



**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

AS OF SEPTEMBER 30, 2015

SELECTED GROUP KEY FIGURES

	Q3 2015	Q3 2014	Change	1.1.-9.30. 2015	1.1.-9.30. 2014	Change
	EUR 000s	EUR 000s	Percent	EUR 000s	EUR 000s	Percent
Consolidated sales	12,769	11,639	9.7	37,149	33,890	9.6
Gross profit	3,783	4,098	-7.7	11,403	11,958	-4.6
EBIT	-68	-655	-89.6	-417	-2,896	-85.6
Net income/(loss) for period	30	-606	<-100.0	-306	-2,426	-87.4
Earnings per share in EUR (basic)	0.00	-0.03	-100.0	-0.02	-0.12	-83.3

	9.30.2015	9.30.2014	Change
	EUR 000s	EUR 000s	Percent
Liquid funds*	18,602	18,788	-1.0
Equity	16,139	22,694	-28.9
Total assets	28,003	33,401	-16.2
No. of employees	185	234	-20.9

* including securities measured at fair value

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THE AD PEPPER MEDIA SHARE

Key data about the 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	10.9.2000
Designated sponsor	Equinet
Capital stock (EUR)	1,150,000
No. of shares	23,000,000
Sector	Advertising

Key share figures

	1.1.-9.30. 2015	1.1.-9.30. 2014
XETRA closing price at end of period (EUR)	1.15	0.89
Highest price (EUR)	1.21	1.04
Lowest price (EUR)	0.73	0.86
Market capitalization at end of period (EUR)	26.5 m	20.1 m
Average no. of shares traded (XETRA) per day	17,374	22,345
Earnings per share (basic) (EUR)	-0.02	-0.12
Net cash per share* (EUR)	0.81	0.82

Share price performance over the past twelve months (Xetra)



Shareholder structure as of 9.30.2015

	shares	shareholding
	Numbers	Percent
EMA B.V.	9,486,402	41.24
Treasury stock	1,559,292	6.78
Axxion S.A.	1,163,501	5.06
Dieter Koppitz	699,338	3.04
Euro Serve Media GmbH	436,963	1.90
Subtotal	13,345,496	58.02
Free float	9,654,504	41.98
Total	23,000,000	100.00

* ((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: 940883). The ad pepper media group develops digital solutions in over 50 countries worldwide through its seven offices in five European countries and in the U.S. The group consists of three segments: ad pepper media with the **ad pepper media** business unit (lead generation and semantic targeting) and **Globase** business unit (CRM technology), **ad agents** (search engine marketing), and **Webgains** (affiliate marketing). A total of 185 employees work in the four business units and the group's holding company.

The business units of the ad pepper media group

1. 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.

2. Globase International

Globase International is one of the leading providers of e-mail marketing technology and strategy. The company's headquarters are in Copenhagen, Denmark. Ever since it was founded in 1999, Globase International has developed an advanced technology for detailed customer segmentation, reporting, and automated campaign management through various channels such as e-mails, text messaging, display advertising, social media, surveys, mailings, and micro-sites. Globase recently released the most innovative CRM model based on data management on the market, which makes it easy to work with all kinds of data, target all messages, and increase the conversion rates of campaigns.

3. 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.

4. 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 infor-

mation, 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 their autumn forecast, the economic researchers at the ifo Institute (ifo) predict growth of 1.8 percent for this year and next year alike. The German economy is witnessing a moderate upturn, driven above all by private consumer spending. Developments are being held back by the weak global economy and in particular by problems in a number of emerging economies.

With regard to the development in unemployment totals, the researchers expect these totals to increase slightly to 2.875 million in the coming year, as against 2.80 million this year. The unemployment rate would then rise from 6.4 percent this year to 6.5 percent next year. This should nevertheless be accompanied by an increase in the number of people in active employment from 42.9 million to 43.2 million. Having risen by a mere 0.3 percent this year, consumer prices are set to increase by 1.1 percent in the year ahead.

For the euro area, the ifo researchers expect to see a slight acceleration in economic growth. For 2015 as a whole, they predict expansion of 1.6 percent compared with 2014. This cautious recovery is mainly attributable to domes-

tic demand. Private consumer spending, which is set to rise by 1.8 percent, remains the key growth driver.

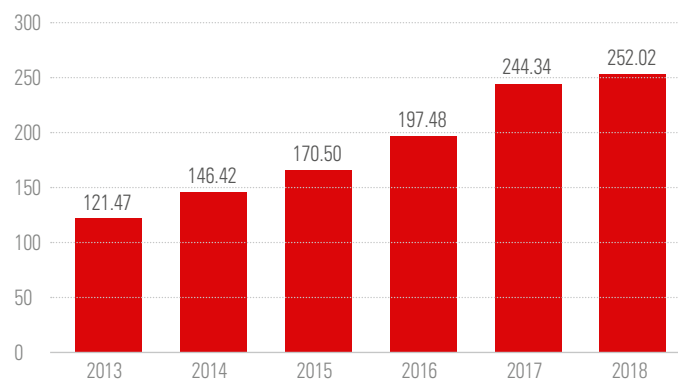
Capital expenditure for the year as a whole will rise by 1.7 percent and industrial output by 1.5 percent. Assuming an oil price of 48 dollars per barrel and an exchange rate of 1.12 dollars per euro, inflation is set to accelerate slightly to 0.5 percent in the first quarter of 2016, as against zero in 2015 as a whole. According to the ifo researchers, the situation in China could negatively influence these figures, while the rise in capital expenditure after years of restraint could have a positive impact.

Advertising market

Just in time for the leading trade fair of digital economy in September, the expert circle for online media agencies “Fachkreis Online-Mediaagenturen” (FOMA) in the federal association for digital economy “Bundesverband Digitale Wirtschaft” (BVDW) published its annual expert survey that mirrors the current situation in Germany’s leading online agencies. To sum it up, also during the ninth wave, future-oriented developments and changes have manifested themselves in digital advertising, especially with regard to growth areas such as the Internet of Things. At the same time, one obvious trend has emerged throughout all subject areas: The rules of the future advertising market will be driven by digital principles. Despite continuing discussions of performance and quality, 97 percent of the online agency experts recognize a strong demand for digital advertising. Compared to the previous year, the interviewees expect growth rates of 8.6 percent in 2015.

“Digital advertising plays an essential role in brand communication across all lines of business, and rightly so. What really matters is to consistently use the efficient instruments available for securing quality and transparency, and to expand this approach of quality to new realms. Market partners must walk this way together,” as FOMA spokesman Manfred Klaus from the Plan.Net Gruppe explained.

Development of online advertising spendings in the year 2013 and forecast for the period to 2018 (in billion U.S. dollars)



This chart shows the development of global online advertising spendings in the year 2013, and gives a forecast until 2018. According to eMarketer, global investments into online advertising were amount to 170.5 billion dollars in 2015.

EARNINGS, FINANCIAL AND NET ASSET POSITION

Earnings position

The ad pepper media group generated sales of EUR 37,149k in the first nine months of the current financial year, equivalent to an increase of EUR 3,259k or 9.6 percent. The growth of 9.6 percent already reported for the first half was thus also maintained in the third quarter – in our sector traditionally one of the weaker three-month periods in the calendar year.

This positive performance was due in particular to Webgains. Sales in this segment for the first nine months of 2015 as a whole grew year-on-year by EUR 4,831k or 22.5 percent. The key growth driver here involved higher sales with Webgains' core customers, such as Nike. Furthermore, the relative appreciation of the British pound against the euro also produced a year-on-year increase in sales, as a large share of Webgains' sales are still invoiced in the UK. Excluding this foreign exchange item, this segment would have posted year-on-year growth of around 11 percent in the first nine months of the current financial year.

Sales in the ad pepper segment amounted to EUR 4,900k in the first nine months of the year and thus fell 32.7 percent short of the equivalent figure for the previous year's period (Q1-Q3 2014: EUR 7,279k). These figures reflect the subsidiary closures business closures and company disposals executed in 2015 and the simultaneous process of focusing on profitable subsidiaries (Spain and Germany).

The ad agents segment can report sales of EUR 5,932k for the first nine months of 2015, corresponding to sales growth of EUR 807k or 15.8 percent compared with the first nine months of the previous year (Q1-Q3 2014: EUR 5,124k). This segment managed to further extend and increase the sales growth already posted for the half year.

The gross profit of the ad pepper media group – our actual key financial and management figure – reduced slightly by EUR 555k, or 4.6 percent, to EUR 11,403k. Expressed as a percentage of sales, the gross margin decreased from 35.3 percent to 30.7 percent. This was mainly due to the streamlining and reorganization of the ad pepper segment already referred to above.

Beyond that, the positive sales growth generated in the Webgains and ad agents segments could not be translated to similarly extent into higher gross profit.

Turning to the development in operating expenses, the package of cost-cutting measures adopted at the end of the third quarter of 2014 had a markedly positive impact. Costs reduced by 20.4 percent to EUR 11,820k (Q1-Q3 2014: EUR 14,854k), as a result of which all key profitability figures were significantly ahead of the equivalent figures for the previous year. Cost savings were generated in particular in the ad pepper media segment and in administration.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) for the first nine months of 2015 amounted to EUR -205k (Q1-Q3 2014: EUR -2,743k). Earnings before interest and taxes (EBIT) came to EUR -417k, as against EUR -2,896k in the equivalent period in the previous year. Earnings before taxes (EBT) totalled EUR -283k in the first three quarters of the financial year (Q1-Q3 2014: EUR -2,445k). Following the break-even already achieved on EBITDA level in the second quarter, the company can thus post good results once again for the traditionally weaker summer quarter. Third-quarter EBITDA amounted to EUR -9k (Q3 2014: EUR -610k).

The group concluded the first nine months with net income for the period of EUR -306k, thus significantly exceeding the figure for the equivalent period in the previous year (Q1-Q3 2014: EUR -2,426k).

Financial position

The gross cash flow amounted to EUR -1,336k (Q1-Q3 2014: EUR -2,597k) while a figure of EUR -1,060k was reported for cash flow from operations for the first nine months of 2015 (Q1-Q3 2014: EUR -2,987k). The significant reduction in the net outflow of funds for operating activities was driven by improved receivables management and by the substantial increase in the group's earnings. The net cash flow from investing activities amounted to EUR 1,968k in the first nine months of 2015 (Q1-Q3 2014: EUR 2,978k). The cash flow from financing activities amounted to EUR 160k in the first nine months of 2015 (Q1-Q3 2014: EUR 50k).

Net asset position

Total assets reduced by EUR 2,287k to EUR 28,003k compared with December 31, 2014. Non-current assets only decreased by EUR 251k or 3.6 percent at the end of the third quarter of 2015 while current assets showed a marked reduction of EUR 2,036k respectively 8.7 percent to EUR 21,338k in the first nine months of 2015 (December 31, 2014: EUR 23,374k). Within this item, trade receivables fell by EUR 917k respectively 11.8 percent to EUR 6,822k at the end of the third quarter 2015 (December 31, 2014: EUR 7,739k). Liquid funds (including securities measured at fair value) totalled EUR 18,602k as of September 30, 2015 and, thus, decreased by EUR 1,037k or 5.3 percent compared with December 31, 2014 (EUR 19,639k). Current liabilities decreased significantly to EUR 11,851k (December 31, 2014: EUR 13,994k). The group still does not have any non-current liabilities to banks. The equity ratio increased to 57.6 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 September 30, 2015, the ad pepper media group had 185 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 media group is assigned to the following segments:

	09.30.2015	09.30.2014
	Number	Number
ad pepper media	37	66
Webgains	81	92
ad agents	54	57
Administration	13	19

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

Due in particular to the pleasing earnings figures reported for the second and third quarter, the group performed significantly better in terms of its key profitability figures in the first three quarters of 2015 than in the equivalent period in the previous year. For the final quarter now ahead, we expect this positive trend to continue. In our sector, this quarter is in any case typically one of the strongest periods in the year. Upon publication of our 2014 Annual Report, we referred to the possibility of reaching break-even for the financial year as a whole. We still view this goal as achievable.

Amsterdam/Nuremberg, Oktober 29, 2015
ad pepper media International N.V.



Dr. Ulrike Handel



Dr. Jens Körner

CONSOLIDATED INCOME STATEMENT (IFRS)

	Q3 2015	Q3 2014	1.1.-9.30.2015	1.1.-9.30.2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenue	12,769	11,639	37,149	33,890
Cost of sales	-8,986	-7,541	-25,746	-21,932
Gross profit	3,783	4,098	11,403	11,958
Selling and marketing expenses	-2,519	-3,162	-8,182	-9,513
General and administrative expenses	-1,668	-1,984	-4,546	-5,806
Other operating income	837	676	2,244	1,201
Other operating expenses	-501	-283	-1,336	-736
Operating profit	-68	-655	-417	-2,896
Financial income	95	76	207	556
Financial expenses	-6	-53	-73	-105
Income/loss before taxes	21	-632	-283	-2,445
Income taxes	9	26	-23	19
Net income/loss	30	-606	-306	-2,426
Attributable to shareholders of the parent company	-3	-612	-356	-2,468
Attributable to non-controlling interests	33	6	50	42
Basic earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	0.00	-0.03	-0.02	-0.12
Diluted earnings per share on net income for the year attributable to shareholders of the parent company (EUR)	0.00	-0.03	-0.02	-0.12
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of shares outstanding (basic)	21,329,838	21,240,708	21,270,745	21,240,708
Weighted average number of shares outstanding (diluted)	21,456,662	21,360,608	21,368,791	21,295,389

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

	Q3 2015	Q3 2014	1.1.-9.30.2015	1.1.-9.30.2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Net income/loss	30	-606	-306	-2,426
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	-18	-4	20	23
Revaluation of available-for-sale securities	36	-188	-80	64
Realized gains/losses from available-for-sale securities	0	48	0	-195
Revaluation of investments in equity instruments available-for-sale	0	469	0	521
Income tax recognized on other comprehensive income	0	0	0	0
Other comprehensive income, net of tax	0	325	0	413
Total comprehensive income	48	-281	-366	-2,013
Attributable to non-controlling interests	33	6	50	42
Attributable to shareholders of the parent company	15	-287	-416	-2,055

Disclosures on other comprehensive income

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

	Q3 2015			Q3 2014			1.1.-9.30.2015			1.1.-9.30.2014		
	EUR 000s			EUR 000s			EUR 000s			EUR 000s		
	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes	before income taxes	income taxes	after income taxes
Currency translation differences	-18	0	-18	-4	0	-4	20	0	20	23	0	23
Revaluation of available-for-sale securities	36	0	36	-188	0	-188	-80	0	-80	64	0	64
Realized gains/losses from available-for-sale securities	0	0	0	48	0	48	0	0	0	-195	0	-195
Revaluation of investments in equity instruments available-for-sale	0	0	0	469	0	469	0	0	0	521	0	521
Total other comprehensive income	18	0	18	325	0	325	-60	0	-60	413	0	413

CONSOLIDATED BALANCE SHEET (IFRS)

ASSETS	9.30.2015	12.31.2014
	EUR 000s	EUR 000s
Non-current assets		
Goodwill	24	24
Intangible assets	340	398
Property, plant and equipment	163	204
Securities at fair value through profit and loss	3,282	3,324
Securities available-for-sale	2,306	2,386
Other financial assets	550	580
Total non-current assets	6,665	6,916
Current assets		
Securities	0	2,003
Trade receivables	6,822	7,739
Other receivables	446	400
Income tax receivables	174	314
Other financial assets	882	992
Cash and cash equivalents	13,014	11,926
Total current assets	21,338	23,374
Total assets	28,003	30,290

CONSOLIDATED BALANCE SHEET (IFRS)
EQUITY AND LIABILITIES

	9.30.2015	12.31.2014
	EUR 000s	EUR 000s
Equity attributable to shareholders of the parent company		
Issued capital*	1,150	1,150
Reserves	66,401	66,353
Treasury shares	-3,121	-3,281
Accumulated deficit	-46,574	-46,218
Other reserves	-2,102	-2,043
Total	15,754	15,961
Non-controlling interests	385	335
Total equity	16,139	16,296
Non-current liabilities	13	0
Deferred tax liabilities	13	0
Current liabilities		
Trade payables	9,309	9,865
Other payables	847	1,474
Other financial liabilities	1,612	2,625
Income tax liabilities	83	30
Total current liabilities	11,851	13,994
Total liabilities	11,864	13,994
Total equity and liabilities	28,003	30,290

* 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 21,440,708 shares were floating on September 30, 2015 (December 31, 2014: 21,240,708).

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

1/2

	1.1.-9.30.2015	1.1.-9.30.2014
	EUR 000s	EUR 000s
Net income/loss	-306	-2,426
Adjustments for:		
Depreciation and amortization	212	154
Gain/loss on sale of fixed assets	-26	-3
Share-based compensation	48	82
Gain/loss on sale of securities (after bank charges)	-33	-294
Other financial income and financial expenses	-101	-157
Income taxes	23	-19
Other non-cash expenses and income	-1,153	66
Gross cash flow	-1,336	-2,597
Change in trade receivables	767	489
Change in other assets	220	-88
Change in trade payables	-174	-11
Change in other liabilities	-736	-721
Income tax received	225	0
Income tax paid	-41	-184
Interest received	33	240
Interest paid	-18	-115
Net cash flow from/used in operating activities	-1,060	-2,987
Purchase of intangible assets and property, plant and equipment	-127	-232
Proceeds from sale of intangible assets and property, plant and equipment	59	18
Loans payback	0	46
Proceeds from sale/maturity of securities	2,036	10,122
Purchase of securities/investment in fixed-term deposits	0	-6,976
Net cash flow from/used in investing activities	1,968	2,978

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

2/2

	1.1.-9.30.2015	1.1.-9.30.2014
	EUR 000s	EUR 000s
Issuance of own shares	160	0
Proceeds from transactions with non-controlling interests	0	50
Net cash flow from/used in financing activities	160	50
Net decrease/increase in cash and cash equivalents	1,068	41
Cash and cash equivalents at beginning of period	11,926	12,886
Effect of exchange rates on cash and cash equivalents	20	23
Cash and cash equivalents at end of period	13,014	12,950

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

	Balance at 1.1.2015	Total compre- hensive income	Share-based payment	Issuance of Shares	Dividends	Transactions with non- controlling interests	Balance at 9.30.2015
Issued capital							
Number of shares	23,000,000						23,000,000
Issued capital (EUR 000s)	1,150						1,150
Reserves							
For employee stock option plans (EUR 000s)	2,571		48				2,619
From contributions of shareholders of the parent company (EUR 000s)	63,782						63,782
Treasury shares							
Number of shares	1,759,292			-200,000			1,559,292
Treasury shares at cost (EUR 000s)	-3,281			160			-3,121
Accumulated deficit (EUR 000s)	-46,218	-356					-46,574
Other reserves							
Currency translation differences (EUR 000s)	-888	20					-868
Unrealized gains/(losses) from available-for-sale securities (EUR 000s)	-1,155	-80					-1,235
Unrealized gains/(losses) from investments in available-for-sale instruments (EUR 000s)	0	0					0
Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)	15,961	-416	48	160	0	0	15,754
Non-controlling interests (EUR 000s)	335	50					385
Total equity (EUR 000s)	16,296	-366	48	160	0	0	16,139

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

	Balance at 1.1.2014	Total compre- hensive income	Share-based payment	Issuance of Shares	Dividends	Transactions with non- controlling interests	Balance at 9.30.2014
Issued capital							
Number of shares	23,000,000						23,000,000
Issued capital (EUR 000s)	1,150						1,150
Reserves							
For employee stock option plans (EUR 000s)	2,472		82				2,554
From contributions of shareholders of the parent company (EUR 000s)	63,782						63,782
Treasury shares							
Number of shares	1,759,292						1,759,292
Treasury shares at cost (EUR 000s)	-3,281						-3,281
Accumulated deficit (EUR 000s)	-40,786	-2,468					-43,254
Other reserves							
Currency translation differences (EUR 000s)	-909	23					-886
Unrealized gains/(losses) from available-for-sale securities (EUR 000s)	-1,168	-131					-1,299
Unrealized gains/(losses) from investments in available-for-sale instruments (EUR 000s)	3,079	521					3,600
Equity attributable to shareholders of ad pepper media International N.V. (EUR 000s)	24,339	-2,055	82	0	0	0	22,366
Non-controlling interests (EUR 000s)	236	42				50	328
Total equity (EUR 000s)	24,575	-2,013	82	0	0	50	22,694

SELECTED EXPLANATORY NOTES

Consolidated segment information (IFRS)

1.1. - 9.30.2015	ad pepper media	Webgains	ad agents	Admin	Consolidation	group
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenue	4,903	26,319	5,932	168	-173	37,149
Thereof external	4,900	26,317	5,932	0	0	37,149
Thereof intersegment	3	2	0	168	-173	0
Expenses and other income	-4,591	-25,966	-6,002	-1,175	168	-37,566
Thereof depreciation and amortization	-8	-57	-58	-89	0	-212
Thereof other non-cash income	290	344	33	685	0	1,352
Thereof other non-cash expenses	0	-430	-1	-29	0	-460
EBITDA	320	411	-14	-918	-4	-205
EBIT	312	353	-71	-1,007	-4	-417
Financial income	1	1	0	214	-9	207
Financial expenses	-10	-7	-1	-64	9	-73
Income taxes						-23
Net income for the period						-306

Consolidated segment information (IFRS)

1.1. -9.30.2014	ad pepper media	Webgains	ad agents	Admin	Consolidation	group
	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Revenue	7,305	21,495	5,124	199	-233	33,890
Thereof external	7,279	21,487	5,124	0	0	33,890
Thereof intersegment	26	8	0	199	-233	0
Expenses and other income	-8,442	-21,852	-5,147	-1,544	199	-36,786
Thereof depreciation and amortization	-17	-54	-48	-35	0	-154
Thereof other non-cash income	0	186	0	0	0	186
Thereof other non-cash expenses	-40	-307	-4	-82	0	-433
EBITDA	-1,120	-304	26	-1,311	-34	-2,743
EBIT	-1,137	-358	-22	-1,345	-34	-2,896
Financial income	2	2	0	562	-10	556
Financial expenses	-7	-3	-2	-103	10	-105
Income taxes						19
Net income for the period						-2,426

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 December 31, 2014.

The consolidated interim financial statements as of September 30, 2015 were authorized for issue by the Board of Directors on Oktober 29, 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	9.30.2015	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:

Cost of sales for the first nine months include one-off, additional website expenses of EUR 108k (Q1-Q3 2014: EUR 0k), what also contributed to the negative development in the gross margin despite the dynamic sales growth seen in the first nine months of 2015.

Selling and marketing expenses include severance payments totalling EUR 181k (Q1-Q3 2014: EUR 318k).

Other operating income for the first nine months of 2015 mainly comprises income of EUR 1,038k from the reversal of accrued liabilities (Q1-Q3 2014: EUR 200k). This figure includes an amount of EUR 254k relating to reversals of non-disbursed affiliate credits in the Webgains segment that are classified by ad pepper media as not being likely to be paid out (Q1-Q3 2014: EUR 192k), and reversals of EUR 542k in connection with time-barred claims (Q1-Q3 2014: EUR 0k). Exchange rate gains amounted to EUR 971k (Q1-Q3 2014: EUR 329k).

Other operating expenses for the first nine months of 2015 chiefly comprise foreign exchange losses of EUR 998k (Q1-Q3 2014: EUR 321k) and write-downs of receivables amounting to EUR 150k (Q1-Q3 2014: EUR 251k). Furthermore, the figures include one-off expenses of EUR 46k incurred for former employees (Q1-Q3 2014: EUR 0k) and not eligible for recognition as termination benefits.

The financial result of EUR 134k reported for the first nine months of 2015 (Q1-Q3 2014: EUR 451k) mainly consisted of interest income of EUR 158k from non-current securities (Q1-Q3 2014: EUR 168k) and unrecognized losses on financial instruments which have been measured at fair value through profit or loss at an amount of EUR 42k (Q1-Q3 2014: EUR 11k). Furthermore, the financial result includes income of EUR 36k from the disposal of the 0.55 percent stake in Veritone Inc. already written down in full in 2014.

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 current financial assets mainly include an amount of EUR 464k for the escrow account (of the purchaser) in connection with the sale of the Emediate ApS, Copenhagen, subsidiary in 2013. Consistent with the contractual requirements, 50 percent of the amount of EUR 929k originally deposited became due for payment and were refunded on May 15, 2015.

Other current financial assets also include an amount of EUR 72k in connection with the deferral of the second purchase price component for the “mediasquares” sales house business sold in the 2014 financial year (December 31, 2014: EUR 0k). Interest deferrals on non-current securities amounted to EUR 139k as of September 30, 2015 (December 31, 2014: EUR 14k).

Other liabilities reduced by EUR 627k compared with December 31, 2014, a development mainly attributable to lower sales tax liabilities. The reduction in other financial liabilities by EUR 1,013k to EUR 1,612k in the first nine months of 2015 was due in particular to the payment of severance pay and variable compensation components, as well as to the reversal of accrued liabilities.

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, CRM technology), “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	
	1.1.-9.30. 2015	1.1.-9.30. 2014	9.30. 2015	9.30. 2014
	EUR 000s	EUR 000s	EUR 000s	EUR 000s
Germany	10,450	10,490	319	381
Scandinavia	1,199	1,730	1	1
United Kingdom	19,992	16,658	181	171
Spain	2,530	2,223	18	3
Other	2,978	2,789	9	15
Total	37,149	33,890	528	569

6. Treasury stock

Acquisition of treasury stock

By a shareholders’ resolution dated May 21, 2015, 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 September 30, 2015, ad pepper media International N.V. held 1,559,292 treasury stocks (September 30, 2014: 1,759,292) at a nominal value of EUR 0.05 each, corresponding to 6.78 percent (September 30, 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 nine months of 2015 (Q1-Q3 2014: 0). 200,000 shares were sold under the employee stock option plans at an exercise price of EUR 0.80 (Q1-Q3 2014: 0). No cash settlements amounting for fully vested stock options occurred (Q1-Q3 2014: 0).

Number of shares outstanding

The number of shares issued and outstanding as of September 30, 2015 totals 21,440,708 (September 30, 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 September 30, 2015, a total of 1,073,900 stock options exist 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 9.30.2015	Options as of 9.30.2015
Board of Directors		
Dr. Ulrike Handel	200,000	100,000
Dr. Jens Körner	0	210,000
Former Board of Directors		389,500
Supervisory Board		
Michael Oschmann	0	0
Thomas Bauer	0	0
Eun-Kyung Park	0	0
Dr. Stephan Roppel	0	0
Employees		374,400
Associated companies		
EMA B.V.	9,486,402	0
Euro Serve 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 September 30, 2015.

Amsterdam/Nuremberg, Oktober 29, 2015
ad pepper media International N.V.



Dr. Ulrike Handel

Dr. Jens Körner

FINANCIAL CALENDAR

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

Quarterly report III / 2015	November 16, 2015
Annual Report 2015	March 24, 2016
Annual General Meeting (Amsterdam, The Netherlands)	May 10, 2016

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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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