Fyber

Fyber N.V.

First Quarter 2019 Results Statement

Fyber N.V. and its subsidiaries ("Fyber" or "the Company") is a leading advertising technology company, developing a next generation platform for the programmatic trading of ads, in a data-driven environment. Its mission is to fuel the creation of quality content by empowering app developers to monetize their content through advanced technologies, innovative ad formats and data-driven decision-making. Fyber's technology platform provides open-access for both publishers and digital advertisers with a global reach of more than 1.2 billion unique monthly users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people. The Company is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN'.

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Highlights & Key Figures

Continued growth of programmatic core business

Further cost saving led to significant improvement of adjusted EBITDA

Completed €74 million debt-to-equity exchange of convertible bonds

Entered into strategic partnership with Game of Whales, strengthening our publisher tool offering

Expansion of global partner network on publisher and advertiser side

Key Financials

	For the three months ended		For the year ended
	31 Mar 2019	31 Mar 2018	31 Dec 2018
		in € millions	
Gross revenue	**27.5**	**29.3**	**128.5**
Revenue share to third parties	(17.6)	(19.1)	(82.4)
Net revenue	**9.9**	**10.2**	**46.1**
Net revenue margin	35.8%	34.8%	35.9%
IT cost*	(2.4)	(3.0)	(11.2)
R&D cost*	(3.4)	(3.3)	(13.5)
S&M cost*	(4.3)	(5.6)	(19.6)
G&A cost*	(1.1)	(2.3)	(9.0)
EBITDA*	**(1.3)**	**(4.0)**	**(7.2)**

*Note: Unaudited, adjusted figures – Adjusted EBITDA is excluding one-off impacts such as impairment of goodwill, acquisition related costs and option plans and is not a measure calculated in accordance with IFRS. For further details on the adjustment please refer to the 'Financial performance' table in the 'Business Performance' chapter below.

Statement from the CEO

While the first quarter traditionally is not the strongest for Fyber due to the natural seasonality of the advertising market, we continued to see promising growth in our programmatic core business and achieved a 68% improvement of adjusted EBITDA in the first quarter – underlining our expansion strategy which we based on technological innovation and a clear commitment to profitability and efficiency.

Fyber generated nearly stable gross revenues of €27.5 million (Q1 2018: €29.3 million) and net revenues of €9.9 million (Q1 2018: €10.2 million). Adjusted EBITDA showed a very positive development with a year-over-year growth of 68% to €-1.3 million (Q1 2018: €-4.0 million). The slight decline of 6% in total gross revenue, caused by the one-off effects that still contributed to the income during the first half of 2018, was offset by a 17% growth in our programmatic core business.

An important milestone was the bond restructuring: The voluntary debt-to-equity exchange of €74 million into 247 million new shares was completed in May, effectively halving our debt burden from convertible bonds and returning to a positive equity position for the full year 2019. With regard to the conclusion of our cost saving initiatives, the resulting improvement in adjusted EBITDA, and the partial bond restructuring we trust to have set the Company up for a successful start into the year.

As the full technical integration of the former group companies – the last step of the merger – draws nearer, we launched the new branding and packing of our unified product at the end of the quarter, presenting to the market a suite of three powerful mobile monetization products that can help app businesses grow their revenue: Fyber FairBid, which combines our in-app header bidding solution, publisher dashboard and reporting tool set, our ad exchange Fyber Marketplace and our leading rewarded product Offer Wall Edge.

In the first quarter of 2019 we continued our product investment, led by the launch of the latest and improved version of Fyber FairBid, the integrated developer portal, which presents the product documentation from implementation to usage of Fyber FairBid to the publishers in the most accessible way yet, as well as the further rollout of Offer Wall Edge to the majority of our clients.

Moreover, Fyber entered into a strategic partnership with the mobile tools developer Game of Whales, the winner of Pocket Gamer's 2019 award for best tools provider. Game of Whales created a fully automated artificial intelligence system focused on in-app purchases that helps mobile game developers to increase their users' lifetime value. The software tracks user behavior in real-time and programmatically interacts with players to maximize yield and reduce churn.

Combined with Fyber's expertise of in-app advertising – the second major source of income for app developers – this offers a unique solution to publishers. The integration allows them to automatically calculate both in-app purchase and ad revenue value, optimizing user experience and user acquisition budgets by predicting which users will be profitable, so that they can then be targeted in campaigns. This collaboration is a next step in the evolution of smart content monetization, putting the publisher's needs and the user experience first.

April also marked Fyber's 10th anniversary and we are very grateful for all the support and trust we have received over the years from our partners, shareholders and employees. What started out as SponsorPay in 2009, supporting web developers to earn money from ads, evolved into a comprehensive ad tech platform for in-app developers and publishers worldwide, leading with technology and innovation. Our innovative platform reaches more than 10,000 mobile apps and games and has over 1.2 billion unique monthly active users. While we expanded our product offering to accommodate the maturing industry and focused on the areas of fastest market growth during these 10 years, our initial mission remained basically the same: enabling developers to establish stable income sources from meaningful advertising so they can focus on what they do best – creating great content experiences.

We are looking forward to starting into the next Fyber decade with you!

Yours sincerely,

Ziv Elul
Chief Executive Officer
Berlin, May 2019

Report of the Management Board

Business Model

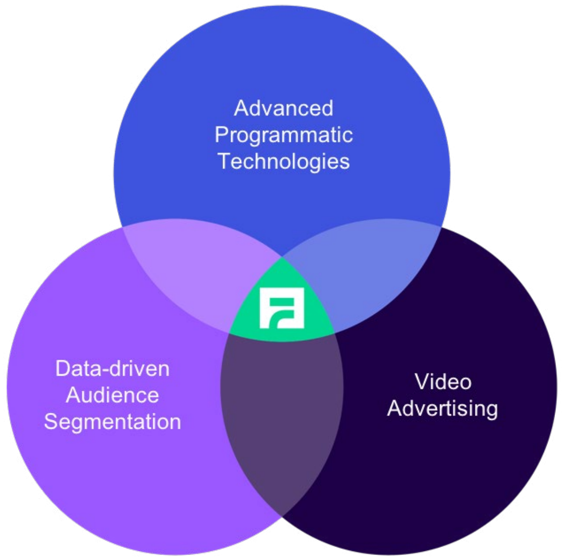
Fyber is a leading advertising technology company. Entirely focused on one of the most inspiring and dynamic markets, Fyber connects app developers with advertisers worldwide, enabling them to generate business-critical revenue streams from digital advertising.

Our vision is to become the primary monetization platform for the in-app environment, providing a powerful platform to publishers that allows them to centrally manage and execute all their monetization strategies across screens, ad formats, industry verticals and geographies.

Fyber's offering includes an ad exchange, ad server, programmatic ad network mediation, in-app header bidding, a publisher data platform and many more publisher tools. Our automated real-time bidding mechanisms ensure the delivery of relevant, high-paying ads, optimizing the yield for publishers with every ad impression. For transactions placed via the Fyber exchanges, the Company retains a share of the ad spend advertisers place via the platform.

Fyber's product focus

Our product focus and investment strategy are centered around continuing to solve these publisher challenges by further optimizing our existing product portfolio and bringing new innovative ad formats and publisher tools to the market.



Advanced Programmatic Technologies
Fyber FairBid, our solution that mends key pain points of current mediation solutions enables all types of buyers to compete simultaneously over each ad impression.

Data-driven Audience Segmentation
Our groundbreaking Audience Vault is bringing data insights and segmentations tools to publishers, enabling them to proactively apply different pricing and auction rules based on the value of their users, and with that upgrading the achievable yield per served advertisement.

Video Advertising
Our video solutions, including leading video standards for in-app and viewability measurement partnerships, are paving the road to unlocking more brand advertising dollars

Our Differentiators

We built our strategy and focused our investments around the fastest-growing areas in ad tech: video advertising, advanced programmatic trading and data-driven audience segmentation. By enhancing our offering in these areas through organic and acquisition-driven growth we were able to secure a strong market position based on the following key strengths:

One-stop-shop for publisher

We solve many of app developers' key challenges when it comes to monetization by offering the latest technology, a central easy-to-use dashboard, access to all relevant demand sources and guaranteed yield optimization that puts publishers' interests first

Innovative ad formats

Unobtrusive monetization for the different publisher verticals that engages users

Advanced data insights

Actionable audience insights to create highly-desirable user segments & granular real-time reporting to optimize monetization on-the-fly

Expert Guidance

Strategic guidance on yield optimization from Fyber's monetization experts

For investors, our value lies among other factors in our market positioning and the growth prospect stemming from our direct publisher integration – a clear competitive advantage in our field:

- **Fast-growing market dominated by few key players:** Focused on in-app advertising, one of the fastest growing segments of advertising at a CAGR of above 17% between 2018 and 2022 (Source: Fyber estimate based on eMarketer 2019 data), with Fyber being one of the few international independent companies of scale
- **Defensible competitive position:**
  - Deliberate focus on supporting app developers and publishers, as all our technology assets were built specifically for this purpose
  - Less competition than on the advertiser side of the value chain, which is dominated by major providers such as Google and Facebook; Fyber is instead partnering with many of these leading demand companies and captures parts of their advertising budgets, which are processed through the Fyber platform
  - Fyber FairBid is at the forefront of publisher monetization technology with mature, battle-tested capabilities across multiple ad tech disciplines, a combination very few companies in this market possess
  - Significant scale of direct, SDK-based integrations with leading publishers. These integrations are done with each individual app making it difficult for new challengers to achieve equivalent scale
  - Extensive demand relationships with over 180 individual demand partners providing global advertising coverage for our publishers
- **Direct publisher integrations:** The direct SDK-based integrations with leading publishers are among our main assets, positioning Fyber as a trusted source of high-quality in-app inventory at scale. This is decisive especially during a time in which advertisers' appetite for this inventory is rapidly increasing and quality, viewability and brand safety become key selling points
- **Diversified revenue base:** Catering to all publisher verticals with tailored product solutions including gaming, social media, messaging, utility, productivity, entertainment, news
- **Global reach and scale:** Reaching 1.2 billion monthly unique users
- **Commitment to profitability:** Despite the slower top-line development, the Company was able to establish an optimized, largely fixed cost base and expects to reach above break-even adjusted EBITDA for the full year 2019

Business Performance

The first quarter of 2019 confirmed the previously published preliminary figures and showed a continuation of organic growth in the programmatic core business compared to 2018. The following table illustrates Fyber's gross revenue composition:

Gross revenue composition

	Q1 2019	Q1 2018	Change YoY	FY 2018	FY 2017	Change YoY
			In € millions, rounded			
Total one-off effects	-	2.0	n/a	7	85	-92%
Core business	27.5	27.3	1%	122	145	-16%
Thereof programmatic	**14.5**	**12.4**	**17%**	**65**	**59**	**10%**
Thereof non-programmatic	**13.0**	13.9	-6%	57	86	-34%
Reported gross revenue	**27.5**	**29.3**	**-6%**	**129**	**230**	**-44%**

First Quarter 2019 Results Statement

The revenue from our programmatic core increased by 17% for the first quarter of 2019 in line with our investment strategy and product focus. The slight decline in total gross revenue of 6% compared to the same period last year relates to the fact that we started 2019 from a lower revenue base as Q1 2018 still included aggregators on the publisher side as well as charging screen ads. We expect substantial growth from the programmatic business also for the rest of 2019.

Financial performance

	For the three months ended		For the year ended
	31 Mar 2019	31 Mar 2018	31 Dec 2018
		in € millions	
Gross revenue	**27.5**	**29.3**	**128.5**
Revenue share to third parties	(17.6)	(19.1)	(82.4)
Net revenue	**9.9**	**10.2**	**46.1**
Net revenue margin	35.8%	34.8%	35.9%
Other cost of revenue	(5.0)	(6.1)	(23.1)
Gross profit	**4.9**	**4.1**	**23.0**
Research & development	(3.4)	(3.4)	(14.0)
Sales & marketing	(4.3)	(5.7)	(20.2)
General & administrative	(1.6)	(2.6)	(10.4)
Depreciation & amortization	3.0	3.3	12.8
Stock option plan	0.1	0.2	1.6
EBITDA*	**(1.3)**	**(4.0)**	**(7.2)**
EBITDA margin (%)*	-4.7%	-13.7%	-5.6%

*Note: Adjusted to eliminate one-off impacts such as acquisition-related costs and option plans.

We define adjusted EBITDA as our consolidated earnings before financial income (expense), income taxes, depreciation and amortization, adjusted to eliminate one-off impacts such as acquisition-related costs, deferred price consideration and option plans. Adjusted EBITDA is not a measure calculated in accordance with IFRS. We have included adjusted EBITDA in this form because it is a key metric used by our Management Board and Supervisory Board to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, we believe that the adjusted EBITDA can act as a useful metric for period-over-period comparisons of our core business. Accordingly, we believe that this metric provides useful information to investors and others in understanding and evaluating our operational results in the same manner our management does.

Net revenue remained flat compared to the previous year, with an increased net revenue margin of 35.8% compared to 34.8% in Q1 2018.

Other cost of revenue includes IT cost and amortization of technology and customer relationships acquired through business combinations and amounted to €5.0 million compared to €6.1 million last year. IT cost, which includes mainly server cost, accumulated to 8.5% of gross revenue, compared to 10.5% last year.

As reported, we finalized the organizational integration of former group companies during 2018, realizing synergies and lowering operating expenses in the process. Nevertheless, we are expanding our effort in providing best-in-class solutions to our clients, which led to an increase in the share of research & development cost, amounting to €3.4 million for the first quarter of 2019.

Sales & marketing cost accumulated to €4.3 million, a reduction of 25% compared to last year, and general & administrative cost amounted to €1.6 million, a reduction of 39% compared to last year.

The cost reductions allowed us to reduce our adjusted EBITDA loss for the quarter to €1.3 million compared to €3.4 million last year. As we completed the organizational integration of former group companies and do not expect additional major reductions going forward, the forecasted positive EBITDA for 2019 depends on our ability to achieve revenue growth.

Cash flow and going concern considerations

in € millions	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2018
Net cash flow from operating activities	(2.8)	(16.7)
Net cash flow from investing activities	(1.3)	(4.1)
Net cash flow from financing activities	0.6	15.2
Net change in cash and cash equivalents	**(3.5)**	**(5.6)**
Net foreign exchange difference	0.8	0.3
Opening balance cash and cash equivalents	12.3	17.6
Closing balance cash and cash equivalents and cash deposits	**9.6**	**12.3**

The one-off effects as described in the Annual Reports 2018 impacted the revenue development outside of Fyber's core business and resulted in high negative operating results, which were financed mainly by debt facilities provided by Sapinda Holding B.V. ("Sapinda"), including a loan of €3 million which was paid out during the first four months of 2019.

As the Company's operating cash flow for the full year 2019 is expected to be around breakeven the Company was seeking additional funding to support its working capital needs and accelerate its growth. Please refer to the 'Subsequent Events' section below for details.

The estimated expected future cash flows from operating activities are largely based on management's expectations and estimates. These are uncertain as they are influenced by subjective elements such as forecasted results and margins from operating activities. For more details on the underlying going concern considerations related to the outstanding debt and the risk factors influencing the Company's business, please refer to the 'Financial and asset position' and 'Risk management' sections below.

First Quarter 2019 Results Statement

Financial and asset position

in € millions	31 Mar 2019 PF*	31 Mar 2019	31 Dec 2018
Intangible assets	155.9	155.9	155.6
Other assets	19.3	19.3	2.3
Cash and cash deposits	9.6	9.6	12.3
Trade and other receivables	28.6	28.6	31.2
Other financial assets	5.3	5.3	8.3
Total assets	**218.7**	**218.7**	**209.7**
Interest bearing loans	107.1	176.9	173.0
Trade and other payables	35.3	35.3	38.4
Employee benefits liabilities	6.8	6.8	8.3
Other liabilities	20.6	20.6	4.6
Deferred tax liabilities	1.0	1.0	1.0
Total liabilities	**170.8**	**240.6**	**225.3**
Total equity	**47.9**	**(21.9)**	**(15.6)**

*Preliminary pro-forma figures including the recent debt-to-equity swap of €74.2 million worth of convertible bonds

The increase in other assets and other liabilities is due to the first implementation of IFRS16.

Following the recent partial conversion of €74.2 million worth of outstanding Convertible Bonds (the "Bonds", €150 million original principal, 07/2020, ISIN XS1223161651), the Company is mainly financed through the remaining outstanding amount of Bonds of €75.7 million as well as a shareholder loan from Sapinda in the aggregate amount of €15 million maturing in June 2020.

The Company is aware of the refinancing risk of the remaining debt facilities and the substantial impact on the Company's ability to proceed under a going concern assumption. Management expects to be able to prolong the remaining debt ahead of maturity or to complete other financing alternatives including a further debt-to-equity swap.

Subsequent Events

Convertible bonds debt-to-equity exchange
After the end of the reporting period, the Company completed the settlement of the voluntary debt-to-equity exchange of 742 convertible bonds worth €74.2 million at an exchange price of €0.30 per share, resulting in 333,333 shares per tendered bond. The Company issued 247,333,086 new shares, bringing the ordinary issued capital of Fyber to €36,186,642.

Takeover bid by Advert Finance B.V.
On 10 May 2019, Amsterdam-based Advert Finance B.V., a subsidiary of Tennor Holding B.V. (formerly Sapinda Holding B.V.), published that it gained control of Fyber N.V. following their participation in the recent voluntary debt-to-equity swap. With approximately 158 million shares, they are holding 44% of the 362 million outstanding shares following the capital increase. Advert Finance B.V. announced the publication of a mandatory takeover bid to all shareholders in due course.

Enterprise chamber petition filing
In May 2019, Guy Dubois, a former member of Fyber's Supervisory Board, and Tetra-House Pte. Ltd., for which Mr Dubois acts as chairman, who together hold less than 1% of the Company's share capital following the recent capital increase, filed a request to the Enterprise Chamber Amsterdam to order an investigation into the policies and course of events mainly in relation to the Company's recent voluntary debt-to-equity exchange and (ii) to temporarily appoint an independent supervisory director with a decisive vote. Fyber is of the opinion that there is no reason to doubt its policies and will defend itself against the request for an investigation and a court-appointed supervisory director.

Additional loan facility with Tennor Holding B.V.
In May 2019, the Company entered into a €5 million loan agreement with Tennor Holding B.V. (formerly Sapinda Holding B.V.) maturing in June 2022, to support its operating needs in line with the forecast for the full year 2019 and accelerate its growth, especially with regards to product investments and client acquisition. This facility includes a possible expansion of additional €10 million, subject to business needs and Tennor's approval.

Risk Management

Risk management is an integral part of Fyber's daily business operations. It is promoted by top-level management and designed to ensure that the most relevant strategic, operational, financial and compliance risks are identified, monitored and managed appropriately.

Our approach to risk management, the main risks per category, and actions we take to manage, control and mitigate the risks are described in the Risk Management section of the Annual Report 2018.

The Management Board confirms the Company's risk profile presented there and reports one addition in the segment of strategic market risks.

Market risk – Failure to respond to market trends

Specific new risk in addition to the stated risks of the Annual Report 2018

Publishers as well as ad tech providers like Fyber face the risk of revenue loss, due to a ban of certain ad formats by the app distribution providers.
App developers publishing their apps through Apple's App Store have encountered a change in policy by Apple, not allowing the use of certain ad campaigns within an Offer Wall. Fyber is one of the leading Offer Wall providers, which is an ad unit that lists various offers by advertisers, ranging from watching a video, completing a survey or installing another game, that users can complete in order to receive a reward within the app they are using. This last category of ads, encouraging users to download other apps, has been banned by Apple, based on their guidelines that are not allowing for "an interface for displaying third-party apps, extensions, or plug-ins similar to the App Store", apparently in an effort to prevent any manipulation of the app charts.

Risk response

- Constant monitoring of changing market environments, ensuring our product offering adheres to all significant standards
- Keep close contact with all major providers, including Apple, to proactively understand the motivation of policy changes and react accordingly to avoid or minimize revenue impact
- Ongoing investment since establishment of our Offer Wall product to diversify ad campaign types
- In this immediate case, Fyber disabled all ad campaigns within its Offer Wall, that use incentivized installs of apps to fully comply with Apple's standards and protect its publishers from their app or any app updates being rejected by Apple
- Ensure diversified revenue base to minimize impact from changing market environments:
  - Fyber's revenue is well diversified across different ad formats (Offer Wall, Video, Interstitials and Banners).
  - Within the Offer Wall vertical, the income is stemming from different app stores including the Google PlayStore, which do not ban incentivized app installs, and different ad campaigns that are unaffected (surveys, registrations and other compliant ads)

Equity Information

The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN' and the ISIN code NL0012377394. As of 31 March 2019, the issued capital of Fyber N.V. amounted to €11.453 million, divided into 114,533,333 common registered shares with a nominal value of €0.10 each. The issued capital consisted entirely of fully paid-up ordinary shares. The authorized capital amounted to €40.0m and is divided into 400,000,000 shares with a nominal value of €0.10 each. Please refer to the 'Subsequent Events' section above for details on the changes in share capital following the recent voluntary debt-to-equity-exchange of Bonds.

Key share data as of May 2019

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0012377394
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	361,866,419
52 weeks high / -low*	0.70 / 0.08

*As of 14 May 2019

Shareholders owning 3% or more of the issued capital of a listed company (a substantial shareholding or short position) must report this to the Netherlands Authority for Financial Markets ("AFM") as soon as this threshold is reached or exceeded.
Subsequently, notifications to the AFM must be done by the shareholder as soon as a substantial shareholding or short position reaches, exceeds or falls below set thresholds. The thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the Company's issued share capital.
As of the date of this report, i.e. following the recent capital increase, the following shareholders owning 3% or more of the Company's voting rights were registered with the AFM:

Major shareholders	% Voting rights
Advert Finance B.V.	43.7%
Sapinda Holding B.V.	14.9%
Chain Finance B.V.	6.5%
Duet Emerging Macro Master Fund Limited	5.5%
Abu Dhabi Securities LLC	4.9%

NOTES REGARDING THE UNAUDITED INTERIM REPORT

All the information in this quarterly financial report is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor.

Interim Financial Statements

First Quarter 2019 Results Statement

Consolidated Income Statement

	3 months ended 31 March	
	2019	**2018**
	Unaudited	
	in € thousands	
Revenue	**27,480**	**29,293**
Revenue share to third parties	(17,621)	(19,088)
Net revenue	**9,859**	**10,205**
Other cost of revenue	(4,921)	(6,062)
Gross profit	**4,938**	**4,413**
Research and development	(3,418)	(3,377)
Sales and marketing	(4,322)	(5,719)
General and administrative	(1,605)	(2,552)
Earnings before interest and tax (EBIT)	**(4,407)**	**(7,505)**
Net finance costs	(4,091)	(2,786)
Profit (loss) before tax	**(8,498)**	**(10,291)**
Income tax gain (expense)	(274)	67
Profit (loss) for the year after tax	**(8,772)**	**(10,224)**
Profit (loss) attributable to		
Shareholders of Fyber N.V.	(8,772)	(10,224)
Non-controlling interest	-	-
Earnings per share		
Basic profit (loss) per share (€)	(0.08)	(0.09)
Diluted profit (loss) per share (€)	(0.08)	(0.09)

Consolidated Statement of other Comprehensive Income

	3 months ended 31 March	
	2019	2018
	Unaudited	
	in € thousands	
Profit (loss) for the year after tax	**(8,772)**	**(10,224)**
To be reclassified to profit and loss in subsequent periods		
Exchange differences on currency translation	2,439	(2,479)
Income tax effect	-	-
Other comprehensive income (loss) for the year, net of tax	2,439	(2,479)
Total comprehensive income (loss) for the year	**(6,333)**	**(12,703)**
Profit (loss) attributable to		
Shareholders of Fyber N.V.	(6,333)	(12,703)
Non-controlling interest	-	-

First Quarter 2019 Results Statement

Consolidated Statement of Financial Position

	31 March 2019 Unaudited	31 December 2018 Audited
	in € thousands	
Non-current assets		
Intangibale assets		
Goodwill	134,643	133,321
Other intangible assets	21,233	22,318
Property and equipment	18,364	1,172
Non-current financial assets	805	765
Total non-current assets	**175,045**	**157,576**
Current assets		
Inventories	102	103
Trade and other receivables	28,601	32,207
Other current financial assets	4,509	6,475
Other current assets	907	1,030
Cash and cash equivalents	9,625	12,276
Total current assets	**43,744**	**52,091**
Total assets	**218,789**	**209,667**

Consolidated Statement of Financial Position

	31 March 2019 Unaudited	31 December 2018 Audited
	in € thousands	
Equity (Deficit)		
Issued capital	11,453	11,453
Share premium	184,812	184,812
Treasury shares	(4,745)	(4,745)
Other capital reserves	25,407	25,313
Legal reserve	7,648	7,272
Accumulated deficit	(246,640)	(237,416)
Foreign currency translation reserve	192	(2,247)
Equity attributable to shareholders of the Company	(21,873)	(15,558)
Non-controlling interests	-	-
Total equity (deficit)	**(21,873)**	**(15,558)**
Non-current liabilities		
Long-term employee benefits liabilities	224	217
Long-term borrowings	159,233	154,146
Deferred tax liabilities	964	964
Other non-current liabilities	19,715	3,709
Total non-current liabilities	**180,136**	**159,036**
Current liabilities		
Trade and other payables	35,261	38,418
Short-term employee benefits liabilities	6,585	8,039
Short-term borrowings	17,714	18,824
Income tax payables	966	908
Total current liabilities	**60,526**	**66,189**
Total liabilities	**240,662**	**225,225**
Total equity (deficit) and liabilities	**218,789**	**209,667**

Consolidated Statement of Cash Flows

	3 months ended 31 March	
	2019	2018
	Unaudited	
	in € thousands	
Loss for the year before tax	**(8,498)**	**(10,291)**
Depreciation, amortization and impairment	3,027	3,291
Financial expenses, net	3,822	3,104
Other non-cash effects	94	183
Changes in provisions, employee benefit obligations	(1,447)	(899)
Changes in working capital	1,050	(1,544)
Cash generated from operations	**(1,952)**	**(3,068)**
Interest received	-	-
Interest paid	(664)	(2,748)
Income tax paid	(216)	71
Net cash flow from operating activities	**(2,832)**	**(1,525)**
Purchases of property and equipment	(16)	(533)
Purchases, capitalization of intangible assets	(1,202)	(992)
Change in investments and financial assets, net	(40)	0
Net cash flow from investing activities	**(1,258)**	**1,525**
Proceeds from long-term borrowings	2,000	5,000
Proceeds (repayment) from short-term borrowings	(1,366)	(1,879)
Net cash flow from financing activities	**634**	**3,121**
Net changes in cash	**(3,456)**	**(4,149)**
Cash at beginning of period	**12,276**	**17,595**
Net foreign exchange difference	805	(650)
Net changes in cash	(3,456)	(4,149)
Cash and cash equivalents at end of period	**9,625**	**12,796**

First Quarter 2019 Results Statement

Consolidated Statement of Change in Equity (Deficit)

in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity (deficit)
	Unaudited							
31 Dec 2018	**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,416)**	**(2,247)**	**(15,558)**
Effect of adopting new accounting standards, net of tax	-	-	-	-	-	(76)	-	(76)
Total comprehensive income (loss) for the year	**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,492)**	**(2,247)**	**(15,634)**
01 Jan 2019	**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,517)**	**(2,247)**	**(15,659)**
Loss for the year after tax	-	-	-	-	376	(9,148)	-	(8,772)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	2,439	2,439
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**376**	**(9,148)**	**2,439**	**(6,333)**
Share-based payments	-	-	-	94	-	-	-	94
Transactions with owners	**-**	**-**	**-**	**94**	**-**	**-**	**-**	**94**
31 Mar 2019	11,453	184,812	(4,745)	(25,407)	7,648	(246,640)	192	(21,873)

Consolidated Statement of Change in Equity (Deficit)

in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity (deficit)
	Unaudited							
31 Dec 2017	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,071)**	**(8,162)**	**13,224**
Effect of adopting new accounting standards, net of tax	-	-	-	-	-	(878)	-	(878)
01 Jan 2018	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,949)**	**(8,162)**	**12,346**
Loss for the year after tax	-	-	-	-	358	(10,582)	-	(10,224)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	(2,480)	(2,480)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**358**	**(10,582)**	**(2,480)**	**(12,704)**
Share-based payments	-	-	-	183	-	-	-	183
Transactions with owners	**-**	**-**	**-**	**183**	**-**	**-**	**-**	**183**
31 Mar 2018	11,453	184,812	(4,745)	23,894	6,583	(210,625)	(10,642)	703

Notes to the Interim Financial Statements

1. FYBER N.V.

Fyber N.V. (hereinafter referred to as "Company" or together with its subsidiaries as "Fyber" or "Group") is a global provider for advertising technology.

The Company is incorporated in Amsterdam, The Netherlands and is registered with the Dutch Chamber of Commerce under the number 54747805. The Company's head-office is located at Johannisstraße 20, 10117 Berlin, Germany. The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

Fyber empowers app developers and digital publishers to monetize their content through advanced technologies, innovative ad formats and data-driven decision making. Fyber provides an open-access platform for both publisher's and digital advertisers with a global reach of more than 1.2 billion unique monthly users.

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements for the Three-month period ended 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2018. All the information in this interim financial report is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor. The accounting policies applied are consistent with the policies applied in the consolidated financial statements for the year ended 31 December 2018 except for the change in accounting policies described in 2.3.

2.2. Going concern consideration

As a result of losses in prior years including a significant impact of an impairment of goodwill recognized in 2017, the Group's equity is amounting to a deficit of €21,873 thousand as of 31 March 2019. At the same date, the Group showed €9,625 thousand in cash and cash equivalents, including a €2,000 thousand funding from Sapinda Holding B.V. obtained in January 2019. A further amount of €1,000 thousand has been received beginning of April 2019. In May 2019 an additional loan facility of €5,000 thousand has been granted by Tennor Holding B.V. (please refer to note 6.4).

For the full year 2019, Management expects operating cash flow to be around break even.

As described in the Group's consolidated financial statements for the year ended 31 December 2018, management has faith in the strategic decisions taken and the plans to make the Group profitable and cash generating in the future. Although, there is a material uncertainty with respect to going concern. As per June and July 2020 respectively, a significant repayment obligation applies to the €15,000 thousand facility of Sapinda Holding B.V. and €75,700 thousand of remaining convertible bonds. At this moment, the Group is not able to repay these debts. The management is currently exploring options how to respond to that situation which occurs in June and July 2020.

2.3. Changes in accounting policies and disclosures

2.3.1. Leases IFRS 16

The Group has adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group as a lessee, has recognized right-of use assets representing its rights to sue the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in accumulated deficit at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated but remains as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

2.3.1.1. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4. The Group now assess whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not re-assessed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As lessee of property and IT-equipment, the Group previously classified leases as operating for finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities only for offices with a remaining term upon the transition or any later commencement date of more than 12 months. Leases of shared offices can all be terminated within 12 months. Lease payments of such short-term leases as well as for low-value assets (i.e. IT-equipment) are recognized as an expense on a straight-line basis over the term of the lease.

The Group presents right-of-use assets in property and equipment, the same line item as it would present underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as below:

	2019	
in € thousands	31 Mar	1 Jan
Property and equipment	**17,247**	**4,515**

The Group presents lease liabilities in 'other non-current liabilities' as well as 'trade and other receivables' in the statement of financial position.

2.3.1.2. Recognition of a lease

The Group recognizes a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property and subsequently measured at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Groups incremental borrowing rate. Generally, the Groups uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain or be exercised or a termination option is reasonably certain to be exercised.

Management as applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

2.3.1.3. Transition

Previously, the Group classified all office leases as operating leases under IAS 17. The term of those lease varies from leases with a three-month termination period up to a fixed period of 10 years. Some leases include an option to renew the lease for an additional three to five years after the end of the non-cancellable period. Some leases provide for additional rent payments that are based on changes in local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining leasing payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining after 1 January 2019.
- Used hindsight when determining the lease term of the contract contains options to. extend or terminate the lease

On transition to IFRS 16, the Group recognized right-of-use assets and lease liabilities, recognizing the difference in accumulated deficit. The impact on transition is summarized below.

in € thousands	1 Jan 2019
Right-of-use asset presented in property and equipment	4,515
Lease liabilities presented in other non-current liabilities	3,771
Lease liabilities presented in trade and other liabilities	820
Accumulated deficit	(76)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 4.5% p.a.

2.3.1.4. Effect for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognized €4,322 thousand of right of used assets and €4,578 of lease liabilities as at 31 March 2019. During the three months ended 31 March 2019, the Group started a 10 years office lease in Berlin resulting in a right-of-use asset of €12,925 thousand and a lease liability of €13,196 as at 31 March 2019.

Also, in relation to those leases under IFRS 16, the Group has recognized depreciation and interest cost, instead of operating lease expense. During the three months ended 31 March 2019. the Group recognized €492 thousand depreciation charges and €103 thousand of interest costs from these leases.

2.4. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in other operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, as the fair value of the consideration being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5. Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The service revenue from delivering advertising services is recognized when the service is rendered. This usually occurs when the ad impression was generated which is the ad is fetched from its source and served on the user's device. Depending on the requirements of the specific campaign, further requirements might need to be fulfilled such as the device user has clicked on the ad, downloaded specific content, provided personal data etc.

Other income is recognized when the future inflow of economic benefits from the transaction can be measured reliably and was received by the Company during the reporting period.

Operating expenses are recognized either when the corresponding goods were received or services were rendered.

Interest income and expense is recorded using the effective interest method with exception of borrowing costs capitalized according to IAS 23. In 2019 there were no qualifying assets, so that all interest expenses were recorded in profit and loss. Income and expenses are not offset unless gains and losses arise from a Group of similar transactions unless they are material.

2.6. Impairment of intangible assets and property and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available.

If no such transactions can be identified, an appropriate valuation model is used. Goodwill and intangible assets with an indefinite useful life are not amortized but will be tested for impairment annually and when circumstances indicate that they may be impaired. A previously recognized impairment loss for assets excluding goodwill will be reversed when the recoverable amount exceeds the carrying amount of the asset again. The reversal is limited to the amount which would have resulted if previous impairment losses had not been recognized. A recognized impairment loss in goodwill will not be reversed. The Group tests annually if goodwill has suffered any impairment in accordance with the accounting policies.

2.7. Accounting estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the presentation of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts and presentation of income and expenses during the period. Management based its assumptions and estimates on past experience and on other factors including the prevailing economic environment available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Actual amounts may differ from these estimates under different assumptions and conditions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Information regarding the carrying amounts determined with the use of estimates can be found in the comments on the specific line items.

3. LOAN FROM SHAREHOLDERS

In January 2019, the Company received €2,000 thousand from Sapinda Holding B.V. Another €1,000 thousand were drawn in April 2019. These loans adding up to an overall credit facility provided by Sapinda Holding B.V. amounting to €15,000 thousand. All loans bear interest of 8% p.a. and shall be due and payable in June 2020.

4. OPERATING SEGMENTS

The Group's operating activities are divided into segments which are defined by management as components of the Group that has discrete financial information available and whose results are regularly reviewed by management for purposes of performance assessment and resource allocation.

As described extensively in the previous in financial communication including the Group's consolidated financial statements for the year ended 31 December 2018, the Group maintains on operating segment Fyber FairBid (in previous communication sometimes referred to as Fyber Unified Platform).

	Types of products and services
Fyber FairBid	Open access platform for advertisers and publishers for the trading of digital ads of all the relevant formats, including programmatic trading and mediation services, as well as advanced publisher tools.

	Three months ended 31 March			
	2019		**2018**	
in € thousands	**Gross revenue**	**EBITDA**	**Gross revenue**	**EBITDA**
Fyber FairBid	**27,480**	**(1,380)**	**29,293**	**(4,214)**

5. GEOGRAPHIC INFORMATION

Breakdown of gross revenue according to customers' location:

	Three months ended 31 March	
in € thousands	**2019**	**2018**
	Gross revenue	
United states	13,546	14,928
Europe, Middle East and Africa	11,625	11,251
Asia-Pacific	1,887	2,498
Rest of the world	422	616
Total	**27,480**	**29,293**

6. SUBSEQUENT EVENTS

6.1. Convertible bonds debt-to-equity exchange

After the end of the reporting period, the Company completed the settlement of the voluntary debt-to-equity exchange of 742 convertible bonds worth €74.2 million at an exchange price of €0.30 per share, resulting in 333,333 shares per tendered bond. The Company issued 247,333,086 new shares, bringing the ordinary issued capital of Fyber to €36,186,642.

6.2. Takeover bid by Advert Finance B.V.

On 10 May 2019, Amsterdam-based Advert Finance B.V., a subsidiary of Sapinda Holding B.V., published that it gained control of Fyber N.V. following their participation in the recent voluntary debt-to-equity swap. With approximately 158 million shares, they are holding 44% of the 362 million outstanding shares following the capital increase. Advert Finance B.V. announced the publication of a mandatory takeover bid to all shareholders in due course.

6.3. Enterprise chamber petition filing

In May 2019, Guy Dubois, a former member of Fyber's Supervisory Board, and Tetra-House Pte. Ltd., for which Mr Dubois acts as chairman, who together hold less than 1% of the Company's share capital following the recent capital increase, filed a request to the Enterprise Chamber Amsterdam to order an investigation into the policies and course of events mainly in relation to the Company's recent voluntary debt-to-equity exchange and (ii) to temporarily appoint an independent supervisory director with a decisive vote. Fyber is of the opinion that there is no reason to doubt its policies and will defend itself against the request for an investigation and a court-appointed supervisory director.

6.4. Additional loan facility with Tennor Holding B.V.

In May 2019, the Company entered into a €5,000 thousand loan agreement with Tennor Holding B.V. (formerly Sapinda Holding B.V.) maturing in June 2022, to support its operating needs in line with the forecast for the full year 2019 and accelerate its growth. This facility includes a possible expansion of additional €10,000 thousand, subject to business needs and Tennor's approval.

Financial Calendar

Annual General Meeting 2019
12 June 2019

H1 2019 Interim Statement
28 August 2019

Q3 2019 Interim Statement
20 November 2019

About Fyber

Fyber is a leading advertising technology company, developing a next generation platform for the programmatic trading of ads, in a data-driven environment. Its mission is to fuel the creation of quality content by empowering app developers to unlock the true value of their advertising properties through advanced technologies, innovative ad formats and data-driven decision-making. Fyber's technology platform provides open access for digital publishers and advertisers with a global reach of more than 1.2 billion unique monthly users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people. The Company is listed on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

Editorial

Fyber N.V. (Naamloze Vennootschap) is a public company with limited liability, incorporated under the laws of the Netherlands
Corporate Seat: Amsterdam
Kamer van Koophandel, KvK number 54747805

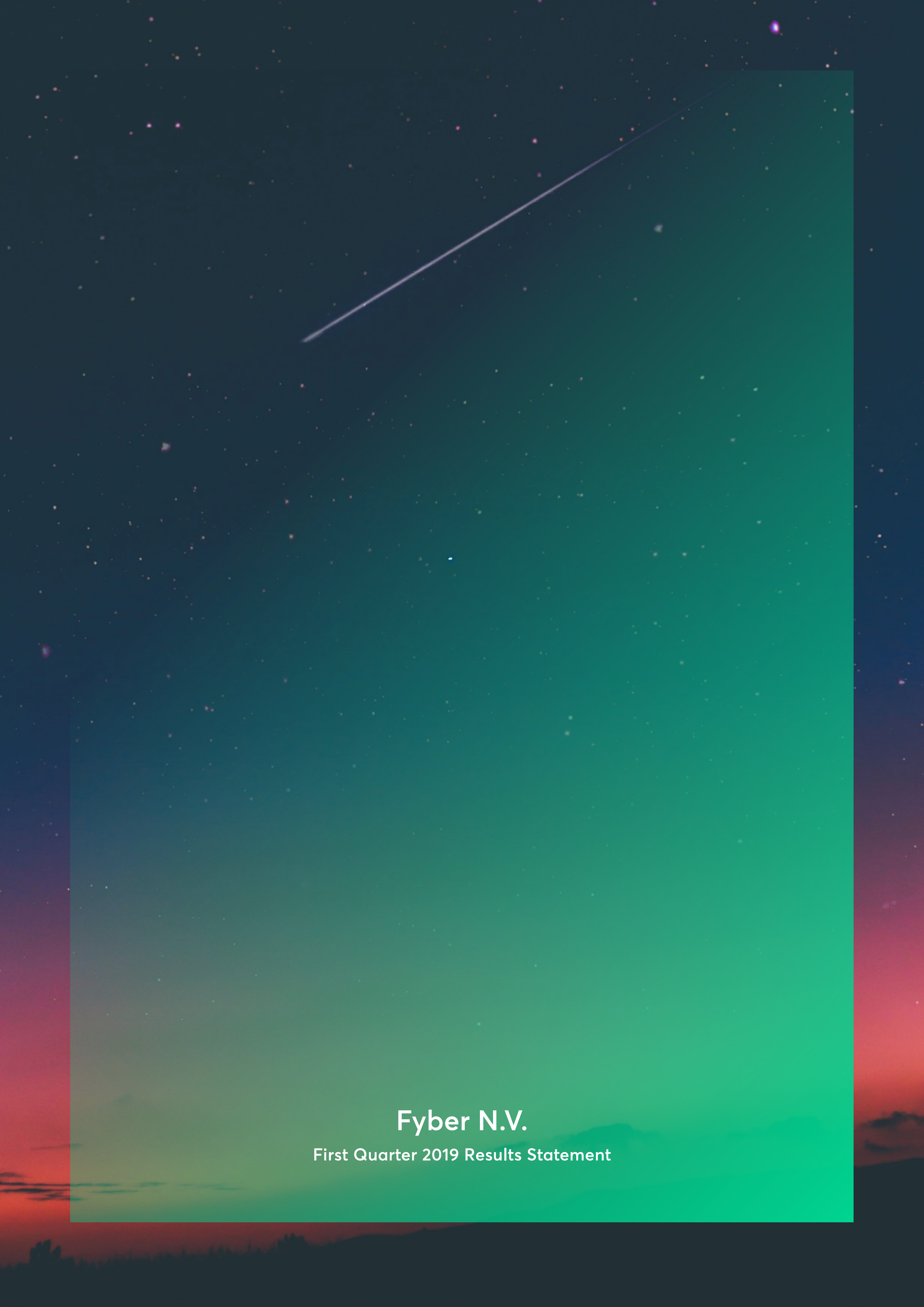
Fyber N.V., Zweigniederlassung Deutschland
Office Address: Johannisstraße 20, 10117 Berlin, Germany
Amtsgericht Charlottenburg HRB 166541B

Management Board
Ziv Elul (CEO), Dani Sztern (Deputy CEO & COO),
Yaron Zaltsman (CFO)

Chairman of the Supervisory Board
Yair Safrai

VAT ID No.	DE283688947
ISIN Code	NL0012377394
LEI No.	894500D5B6A8E1W0VL50

Website	http://www.investors.fyber.com/
Email	ir@fyber.com
Tel.	+49 30 609 855 555


Fyber N.V.
First Quarter 2019 Results Statement