

SECOND QUARTER

UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS
AS AT 30 JUNE 2024

20
» 24

» SELECTED GROUP KEY FIGURES

	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
	kEUR	kEUR	in percent	kEUR	kEUR	in percent
Gross sales	20,403	20,967	-2.7	41,176	40,559	1.5
Revenue	5,224	5,399	-3.2	10,400	10,498	-1.0
Gross profit	5,143	5,193	-1.0	10,157	10,085	0.7
EBIT (Operating profit)	276	-385	< -100.0	284	-966	< -100.0
EBITDA	487	-118	< -100.0	707	-446	< -100.0
Net income/(loss) for period	236	-388	< -100.0	212	-1,014	< -100.0
Earnings per share in EUR (basic)	0.01	-0.02	< -100.0	0.00	-0.05	-100.0

	30/6/2024	30/6/2023	Change
	kEUR	kEUR	in percent
Liquid funds*	19,822	21,519	-7.9
Equity	18,457	14,446	27.8
Total assets	38,284	37,117	3.1
No. of employees	207	234	-11.5

*Including listed debt securities.

» 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	16
Research and development activities	18
Employees	18
Risk and opportunity report	19
Outlook	19
Responsibility statement	19
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

» 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	H1	H1
	2024	2023
XETRA closing price at end of period (EUR)	2.04	2.38
Highest price (EUR)	2.44	2.62
Lowest price (EUR)	1.80	1.84
Market capitalisation at end of period (EUR)	47.3m	51.2m
Average no. of shares traded (XETRA) per day	3,500	4,635
Earnings per share (basic) (EUR)	0.00	-0.05
Net cash per share* (EUR)	0.87	1.00

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

Share price performance over the past twelve months (Xetra)



Shareholder structure as at 30/6/2024	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.

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


 The logo for ad agents features the word "ad" in orange, followed by a small icon of three squares (two orange, one grey) stacked vertically, and then the word "agents" in grey.

» 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.

Forward-looking statements

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

According to Institut für Weltwirtschaft Kiel (IfW), the global economy has expanded at a moderate pace so far this year. Meanwhile, the previously pronounced differences in economic momentum have diminished, particularly in the advanced economies. While the robust expansion in the United States lost momentum, the economy in Europe picked up noticeably after a period of stagnation. The moderate global economic expansion is likely to continue in the forecast period, with private consumption picking up in Europe as real wages rise again, according to the latest publication of IfW. The institute expects global production to increase by 3.2 percent in 2024 and 2025.

The German economy is leaving the recession behind, according to IfW. As the year progresses, rising real disposable income and increasing exports will stimulate economic activity. In addition, the effects of tighter monetary policy will gradually fade out. However, there are no signs of strong economic momentum. All in all, GDP is expected to grow by 0.2 percent in 2024 and by 1.1 percent in 2025.

Online advertising market

Global advertising growth in 2024: new digital marketing opportunities on the horizon

Driven by digital innovation and major global events, the advertising landscape is currently undergoing a dynamic transformation. According to a revised forecast by Dentsu, global advertising expenditure is expected to increase by 5 percent to a total of USD 754.4 billion in 2024. This represents a significant acceleration compared to last year, fuelled by strong demand for digital advertising and significant events such as the Olympics and the US presidential election.

(Source: Dentsu)

Advertising expenditure in Germany

In Germany, advertising expenditure increased by a modest 0.6 percent in 2023 but is expected to gain significant traction in 2024. Dentsu analysts predict a 3.4 percent increase in advertising investment for the current year. Comparing 2024 forecasts for Germany with other major Western European markets, Germany ranks fourth, behind the growth prospects of the UK (6.0 percent), France (4.0 percent) and Italy (4.4 percent), and ahead of Spain (3.2 percent).

(Source: Dentsu)

E-commerce sales worldwide

Global e-commerce sales are expected to grow by 8.8 percent year-on-year to USD 6.33 trillion in 2024, according to Shopify, demonstrating the continued momentum and potential of online retail, driven by factors such as the increasing use of mobile devices for online purchases and the growing number of online shoppers worldwide, which is estimated to reach 2.71 billion in 2024.

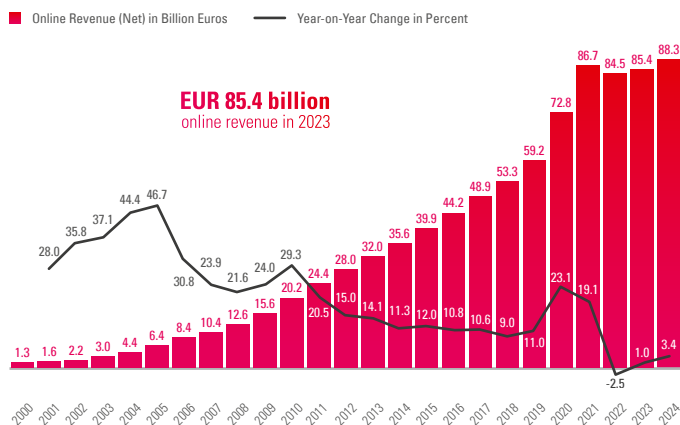
(Source: Shopify)

E-commerce sales in Germany

The German trade association Handelsverband Deutschland (HDE) predicts that online retail will generate sales of EUR 88.3 billion in 2024. This represents a nominal increase of 3.4 percent year-on-year.

(Source: HDE)

Online Revenue



» EARNINGS, FINANCIAL AND NET ASSET POSITION

Earnings position

In the second quarter of the year gross sales amounted to EUR 20,403k (Q2 2023: EUR 20,967k), while group revenue of EUR 5,224k corresponds to a slight year-on-year decrease of 3.2 percent (Q2 2023: EUR 5,339k). At segment level, Webgains recorded a decline in revenue of 4.5 percent to EUR 2,791k (Q2 2023: EUR 2,924k) and ad agents a decline of 3.2 percent to EUR 1,807k (Q2 2023: EUR 1,866k). The ad pepper segment achieved a slight increase in revenue to EUR 626k (Q2 2023: EUR 609k).

Group EBITDA totalled EUR 487k in the second quarter, a significant improvement compared to the same period of the previous year (Q2 2023: EUR -118k). The main driver of the strong EBITDA performance at group level was the Webgains segment, which generated EBITDA of EUR 433k in Q2 2024 (Q2 2023: EUR 287k). The ad agents segment generated EBITDA of EUR 262k (Q2 2023: EUR 72k) and ad pepper EBITDA of EUR 86k (Q2 2023: EUR 31k).

In total, the ad pepper group generated gross sales in the first six months of EUR 41,176k (H1 2023: EUR 40,559k), while Group revenue amounted to EUR 10,400k (H1 2023: EUR 10,498k).

In comparison to negative EBITDA in the same period of the previous year (H1 2023: EUR -446k), EBITDA improved significantly by EUR 1,153k and thus rose to EUR 707k in the first half of 2024. The segment EBITDAs were as follows: Webgains contributed EBITDA of EUR 1,064k (H1 2023: EUR 476k), while ad agents came out with EUR 454k (H1 2023: EUR -25k) and ad pepper with EUR 72k (H1 2023: EUR 33k).

Financial position

Gross cash flow in H1 2024 amounted to EUR 94k, as against EUR -825k for the first six months of 2023. Reason for the increase was mainly due to significantly higher net income generated in the current reporting period. Cash flow from operating activities shows a figure of EUR -2,421k as against EUR -129k in the prior years period and is particularly driven by cash outflow for affiliate commission payments.

Cash flow from investing activities amounted to EUR 1,451k (H1 2023: EUR 3,955k) and is due to the reclassification of short term deposits of EUR 1,517k into cash and cash equivalents.

Cash flow from financing activities amounted to EUR -1,045k in the first six months of 2024 (H1 2023: EUR -545k) and consists mainly of cash outflow for leasing payments of EUR 352k (H1 2023: EUR 259k) made in conjunction with capitalised right-of-use assets and dividends paid to non-controlling interests amounting to EUR 670k (H1 2023: EUR 286k).

Net asset position

Total assets decreased by EUR 4,657k to EUR 38,284k 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 1,321k to EUR 11,803k (31 December 2023: EUR 13,124k) respectively by EUR 4,069k to EUR 13,588k (31 December 2023: EUR 17,657k). The increased cash outflow from operating activities resulted also in declined cash and cash equivalents by EUR 2,009k to EUR 17,832k (31 December 2023: EUR 19,842k). Lower VAT liabilities resulted in a decrease in other liabilities by EUR 361k to EUR 1,629k (31 December 2023: EUR 1,990k). Financial liabilities amount to EUR 3,331k (31 December 2023:

EUR 3,006k), showing a slight increase of EUR 325k mainly due to higher bonus accruals. Total non-current liabilities amount to EUR 684k (31 December 2023: EUR 822k), whereof EUR 662k (31 December 2023: EUR 754k) relate to long term-lease liabilities for capitalised right-of-use assets.

Total liabilities amount to EUR 19,827k (31 December 2023: EUR 24,060k). The Group still has no liabilities to banks. Total equity stands at EUR 18,457k (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 June 2024, the ad pepper Group had 207 employees, as against a total of 234 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.

	30/6/2024	30/6/2023
	Number	Number
ad pepper	21	22
Webgains	91	101
ad agents	81	94
Administration	14	17

» 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

We enter the next half-year with a continued efficient cost base and, as in previous years, expect a strong fourth quarter in terms of revenue development and profitability. For the Webgains segment in particular, we expect positive growth rates in the coming half-year, driven by the successful acquisition of new clients and our initiatives in the area of artificial intelligence.

» RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, while the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Nuremberg, 31 July 2024
ad pepper media International N.V.



Dr Jens Körner, CEO

» CONSOLIDATED INCOME STATEMENT

	Q2 2024	Q2 2023	H1 2024	H1 2023
	KEUR	KEUR	KEUR	KEUR
Gross sales ¹	20,403	20,967	41,176	40,559
Media cost ²	-15,180	-15,568	-30,776	-30,061
Revenue³	5,224	5,399	10,400	10,498
Cost of sales	-81	-206	-243	-413
Gross profit	5,143	5,193	10,157	10,085
Selling and marketing expenses	-3,337	-3,767	-6,622	-7,495
General and administrative expenses	-1,759	-2,133	-3,825	-4,049
Other operating income	305	326	722	548
Other operating expenses	-75	-3	-148	-55
Operating profit	276	-385	284	-966
Financial income	89	54	161	76
Financial expenses	-14	-12	-30	-23
Income before taxes	351	-343	415	-912
Income taxes	-115	-45	-204	-101
Net income	236	-388	212	-1,014
Attributable to shareholders of the parent company	113	-450	-7	-1,035
Attributable to non-controlling interests	123	63	219	21
Basic earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	0.01	-0.02	0.00	-0.05
Diluted earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	0.01	-0.02	0.00	-0.05
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of shares outstanding (basic)	21,951,116	20,257,872	21,951,116	20,257,872
Weighted average number of shares outstanding (diluted)	22,049,231	20,257,872	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

	Q2 2024	Q2 2023	H1 2024	H1 2023
	KEUR	KEUR	KEUR	KEUR
Net income	236	-388	212	-1,014
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	25	26	5	2
Revaluation of listed debt securities	8	-14	5	-12
Other comprehensive income, net of tax	33	12	10	-10
Total comprehensive income	269	-376	222	-1,023
Attributable to non-controlling interests	123	63	220	21
Attributable to shareholders of the parent company	146	-438	2	-1,044

» CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

	30/6/2024	31/12/2023
	kEUR	kEUR
Non-current assets		
Intangible assets	187	168
Property, plant and equipment	142	173
Right-of-use assets	1,126	1,184
Listed debt and marketable securities	3,687	3,687
Other financial assets	245	249
Deferred tax assets	183	183
Total non-current assets	5,570	5,644
Current assets		
Securities and deposits with maturity over three months	1,990	3,523
Trade receivables	11,803	13,124
Other receivables	345	400
Income tax receivables	690	310
Other financial assets	53	98
Cash and cash equivalents	17,832	19,842
Total current assets	32,714	37,297
Total assets	38,284	42,941

» CONSOLIDATED STATEMENT OF
FINANCIAL POSITION – EQUITY AND LIABILITIES

	30/6/2024	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	-50,620	-50,669
Total	17,690	17,664
Non-controlling interests	767	1,217
Total equity	18,457	18,881
Non-current liabilities		
Other liabilities	684	822
Total non-current liabilities	684	822
Current liabilities		
Trade payables	13,588	17,657
Contract liabilities	254	382
Other liabilities	1,629	1,990
Other financial liabilities	3,331	3,006
Income tax liabilities	341	203
Total current liabilities	19,143	23,238
Total liabilities	19,827	24,060
Total equity and liabilities	38,284	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 30 June 2024 (31 December 2023: 21,951,116).

» CONSOLIDATED STATEMENT OF CASH FLOWS – 1 / 2

	1/1 - 30/6/2024	1/1 - 30/6/2023
	KEUR	KEUR
Net income	212	-1,014
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets	423	520
Gain/loss on sale of fixed assets	0	-7
Share-based compensation	2	126
Gain/loss on sale of securities and other investments (after bank charges)	0	-2
Other financial income and financial expenses	-132	55
Income taxes	204	101
Income from the release of accrued liabilities	-518	-376
Other non-cash expenses and income	-97	-228
Gross cash flow	94	-825
Change in trade receivables	1,236	5,438
Change in other assets	147	-55
Change in trade payables	-3,590	-4,640
Change in other liabilities	37	-981
Income tax received	0	360
Income tax paid	-433	-303
Interest received	118	76
Interest paid	-30	-23
Net cash flow used in operating activities	-2,421	-954
Purchase of intangible assets and property, plant and equipment	-87	-69
Proceeds from sale of intangible assets and property, plant and equipment	0	7
Proceeds from sale of securities and maturity of deposits	1,538	6,000
Purchase of securities	0	-1,983
Net cash flow from investing activities	1,451	3,955

» CONSOLIDATED STATEMENT OF CASH FLOWS – 2/2

	1/1 - 30/6/2024	1/1 - 30/6/2023
	kEUR	kEUR
Payment of lease liabilities	-352	-259
Transaction cost on issue of shares	-23	0
Dividends to non-controlling interests	-670	-286
Net cash flow used in financing activities	-1,045	-545
Net decrease/increase in cash and cash equivalents	-2,015	3,281
Cash and cash equivalents at beginning of period	19,842	17,008
Effect of exchange rates on cash and cash equivalents	5	2
Cash and cash equivalents at end of period	17,832	20,291

» 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 30/6/2024
Issued capital (kEUR)	1,160	0	0	0	0	0	0	1,160
Share premium (kEUR)	67,173	0	0	0	0	0	-23	67,150
Reserves								
Treasury reserve (kEUR)	-6,138	0	0	0	0	0	0	-6,138
For employee stock option plans (kEUR)	3,073	0	0	0	47	0	0	3,120
Accumulated deficit (kEUR)	-44,854	-7	0	-7	0	0	0	-44,861
Currency translation basis of preparation differences (kEUR)	-1,120	0	5	5	0	0	0	-1,115
Revaluation of listed debt securities (kEUR)	2	0	5	5	0	0	0	7
Other reserves (kEUR)	-1,633	0	0	0	0	0	0	-1,633
Subtotal reserves (kEUR)	-50,669	-7	10	2	47	0	0	-50,620
Equity attributable to shareholders of the parent company (kEUR)	17,664	-7	10	2	47	0	-23	17,690
Non-controlling interests (kEUR)	1,217	219	0	219	0	-670	0	767
Total equity (kEUR)	18,881	212	10	221	47	-670	-23	18,457

» 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 30/6/2023
Issued capital (kEUR)	1,075	0	0	0	0	0	0	1,075
Share premium (kEUR)	63,782	0	0	0	0	0	0	63,782
Reserves								
Treasury reserve (kEUR)	-6,138	0	0	0	0	0	0	-6,138
For employee stock option plans (kEUR)	2,906	0	0	0	90	0	0	2,996
Accumulated deficit (kEUR)	-43,910	-1,035	0	-1,035	0	0	0	-44,945
Currency translation basis of preparation differences (kEUR)	-1,153	0	2	2	0	0	0	-1,151
Revaluation of listed debt securities (kEUR)	-3	0	-12	-12	0	0	0	-15
Other reserves (kEUR)	-2,070	0	0	0	0	0	0	-2,070
Subtotal reserves (kEUR)	-50,367	-1,035	-10	-1,044	90	0	0	-51,322
Equity attributable to shareholders of the parent company (kEUR)	14,490	-1,035	-10	-1,044	90	0	0	13,535
Non-controlling interests (kEUR)	1,176	21	0	21	0	-286	0	911
Total equity (kEUR)	15,666	-1,014	-10	-1,023	90	-286	0	14,446

» SELECTED EXPLANATORY NOTES

Consolidated segment information (IFRS)

H1 2024	ad pepper	Webgains	ad agents	admin	Intersegment elimination	Group
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Gross sales	2,150	26,664	12,362	0	0	41,176
Revenue	1,089	5,748	3,564	86	-87	10,400
Thereof external	1,089	5,748	3,563	0	0	10,400
Thereof intersegment	0	0	1	86	-87	0
Gross profit	958	5,659	3,453	86	0	10,157
Expenses (including cost of sales) and other income	-1,082	-4,865	-3,210	-1,045	87	-10,116
Thereof depreciation and amortisation	-65	-182	-101	-76	0	-423
Thereof other non-cash expenses	-52	-33	0	0	0	-85
Thereof other non-cash income	81	554	63	2	0	700
EBITDA	72	1,064	454	-883	0	707
Operating profit (EBIT)	7	882	354	-959	0	284
Financial income	0	28	8	149	-23	161
Financial expenses	-11	-32	-8	-2	23	-30
Income taxes	-21	-94	-82	-6	0	-204
Net income for the period	-25	784	271	-819	0	212

Consolidated segment information (IFRS)

H1 2023	ad pepper	Webgains	ad agents	admin	Intersegment elimination	Group
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Gross sales	2,372	26,782	11,405	0	0	40,559
Revenue	1,140	5,750	3,608	95	-95	10,498
Thereof external	1,140	5,750	3,608	0	0	10,498
Thereof intersegment	0	0	0	95	-95	0
Gross profit	1,024	5,471	3,495	95	0	10,085
Expenses (including cost of sales) and other income	-1,166	-5,505	-3,752	-1,136	95	-11,464
Thereof depreciation and amortisation	-58	-232	-119	-111	0	-520
Thereof other non-cash expenses	-15	0	0	0	0	-15
Thereof other non-cash income	50	544	19	6	0	619
EBITDA	33	476	-24	-931	0	-446
Operating profit (EBIT)	-25	245	-143	-1,043	0	-966
Financial income	0	6	0	98	-28	76
Financial expenses	-4	-26	-13	-8	28	-23
Income taxes	-36	-10	-55	0	0	-101
Net income for the period	-65	214	-211	-952	0	-1,014

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 30 June 2024 were authorised for issue by the Board of Directors on 31 July 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 six 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	30/6/2024	30/6/2023
	percent	percent
ad pepper media GmbH, Nuremberg, Germany	100	100
Webgains GmbH, Nuremberg, Germany	100	100
Webgains France SARL, 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

4.1. Revenue from contracts with customers

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

For the six months ended 30 June 2024				
Segments	ad pepper	Webgains	ad agents	Total
Geographical markets				
Germany	462	1,313	2,664	4,439
United Kingdom	0	2,729	0	2,729
Spain	627	1,029	0	1,656
Other	0	677	898	1,575
Total revenue	1,089	5,748	3,562	10,400

For the six months ended 30 June 2023				
Segments	ad pepper	Webgains	ad agents	Total
Geographical markets				
Germany	478	1,348	2,686	4,512
United Kingdom	0	2,989	0	2,989
Spain	662	909	0	1,571
Other	0	504	922	1,426
Total revenue	1,140	5,750	3,608	10,498

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 193k (H1 2023: EUR 20k) of time barred claims and income of EUR 342k (H1 2023: EUR 259k) 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 55k, while a net foreign exchange loss of EUR 31k was posted in the equivalent prior year's period.

Write downs on receivables included in other operating expenses amount to EUR 85k (H1 2023: EUR 14k).

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 with-

out 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, Spain and United Kingdom.

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	
	30/6/2024	30/6/2023
	kEUR	kEUR
Germany	495	620
United Kingdom	744	1,163
Spain	120	208
Other	96	86
Total	1,455	2,077

In H1 2024, there is no single customer who accounts for 10 percent or more of the Group’s total revenue (H1 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 June 2024, ad pepper media International N.V. held 1,242,128 treasury shares (30 June 2023: 1,242,128) at a nominal value of EUR 0.05 each, corresponding to 5.36 percent (30 June 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 six months of 2024 (H1 2023: 0). No shares were sold under the stock option plans (H1 2023: 0). No equity settled stock options have been settled in cash in the first six months of 2024 (H1 2023: 0).

Number of shares outstanding

The number of shares issued and outstanding as at 30 June 2024 totals 21,951,116 (30 June 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 18.

8. Stock options and shareholdings

As at 30 June 2024, a total of 799,625 (30 June 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 six months of 2024 46,875 cash settled shares have been exercised resulting in a total payment value of EUR 20k (H1 2023: EUR 0k).

	Shares as at 30/6/2024	Options as at 30/6/2024
Board of Directors		
Dr Jens Körner	0	140,625
Supervisory Board		
Michael Oschmann	0	0
Dagmar Bottenbruch	0	18,000
Thomas Bauer	0	18,000
Dr Stephan Roppel	0	23,000
Employees	0	600,000
Associated companies*		
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 June 2024.

Nuremberg, 31 July 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:

Quarterly Report III / 2024

19 November 2024

» INVESTOR CONTACT

Dr Jens Körner (CEO)
 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