**ad pepper media International N.V. reports leap in third quarter revenue and profitability; upward adjustment of full-year forecast**

Nuremberg, Amsterdam, 16 October 2020

ad pepper Group, one of the leading performance marketing providers in Europe, achieved highly profitable growth again in the third quarter. The affiliate marketing network Webgains continued to be the main growth driver with an increase in revenue of approx. 32 percent to EUR 3,056k (Q3 2019: EUR 2,312k). Revenue of the ad agents segment increased by approx. 9 percent to EUR 1,707k (Q3 2019: EUR 1,573k), while the ad pepper segment increased by approx. 9 percent to EUR 1,248k (Q3 2019: EUR 1,146k). Group revenue thus amounted to EUR 6,011k in the third quarter, with an increase of approx. 20 percent year-on-year (Q3 2019: EUR 5,031k). Gross sales (i.e. amounts invoiced to customers) amounted to EUR 23,152k (Q3 2019: EUR 18,834k).

Operating expenses remained largely at the prior-year level, and as a result Group EBITDA of EUR 1,509k (Q3 2019: EUR 565k) almost tripled compared to the third quarter of the previous year. At segment level, Webgains generated EBITDA of EUR 894k (Q3 2019: EUR 200k), ad agents EUR 446k (Q3 2019: EUR 262k) and ad pepper EUR 497k (Q3 2019: EUR 384k).

Over the entire nine-month period, gross sales amounted to EUR 68,159k (Q1-Q3 2019: EUR 59,658k), while group revenue came out to EUR 17,968k (Q1-Q3 2019: EUR 15,821k) with 14 percent growth. 9M EBITDA reached EUR 4,313k, which represents an increase compared to the prior-year period of 100 percent (Q1-Q3 2019: EUR 2,157k). This makes the ad pepper Group industry leader in terms of both growth and profitability. Liquid funds (including securities) amounted to EUR 24,300k (30.09.2019: EUR 21,619k). The Group still has no liabilities to banks.

The Company expects a continued positive performance in the rest of the year, as the substantial increase in e-commerce activities since the beginning of the year will meet with the final quarter, which is traditionally the strongest of the year in terms of revenue. Moreover, this trend benefits from economies of scale, which already had a positive effect in previous quarters. The management has therefore raised its EBITDA forecast for the full year to at least EUR 5.5 million (previous forecast: EUR 4.5 million).

The report on the first nine months of 2020 will be published on 17 November 2020.

**Key figures (unaudited) in EUR k:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Q3  2020 | Q3  2019 | Q1-Q3  2020 | Q1-Q3  2019 |
| Gross sales | 23,152 | 18,834 | 68,159 | 59,658 |
| % growth | 22.9 |  | 14.3 |  |
| Revenue | 6,011 | 5,031 | 17,968 | 15,821 |
| % growth | 19.5 |  | 13.6 |  |
| of which ad pepper | 1,248 | 1,146 | 4,129 | 4,149 |
| % growth | 8.9 |  | -0.5 |  |
| of which ad agents | 1,707 | 1,573 | 4,858 | 4,271 |
| % growth | 8.5 |  | 13.7 |  |
| of which Webgains | 3,056 | 2,312 | 8,981 | 7,401 |
| % growth | 32.2 |  | 21.3 |  |
| EBITDA | 1,509 | 565 | 4,313 | 2,157 |
| of which ad pepper | 497 | 384 | 1,703 | 1,773 |
| of which ad agents | 446 | 262 | 756 | 494 |
| of which Webgains | 894 | 200 | 3,062 | 1,005 |
| of which admin | -328 | -281 | -1,208 | -1,115 |
| Liquid funds\* |  |  | 24,300 | 21,619 |

\*including securities at fair value

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