



**UNAUDITED CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

AS OF MARCH 31, 2015

## SELECTED GROUP KEY FIGURES

	Q1 2015	Q1 2014	Change
	EUR 000s	EUR 000s	Percent
Consolidated sales	11,599	11,579	0.2
Gross profit	3,759	4,137	-9.1
EBIT	-358	-991	-63.9
Net income/(loss) for period	-308	-690	-55.4
Earnings per share in EUR (basic)	-0.02	-0.03	-33.3
	3.31.2015	3.31.2014	Change
	EUR 000s	EUR 000s	Percent
Liquid funds*	17,171	20,045	-14.3
Equity	16,023	23,966	-33.1
Total assets	27,232	34,107	-20.2
No. of employees	210	236	-11.0

\* including securities measured at fair value and fixed-term deposits

## CONTENTS

<b>The ad pepper media share</b>	<b>6</b>
<b>Interim Management Report</b>	<b>8</b>
The Structure of the ad pepper media group	8
General information about this management report	10
Macroeconomic framework	11
Earnings, financial and net asset position	14
Research and development activities	16
Employees	16
Risk and opportunity report	17
Outlook	17
<b>Interim Consolidated Financial Statements</b>	<b>18</b>
Consolidated income statement	18
Consolidated statement of comprehensive income	20
Consolidated balance sheet	24
Consolidated statement of cash flows	28
Consolidated statement of changes in equity	32
Selected explanatory notes	36
<b>Additional information</b>	<b>48</b>
Financial calendar	48
Investor contact	48
Imprint	49

## THE AD PEPPER MEDIA SHARE

### Key data about ad pepper media 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	October 10, 2000
Designated Sponsor	Equinet
Capital stock (EUR)	1,150,000
No. of shares	23,000,000
Sector	Advertising

### Key share figures

	Q1 2015	Q1 2014
XETRA closing price at end of period (EUR)	0.76	1.19
Highest price (EUR)	0.91	1.42
Lowest price (EUR)	0.74	1.13
Market capitalization at end of period (EUR)	17.5m	27.4m
Average no. of shares traded (XETRA) per day	13,754	33,029
Earnings per share (basic) (EUR)	-0.02	-0.03
Net cash per share* (EUR)	0.75	0.87

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



### Shareholder structure as of 3.31.2015

	shares	shareholding
	Numbers	Percent
EMA B.V.	9,486,402	41.25
Treasury stock	1,759,292	7.65
Axxion S.A.	1,163,501	5.06
Dieter Koppitz	699,338	3.04
Euro Serve Media GmbH	436,963	1.90
<b>Subtotal</b>	<b>13,545,496</b>	<b>58.90</b>
Free float	9,454,504	41.10
<b>Total</b>	<b>23,000,000</b>	<b>100.00</b>

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

## THE STRUCTURE OF THE AD PEPPER MEDIA GROUP

ad pepper media International N.V. is the holding company behind one of the leading international online marketing groups. The company was founded in 1999 and has been listed in the Prime Standard segment of the Frankfurt Stock Exchange since it went public in 2000 (WKN: 940 883). The ad pepper media group develops digital solutions in over 50 countries worldwide through its eight offices in five European countries and in the U.S. The group consists of three segments: **ad pepper media** (lead generation and semantic targeting), **ad agents** (search engine marketing), and **Webgains** (affiliate marketing).

### The three segments of the ad pepper media group

#### ad pepper media

ad pepper media was founded in 1999. The companies in this business unit are leading international performance marketing agencies in their respective countries that specialize in lead generation and semantic targeting. ad pepper media has offices in Great Britain, Germany and Spain.

Products offered by the ad pepper media business unit:

**iLead (lead generation)** is the ideal solution for advertisers who want to expand and develop their customer database. Potential customers who have already shown interest in the products and services offered by the advertising customers are contacted via telephone, e-mail, or by mail (provided they have given initial consent).

**iSense (semantic targeting)** provides advertisers and publishers with a revolutionary semantic targeting technology that allows ads to be specifically placed in the relevant context for each website. The technology guarantees advertising customers maximum protection for their brand as the ad can be blocked from being placed on sites or pages that could potentially harm the brand.

**mailpepper (e-mail marketing)** makes it possible to quickly, effectively and directly e-mail large or even niche target groups who have explicitly agreed that ad pepper media or the advertisers may contact them.

#### Webgains

Webgains is one of the leading international affiliate networks and offers efficient solutions that cover all areas of affiliate management. The network uses the latest technology and offers first-class support for merchants and affiliates. Webgains has teams of local experts in Great Britain, Germany, France, Spain as well as the U.S. and successfully implements international and regional affiliate programs for a large number of its customers. Reaching such a massive audience via a wide variety of websites with performance-based payment is what makes affiliate marketing so attractive for all parties involved. Affiliate marketing is a commission-based advertising model in which website operators (publishers, affiliates) direct Internet traffic to the sites of advertisers (retailers, merchants) and receive in return a percentage of the sales turnover generated there.

#### ad agents

ad agents is one of the most successful performance agencies in Germany. It designs, controls, and optimizes results-oriented marketing and sales solutions in all digital channels on all screens and devices. ad agents specializes in search engine marketing (SEM), search engine optimization (SEO), affiliate management, social media advertising, performance display, and product data management. The company also advises well-known German and international companies operating in all industries (including finance, trade, fashion, pharmaceuticals, and technology).

## GENERAL INFORMATION ABOUT THIS MANAGEMENT REPORT

### Definitions

All mentions of “ad pepper media International N.V.”, “ad pepper media”, “ad pepper media group” or the “group” in this management report relate to the ad pepper media 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 materializes, 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 2014.

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 which had not existed before the issuance of this report.

### Internal control system

Revenue and profits (EBIT, EBITDA, gross margin) are some of the parameters which ad pepper media 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 media group. External indicators are also regularly analyzed for company management purposes. In addition, there are weekly scheduled jour fixes as well as regular shareholder meetings with the individual subsidiaries.

## MACROECONOMIC FRAMEWORK

### Germany/Europe/ World

In its latest outlook, the Institute for the World Economy (IfW) has forecast positive macroeconomic developments in Germany, which is said to be at the beginning of a period of marked expansion. The German economy has regained its footing. Gross Domestic Product already rose by 1.6 percent in 2014, and thus outgrew its potential. Output growth in the current year is now expected to accelerate to 1.8 percent. The key factor here is the monetary framework, which is expected to provide added stimulus to the economy for years to come. Not only that, ongoing favorable developments on the labor market are expected to further stimulate private households’ propensity to consume and invest.

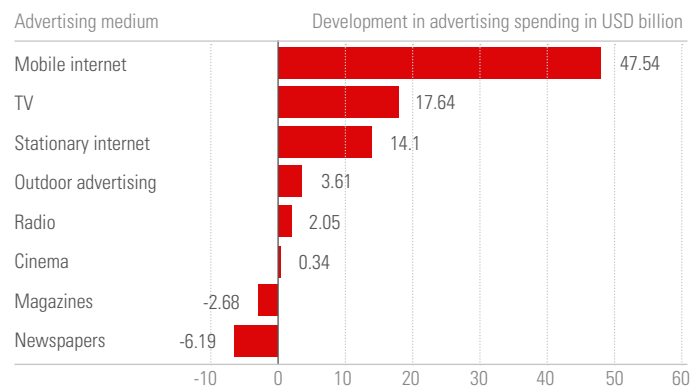
The IfW is also optimistic about the euro area, which it believes has witnessed a further consolidation in its economic situation. Confidence indicators point to the recovery continuing in the coming months. According to the IfW, the pace of this upturn will nevertheless remain moderate, with GDP growth of 1.3 percent expected in 2015. Macroeconomic output in 2016 can be expected to increase by 1.7 percent. The IfW is also confident with regard to the global economy, where economic recovery is set to increase in the current year and next year. Global output growth is set to accelerate from 3.5 percent last year to 3.7 percent and 4.0 percent in 2015 and 2016 respectively. Higher

growth rates are expected above all for the advanced economies. Monetary policy remains highly expansive and the fall in oil price will stimulate demand, albeit only moderately for the global economy as a whole. Not only that, the process of reducing private sector debt is now well advanced in key countries. Though emerging economies will benefit from increased demand from the advanced economies. In China, the trend towards lower growth rates will nevertheless continue and the sharp drop in commodity prices will hold back developments in Latin America and especially in Russia.

### Advertising market

In its latest report issued on March 16, 2015, the Circle of Online Marketers (OVK) at the Federal Association of the Digital Economy (BVDW) confirmed that the internet is still the fastest-growing advertising medium. Net spending on digital display advertising (online and mobile) grew by 6.6 percent to a total of EUR 1.581 billion last year. Mobile display advertising posted year-on-year sales growth of 52 percent and generated net sales volumes of EUR 134 million. The experts expect to see stable growth on a comparable scale in 2015 as well.

### Forecast development in global advertising spending by individual advertising medium in period from 2014 to 2017



This chart shows a forecast concerning the development in global advertising spending in individual advertising media. According to the forecast, advertising spending in the period from 2014 to 2017 is set to grow by more than USD 47.5 billion for mobile internet and by more than USD 14.1 billion for stationary internet.

## EARNINGS, FINANCIAL AND NET ASSET POSITION

### Earnings position

The ad pepper media group generated sales of EUR 11,599k in the first three months of the current financial year and thus virtually matched the previous year's figure (Q1 2014: EUR 11,579k). While the Webgains and ad agents segments achieved sales growth of EUR 588k (8.0 percent) and EUR 114k (6.3 percent) respectively, sales at the ad pepper media segment showed a further reduction of EUR 682k (-28.2 percent) compared with the previous year's figure (Q1 2014: EUR 2,421k). This marked drop in sales in the ad pepper media segment was due in particular to the negative performance of the UK business. Double-digit sales growth in Germany and the stable performance of the Spanish business were insufficient to offset this development.

The gross profit, the actual performance indicator, also decreased due to the aforementioned sales development by EUR 378k respectively 9.1 percent to EUR 3,759k. As a percentage of sales, our gross margin accordingly declined from 35.7 percent to 32.4 percent.

The package of cost-cutting measures adopted at the end of the third quarter of 2014 showed its first positive effects in the first quarter of the current financial year. Operating expenses showed a significant reduction of 19.7 percent to EUR 4,117k (Q1 2014: EUR 5,128k). As a result, all key profitability figures were well ahead of the equivalent figures for the previous year, and that despite the single-digit decline in the gross margin.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -292k for the first three months of 2015 (Q1 2014: EUR -936k). Earnings before interest and taxes (EBIT) amounted to EUR -358k, as against EUR 991k in the previous year's period. Earnings before taxes (EBT) amounted to EUR -307k in the first three months of the financial year (Q1 2014: EUR -687k).

The group concluded the first quarter with EUR -308k net income for the period. This was significantly ahead of the net income for the corresponding period in the previous year (Q1 2014: EUR -690k).

### Financial position

The gross cash flow amounted to EUR -325k (Q1 2014: EUR -1,041k), while a figure of EUR -2,461k was reported for the cash flow from operations, as against EUR -1,959k for the first three months of 2015. The key factor driving the higher outflow of cash for operating activities were the reductions in accrued liabilities for affiliate credits not yet disbursed in the Webgains segment and in other trade payables. The net cash flow from investing activities amounted to EUR 983k in the first three months of 2015 (Q1 2014: EUR 3,927k). The cash flow from financing activities amounted to EUR 0k in the first three months of 2015, compared with EUR 0k in the equivalent period in the previous year.

### Net asset position

Total assets reduced by EUR 3,058k to EUR 27,232k compared with December 31, 2014. At EUR 6,874k, the non-current assets at the end of the first quarter of 2015 were virtually unchanged on December 31, 2014 (EUR 6,916k). Current assets, by contrast, fell by EUR 3,016k to EUR 20,358k in the first three months of 2015 (December 31, 2014: EUR 23,374k). Trade receivables decreased by EUR 712k to EUR 7,027k at the end of the first quarter. Liquid funds (including securities measured at fair value and time deposits) reduced to EUR 17,171k, down by EUR 2,468k compared with December 31, 2014 (EUR 19,639k). The higher outflow of funds was chiefly due to a reduction in trade payables by EUR 1,854k to EUR 8,011k (December 31, 2014: EUR 9,865k). Reductions were seen in particular in accrued liabilities for affiliate credits not yet disbursed in the Webgains segment and for outstanding invoices. The group still does not have any non-current liabilities to banks. The equity ratio increased to 58.8 percent (December 31, 2014: 53.8 percent).



## RESEARCH AND DEVELOPMENT ACTIVITIES

The group's research and development activities are mainly located at ad pepper media International N.V. itself. Here, a major share of the developments for the administration and ad pepper media segments are either produced internally or commissioned externally and accompanied as appropriate. In the Webgains segment, research and development activities are performed on a decentralized basis within Webgains Ltd.

## EMPLOYEES

As of March 31, 2015, the ad pepper media group had 210 employees, as against a total of 236 employees at the end of the equivalent period in the previous year. The workforce of the ad pepper media group is assigned to the following segments:

	<b>March 31, 2015</b>	March 31, 2014
	Number	Number
ad pepper media	46	69
Webgains	90	90
ad agents	55	56
Administration	19	21

## 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 of December 31, 2014. Reference is therefore made to the information presented in the management report for the 2014 financial year.

## OUTLOOK

In terms of key profitability figures achieved, the first quarter of 2015 was already significantly better than the equivalent period in the previous year. We expect the positive trend to continue in the nine-month period ahead. Compared with the previous year, however, we only expect to see moderate improvements in our sales and gross profit in the quarters ahead. As already the case in the first three-month period of the current financial year, the momentum driving the expected improvement in key profitability figures is mainly expected to result from the reduction in the ad pepper media group's cost base, which was initiated in the fourth quarter of 2014 and took full effect in the past quarter.

**CONSOLIDATED INCOME STATEMENT (IFRS)**

	Q1 2015	Q1 2014
	EUR 000s	EUR 000s
<b>Revenue</b>	<b>11,599</b>	<b>11,579</b>
Cost of sales	-7,840	-7,442
<b>Gross profit</b>	<b>3,759</b>	<b>4,137</b>
Selling and marketing expenses	-2,861	-3,291
General and administrative expenses	-1,347	-1,897
Other operating income	360	265
Other operating expenses	-269	-205
<b>Operating profit</b>	<b>-358</b>	<b>-991</b>
Financial income	60	326
Financial expenses	-9	-22
<b>Income/loss before taxes</b>	<b>-307</b>	<b>-687</b>
Income taxes	-1	-3
<b>Net income/loss</b>	<b>-308</b>	<b>-690</b>
Attributable to shareholders of the parent company	-326	-693
Attributable to non-controlling interests	18	3
Basic earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	-0.02	-0.03
Diluted earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	-0.02	-0.03
	No. of shares	No. of shares
Weighted average number of shares outstanding (basic)	21,240,708	21,240,708
Weighted average number of shares outstanding (diluted)	21,240,775	21,641,708

**CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (IFRS)**

	Q1 2015	Q1 2014
	EUR 000s	EUR 000s
<b>Net income/loss</b>	<b>-308</b>	<b>-690</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences	1	6
Revaluation of available-for-sale securities	17	242
Realized gains/losses from available-for-sale securities	0	-198
Revaluation of investments in equity instruments available-for-sale	0	8
Income tax recognized on other comprehensive income	0	0
<b>Other comprehensive income, net of tax</b>	<b>18</b>	<b>58</b>
<b>Total comprehensive income</b>	<b>-290</b>	<b>-632</b>
Attributable to non-controlling interests	18	3
Attributable to shareholders of the parent company	-308	-635

**Disclosures on other comprehensive income**

The total other comprehensive income recognized directly in equity and the corresponding income taxes presents itself as follows:

	Q1 2015			Q1 2014		
	EUR 000s			EUR 000s		
	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes
Currency translation differences	1	0	1	6	0	6
Revaluation of available-for-sale securities	17	0	17	242	0	242
Realized gains/losses from available-for-sale securities	0	0	0	-198	0	-198
Revaluation of investments in equity instruments available-for-sale	0	0	0	8	0	8
<b>Total other comprehensive income</b>	<b>18</b>	<b>0</b>	<b>18</b>	<b>58</b>	<b>0</b>	<b>58</b>

**CONSOLIDATED BALANCE SHEET (IFRS)**

ASSETS	March 31, 2015	December 31, 2014
	EUR 000s	EUR 000s
<b>Non-current assets</b>		
Goodwill	24	24
Intangible assets	373	398
Property, plant and equipment	197	204
Securities at fair value through profit and loss	3,320	3,324
Securities available-for-sale	2,402	2,386
Other financial assets	558	580
<b>Total non-current assets</b>	<b>6,874</b>	<b>6,916</b>
<b>Current assets</b>		
Securities	0	2,003
Fixed-term deposits	1,000	0
Trade receivables	7,027	7,739
Other receivables	563	400
Income tax receivables	319	314
Other financial assets	1,000	992
Cash and cash equivalents	10,449	11,926
<b>Total current assets</b>	<b>20,358</b>	<b>23,374</b>
<b>Total assets</b>	<b>27,232</b>	<b>30,290</b>

**CONSOLIDATED BALANCE SHEET (IFRS)**  
 EQUITY AND LIABILITIES

	March 31, 2015	December 31, 2014
	EUR 000s	EUR 000s
<b>Equity attributable to shareholders of the parent company</b>		
Issued capital*	1,150	1,150
Reserves	66,370	66,353
Treasury shares	-3,281	-3,281
Accumulated deficit	-46,544	-46,218
Other reserves	-2,025	-2,043
<b>Total</b>	<b>15,670</b>	<b>15,961</b>
Non-controlling interests	353	335
<b>Total equity</b>	<b>16,023</b>	<b>16,296</b>
<b>Current liabilities</b>		
Trade payables	8,011	9,865
Other payables	1,030	1,474
Other financial liabilities	2,138	2,625
Income tax liabilities	30	30
<b>Total current liabilities</b>	<b>11,209</b>	<b>13,994</b>
<b>Total liabilities</b>	<b>11,209</b>	<b>13,994</b>
<b>Total equity and liabilities</b>	<b>27,232</b>	<b>30,290</b>

\* The issued capital consists of shares with a nominal value of EUR 0.05 each. The authorized capital amounts to 23,429,708 shares, of which 23,000,000 are issued and 21,240,708 shares were floating at March 31, 2015 (December 31, 2014: 21,240,708).

**CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)**

1/2

	1.1.2015 - 3.31.2015	1.1.2014 - 3.31.2014
	EUR 000s	EUR 000s
<b>Net income/loss</b>	<b>-308</b>	<b>-690</b>
<b>Adjustments for:</b>		
Depreciation and amortization	65	56
Gain/loss on sale of fixed assets	0	-3
Share-based compensation	17	23
Gain/loss on sale of securities (after bank charges)	3	-387
Other financial income and financial expenses	-54	83
Income taxes	1	3
Other non-cash expenses and income	-49	-126
<b>Gross cash flow</b>	<b>-325</b>	<b>-1,041</b>
Change in trade receivables	611	657
Change in other assets	-105	-138
Change in trade payables	-1,728	-943
Change in other liabilities	-922	-574
Income tax paid	0	-49
Interest received	8	188
Interest paid	0	-59
<b>Net cash flow from/used in operating activities</b>	<b>-2,461</b>	<b>-1,959</b>
Purchase of intangible assets and property, plant and equipment	-17	-70
Proceeds from sale of intangible assets and property, plant and equipment	0	18
Loans payback	0	14
Proceeds from sale/maturity of securities	2,000	6,955
Purchase of securities/investment in fixed-term deposits	-1,000	-2,990
<b>Net cash flow from/used in investing activities</b>	<b>983</b>	<b>3,927</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)**

2/2

	1.1.2015 - 3.31.2015	1.1.2014 - 3.31.2014
	EUR 000s	EUR 000s
<b>Net cash flow from/used in financing activities</b>	<b>0</b>	<b>0</b>
Net decrease/increase in cash and cash equivalents	-1,478	1,968
<b>Cash and cash equivalents at beginning of period</b>	<b>11,926</b>	<b>12,886</b>
Effect of exchange rates on cash and cash equivalents	1	6
<b>Cash and cash equivalents at end of period</b>	<b>10,449</b>	<b>14,860</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(IFRS)**

	Balance at January 1, 2015	Total compre- hensive income	Share-based payment	Dividends	Transactions with non- controlling interests	Balance at March 31, 2015
<b>Issued capital</b>						
Number of shares	23,000,000					23,000,000
Issued capital (EUR 000s)	1,150					1,150
<b>Reserves</b>						
For employee stock option plans (EUR 000s)	2,571		17			2,588
From contributions of shareholders of the parent company (EUR 000s)	63,782					63,782
<b>Treasury shares</b>						
Number of shares	1,759,292					1,759,292
Treasury shares at cost (EUR 000s)	-3,281					-3,281
<b>Accumulated deficit (EUR 000s)</b>	<b>-46,218</b>	<b>-326</b>				<b>-46,544</b>
<b>Other reserves</b>						
Currency translation differences (EUR 000s)	-888	1				-887
Unrealized gains/(losses) from available-for-sale securities (EUR 000s)	-1,155	17				-1,138
Unrealized gains/(losses) from investments in available-for-sale instruments (EUR 000s)	0	0				0
<b>Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)</b>	<b>15,961</b>	<b>-308</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>15,670</b>
Non-controlling interests (EUR 000s)	335	18				353
<b>Total equity (EUR 000s)</b>	<b>16,296</b>	<b>-290</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>16,023</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(IFRS)**

	Balance at January 1, 2014	Total compre- hensive income	Share-based payment	Dividends	Transactions with non- controlling interests	Balance at March 31, 2014
<b>Issued capital</b>						
Number of shares	23,000,000					23,000,000
Issued capital (EUR 000s)	1,150					1,150
<b>Reserves</b>						
For employee stock option plans (EUR 000s)	2,472		23			2,495
From contributions of shareholders of the parent company (EUR 000s)	63,782					63,782
<b>Treasury shares</b>						
Number of shares	1,759,292					1,759,292
Treasury shares at cost (EUR 000s)	-3,281					-3,281
<b>Accumulated deficit (EUR 000s)</b>	<b>-40,786</b>	<b>-693</b>				<b>-41,479</b>
<b>Other reserves</b>						
Currency translation differences (EUR 000s)	-909	6				-903
Unrealized gains/(losses) from available-for-sale securities (EUR 000s)	-1,168	44				-1,124
Unrealized gains/(losses) from investments in available-for-sale instruments (EUR 000s)	3,079	8				3,087
<b>Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)</b>	<b>24,339</b>	<b>-635</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>23,727</b>
Non-controlling interests (EUR 000s)	236	3	0	0	0	239
<b>Total equity (EUR 000s)</b>	<b>24,575</b>	<b>-632</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>23,966</b>

## SELECTED EXPLANATORY NOTES

Consolidated segment information (IFRS)

Q1 2015	ad pepper media	Webgains	ad agents	Admin	Consolidation	group
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
<b>Revenue</b>	<b>1,740</b>	<b>7,941</b>	<b>1,919</b>	<b>55</b>	<b>-56</b>	<b>11,599</b>
Thereof external	1,739	7,941	1,919	0	0	11,599
Thereof intersegment	1	0	0	55	-56	0
<b>Expenses and other income</b>	<b>-1,584</b>	<b>-8,004</b>	<b>-1,943</b>	<b>-481</b>	<b>55</b>	<b>-11,957</b>
Thereof depreciation and amortization	-3	-19	-13	-31	0	-65
Thereof other non-cash income	135	43	0	0	0	178
Thereof other non-cash expenses	-18	-152	-1	-19	0	-190
<b>EBITDA</b>	<b>158</b>	<b>-44</b>	<b>-11</b>	<b>-395</b>	<b>-1</b>	<b>-292</b>
<b>EBIT</b>	<b>155</b>	<b>-62</b>	<b>-24</b>	<b>-426</b>	<b>-1</b>	<b>-358</b>
<b>Financial income</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>64</b>	<b>-5</b>	<b>60</b>
<b>Financial expenses</b>	<b>-4</b>	<b>-1</b>	<b>0</b>	<b>-9</b>	<b>5</b>	<b>-9</b>
<b>Income taxes</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>
<b>Net income for the period</b>						<b>-308</b>

## Consolidated segment information (IFRS)

Q1 2014	ad pepper media	Webgains	ad agents	Admin	Consolidation	group
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
<b>Revenue</b>	<b>2,431</b>	<b>7,354</b>	<b>1,806</b>	<b>79</b>	<b>-91</b>	<b>11,579</b>
Thereof external	2,421	7,352	1,806	0	0	11,579
Thereof intersegment	11	1	0	79	-91	0
<b>Expenses and other income</b>	<b>-2,763</b>	<b>-7,430</b>	<b>-1,796</b>	<b>-660</b>	<b>79</b>	<b>-12,570</b>
Thereof depreciation and amortization	-8	-17	-19	-12	0	-56
Thereof other non-cash income	0	83	0	0	0	83
Thereof other non-cash expenses	-16	-121	-1	-23	0	-161
<b>EBITDA</b>	<b>-323</b>	<b>-60</b>	<b>28</b>	<b>-569</b>	<b>-12</b>	<b>-936</b>
<b>EBIT</b>	<b>-331</b>	<b>-77</b>	<b>10</b>	<b>-581</b>	<b>-12</b>	<b>-991</b>
<b>Financial income</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>328</b>	<b>-3</b>	<b>326</b>
<b>Financial expenses</b>	<b>-2</b>	<b>-1</b>	<b>-2</b>	<b>-20</b>	<b>3</b>	<b>-22</b>
<b>Income taxes</b>						<b>-3</b>
<b>Net income for the period</b>						<b>-690</b>

### 1. Basis for the preparation of the quarter-end 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 December 31, 2014.

The consolidated interim financial statements as of March 31, 2015 were authorized for issue by the Board of Directors on April 22, 2015.

### 2. Accounting principles

The accounting principles applied to these quarter-end financial statements do not materially differ from the principles as applied to the Annual Report as per December 31, 2014.

Since then, no new standards or interpretations have been adopted.

### 3. Consolidated group

The entities included in consolidation are as follows:

Entity	3.31.2015	12.31.2014
	Percent	Percent
ad pepper media GmbH, Nuremberg, Germany	100	100
ad pepper media Denmark A/S, Copenhagen, Denmark	100	100
ad pepper media UK Ltd, London, United Kingdom	100	100
ad pepper media France S.A.R.L., Paris, France	100	100
ad pepper media Spain S.A., Madrid, Spain	65	65
ad pepper media USA LLC, New York, USA	100	100
Webgains Ltd, London, United Kingdom	100	100
Globase International ApS, Copenhagen, Denmark	100	100
ad agents GmbH, Herrenberg, Germany	60	60

#### 4. Notes to the Interim Financial Statements

Reference is basically made to the comments on the results of operations, financial position and net assets in the Interim Management Report.

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

Other operating income for the first quarter of 2015 mainly includes income of EUR 153k from reversals of accrued liabilities (Q1 2014: EUR 83k) and foreign exchange gains of EUR 148k (Q1 2014: EUR 50k).

Other operating expenses for the first quarter of 2015 chiefly comprise foreign exchange losses of EUR 108k (Q1 2014: EUR 63k) and write-downs of receivables amounting to EUR 102k (Q1 2014: EUR 126k).

The net financial income of EUR 51k for the first quarter of 2015 consists almost exclusively of interest income on non-current securities.

The following one-off items affecting the balance sheet occurred in the period under review:

The securitized promissory note recognized under current securities as of December 31, 2014 matured on January 28, 2015 and was paid back at its nominal amount of EUR 2,000k.

Other liabilities reduced by EUR 444k compared with December 31, 2014. This was chiefly due to lower sales tax liabilities. The reduction in other financial liabilities by EUR 487k to EUR 2,138k in the first quarter of 2015 was due in particular to the payment of settlements and variable compensation components.

#### 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 about which separate financial information is available that is evaluated regularly by the chief operating decision maker for the purpose of resource allocation and assessing performance.

Generally, 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 media" (lead, mail, banner), "Webgains" (affiliate marketing) and "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 December 31, 2014.

The segment result is measured by EBIT and EBITDA for each segment without differences to IFRS. The segment result thus calculated is reported to the chief operating decision maker for the purpose of resource allocation and assessing segment performance.

The "dealing at arm's length" principle forms the basis of accounting for intersegment transaction.

## Geographical information

The group operates in four principal geographical areas – Germany, Scandinavia, Spain and the United Kingdom.

The group's revenue from the continued operations of the group from business with external customers and information about the segments' assets are detailed below according to geographical location. Long-term assets do not include financial instruments or deferred tax assets:

	Revenue from external customers		Non-current assets	
	Q1 2015	Q1 2014	3.31. 2015	3.31. 2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Germany	3,501	3,320	427	391
Scandinavia	431	653	2	3
United Kingdom	6,020	5,752	152	108
Spain	764	837	2	2
Other	883	1,017	11	1
<b>Total</b>	<b>11,599</b>	<b>11,579</b>	<b>594</b>	<b>505</b>

There is no individual customer who contributes more than 10 percent of the revenue.

## 6. Treasury stock

### Acquisition of treasury stock

By a shareholders' resolution dated May 13, 2014, the Board of Directors was authorized to repurchase treasury stock of up to 50 percent of the issued capital within the following 18 months.

As of March 31, 2015, ad pepper media International N.V. held 1,759,292 treasury stocks (March 31, 2014: 1,759,292) at a nominal value of EUR 0.05 each, corresponding to 7.65 percent (March 31, 2014: 7.65 percent) of the share capital.

According to a shareholders' resolution, these shares can be used for stock option plans or acquisitions.

### Sale of treasury stock

No treasury shares were sold during the first three months of 2015 (Q1 2014: 0). No shares were sold under the employee stock option plans and no cash settlements amounting for fully vested stock options occurred (Q1 2014: 0).

### Number of shares outstanding

The number of shares issued and outstanding as of March 31, 2015 totals 21,240,708 (March 31, 2014: 21,240,708). Each share has a nominal value of EUR 0.05.

## 7. Seasonal influences on business operations

ad pepper media 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 4th quarter, revenue and thus operating profit are generally higher in the second half of the year.

## 8. Stock options and shareholdings

As of March 31, 2015, a total of 1,313,900 stock options exists under stock option plans. The exchange ratio for each of the stock options is one share per option. The exercise prices are in the range of EUR 0.665 to EUR 3.795.

The following table lists the individual holdings and option rights of the Supervisory and Board of Directors (directly and indirectly) as well as employees.

	Shares as of 3.31.2015	Options as of 3.31.2015
<b>Board of Directors</b>		
Dr. Ulrike Handel	0	300,000
Dr. Jens Körner	0	210,000
<b>Former Board of Directors</b>		<b>389,500</b>
<b>Supervisory Board</b>		
Michael Oschmann	0	0
Thomas Bauer	0	0
Eun-Kyung Park	0	0
Dr. Stephan Roppel	0	0
<b>Employees</b>		<b>414,400</b>
<b>Associated companies</b>		
EMA B.V.	9,486,402	0
Euroserve Media GmbH	436,963	0

## 9. Report on major transactions with related companies and persons

There have been no material changes in transactions with related parties compared with the 2014 financial year.

## 10. Events after the balance sheet date

Up until the day of authorization for issuance, no events took place which would have exerted substantial influence on the net assets, financial position or result of operations as per March 31, 2015.

Amsterdam/Nuremberg, April 22, 2015


  
 Dr. Ulrike Handel                      Dr. Jens Körner



## FINANCIAL CALENDAR

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

Annual General Meeting (Amsterdam, The Netherlands)	May 21, 2015
Quarterly report II / 2015	August 17, 2015
Quarterly report III / 2015	November 16, 2015

## INVESTOR CONTACT

Dr. Jens Körner (CFO)  
ad pepper media International N.V.  
Frankenstraße 150 C (FrankenCampus)  
D-90461 Nürnberg

Phone: +49 (0) 911 929057-0  
Fax: +49 (0) 911 929057-157  
E-mail: [ir@adpepper.com](mailto:ir@adpepper.com)

[www.adpeppergroup.com](http://www.adpeppergroup.com)

## IMPRINT

Published by

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

Phone: +49 (0) 911 929057-0

Fax: +49 (0) 911 929057-157

E-mail: [info@adpepper.com](mailto:info@adpepper.com)

[www.adpeppergroup.com](http://www.adpeppergroup.com)

Joint stock 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. Ulrike Handel, CEO

Dr. Jens Körner, CFO

We will gladly send you our **2014 Annual Report** as well as  
the **interim financial report for 2015** in German or English.

These reports are also published as PDF files at

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**ad pepper media International N.V.**

Prins Bernhardplein 200  
NL-1097JB Amsterdam

**[www.adpeppergroup.com](http://www.adpeppergroup.com)**