper	Webgains	ad agents	Total
<b>Geographical markets</b>				
Germany	744	1,926	3,898	6,568
United Kingdom	0	4,179	0	4,179
Spain	818	1,577	0	2,395
Other*	0	1,079	1,403	2,482
<b>Total revenue</b>	<b>1,562</b>	<b>8,761</b>	<b>5,301</b>	<b>15,624</b>

For the nine months ended 30 September 2023				
Segments	ad pepper	Webgains	ad agents	Total
<b>Geographical markets</b>				
Germany	767	1,994	3,954	6,714
United Kingdom	0	4,390	0	4,390
Spain	1,064	1,470	0	2,534
Other*	0	819	1,424	2,242
<b>Total revenue</b>	<b>1,831</b>	<b>8,672</b>	<b>5,377</b>	<b>15,881</b>

\*Includes Switzerland, France, Italy and the Netherlands.

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 104k (Q1-Q3 2023: EUR 145k) of time barred claims and income of EUR 528k (Q1-Q3 2023: EUR 550k) 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 60k, while a net foreign exchange loss of EUR 49k was posted in the equivalent prior year's period. Write downs on receivables included in other operating expenses amount to EUR 159k (Q1-Q3 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	
	30/9/2024	30/9/2023
	kEUR	kEUR
Germany	461	518
United Kingdom	682	1,006
Spain	100	187
Other*	86	75
<b>Total</b>	<b>1,330</b>	<b>1,786</b>

\*Includes Switzerland, France, Italy and the Netherlands.

In the first nine months of 2024, there is no single customer who accounts for 10 percent or more of the Group’s total revenue (Q1-Q3 2023: none).

## 6. Treasury stock

### Acquisition of treasury stock

By a shareholders’ resolution dated 16 June 2024, 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 30 September 2024, ad pepper media International N.V. held 1,242,128 treasury shares (30 September 2023: 1,242,128) at a nominal value of EUR 0.05 each, corresponding to 5.36 percent (30 September 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 nine months of 2024 (Q1-Q3 2023: 0). No shares were sold under the stock option plans (Q1-Q3 2023: 0). No equity settled stock options have been settled in cash in the first nine months of 2024 (Q1-Q3 2023: 0).

### Number of shares outstanding

The number of shares issued and outstanding as at 30 September 2024 totals 21,951,116 (30 September 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. However, reference is made to the “Outlook” chapter on page 19.

## 8. Stock options and shareholdings

As at 30 September 2024, a total of 799,625 (30 September 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 nine months of 2024 46,875 cash settled shares have been exercised resulting in a total payment value of EUR 20k (Q1-Q3 2023: EUR 0k).

	Shares as at 30/9/2024	Options as at 30/9/2024
<b>Board of Directors</b>		
Dr Jens Körner	0	140,625
<b>Supervisory Board</b>		
Michael Oschmann	0	0
Dagmar Bottenbruch	0	18,000
Thomas Bauer	0	18,000
Dr Stephan Roppel	0	23,000
<b>Employees</b>	<b>0</b>	<b>600,000</b>
<b>Associated companies*</b>		
EMA B.V.	9,486,402	0
Euro Serve Media GmbH	1,641,786	0

\*Michael Oschmann, Supervisory Board Chairman, is considered a related party and controls both EMA B.V. and Euro Serve Media GmbH.

## 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 30 September 2024.

Nuremberg, 14 November 2024  
ad pepper media International N.V.



Dr Jens Körner, CEO



**» INVESTOR CONTACT**

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**» IMPRINT**

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Dr Jens Körner, CEO

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Our 2023 Annual Report as well as the Interim Financial Reports for 2024 are available in English at [www.adpeppergroup.com](http://www.adpeppergroup.com) under:

**Investor relations / Publications / Financial reports**

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