Fyber

Fyber N.V.

First Half 2018 Financial Report

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 digital publishers and app developers to monetize their content through advanced technologies, innovative ad formats and data-driven decision-making. Fyber's technology platform provides an open-access platform for both digital advertisers and publishers 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, and Beijing and employs more than 300 people. The Company is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN'.

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Significant progress in product development and strong market feedback on Fyber's product releases and strategic direction on the way to unified platform

Signed agreement with Facebook Audience Network to join Fyber's proprietary in-app header bidding technology Fyber FairBid

300+ employees

Global company with offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing

Financial Performance

	For the six months ended		For the three months ended		For the year ended
	30 Jun 2018	**30 Jun 2017**	**30 Jun 2018**	**30 Jun 2017**	**31 Dec 2017**
	in € million				
Gross revenue	**58.8**	**119.7**	**29.5**	**69.9**	**229.8**
Revenue share to third parties	(37.6)	(84.7)	(18.5)	(49.6)	(159.9)
Net revenue	**21.2**	**35.0**	**11.0**	**20.3**	**69.9**
Net revenue margin	36.1%	29.2%	37.4%	29.1%	30.4%
IT cost*	(5.6)	(8.0)	(2.6)	(4.3)	(15.5)
R&D cost*	(6.3)	(10.9)	(3.0)	(5.3)	(19.2)
S&M cost*	(10.5)	(12.6)	(4.8)	(6.1)	(24.3)
G&A cost*	(4.8)	(7.2)	(2.6)	(3.3)	(12.0)
EBITDA*	**(6.0)**	**(3.7)**	**(2.0)**	**1.3**	**(1.2)**

*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 'Business Performance' section below.

Statement from the CEO

Dear Shareholders,

We wrapped up a challenging yet productive quarter. On one hand, the financial results were burdened by one-off effects that influence the short-term growth trajectory. The underlying core business is however on solid foundations and expected to remain stable in 2018 year-over-year. On the other hand, we made substantial strides in product development and the further integration of the former group companies, thus setting the groundwork for coming quarters.

Fyber has been committed to, and continued to deliver on, its clear strategy: to become the leading technology provider for publishers in the field of mediation, in-app header bidding and video ad support - and we have successfully delivered on all three aspects within the last six months. Nevertheless, the first half-year of 2018 continued to be a time of transition in which we made the necessary investments to set healthy foundations for our business to scale and grow. For example, the restructuring of our global sales organization and the related investments into training and account transitioning led to lower output of the teams during the first half of 2018. The transition is now complete, and we expect a rapid ramp-up of our performance in the near future.

Despite the H1 sales setbacks, we have been delivering on our product roadmap and already seeing positive effects, giving us the confidence in Fyber's strong positioning and value proposition, which will expand even further following the full integration of the former group platforms and the roll-out of the unified product.

Our proprietary in-app header bidding technology Fyber FairBid launched in February, partnering with three top-tier industry players – Facebook, AdColony and Tapjoy – and has received very positive reactions from publishers. We are working closely with our partners to further grow our network of direct publishers and expedite adoption.

In addition, we recently rolled out Offer Wall Edge, a substantial update of one of our core ad formats, following a successful beta phase with very strong client feedback on higher revenue per user, higher engagement, improved user experience and new design.

Finally, we continued to push on enhancements to existing features and the release of new buy-side tools, which we believe will improve our win rate in the market.

Due to our continued commitment to a clean marketplace, as well as ensuring we are setting solid foundations for future growth by investing properly in this merger and transition, we lowered the guidance for the full year 2018 to gross revenue between €150 and €180 million and an adjusted EBITDA around break-even. We strongly believe that our current investments in product, quality, and in building a strong, unified people organization, will allow us to hit the mid-term growth targets of gross revenue to exceed €400 million and EBITDA to exceed €40 million by 2021.

Leading Fyber through this period of transition to achieve success and sustainable growth is a mission I took on with dedication and passion. Our management team is fully aware of the high expectations of shareholders and partners and is focused on delivering on them. Integrating four companies into one is not an easy task and calls for tough decisions, but I have full confidence in our esteemed team and in their ability to successfully complete the tasks ahead. I sincerely thank all of our employees for their continued efforts and achievements and, of course, our investors for their ongoing support.

Ziv Elul
Chief Executive Officer
August 2018

Report from 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 publishers with advertisers worldwide, enabling them to generate business-critical revenue streams from digital advertising.

Our vision is to become the leading neutral publisher-facing advertising technology ('ad tech') company, providing a channel-neutral, open-access platform for publishers and advertisers across screens, ad formats, industry verticals and geographies.

Our technology serves over 10,000 directly integrated apps, reaching more than 1.2 billion unique monthly users and a strong focus on video ads. We offer a comprehensive suite of tools that enable publishers to centrally manage all monetization strategies. Our technology ensures the delivery of relevant, high-paying ads by conducting automated, real-time auctions, 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 contributes to establishing 'the new ad tech'

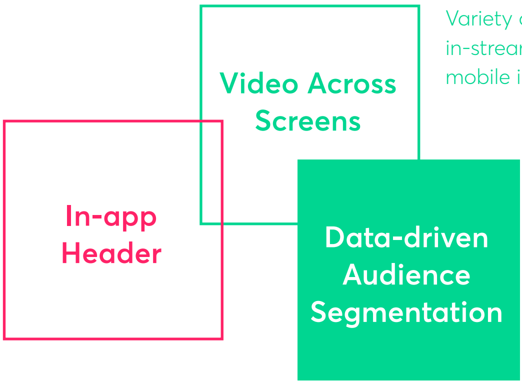
We believe in creating a world in which people can have affordable access to high-quality digital content, while enjoying a pleasant user experience. Our products fuel the creation of such content by empowering publishers to unlock the true value of their properties through advanced technologies, innovative ad formats and data-driven decision-making. Moreover, we strive to push the limits on what we consider to be 'the new ad tech". All our products, innovations and upcoming features are geared towards a transparent, fair, optimized and efficient ad tech ecosystem.

THE 'OLD' AD TECH		THE 'NEW' AD TECH
▪ Ad networks leading with monetization ▪ Short-term, opportunistic ▪ Hidden fees and mark-ups	STRATEGY	▪ Lead with technology ▪ Create sustainable value for clients ▪ Address fundamental industry issues
▪ Black-box solutions, often biased ▪ Underinvestment in proprietary tech	TECHNOLOGY	▪ Open source / transparent solutions ▪ Primary areas of investment ▪ Drives diversification of revenue streams
▪ Web providers moving into in-app space ▪ Limited industry relationships with agencies, brands, top tech vendors	POSITIONING	▪ Thought leader; specializes in-app provider ▪ Attract partner for other industry leading companies

Fyber's product focus

Fyber is revolutionizing app monetization by combining true in-app header bidding with advanced data technology and the ability to bring more brand advertising budget to mobile in-app by providing next generation in-app video support.

In-app header bidding solution, unifying the auction across real-time bidding ('RTB') and non-RTB demand sources, optimizes yield for publishers; Offering programmatic and RTB-enabled ad exchanges for mobile in-app, mobile web and desktop inventory



Variety of video ad units (native out-stream, in-stream, non-rewarded, rewarded); For mobile in-app, mobile web and desktop

Enabling publishers to offer targeted user segments to their demand-side partners; Optimizing the yield they generate from ad impressions by combining data from data management platforms and other third-party data providers, the publisher's first-party data and Fyber's own ad performance and engagement data

We are convinced that the need for publisher-focused neutral technology, especially for the fastest growing video ad formats, creates a significant market opportunity for high-tech providers like Fyber. We plan to continue investing in the aforementioned areas, keeping a strong market position through technological leadership.

Highlight on Fyber FairBid

Fyber FairBid brings true header bidding to the in-app environment. Introduced to the browser environment in 2015, header bidding is a technology that enables publishers to offer ad inventory to many demand partners in a real time auction, rather than sending an ad request through the publisher's ad server, which can only offer the ad request to one demand partner at a time. Web publishers that implemented header bidding in their websites saw a revenue uplift of 20-40%.

Until recently, header bidding was not available for apps due to technological constraints. Current mediation solutions are based on a 'waterfall' in which demand partners are ranked based on their historical performance, which is also used to predict the revenue each partner will generate. The mediation platform then offers each ad impression in a sequential order, i.e. the demand partner ranked in 2nd place is only able to see the ad request, if the demand partner ranked 1st did not fill the impression.

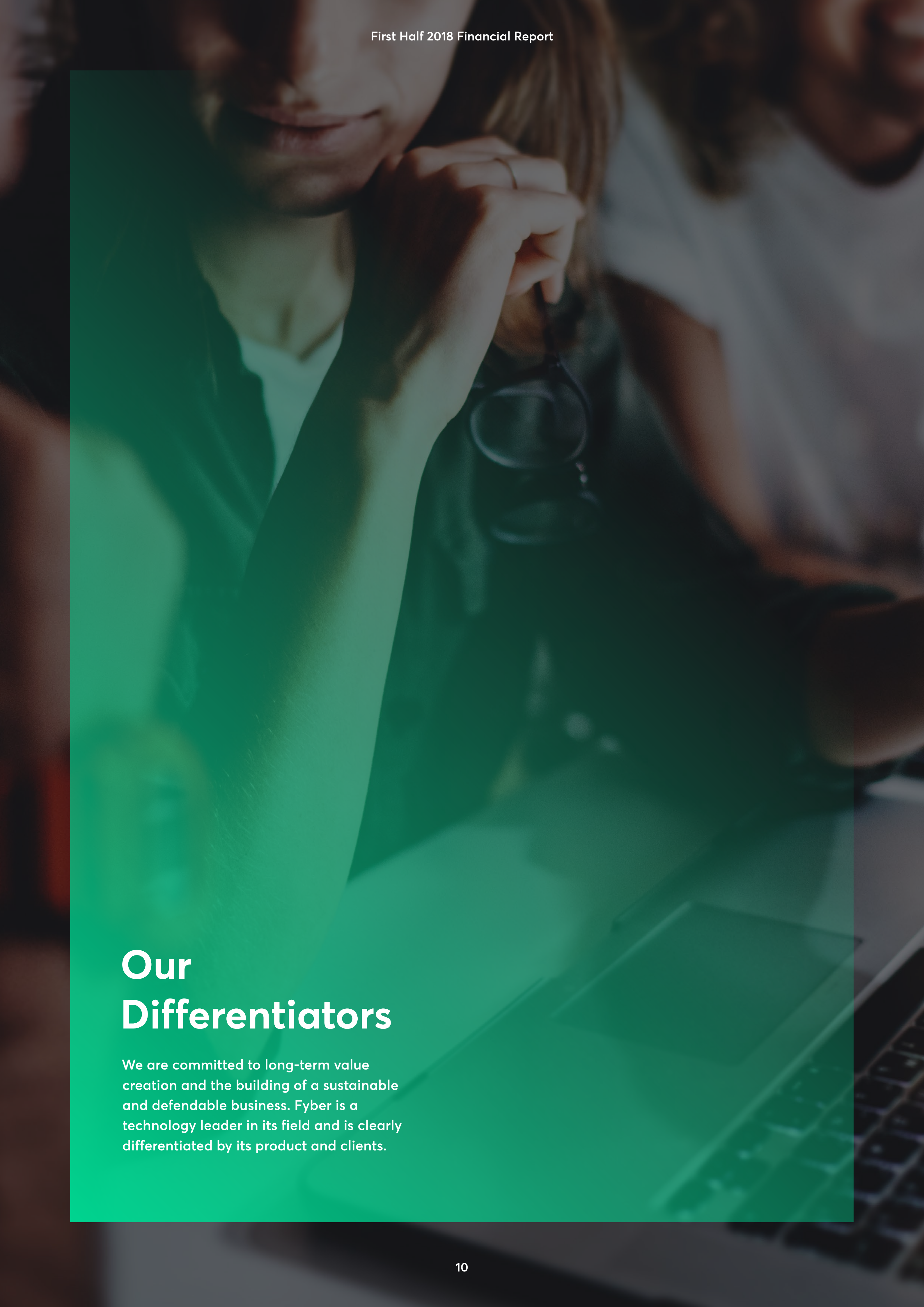
In addition, a significant share of in-app ad spend comes from ad networks specializing in performance advertising for apps. These ad networks have their own SDK ('software development kit') integrated directly with app publishers, to enable effective and reliable serving of their ads. An ad network's SDK must be initialized by the mediation platform every time it 'wins' the impression.

By leveraging Fyber's extensive expertise in ad mediation (the technology responsible for managing all advertising SDKs for app developers) and real-time auctions, Fyber FairBid overcomes these technological constraints and brings together all demand partners in a parallel unified auction.

For publishers, competition for each ad impression is maximized, driving better yield by awarding the impression to the qualified buyer that is willing to pay the highest price.

For buyers, Fyber FairBid offers the opportunity to place a bid and compete fairly for each ad impression and acquire the ad impressions they value most, eliminating the restricted access to inventory inherent to the waterfall-based solutions.

Fyber has partnered with Facebook Audience Network, AdColony and Tapjoy, three of the world's leading mobile advertising networks, to start the beta phase of its product and is working to add more strategic partnerships to the program. Initial independent tests show an increase in prices per impression for the publishers using in-app header bidding. The Company is confident that Fyber FairBid will expand the partner network of directly integrated publishers and with that broaden Fyber's revenue base.



Our Differentiators

We are committed to long-term value creation and the building of a sustainable and defendable business. Fyber is a technology leader in its field and is clearly differentiated by its product and clients.

Our platforms were built for mobile in-app and we are able to leverage years of experience to enable publishers and app developers to ideally monetize their content and audiences. In addition to the clear focus on the supply-side of the value chain, we are focused on programmatic in-app video advertising, the fastest-growing subsegment of digital advertising. We service all publisher verticals with all required ad formats, resulting in a balanced revenue base. Our strategy is to lead with technology and offer our partners a clean, transparent and powerful marketplace without hidden fees or agendas. We reach more than 1.2 billion monthly active users in over 180 countries which makes us one of the largest provider of independent publisher technology globally.

Powerful technology - Advanced programmatic trading & in-app header bidding

Unified auction across programmatic and non-programmatic demands at scale offering true yield

Focus on video

Dedicated product suite for innoative video ad units across environments and players

Global reach

Direct SDK integration with 10k+ apps, reaching 1.2bn monthly unique users

Advanced data insights

Actionable audience insights to create highly-desirable user segments based on 1st, 2nd, 3rd party data

Innovative ad formats focused on in-app

Unobtrusive monetization that engages users across screens, tending to be requirements of the different publisher verticals

Expert guidance & premium publisher focus

Strategic guidance on yield optimization from Fyber's monetization experts

Recent Updates

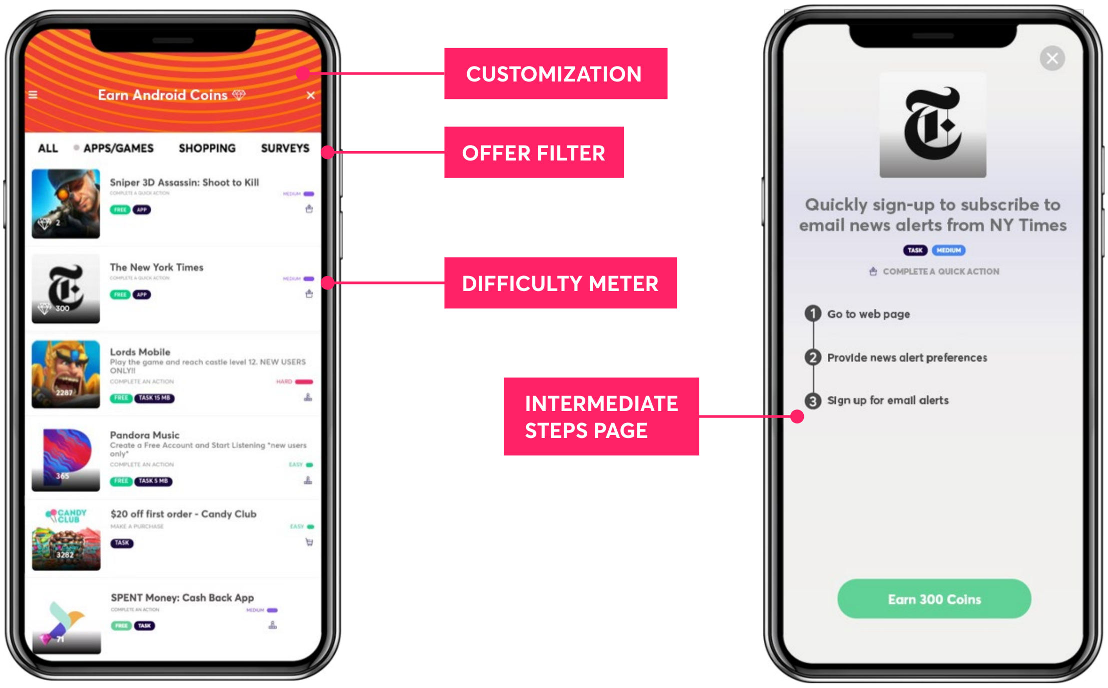
The last quarter was focused on continuing the integration of group companies, the further implementation of our product roadmap working towards a fully integrated technology platform, GDPR compliance and our comprehensive initiative of consolidating our global sales structure.

- Fyber FairBid: Added Facebook Audience Network to the list of beta partners on the demand side; progress on rolling the product out to a larger network of publishers
- Offer Wall Edge: Released the beta version of a completely new design and optimized user experience for the incentivized ad format Offer Wall, one of Fyber's core revenue contributors; The product received strong initial feedback and was generally released in July 2018, making it one of the most innovative and modern formats available on the market
- GDPR: Dedicated product and engineering efforts to defining and implementing the requirements for 'General Data Protection Regulation' compliance across all Fyber products
- Sales updates: Signed strategic partnerships with Facebook and ironSource; Successfully completed comprehensive trainings, projects, and initiatives as part of the integration and transition to one global sales organization

Fyber's Offer Wall Edge

The new product offers improved design and more customizable features, to make it fit even better into the publishers' native app design, an easier navigation, boosting offer discoverability and offer completion rates and new features like the difficulty meter, that shows users how much effort will be needed to complete each offer.

Initial test with beta publishers indicated significant increases in offer conversion rates and increased average revenue numbers per daily active users.



Fyber's Offer Wall Edge is a breath of fresh air for our ad monetization strategy. It's clearly built to improve user experience including an easy navigation UI to find different offers, and setting expectations on steps needed for them to complete an offer. This results in improved user satisfaction, reduction in user complaints, and an overall increase in revenue for our business.

ALBERT CUSTODIO, PRODUCT MANAGER, SOCIAL POINT

Business Performance

P&L Highlights

	For the six months ended		For the three months ended		For the year ended
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017	31 Dec 2017
	in € million				
Gross revenue	**58.8**	**119.7**	**29.5**	**69.9**	**229.8**
Revenue share to third parties	(37.6)	(84.7)	(18.5)	(49.6)	(159.9)
Net revenue	**21.2**	**35.0**	**11.0**	**20.3**	**69.9**
Net revenue margin	36.1%	29.2%	37.4%	29.1%	30.4%
Other cost of revenue	(12.1)	(13.6)	(6.1)	(7.4)	(27.2)
Gross profit	**9.1**	**21.4**	**4.9**	**12.9**	**42.7**
Research & development	(6.4)	(11.2)	(3.0)	(5.5)	(19.6)
Sales & marketing	(10.7)	(12.8)	(5.0)	(6.2)	(24.6)
General & administrative	(5.4)	(8.6)	(2.8)	(4.1)	(15.7)
Depreciation, amortization and impairment	7.0	6.1	3.7	3.3	12.6
Stock option plan	0.4	1.4	0.2	0.9	1.1
Other adjustments	-	-	-	-	2.2
EBITDA*	**(6.0)**	**(3.7)**	**(2.0)**	**1.3**	**(1.2)**

*Note: 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.

Gross revenue decreased by 58% YoY ('year-over-year') to €29.5 million in the second quarter of 2018, due to our strategic decision to proactively discontinue parts of our business related to aggregators on the publisher side as part of the 'Keeping it Clean' initiative and the change in the 'Google Play Store' terms, which banned the use of charging screens ads from 1 January 2018 onwards. The 'Keeping it Clean' initiative was an essential factor in providing a technology platform that delivers highest quality, viewability and brand safety to our partners and we are convinced of the long-term value of this measure despite the revenue reduction in 2018. For further details on both factors please refer to Fyber's Annual Report 2017.

The effects are summarized in the table below.

	Gross revenue in € million, rounded			
	H1 2018	**H1 2017**	**Change YoY**	**FY 2017**
Aggregators on the supply-side; 'Keeping it Clean' initiative	3	37	-92%	56
Changing screen ad formats	1	9	-89%	29
Residual gross revenue = "The new Fyber"	55	74	-26%	145
Reported gross revenue	**59**	**120**	**-51%**	**230**

The underlying core business ("The new Fyber") was affected by the reorganization of our global sales teams, which is now completed, and the Company expects a rapid return to previous growth numbers. The teams transitioned from a product focus to a regional focus, i.e. all members of our global sales teams selling all group products in their respective regions, which temporarily impacted our productivity, as resources were spent on internal efforts such as trainings.

The total net revenue for the second quarter of 2018 decreased by 46% YoY to €11.0 million. Although the decision to move away from aggregated supply slowed down gross revenue growth, it significantly increased the net revenue margin from 29.1% in Q2 2017 to 37.4% in Q2 2018. The positive effect becomes more evident when considering only the core business. The net revenue for the core business remained almost stable, as our business focus shifted to the units with high and stable gross margins:

	Net revenue in € million, rounded			
	H1 2018	**H1 2017**	**Change YoY**	**FY 2017**
Aggregators on the supply-side; 'Keeping it Clean' initiative	0.7	9	-92%	14
Changing screen ad formats	0.3	3	-90%	9
Residual net revenue = "The new Fyber"	20	23	-13%	47
Reported net revenue	**21**	**35**	**-40%**	**70**

Other adjusted cost of revenue includes IT cost and amortization. IT cost, which includes mainly server cost, accumulated to €2.6 million, compared to €4.3 million for the same period last year.

As part of the integration of group companies, we also worked on realizing the identified synergies, resulting in a positive effect on our adjusted operating expenses. The total adjusted operating expenses have been reduced by 29% YoY. Based on the lower top line the adjusted EBITDA amounted to €(2.0) million in Q2 2018, compared to €1.3 million for the same period 2017.

Cash flow and going concern considerations

in € million	1 Jan -30 Jun 2018	1 Jan - 31 Dec 2017
Net cash flow from operating activities	(10.2)	(21.3)
Net cash flow from investing activities	(2.9)	1.0
Net cash flow from financing activities	6.3	13.2
Net change in cash and cash equivalents	**(6.8)**	**(7.1)**
Net foreign exchange difference	(0.1)	(0.3)
Opening balance cash and cash equivalents	17.6	25.0
Closing balance cash and cash equivalents and cash deposits	**10.9**	**17.6**

After the end of the reporting period, the Company fully exercised the remaining €3 million of a loan facility granted for up to €8 million by Sapinda Holding B.V. and entered into an additional agreement with Sapinda Holding B.V. over €4 million to be received in September 2018.

Financial and asset position

in € million	30 Jun 2018	31 Dec 2017
Intangible assets	149.8	157.6
Other assets	2.5	2.2
Cash and cash deposits	10.9	17.6
Trade and other receivables	32.3	42.6
Deferred tax assets	0.5	-
Other financial assets	11.8	11.4
Total assets	**207.8**	**231.4**
Interest bearing loans	157.6	148.0
Trade and other payables	40.5	48.9
Employee benefits liabilities	11.4	13.9
Other liabilities	5.9	5.7
Deferred tax liabilities	1.5	1.8
Total liabilities	**216.9**	**218.2**
Total equity	**(9.1)**	**13.2**

The Company's negative equity stems mainly from the management's decision to write off a major part of the goodwill that was accumulated following four acquisitions since 2014 for a total consideration of close to €250 million. The change in goodwill was due to the strategic decision to discontinue business with aggregators on the publisher side, which was a major contributor to the revenue of Fyber RTB. Please refer to Note 16 of the Notes to the Annual Report 2017 for further details.

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.

Key share data

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0012377394
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	114,533,333
52 weeks high / -low*	1.36 / 0.22

*As of 24 Aug 2018

Based on the mandatory notifications to the Netherlands Authority for Financial Markets (AFM), upon reaching or exceeding certain thresholds of holdings by the shareholder, the Company is able to provide the below information.

Shareholders registered above 3% of voting rights

	% Voting rights
Stichting Horizon One	38.4%
Abu Dhabi Securities	18.0%
Altera Absolute Global Master Fund	5.5%
FIL Limited (FIL Investments International, FIL Pension Management)	3.4%

Subsequent Events

Loan agreement with Sapinda Holding B.V.

On 8 August 2018, the Company signed a loan agreement with Sapinda, for up to €4 million. The loan bears interest of 8% p.a. and shall be due and payable on December 31, 2019.

Forecast Report

Based on the one-off effects described above - Fyber's clean marketplace initiative, Google's ban of charging screen ads and the ongoing investments into the integration of former group companies, including the transition of the sales organization - Fyber adjusts the previously announced guidance for the full year 2018. The Company now expects gross revenue in the range of €150 to €180 million and an EBITDA around break-even. In turn, the net revenue margin guidance is increased, now expecting a 34% net revenue margin.

The adjustment of the guidance is especially a result of the stronger than expected effect of Fyber's global sales teams transitioning and the related investments into education and training as well as the speed of implementation of Google's charging screen ads ban. Moreover, the Company's investment focus has firmly remained on the development of the joined technology platform as opposed to short-term initiatives that would directly add to the current revenue base.

	In € million, rounded			
	FY 2018 updated forecast	FY 2017	Change YoY	FY 2018 initial forecast
Gross revenue from aggregators	7	56	-88%	25
Gross revenue from charging screen ads	2	29	-93%	7
Core business (= residual gross revenue)	**141-171**	**145**	**-3%**	188-208
Reported/forecasted gross revenue	150-180	230	-35%	220-240

	In € million, rounded			
	FY 2018 updated forecast	FY 2017	Change YoY	FY 2018 initial forecast
Net revenue from aggregators	2	14	-86%	6
Net revenue from charging screen ads	1	9	-93%	2
Core business (= residual net revenue)	**48-58**	**47**	**+2%**	60-66
Reported/forecasted net revenue	51-61	70	-27%	68-74

Despite the updated guidance, both the estimated gross and net revenue for the underlying core business show a stable development when compared to the full year 2017 - a clear signal, that the Company can sustain the strategic decision to cut parts of its business as an investment into the long-term value creation.

Management remains confident in Fyber's strong competitive position, efficient operation and its focus on innovation and technology. The transition of the global sales organization, the only factor negatively impacting the core business during the first half of the year, has been completed. The Company therefore expects a rapid return to previous growth numbers and confirms its mid-term outlook for 2021, with gross revenue to exceed €400 million and the EBITDA to exceed €40 million.

The forecasts are based on the roll-out of the fully integrated technology platform, the further market adoption of new products such as our video platform VAMP, the redesigned ad format Offer Wall Edge and Fyber's revolutionary bidding process Fyber FairBid. Moreover, the new product suite will be the basis of client acquisition initiatives, supporting Fyber in further growing its partner networks both on the publisher and the advertiser side.

Responsibility Statement

With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the interim Management Board report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Berlin, 29 August 2018

The Management Board
Ziv Elul | Chief Executive Officer
Dani Sztern | Deputy Chief Executive Officer
Yaron Zaltsman | Chief Financial Officer
Crid Yu | Chief Operating Officer

Notes regarding the unaudited interim report: 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.

Editorial

Financial Calendar

Q3 2018 Interim Statement

21 November 2018

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 digital publishers and 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 platforms enable cross-device advertising with a global reach of more than 1.2 billion unique monthly users and has a strong focus on video advertising. Fyber has offices in Berlin, Tel Aviv, New York, San Francisco, London, and Beijing. The Company employs more than 300 people globally and is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN' and the ISIN NL0012377394.

Interim Condensed Financial Statements

Consolidated Income Statement

	Six months ended 30 June		Three months ended 30 June	
	2018	2017	2018	2017
	Unaudited		Unaudited	
	in € thousand		in € thousand	
Revenue	**58,835**	**119,672**	**29,542**	**69,947**
Revenue share to third parties	(37,586)	(84,700)	(18,498)	(49,611)
Net revenue	**21,249**	**34,972**	**11,044**	**20,336**
Other cost of revenue	(12,137)	(13,616)	(6,075)	(7,383)
Gross profit	**9,112**	**21,356**	**4,969**	**12,953**
Research and development	(6,474)	(11,207)	(3,097)	(5,560)
Sales and marketing	(10,677)	(12,836)	(4,958)	(6,260)
General and administrative	(5,359)	(8,528)	(2,807)	(4,100)
Earnings before interest and tax (EBIT)	**(13,398)**	**(11,215)**	**(5,893)**	**(2,967)**
Net finance costs	(6,527)	(2,519)	(3,741)	297
Profit (loss) before tax	**(19,925)**	**(13,734)**	**(9,634)**	**(2,670)**
Income tax gain (expense)	722	1,976	655	2,122
Profit (loss) for the year after tax	**(19,203)**	**(11,758)**	**(8,979)**	**(548)**
Profit (loss) attributable to				
Shareholders of Fyber N.V.	(19,203)	(11,758)	(8,979)	(548)
Non-controlling interest	-	-	-	-
Earnings per share				
Basic profit (loss) per share (€)	(0.17)	(0.10)	(0.08)	-
Diluted profit (loss) per share (€)	(0.16)	(0.10)	(0.07)	-

Consolidated Statement of other Comprehensive Income

	Six months ended 30 June		Three months ended 30 June	
	2018	2017	2018	2017
	Unaudited		Unaudited	
	in € thousand		in € thousand	
Profit (loss) for the year after tax	**(19,203)**	**(11,758)**	**(8,979)**	**(548)**
To be reclassified to profit and loss in subsequent periods				
Exchange differences on currency translation	(3,521)	(7,695)	(1,042)	(10,042)
Income tax effect	-	-	-	-
Other comprehensive income (loss) for the year, net of tax	(3,521)	(7,695)	(1,042)	(10,042)
Total comprehensive income (loss) for the year	**(22,724)**	**(19,453)**	**(10,021)**	**(10,590)**
Profit (loss) attributable to				
Shareholders of Fyber N.V.	(22,724)	(19,453)	(10,021)	(10,590)
Non-controlling interest	-	-	-	-

Consolidated Statement of Financial Position

	30 June 2018	31 December 2017
	Unaudited	**Audited**
	in € thousand	
Non-current assets		
Intangibale assets		
Goodwill	124,152	128,140
Other intangible assets	25,661	29,465
Property and equipment	1,325	1,116
Non-current financial assets	1,215	1,110
Deferred tax assets	459	-
Total non-current assets	**152,812**	**159,831**
Current assets		
Inventories	108	128
Trade and other receivables	32,257	42,642
Other current financial assets	10,577	10,319
Other current assets	1,152	928
Cash and cash equivalents	10,862	17,595
Total current assets	**54,956**	**71,612**
Total assets	**207,768**	**231,443**

Consolidated Statement of Financial Position

	30 June 2018	31 December 2017
	Unaudited	**Audited**
	in € thousand	
Equity (Deficit)		
Issued capital	11,453	11,453
Share premium	184,812	184,812
Treasury shares	(4,745)	(4,745)
Other capital reserves	24,136	23,711
Legal reserve	6,855	6,225
Accumulated deficit	(219,903)	(200,070)
Foreign currency translation reserve	(11,683)	(8,162)
Equity attributable to shareholders of the Company	(9,075)	13,224
Non-controlling interests	-	-
Total equity (deficit)	**(9,075)**	**13,224**
Non-current liabilities		
Long-term employee benefits liabilities	346	357
Long-term borrowings	144,110	132,995
Deferred tax liabilities	1,495	1,763
Other non-current liabilities	5,308	5,136
Total non-current liabilities	**151,259**	**140,251**
Current liabilities		
Trade and other payables	40,457	48,881
Short-term employee benefits liabilities	11,081	13,535
Short-term borrowings	13,496	15,013
Income tax payables	550	539
Total current liabilities	**65,584**	**77,968**
Total liabilities	**216,843**	**218,219**
Total equity (deficit) and liabilities	**207,768**	**231,443**

Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2018	2017
	Unaudited	
	in € thousand	
Loss for the year before tax	**(19,925)**	**(13,734)**
Depreciation, amortization and impairment	6,979	6,121
Financial expenses, net	6,252	2,880
Other non-cash effects	425	1,006
Changes in provisions, employee benefit obligations	(2,465)	(669)
Changes in working capital	1,596	(12,208)
Cash generated from operations	**(7,138)**	**(16,604)**
Interest received	-	10
Interest paid	(3,061)	(3,782)
Income tax paid	6	(95)
Net cash flow from operating activities	**(10,193)**	**(20,471)**
Purchases of property and equipment	(690)	(60)
Purchases, capitalization of intangible assets	(2,102)	(1,517)
Change in investments and financial assets, net	(105)	5,747
Net cash flow from investing activities	**(2,897)**	**4,170**
Proceeds from long-term borrowings	8,000	-
Proceeds (repayment) from short-term borrowings	(1,732)	2,801
Net cash flow from financing activities	**6,268**	**2,801**
Net changes in cash	**(6,822)**	**(13,500)**
Cash at beginning of period	**17,595**	**24,982**
Net foreign exchange difference	89	(278)
Net changes in cash	(6,822)	(13,500)
Cash and cash equivalents at end of period	**10,862**	**11,204**

Consolidated Statement of Change in Equity (Deficit)

	Unaudited							
in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity (deficit)
01 Jan 2018	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,070)**	**(8,162)**	**13,224**
Loss for the year after tax	-	-	-	-	630	(19,833)	-	(19,203)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	(3,521)	(3,521)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**630**	**(19,833)**	**(3,521)**	**(22,724)**
Share-based payments	-	-	-	425	-	-	-	425
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Equity component of the convertible bonds, net of tax	-	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**425**	**-**	**-**	**-**	**425**
30 June 2018	11,453	184,812	(4,745)	24,136	6,855	(219,903)	(11,683)	(9,075)

Consolidated Statement of Change in Equity (Deficit)

	Unaudited							
in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity (deficit)
01 Jan 2017	**11,453**	**184,812**	**(5,049)**	**17,518**	**4,259**	**(96,093)**	**3,544**	**120,444**
Loss for the year after taxs	-	-	-	-	-	(11,758)	-	(11,758)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(7,695)	(7,695)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**(11,758)**	**(7,695)**	**(19,453)**
Share-based payments	-	-	-	1,031	-	-	-	1,031
Acquisition of treasury shares	-	-	304	-	-	-	-	304
Equity component of the convertible bonds, net of tax	-	-	-	5,069	-	-	-	5,069
Transactions with owners	**-**	**-**	**304**	**6,100**	**-**	**-**	**-**	**6,404**
30 June 2017	**11,453**	**184,812**	**(4,745)**	**23,618**	**4,259**	**(107,851)**	**(4,151)**	**107,395**

Notes to the Interim Condensed Financial Statements

1. FYBER N.V.

Fyber N.V. (formerly RNTS Media 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 is a leading advertising technology company. It empowers app developers and digital publishers to generate business-critical revenue streams with targeted advertising, enabling them to optimize the yield they generate from advertising. The company's technology infrastructure reaches more than one billion monthly active users, providing a channel-neutral open-access platform for advertisers and publishers. It enables cross-device advertising with a global reach and a strong focus on video.

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London and Beijing.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements for the Six-month period ended 30 June 2018 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 2017. 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 2017 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 totaled €13,224 thousands as of 31 December 2017.

As the Group continued in the first half year of 2018, to operate with losses, the Group showed a total equity deficit as of the reporting date. The operating losses resulted primarily from strategic, long term decisions: Fyber's clean marketplace initiative including the move away from aggregated supply and the restructuring of Fyber's global sales organization in the context of the integration of acquired companies. Furthermore, the results were affected by the change in the 'Google Play Store' terms, which banned the use of charging screens ads from 1 January 2018 onwards.

Other than for 2018, management expects positive operating income as well as positive operating cash flow from 2019 onwards. This assumption is based on a further improvement of exploitation of synergies through integrating the acquired companies resulting primarily in an increase in the gross revenue.

On 30 June 2018, the Group showed €10,682 thousands in cash, after a partly repayment of €1,732 thousands from Leumi's credit facility. The Company withdrew the residual €3,000 thousands out of total €8,000 thousands of the facility loan from its major shareholder, Sapinda and successfully secured supplementary amount of €4,000 thousands from the same shareholder, which planned to be paid in September 2018. Further, the Group has undrawn working capital facilities with BillFront and Bank Leumi of €6,501 thousands.

Therefore, management has reasonable expectation that Fyber has adequate resources to continue as a going concern for the foreseeable future.

Please refer to notes 7.1 and 7.2 for further details.

2.3. Changes in accounting policies and disclosures

2.3.1. Presentation of operating expenses

As per 31 December 2017, the Group changed the structure of presenting operating expenses from a presentation by nature to a presentation by function. Please refer to the financial statements 2017 for further details.

Comparative prior year figures have been adjusted respectively in the interim consolidated income statement.

The following table shows how the interim income statements 2018 would have been looked like when Fyber would have continued to present its operating expenses by nature.

	Six months ended 30 June		Three months ended 30 June	
in € thousands	**2018**	**2017**	**2018**	**2017**
Revenue	**58,835**	**119,672**	**29,542**	**69,947**
Revenue share to third parties	(37,586)	(84,700)	(18,498)	(49,611)
Gross Margin (EUR)	**21,249**	**34,972**	**11,044**	**20,336**
Personnel costs	(14,353)	(21,960)	(6,462)	(9,081)
Other operating expenses	(13,315)	(18,105)	(6,787)	(10,911)
EBITDA	**(6,419)**	**(5,093)**	**(2,205)**	**344**
Depreciation, amortization and impairment	(6,979)	(6,122)	(3,688)	(3,311)
Earnings before interest and tax (EBIT)	**(13,398)**	**(11,215)**	**(5,893)**	**(2,967)**
Finance income	-	2,903	-	2,894
Finance expenses	(6,252)	(5,960)	(3,148)	(3,073)
Foreign exchange gains (losses)	(275)	538	(593)	476
Profit (loss) for the year before tax	**(19,925)**	**(13,734)**	**(9,634)**	**(2.670)**
Income tax gain (expense)	722	1,976	655	2,122
Profit (loss) for the year from continuing operations	**(19,203)**	(11,758)	**(8,979)**	**(548)**

2.4. New and amended standards and interpretations

2.4.1. IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group adopted the new standard on the required effective date and did not restate comparative information. The Group performed a detailed impact assessment of all three aspects of IFRS 9. Overall, no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9.

2.4.2. IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group adopted the new standard on the required effective date using the full retrospective method. The Group performed a detailed impact assessment of all three aspects of IFRS 15. Overall, no impact on its statement of financial position and equity.

2.5. 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.

2.6. 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 2017 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.

2.7. 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.

2.8. 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

On 31 of January 2018, the Company signed a loan agreement with Sapinda, for up to €8,000 thousands. The loan includes two installments. The first installment in the amount of €5,000 thousands was drawn with signing. The second installment can be drawn from June 2018. The loan bears interest of 8% p.a. and shall be due and payable on December 31, 2019.

4. GOODWILL

The Group's goodwill resulted from the acquisition of the four platform businesses between 2014 and 2016. Goodwill is tested whenever a triggering event occurred but at least once per year. The Company experienced challenges in the first half of the year (see note 2.2 for further details) which lead to the announcement on 23 July 2018 that the Company will not meet the previously communicated guidance for the full-year 2018. As stated in IAS 36.14, a significant decline in budget usually indicates that an impairment may occur and therefore triggers the need for an impairment test.

As a consequence to the change in the management approach in respect to recognition of the Group's activities as one operating segment, management reviewed the determination of the cash generating units. See note 5 for further details. As there is no cash inflow expected that would be independent from the unified platform activities, Goodwill is tested on one cash generating unit only.

The key assumptions on the compound average growth rates (CAGR) and the post-tax discount rates of the cash flow projections are as follows:

	Fyber Unified Platform
CAGR on gross revenue during the detailed forecast period of 5 years	20.09%
CAGR on the free cash flow during the high-level forecast period for the next 8 years	(2.18%)
CAGR on the free cash flow beyond the forecasted period	1.00%
CAGR on total expenses during the detailed forecast period of 5 years	(0.34%)
Post-tax discount rate	11.77%

Consistent to the Company's approach in prior years, management is expecting to grow beyond the usual five-year forecast period.

To address this challenge, the free cash flow is planned over a high-level period of 8 further years. This high-level planning takes into account that historically high growth rates normally slow done over the long term. Before that background, management decided that a Twelve-year forecast period is more appropriate. This planning period is, as requested in IAS 36.37, not longer than 20 years. These effects are based on the market share Fyber has reached and the advertiser and publisher relationships built in the past. It is assumed that due to a further switch to mobile advertising, there will be a significant growth in this space, which Fyber will be able to service substantially within the infrastructure and cost base already built today. Based on these assumptions, the recoverable values of the cash generating unit exceed its carrying amounts including goodwill.

The calculation of the value in use is most sensitive to the growth rate of gross revenue and total expenses applied both during and beyond the explicit forecast period as well as the post-tax discount rate applied. Therefore, sensitivity tests were performed by varying the following assumptions, holding all other variables constant:

	Fyber Unified Platform
10% reduction on gross revenue CAGR during detailed forecast period	Yes
Increase of post-tax discount rate by 1%point	Yes

None of the sensitivity tests resulted in an impairment need. However, should the significant scalability underlying the impairment test for Fyber Unified Platform not be achieved, an impairment would be required in the future.

5. 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.

In prior financial reports, operating segment were mainly recognized along the four companies that were acquired since 2014: Fyber platform including Heyzap, Fyber RTB and Inneractive.

Since then, the Company invested heavily in the integration of its activities. The technical integration started with the creation of internal integrations between the existing platforms to benefit from synergies. With the release of "Fyber FairBid" (hereinafter referred to as "FairBid") the Company entered the next stage towards the unified platform. Under the unified platform, all of the Company's products, publisher tools and ad formats accessible through one single integration and dashboard, with FairBid at the heart of this offering.

Parallel to the technical integration, management was working on the integration of business processes and the general administration.

In the context of this integration activities, management is no longer holding on to review and assess the performance of the existing platforms on a separate basis. In addition, future forecasts are going to be prepared based on the potential of the unified platform only.

Consequently, the financial statements will reflect the change in the management approach and provide information of one operating segments going forward as follows:

	Types of products and services
Fyber Unified Platform	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.

	Six months ended 30 June			
	2018		**2017**	
in € thousands	**Gross revenue**	**EBITDA**	**Gross revenue**	**EBITDA**
Fyber Unified Platform	**58,835**	**(6,419)**	**119,672**	**(5,093)**

6. GEOGRAPHIC INFORMATION

Breakdown of gross revenue according to customers' location by operating segment:

	Six months ended 30 June	
in € thousands	**2018**	**2017**
	Gross revenue	
United States	29,467	63,389
Europe, Middle East and Africa	23,060	47,157
Asia-Pacific	4,868	8,004
Rest of the world	1,440	1,122
Total	**58,835**	**119,672**

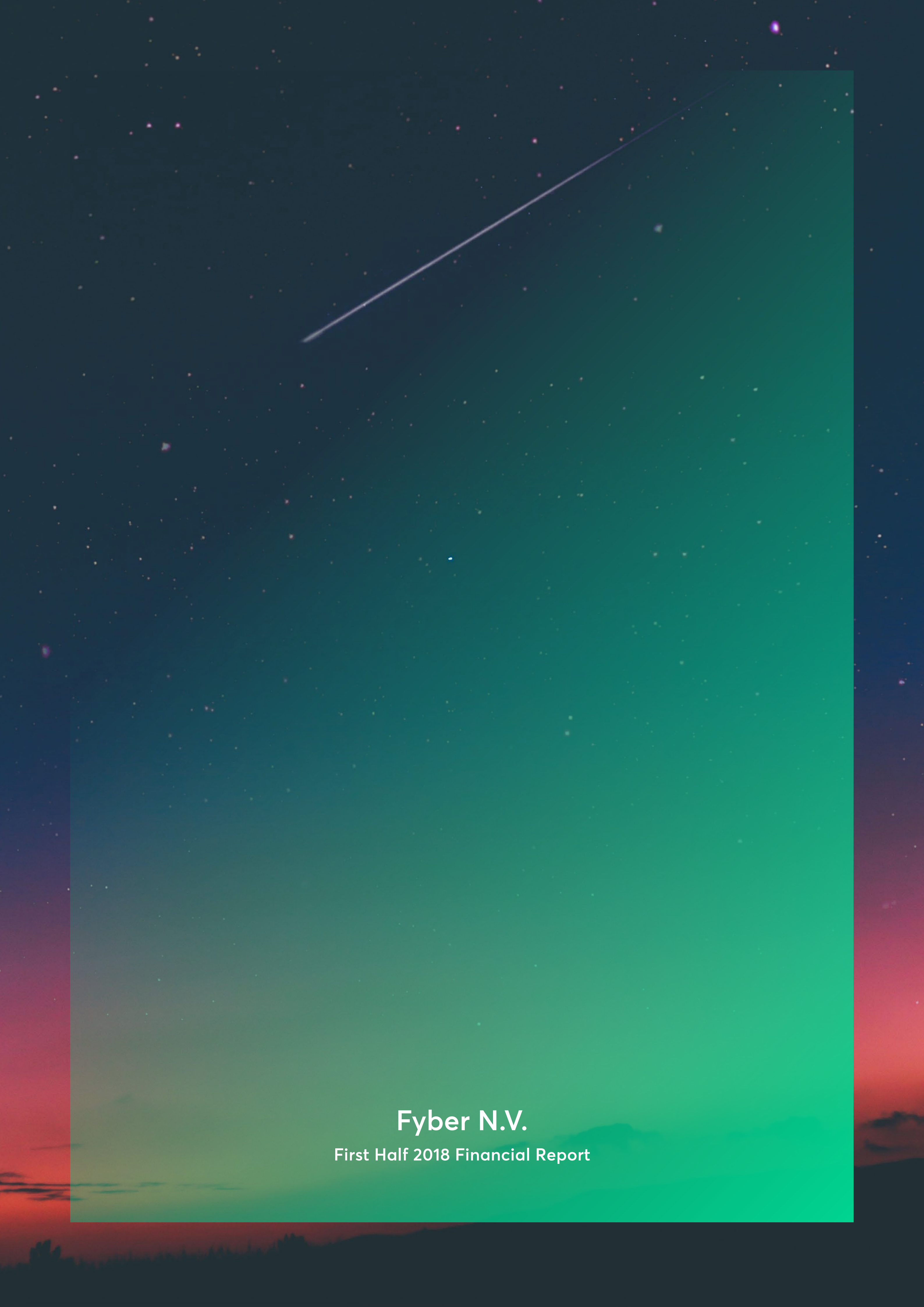
7. SUBSEQUENT EVENTS

7.1. Loan from Sapinda Holding B.V.

On 8 August 2018, the Company signed an additional loan agreement with Sapinda, for €4,000 thousands. The loan bears interest of 8% p.a. and shall be due and payable on December 31, 2019. The loan will be granted in September 2018.

7.2. Leumi credit facility line

In July 2018, the Company extended its revolving credit line facility of $15,000 thousands with Bank Leumi, Israel.



Fyber N.V.

First Half 2018 Financial Report