Fyber N.V.

Q3 2020 Results Statement

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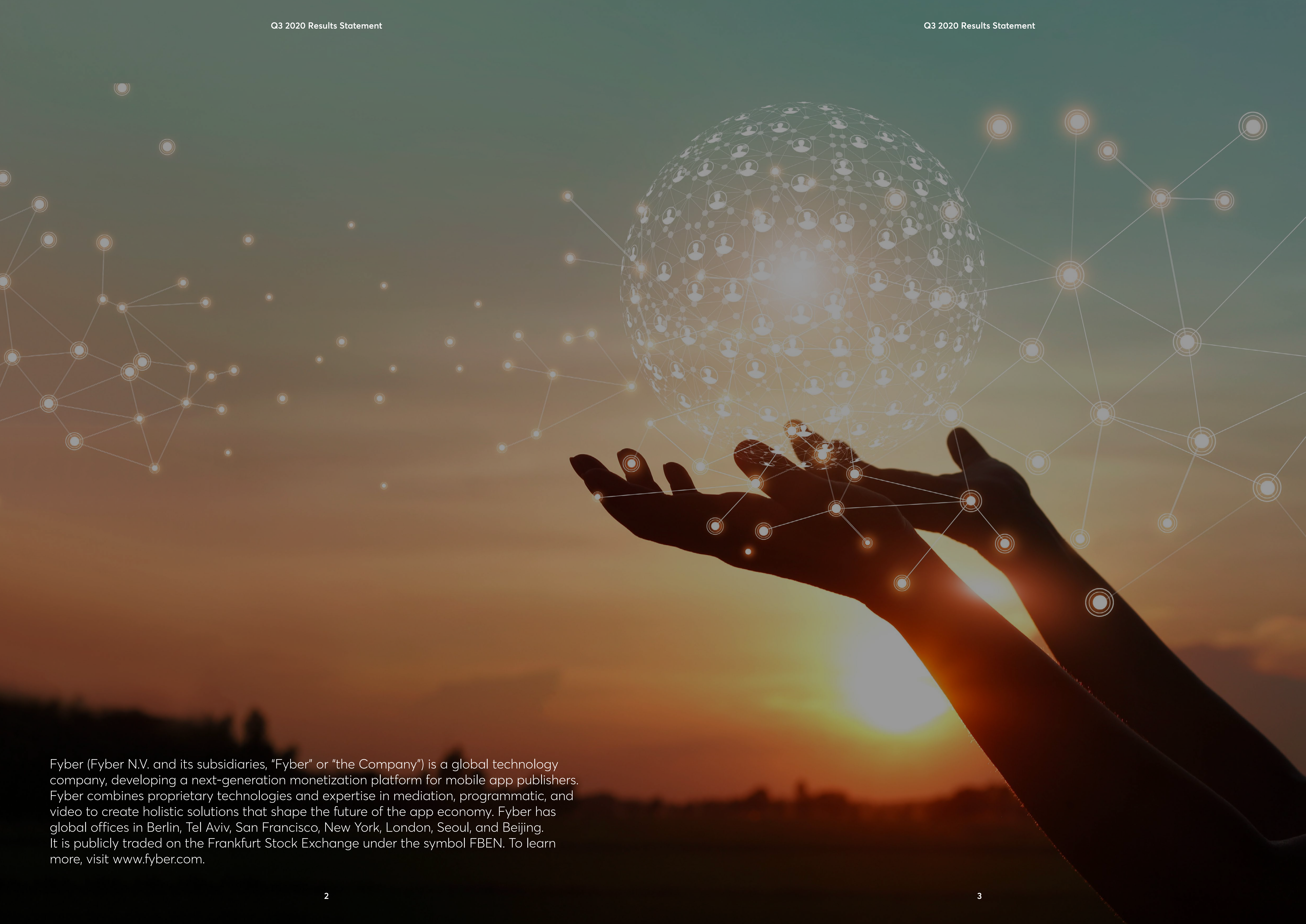

Fyber (Fyber N.V. and its subsidiaries, “Fyber” or “the Company”) is a global technology company, developing a next-generation monetization platform for mobile app publishers. Fyber combines proprietary technologies and expertise in mediation, programmatic, and video to create holistic solutions that shape the future of the app economy. Fyber has global offices in Berlin, Tel Aviv, San Francisco, New York, London, Seoul, and Beijing. It is publicly traded on the Frankfurt Stock Exchange under the symbol FBEN. To learn more, visit www.fyber.com.

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Driven by 600% YoY revenue growth from programmatic video advertising in 9M 2020

Guidance for 2021: Revenue above €250 million and positive adjusted EBITDA

Financial performance

	Nine months ended 30 Sep		Three months ended 30 Sep		Year ended 31 Dec
	2020	2019	2020	2019	2019
	in € millions				
Revenue	120.7	82.7	55.5	28.6	119.0
Cost of sales	(104.5)	(68.8)	(48.2)	(24.6)	(99.5)
Gross profit	16.2	13.9	7.2	4.0	19.5
EBITDA*	0.1	(3.3)	1.8	(1.7)	(2.7)

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

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Statement from the CEO

Dear Shareholders,

Despite economic uncertainties affecting many markets in which we are active globally – Fyber continued to generate significant above-market growth and drive profitability during Q3 2020.

For the advertising ecosystem, COVID-19 meant a short term decline in available advertising budgets across channels, yet digital advertising is seemingly most resilient and is making its way to a rapid recovery. Users around the world are spending more time on mobile, engaging more with apps and downloading in high numbers, especially in the gaming segment.

Continuing to be fully focused on app monetization, with a significant part of the revenue coming from gaming apps, Fyber can attest to the market recovery and its origins first-hand. After a dip in brand advertising spend during Q2 2020, with many economies in lockdown or under different restrictions, we recorded a swift increase in brand spend starting from April. Between June and September alone, brand advertising grew by 130% on our platform, driven by gaming, e-commerce and delivery services platforms. For Fyber, this meant growing revenue, a recovery in the gross margin trajectory and added profitability.

46% year-over-year revenue growth in 9M 2020 driven by programmatic video advertising

The overall revenue for the first nine months of 2020 increased by 46% to €121 million. With that, the revenue generated in 9M 2020 already exceeds the full year revenue of 2019 and the Company's performance in the last quarter, oftentimes the strongest in digital advertising, will directly add to Fyber's yearly growth rate.

While revenue from Offer Wall Edge grew by 8% compared to 9M 2019, the main growth driver was again Fyber's programmatic business, which delivered a 70% year-over-year growth to €91 million, making up 75% of the overall business. Of that, programmatic video increased by more than 600% to €35 million, representing almost 30% of the advertising budgets spent on Fyber's inventory.

The gross profit amounted to €16.2 million in 9M 2020, up 16% compared to the same period last year. The recovery in margin during Q3 2020, paired with the continuous growth and our close cost management, enabled us to deliver above break-even adjusted EBITDA of €0.1 million in Q3 2020, showing consistent monthly growth since July.

The exceptional performance achieved with our video offering was made possible by the close collaboration of our product & engineering and sales teams, who drove the successful rollout of multiple technological improvements while also onboarding, scaling and optimizing key demand sources. We will continue to focus our efforts in this direction and expect further growth in the share of revenue from video advertising.

Fyber FairBid begins to scale

Last year, Fyber launched the latest version of FairBid, our holistic monetization platform for app developers centered around programmatic mediation and a unified auction technology for app bidding. It is fair to say that this release was a milestone in the Company's history and a major step in the industry's evolution towards full scale programmatic in-app advertising. The platform provides app developers with full flexibility in customizing their ad monetization strategy, supporting traditional mediation, a fully automated unified auction with real-time app bidding, or a mix of both. This offers FairBid clients an optimal access to demand partners, which in turn maximizes the competition for each ad impression and leads to both revenue uplift and improved ad monetization efficiency.

Fyber continues to invest heavily in innovative features that deliver tangible business impact for our clients, with the most recent example being the successful rollout of Fyber's Multi-Testing tool, which empowers FairBid clients to test up to 5 different ad monetization setups in parallel. Publishers who adopted this tool were able to accelerate the data-driven optimization process and further accelerate their growth.

We have achieved outstanding growth in the yield we generate for app developers through Fyber FairBid. The publisher payout (revenue generated to publishers using the FairBid platform) increased by more than 140% within the first nine months of 2020, with a healthy pipeline of publishers in place for Q4 and 2021.

Forecasting 55% year-over-year growth in 2020, above 30% in 2021

Despite the economic slowdown due to COVID-19, which we as a company particularly felt during the second quarter with an understandable decrease in available brand advertising spend, Fyber was able to not only maintain growth in all areas of business, but exceed the initial expectations.

In October, we upgraded our guidance for the full year 2020 from between €155 and €165 million to a new range of €185 to €195 million – representing year-over-year growth of at least 55%. Even with the lower gross profit margin, we achieved a positive and consistently growing adjusted EBITDA every month since July 2020. We therefore maintain the previous profitability goal of achieving a positive adjusted EBITDA for the full year 2020.

Our market positioning, comprehensive product offering and the positive outlook on the prevailing industry trends of in-app video and programmatic trading prompted us to also announce initial guidance for the full year 2021. We expect at least 30% year-over-year growth, resulting in revenue of more than €250 million.

While a potential influence on this guidance by Apple's privacy policy on iOS14 to be rolled out in 2021 is unclear as of today, we are confident that Fyber is in a solid position to minimize any impact. We were among the first in the market to launch contextual app targeting, becoming market leaders in the field, and we continue to work with industry partners to establish a new standard around contextual targeting that guarantees privacy-aware yet effective programmatic advertising in line with the new policy. In fact, already today we are seeing early adopters among demand-side platforms increasing their buys on ad inventory with Limited Ad Tracking traffic (LAT) in order to prepare for the limited use of the currently prevalent identification information for advertising, or "IDFA", on iOS14. Buyers report a positive trend in performance and return on ad spend, while initiatives like contextual targeting are set to close the gap further between limited ad tracking and IDFA traffic. At Fyber, we continuously innovate to serve our diverse client base – while staying ahead of the curve in a constantly evolving market.

We have experienced great success under challenging market circumstances and I am proud of how we positioned ourselves to continue growth and innovation in 2020 and beyond. I would like to take this opportunity and thank our teams for their dedication and hard work, our customers for their trust, and our shareholders for their investment and commitment to Fyber.

Ziv Elul
Chief Executive Officer
November 2020

Report of the Management Board

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Business Model

Fyber is a leading technology company operating in the field of in-app advertising. The corporate purpose is the development and marketing of a technology platform and software solutions for app developers and mobile publishers, enabling them to generate business-critical revenue streams from digital advertising.

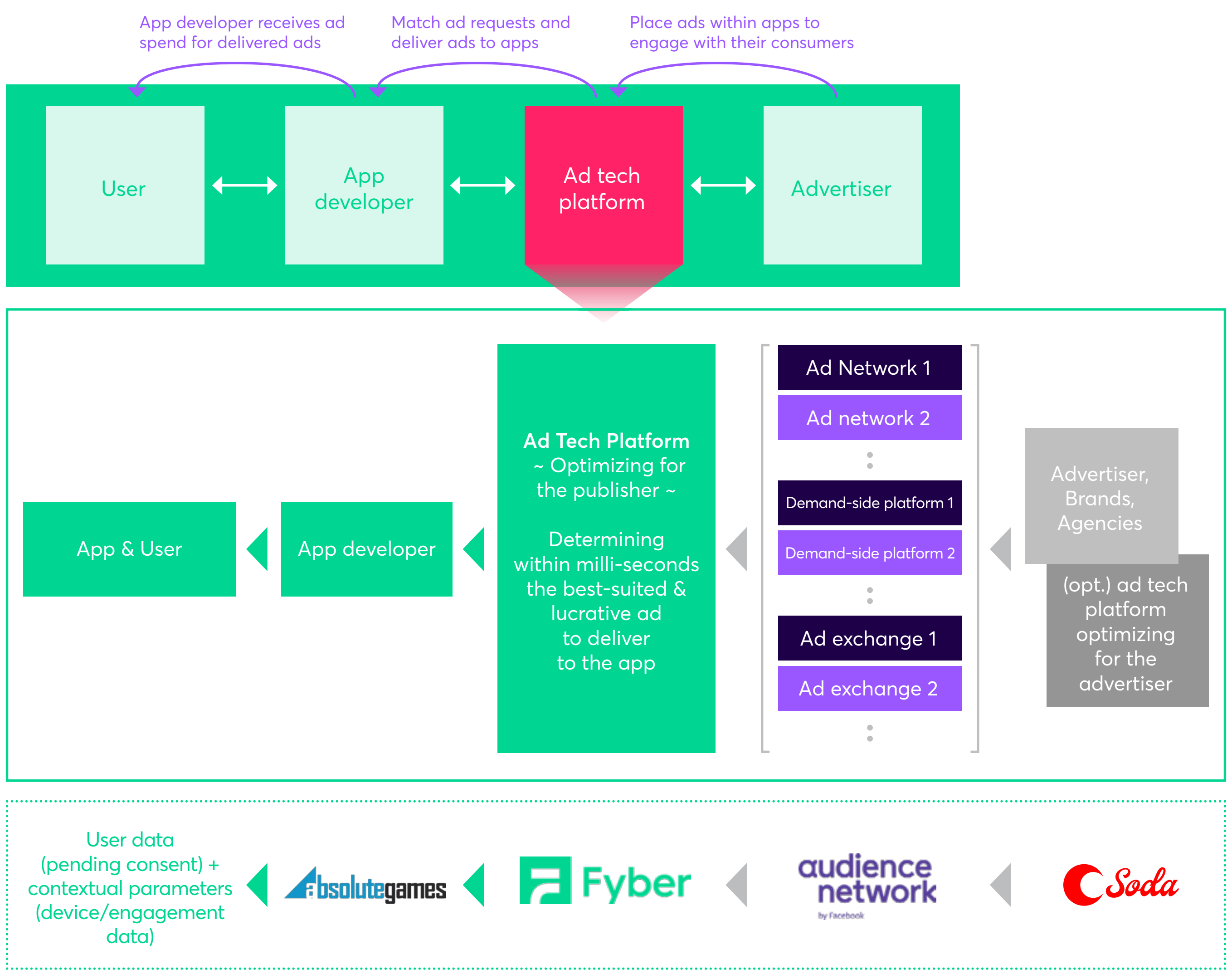
Fyber specializes in software-based automated ('programmatic') trading of advertisements (‚ads') and aims to enable mobile app publishers to monetize their digital contents through the placement of targeted, high-quality ads within their apps. The Company connects app developers and their users with advertisers worldwide, who bid on the ad space within the apps. Fyber applies data-driven processes in real-time to ensure that only relevant and lucrative ads are delivered and displayed. As such, Fyber supports app developers in establishing sustainable sources of income, and in maintaining the crucial balance between yield optimization and a positive user experience.

The Company's offering comprises among others

- Ad exchange: a technology platform that enables the real-time trading of advertising impressions between app developers and advertising partners
- Ad mediation: a technology platform providing app developers with the infrastructure to configure ad placements within their apps, connect, manage and optimize a variety of ad networks through a single integration and interface
- App bidding (also referred to as 'in-app header bidding'): technology that uses a real-time auction protocol to unify all connected demand sources, regardless of the type of technical integration they use, into a single competitive bidding process for every single ad opportunity. The winner of the auction is determined based on the highest price.
- Data services: including privacy-aware data analytics tools for app developers which provide a better understanding of their own user base, enabling them to form user segments following specific criteria; helps to achieve higher yield from advertisers, who seek to place targeted ads
- Publisher tools: including features such as ad placements and ad instances that enable publishers to fine-tune their monetization strategies; online dashboards that allow for app developers to conveniently manage their ad monetization

For transactions placed via our ad exchange, Fyber Marketplace, the Company retains a share of the ad spend advertisers place via the platform, which is the main source of income and basis of the business model. The majority of the generated yield is paid out to the connected app developers. As such, the Company's revenue potential is directly linked to the successful monetization of its partners' digital contents, aligning Fyber's and the app developers' goals.

High-level view on the value chain and the data flow



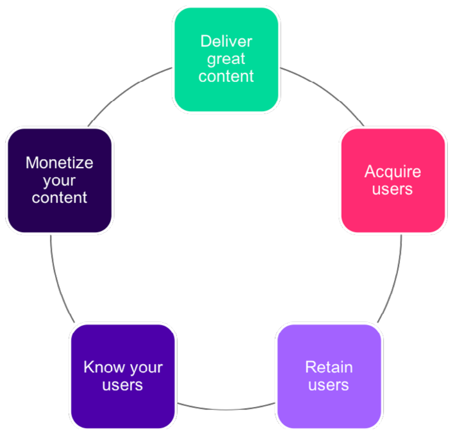
High-level view on the value chain and the data flow; example is for explanatory purpose only and not based on an actual ad campaign

Enable publishers to establish sustainable business models

App developers generally rely on three different approaches to monetize their digital content. They can offer their apps for download against an up-front payment (paid app), offer basic functionality for free and add premium services against payment (freemium app = free app including in-app purchases) or use advertising within free-to-download apps (free app including in-app advertising). Free and freemium apps make up the vast majority of downloads.

The vast number of available apps and the download numbers make it evident how important it is for app developers to navigate the fragmented market efficiently and invest into user experience, user acquisition and monetization.

The growing market offers vast monetization potential to them, yet it also poses several challenges in accessing this potential. Fyber is providing viable solutions for the key challenges faced by publishers:



Some of publishers' key challenges and goals

Q3 2020 Results Statement

Ecosystem fragmentation

Publishers face a crowded ecosystem and a fragmented pool of advertisers and demand-side players. Manual integrations with individual advertisers, ad networks or demand-side platforms are not feasible. The process is prone to error, takes up engineering resources to implement and maintain and delivers suboptimal monetization results. Implementing and optimizing advertising on their properties is not the core business of app developers – building great apps is!

There is a strong market demand for focused technology providers who handle the access to advertising demand and guarantee independent yield optimization for app developers, keeping the interests and needs of app developers in mind at all times.
Moreover, the market is also very crowded on the publisher side, with the number of publishers and available apps growing steadily. Publishers need to cut through the noise to reach, attract and retain their target audience.

Our solution: Fyber's publisher-focused monetization solutions provide access to a variety of demand sources through one integration, enabling monitoring, analytics and yield optimization through a single point of access. Specific tools and campaign types support discoverability and the building of a steady user base.

User experience is key

Once apps have gained a stable following among users it is the publishers' goal to retain them and provide engaging content, while at the same time monetizing their user-base in an optimal way. Digital advertising is an essential revenue stream to most publishers, yet it can only provide a sustainable income model if the user experience is not negatively affected by it.

Our solution: Our platform offers publishers an easy way to manage their monetization strategies, monitor important KPIs and make changes on-the-fly. For example, it is possible to adjust ad intensity for different user groups or do not show any ads to paying users. Fyber's monetization experts are also available to support app developers in establishing a healthy monetization routine and give recommendations about ideal ad implementation based on their industry knowledge and best practices accumulated from our vast partner network.

Data & market power imbalance

Advertisers tend to have more data on the users they want to target than publishers. In order to optimize their advertising yield, publishers need access to data and user segmentation tools to understand and analyze their user base, form targeted segments and thus achieve higher prices for ad impressions. Furthermore, publishers are ultimately competing with the major internet companies and social media platforms for advertising spend.

Our solution: Fyber's monetization solutions level the playing field for publishers against the major internet companies and advertisers in general. We put them in a position to analyze their user base in detail and structure it in a meaningful way. This approach strengthens publishers' competitive position by enabling them to offer their ad inventory in an optimized way and at scale. Fyber is a neutral provider, in the sense that we are indifferent to demand sources and do not favor any specific partner or own properties over others. Our sole purpose is to maximize the yield for the publishers integrated with our platform.

Video delivery at scale

Video remains among the most attractive ad formats and is currently the only digital ad type with more advertising demand than available supply. The integration of video ads, the smooth delivery, viewability and the measurement of campaign goal achievement is a technical challenge.

Our solution: Fyber's dedicated tech platforms provide reliable and guaranteed video ad delivery across screens, players, formats and environments. They solve challenges around measurement, tracking, viewability and the adoption of different pricing models. This enables publishers to open their inventory up to video ads, which on average achieve higher prices than more traditional static ad formats.

We believe that the need for publisher-focused neutral technology – specifically for the fastest growing video ad formats – creates a significant market opportunity for independent providers like Fyber.

Q3 2020 Results Statement

Recent Developments

As a technology provider designing and building all products in-house and in close cooperation with our publishing and advertising partners, it is Fyber's mission to deliver best-in-class products and services, remaining ahead of market trends and catering to diverse customer needs.
After integrating the technology stacks of our former group companies and releasing a comprehensive product portfolio covering all aspects of in-app publisher ad monetization last year, the focus of our product investments over the past few quarters has been on optimizing and enhancing the existing platform. Recent developments include:

Recapping the introduction of Apple's new operating system iOS14 & Fyber's contextual app targeting
Apple announced a change in the user data handling for the purpose of tracking, which effectively limits the availability of IDFA information (persistent user 'identification for advertising', used by marketers to drive bidding decisions) with the release of their new operating system iOS14.
Fyber's first-to-market contextual app targeting solution provides advertisers with information about the ad opportunity, as opposed to the user behind it. The contextual data signals are generated from a mix of data points coming from the user's device, the underlying technology, and session-level behavioral information. Available parameters include the number of ad impressions the user saw during the current session, the current session length, whether the user has a strong enough network connection and battery to download a new app, whether the audio is turned on or off and headphones are in use etc.

Contextual data in the app environment leverages privacy-aware parameters that cannot be used to identify an individual user or track users across apps, yet holds valuable information for the purpose of campaign targeting and optimization.
Fyber is working with the leading demand companies of the industry and other ad tech companies to compile clear specifications around contextual targeting to establish a new standard for the 'post-IDFA era'.

SKAdNetwork framework requirements successfully implemented
In another effort to mitigate a potential decrease in ad revenue for publishers on iOS14, Fyber's product suite is already prepared to comply with Apple's updated privacy policy and support Apple's SKAdNetwork, a method for validating advertiser app installations in the context of programmatic ad trading without disclosing the identity of the user (i.e. without the IDFA). The framework allows demand sources to attach their SKAdNetwork IDs to ads they are running. These IDs are then matched with a list of authorized demand partners maintained by the app publisher, and allows for the accurate tracking of conversions and return on ad spend without the use of IDFA.

For the first time, Fyber was a co-author of the technical specifications published by the IAB Tech Lab (Interactive Advertising Bureau, a leading trade group for digital advertising), setting the industry standard on how to adopt SKAdNetwork – a testament to Fyber's technological edge and strong industry network.
Furthermore, Fyber provides its publisher clients with an automated solution for adding and maintaining the latest SKAdNetwork IDs of all their advertising partners. This mitigates the risk of a faulty implementation, eliminates a significant amount of manual, error-prone labor for publishers and maximizes demand accessing their inventory – a solution tailored to the publisher's needs.

Upgrades to Offer Wall Edge's placement feature
In an effort to further enhance the performance and usability of Offer Wall Edge, Fyber introduced new placement and filter options to this ad format, which is mostly used in gaming apps. Offer walls are a popular feature for many game developers to drive engagement and enable users who do not make in-app purchases to gain virtual currency through value-exchange ads, allowing these users to progress faster in their games and compliment revenue generated by paying users.

The placement feature makes it easy for app developers to create different versions of the Offer Wall Edge within the same app, tailoring each experience to a different segment of users. This helps publishers increase overall user engagement, drives better yield, and improves user experience. This is especially important when the Offer Wall is used to complement other existing revenue streams. Fyber's extensive reporting platform – Edge Reports – covers this new setup and ensures that publishers can easily compare the performance of different placement within one app and make adjustments based on actionable insights to increase the yield further.

Business Performance

Continued growth from video advertising

During the third quarter of 2020, Fyber delivered growth in all areas of business, further expanding the share of programmatic trading and video advertising.

The Company achieved €120.7 million in **revenue** during the first nine months of the year, a year-over-year ('YoY') increase of 46% compared to 9M 2019. In Q3 2020 alone, Fyber recorded 94% YoY revenue growth, driven by a 128% YoY increase in its programmatic business, which accounted for 84% of the overall Q3 revenue. Revenue from programmatic video advertising made up 39% of the overall business, expanding the share from just 7% in Q3 2019.

Revenue composition

	Nine months ended 30 Sep		Three months ended 30 Sep		Year ended 31 Dec
	2020	2019	2020	2019	2019
	in € millions				
Programmatic display advertising	55.6	48.5	24.7	18.4	72
Programmatic video advertising	**34.9**	**4.8**	**21.8**	**2.0**	**7**
Total programmatic business	**90.5**	**53.3**	**46.5**	**20.4**	**79**
Non-programmatic business	30.2	28.0	9.0	8.0	39
One-off effects	-	1.3	-	0.2	1
Total revenue	**120.7**	**82.7**	**55.5**	**28.6**	**119**

Given the strong growth of video advertising, the format expanded its share within programmatic trading to 47% in Q3 2020. The negative economic effects linked to the COVID-19 pandemic led to a decline in available advertising spend on the digital ad market. For Fyber, this became most evident with brand advertisers reducing their ad spend due to temporary business closures or other negative impacts on their sales activities, especially during Q2 2020. The Company recorded a decline in revenue from high-margin display advertising which relies to a notable extent on brand advertising and a change in revenue composition with an increasing share of lower-margin video advertising.

Development of revenue share paid to third parties

	Nine months ended 30 Sep		Three months ended 30 Sep		Year ended 31 Dec
	2020	2019	2020	2019	2019
	in € millions				
Revenue	**120.7**	**82.7**	**55.5**	**28.6**	**119.0**
Revenue share to third parties	(92.9)	(53.9)	(44.5)	(19.5)	(78.7)
Net revenue*	27.8	28.8	11.0	9.1	40.3
Net revenue margin*	23%	35%	20%	32%	34%
Other cost of sales	(11.7)	(14.9)	(3.7)	(5.1)	(20.8)
Gross profit	**16.2**	**13.9**	**7.2**	**4.0**	**19.5**

* Net revenue: not a measure calculated in accordance with IFRS, but often referred to as a term of analysis in the industry, describing the revenue less the share paid out to connected publishers and app developers as their monetization yield.

The changed revenue mix led to a decrease in net revenue despite the strong revenue growth, as the average net revenue margin for the programmatic business is lower than the non-programmatic business. Nevertheless, the net revenue development returned to growth in Q3 2020 with a 20% YoY increase to €11.0 million (Q3 2019: €9.1 million) led by accelerating growth in Fyber's video ad business. This trend is expected to continue and accelerate in Q4 2020.

Cost of sales mainly consists of the revenue share paid to third parties, i.e. the yield Fyber generates and pays out to app developers. Other components include IT cost, amortization of technology and customer relationships acquired through business combinations. The total cost of sales amounted to 87% of revenue, compared to 83% in 9M 2019. The increase is largely based on the lower revenue margins achieved with video advertising.

Consolidated income statement – Highlights

	Nine months ended 30 Sep		Three months ended 30 Sep		Year ended 31 Dec
	2020	2019	2020	2019	2019
	in € millions				
Revenue	120.7	**82.7**	55.5	**28.6**	**119.0**
Cost of sales	(104.5)	(68.8)	(48.2)	(24.6)	(99.5)
Gross profit	16.2	**13.9**	7.3	**4.0**	**19.5**
Research & development	(8.8)	(9.7)	(3.1)	(3.1)	(12.8)
Sales & marketing	(11.0)	(12.2)	(3.7)	(3.9)	(15.9)
General & administrative	(5.2)	(6.2)	(2.0)	(2.7)	(8.8)
Depreciation & amortization	7.4	10.3	2.5	4.2	17.3
Stock option plan	1.5	0.7	0.8	(0.2)	0.9
Other adjustments	-	-	-	-	(2.9)
Adj. EBITDA*	0.1	**(3.3)**	1.8	**(1.7)**	**(2.7)**
Adj. EBITDA margin (%)*	0.1%	-4.0%	3.2%	-5.9%	-2.3%

* 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 impairment of goodwill and acquisition related costs as well as not cash effective stock option expenses. 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.

Profitability detail

	Nine months ended 30 Sep		Year ended 31 Dec
	2020	2019	2019
	in € millions		
Earnings before interest and tax	(9.2)	**(14.1)**	**(20.5)**
Total adjustments	9.3	10.8	17.8
Thereof depreciation & amortization	7.8	10.4	17.3
Thereof 'Stock Options Program'	1.5	1.4	0.9
Thereof other adjustments in general & administrative	-	(0.9)	(0.4)
Adjusted EBITDA	0.1	**(3.2)**	**(2.7)**

The Company achieved above break-even adjusted EBITDA of €0.1 million during the first nine months of 2020, based on the €1.8 million adjusted EBITDA for Q3 2020.

Cash flow and going concern considerations

	Nine months ended 30 Sep		Year ended 31 Dec
	2020	2019	2019
	in € millions		
Net cash flow from operating activities	2.1	(15.3)	(9.2)
Net cash flow from investing activities	(2.5)	(5.5)	(5.5)
Net cash flow from financing activities	(0.3)	14.9	14.9
Net change in cash and cash equivalents	(0.7)	**(5.9)**	**0.2**
Net foreign exchange difference	(0.4)	1.5	0.4
Opening balance cash and cash equivalents	12.9	12.3	12.3
Closing balance cash and cash equivalents and cash deposits	11.8	**7.9**	**12.9**

Fyber has shareholder loans from the major shareholder Tennor Holding B.V. ("Tennor") amounting to €32 million, of that €15 million due in June 2021 and the rest due in June 2022. Under these loans €3 million of undrawn funds are still available. The Company plans to prolong the short term loans.

As of the date of this report, the Company has revolving credit facilities from banks in total of up to $15 million and €7.5 million. The facilities are due in December 2020 and considered current financing. Based on the current cash flow projections and liquidity analysis the Company is not able to repay these credit facilities in December 2020, if required. Therefore, the Company depends on the willingness of the banks to prolong the financing. The Company complies with all terms and covenants, and therefore does not assume the prolongations at risk.

The revenue growth and stable development of the operational cost positively affected the cash flow and resulted in a cash balance of €11.8 million. The positive cash flow from operating activities amounted to €2.1 million.

Based on the estimation of continued growth in the programmatic business and a stable non-programmatic business, the Company's working capital is sufficient to meet existing payment obligations from operations becoming due within the next 12 months. 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, margins from operating activities and the ability to maintain existing bank loan facilities. The stated guidance may in particular be influenced by potential further negative effects on the wider market stemming from COVID-19 and increased privacy policy regulations, such as Apple's recently announced policy change to adapt a new opt-in model for user tracking in their new operating system iOS14.

Financial and asset position

	Per 30 Sep 2020	Per 31 Dec 2019
	in € millions	
Intangible assets	141.0	148.3
Other assets	9.3	10.0
Cash and cash deposits	11.8	12.9
Trade and other receivables	52.9	29.5
Other financial assets	5.8	8.2
Total assets	**220.8**	**208.9**
Interest bearing loans	126.0	120.7
Trade and other payables	61.3	36.7
Employee benefits liabilities	4.7	5.8
Other liabilities	13.0	12.7
Total liabilities	**205.0**	**175.8**
Total equity	**15.8**	**33.1**

The Company is mainly financed through €75 million convertible bonds facility maturing in July 2022, as well as shareholder loans from Tennor maturing in June 2021 and June 2022.

Forecast Report

Based on the strong growth the Company reported during the first nine months of 2020, the initial guidance was upgraded in October 2020. The Company expects to achieve revenue between €185 and €195 million for the full year 2020 at a positive adjusted EBITDA. This reflects a revenue growth above 55% compared to 2019 – exceeding the estimated market growth for programmatic advertising in the same time frame.

For 2021, the Company forecasts further growth from the current drivers of programmatic trading and video advertising, resulting in a revenue of at least €250 million and positive adjusted EBITDA. As there is still dynamic in the market in connection with COVID-19, which may have an impact on the Company's revenue mix, the profitability guidance will be specified in 2021.

Furthermore, the impact on the Company's business of new privacy settings by Apple to be released in 2021 with the new operating system iOS14 is uncertain as of today and therefore not accounted for in the current guidance.

Current guidance

	9M 2020 reported	Q4 2020 forecast	FY 2020 forecast	FY 2021 forecast
		in € millions		
Revenue	120.7	64-74	185-195	250+
Adjusted EBITDA	0.1	positive	positive	positive

Subsequent Events

New share issuance in relation to bond conversion and stock option program
After issuing 3.4 million new shares in September 2020 to fulfill a convertible bonds conversion request of 10 bonds as well as the stock options exercised by employees during the third quarter of 2020, the Company issued an additional 3.3 million shares in November 2020 to fulfill another conversion request of 10 bonds. Consequently the new issued capital amounts to EUR 37,218,929.20, divided into 372.2 million ordinary shares.

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 NL0014433377. As of 30 September 2020, the issued capital of Fyber N.V. amounted to €36.886 million divided into 368,855.959 common bearer shares with a nominal value of €0.10 each. The issued capital consisted entirely of fully paid-up ordinary shares. The authorized capital amounts to €120.0m and is divided into 1.2 billion shares with a nominal value of €0.10 each.

Key share data

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0014433377
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	368,855.959
52 weeks high / -low *	0.54 / 0.16

* Note: as of 14 Nov 2020

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.	94.1%

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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, 25 November 2020

The Management Board
Ziv Elul, CEO
Daniel Sztern, Deputy CEO & COO
Yaron Zaltsman, CFO

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.

Condensed Consolidated Interim Financial Statements

Consolidated Income Statement

	9 months ended 30 September		3 months ended 30 September	
	2020	2019	2020	2019
	Unaudited			
	in € thousands			
Revenue	**120,697**	**82,716**	**55,492**	**28,612**
Cost of sales	(104,544)	(68,848)	(48,245)	(24,621)
Gross profit	**16,153**	**13,868**	**7,247**	**3,991**
Other operating income	-	1,348	-	1,348
Research and development expenses	(8,773)	(9,722)	(3,088)	(3,111)
Sales and marketing expenses	(11,084)	(12,223)	(3,687)	(3,880)
General and administrative expenses	(5,162)	(6,243)	(1,998)	(2,688)
Other operating expenses	(361)	(1,111)	-	(1,111)
Earnings before interest and tax (EBIT)	**(9,227)**	**(14,083)**	**(1,526)**	**(5,451)**
Finance income	121	212	80	73
Finance costs	(7,503)	(32,948)	(2,333)	(2,807)
Net finance costs	**(7,382)**	**(32,736)**	**(2,253)**	**(2,734)**
Profit (loss) before tax	**(16,609)**	**(46,819)**	**(3,779)**	**(8,185)**
Income tax gain (expense)	(165)	154	(258)	(57)
Profit (loss) for the period after tax	**(16,774)**	**(46,665)**	**(4,037)**	**(8,242)**
Profit (loss) attributable to				
Shareholders of Fyber N.V.	(16,774)	(46,665)	(4,037)	(8,242)
Non-controlling interest	-	-	-	-
Earnings per share				
Basic profit (loss) per share (€)	(0.05)	(0.19)	(0.01)	(0.02)
Diluted profit (loss) per share (€)	(0.05)	(0.19)	(0.01)	(0.02)

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

Consolidated Statement of other Comprehensive Income

	9 months ended 30 September		3 months ended 30 September	
	2020	2019	2020	2019
	Unaudited			
	in € thousands			
Profit (loss) for the period after tax	**(16,774)**	**(46,665)**	**(4,037)**	**(8,242)**
To be reclassified to profit and loss in subsequent periods				
Exchange differences on currency translation	(3,807)	4,172	(3,198)	3,719
Income tax effect	-	-	-	-
Other comprehensive income (loss) for the period, net of tax	(3,807)	4,172	(3,198)	3,719
Total comprehensive income (loss) for the period	**(20,581)**	**(42,493)**	**(7,236)**	**(4,523)**
Comprehensive income (loss) attributable to				
Shareholders of Fyber N.V.	(20,581)	(42,493)	(7,236)	(4,523)
Non-controlling interest	-	-	-	-

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

Q3 2020 Results Statement

Consolidated Statement of Financial Position

	30 September 2020	31 December 2019
	Unaudited	Audited
	in € thousands	
Non-current assets		
Goodwill	131,240	134,932
Other intangible assets	9,726	13,402
Intangible assets	**140,966**	**148,334**
Property and equipment	7,863	8,519
Non-current financial assets	4,151	4,272
Deferred tax assets	-	-
Total non-current assets	**152,980**	**161,125**
Current assets		
Inventories	-	82
Trade and other receivables	52,908	29,531
Other current financial assets	1,637	3,898
Prepayments	1,460	1,430
Cash and cash equivalents	11,795	12,876
Total current assets	**67,800**	**47,817**
Total assets	**220,780**	**208,942**

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	30 September 2020	31 December 2019
	Unaudited	Audited
	in € thousands	
Equity (deficit)		
Issued capital	36,886	36,187
Share premium	251,349	250,389
Treasury shares	(4,567)	(4,745)
Other capital reserves	31,971	30,489
Legal reserve capitalized self-developed intangible assets	9,012	7,980
Retained earnings	(304,775)	(286,969)
Foreign currency translation reserve	(4,062)	(255)
Equity (deficit) attributable to shareholders of the Company	15,814	33,076
Non-controlling interests	-	-
Total equity (deficit)	**15,814**	**33,076**
Non-current liabilities		
Employee benefits	227	238
Loans and borrowings	109,942	102,725
Deferred tax liabilities	-	-
Other non-current liabilities	12,796	12,536
Total non-current liabilities	**122,965**	**115,499**
Current liabilities		
Trade and other payables	61,345	36,701
Employee benefits	4,461	5,517
Loans and borrowings	16,003	17,950
Current tax liabilities	192	199
Total current liabilities	**82,001**	**60,367**
Total liabilities	**204,966**	**175,866**
Total equity (deficit) and liabilities	**220,780**	**208,942**

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	9 months ended 30 September	
	2020	2019
	Unaudited	
	in € thousands	
Loss for the period after tax	**(16,774)**	**(38,423)**
Income tax (gain) expense	165	(212)
Depreciation, amortization and impairment	7,825	4,285
Net finance costs	7,385	30,003
Profit from sale of the right-of-use asset through sublease	-	-
Share based payments	1,482	966
Changes in provisions, employee benefit obligations	(1,066)	(2,277)
Changes in working capital	4,593	(410)
Cash generated from operations [1]	**3,610**	**(6,068)**
Interest received	61	-
Interest paid	(1,407)	(1,548)
Income tax paid	(293)	(713)
Income tax received	121	-
Net cash flow from operating activities	**2,092**	**(8,329)**
Purchases of property and equipment	(43)	(548)
Purchases of and development expenditures for intangible assets	(2,545)	(342)
Net proceeds (payments) from in investments and financial assets	121	(170)
Net cash flow from investing activities	**(2,467)**	**(1,060)**
Proceeds from non-current loans and borrowings	3,105	8,000
Proceeds (repayment) from current loans and borrowings	(1,263)	(4,314)
Payment of lease liabilities	(2,127)	-
Net cash flow from financing activities	**(285)**	**3,686**
Net changes in cash and cash equivalent	**(660)**	**(5,703)**
Cash and cash equivalent at beginning of period	**12,876**	**12,276**
Net foreign exchange difference	(421)	27
Net changes in cash and cash equivalent	(660)	(5,703)
Cash and cash equivalents at end of period	**11,795**	**6,600**

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

1) Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

Consolidated Statement of Change in Equity (Deficit)

Unaudited

in € thousands	Issued capital	Share premium	Treasury shares	Other capital reserves	Legal reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity (deficit)
01 January 2020	36,187	250,389	(4,745)	30,489	7,980	(286,969)	(255)	33,076	-	**33,076**
Loss for the period after tax	-	-	-	-	1,032	(17,086)	-	(16,774)	-	**(16,774)**
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	(3,807)	(3,807)	-	**(3,807)**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**1,032**	**(17,806)**	**(3,807)**	**(20,581)**	**-**	**(20,581)**
Share-based payments – vesting	-	-	-	1,482	-	-	-	1,482	-	**1,482**
Share based payments – exercise	32	(239)	207	-	-	-	-	-	-	**-**
Conversion of convertible bonds	667	(1,251)	(29)	-	-	-	-	1,889	-	**1,889**
Transaction costs with respect to bond conversion	-	(52)	-	-	-	-	-	(52)		**(52)**
Transactions with shareholders	**699**	**960**	**178**	**1,482**	**-**	**-**	**-**	**3,319**	**-**	**3,319**
30 September 2020	36,886	251,349	(4,567)	31,238	9,012	(304,042)	(4,062)	15,814	-	15,814

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

Consolidated Statement of Change in Equity (Deficit)

Audited

in € thousands	Issued capital	Share premium	Treasury shares	Other capital reserves	Legal reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity (deficit)
31 December 2018	11,453	184,812	(4,745)	25,313	7,272	(237,416)	(2,247)	(15,558)	-	**(15,558)**
Effect of adopting new accounting standards, net of tax	-	-	-	-	-	(76)	-	(76)	-	**(76)**
01 January 2019	11,453	184,812	(4,745)	25,313	7,272	(237,492)	(2,247)	(15,634)	-	**(15,634)**
Loss for the period after tax	-	-	-	-	1,237	(47,902)	-	(46,665)	-	**(46,665)**
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	4,173	4,173	-	**4,173**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**1,237**	**(47,902)**	**4,173**	**(42,492)**	**-**	**(42,492)**
Share-based payments	-	-	-	1,391	-	-	-	1,391	-	**1,391**
Issue of shares upon conversion of convertible bonds	24,734	70,676	-	-	-	-	-	95,410	-	**95,410**
Transaction costs with respect to bond conversion	-	(596)	-	-	-	-	-	(596)	-	**(596)**
Transactions with shareholders	**24,734**	**70,080**	**-**	**1,391**	**-**	**-**	**-**	**92,605**	**-**	**92,605**
30 September 2019	36,187	254,892	(4,745)	26,704	8,509	(285,394)	1,926	38,079	-	38,079

The notes on pages 35 to 37 are an integral part of these consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 GENERAL

1.1. Reporting entity and relationship with parent company

Fyber N.V. (hereinafter referred to as "Company" or together with its subsidiaries as "Fyber" or "Group") is a company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands. The Company 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 Wallstraße 9-13, 10179 Berlin, Germany. The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN' or ISIN NL0014433377 respectively, following a conversion from registered shares to bearer shares which was completed on 28 April 2020.

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.

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 220 people.

1.2. Financial reporting period

These condensed consolidated interim financial statements (hereinafter referred to as "interim financial statements") cover the Three-months period, which ended at the balance sheet date of 30 September 2020.

1.3. Going concern

As of 30 September 2020, the Group showed a total equity of €15,814 thousand (31 December 2019: €33,076 thousand) and €11,795 thousand in cash and cash equivalents (31 December 2019: €12,876 thousand).

At the balance sheet date, the Group has shareholders loans with Tennor Holding B.V. amounting to €32,000 thousand (31 December 2019: €30,000) plus accrued interest of €4,788 thousand (31 December 2019: €2,237 thousand).

Furthermore, the Group has revolving credit facilities from banks amounting to €21,362 thousand of which €17,052 thousand had been drawn (31 December 2019: €17,949 thousand). These credit facilities are due in December 2020 and considered current financing.

Based on the current cash flow projections and liquidity analysis the Group is not able to repay these credit facilities in December 2020 if needed. Therefore, the Group depends on the willingness of the banks and the shareholder to prolong its financing.

As in 2020 almost everything was to some extent affected by COVID-19 and the several countermeasures taken by many countries around the world also the Group experienced a short term decline in available advertising budgets at the end of Q1 and Q2. In view of the uncertainties connected to COVID-19, management has taken comprehensive measures which included a temporarily global closure of the Group's offices and implementing a sustainable working from home policy for all its employees. Further, ongoing projects were re-assessed before the background of the current situation and some were put on hold enabling the Group to temporarily reduce the working capacity by more than 20% and personnel expenses accordingly in Q2 2020. The rapid recovery including the return and even expansion of brand advertising budgets which started April 2020 underlined the resilience of digital advertising to the current pandemic but also management's focus keeping up investing in growth areas.

However, management continues to observe the current development around COVID-19. While on one hand, there are promising news around the invention of various vaccines, there are rising numbers of infections on the other hand that put some pressure on health care systems worldwide.

Therefore there are still uncertainties around the extent and timing of the future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures. The Company cannot reasonably estimate the impact to its future results of operations, cash flows or financial condition; infections may become more widespread and the limitation on the ability to work, travel, as well as any closures or supply disruptions, may be extended for longer periods of time and to other locations, all of which would have a negative impact on the Company's business, financial condition and operating results. In addition, the unknown scale and duration of these developments have macro and micro negative effects on the financial markets and global economy which could result in an economic downturn that could affect demand for the Company's products and have an adverse effect on its operations and financial results, earnings, cash flow and financial condition.

These events and the conditions relating to the Group's financing position indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

However, management is still positive that it will be able to prolong the credit facilities before repayment in December 2020. Currently, the Group is in negotiations with its current financing banks not only to prolong but also extent exposure to back the current growth.

Based on the above, our current knowledge and taking into account the currently available information and uncertain future developments of COVID-19, management has reasonable expectation that Fyber will be able to prolong its financing and therefore has adequate financial resources to continue as a going concern.

Based on the above these financial statements have been prepared on the basis of the going concern assumption.

2 BASIS OF PREPERATION

The interim financial statements for the Three-months period ended 30 September 2020 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 2019. All the information in these interim financial statements 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 2019.

3 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 2019, the Group maintains one operating segment – Fyber FairBid.

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

	Nine months ended 30 September			
	2020		**2019**	
in € thousands	**Revenue**	**EBITDA**	**Revenue**	**EBITDA**
Fyber FairBid	120,697	(1,402)	82,716	(3,708)

Revenue and earnings before interest, tax, depreciation and amortization (EBITDA) are the key performance indicators that management are reviewing on a regular basis when assessing performance of the operating segments.

Reconciliation from the amounts in the statement of financial position to the total amounts of all reportable segments was not prepared since the information of the reportable segments completely match with the amounts shown in the financial statements.

In the nine months ended 30 September 2020, the Group recognized impairment losses of €361 thousand within Fyber FairBid (2019: €0 thousand).

4 GEOGRAPHIC INFORMATION

Breakdown of revenue according to customers' location:

	Nine months ended 30 September	
	2020	**2019**
in € thousands	**Revenue**	
North America	70,960	43,464
Europe, Middle East and Africa	37,562	29,715
Asia-Pacific	7,806	8,309
Rest of the world	4,369	1,228
Total	**120,697**	**82,716**

5 SUBSEQUENT EVENTS

The Company issued 3.3 million shares in November to fulfill convertible bonds conversion requests of 10 bonds. Consequently the new issued capital amounts to EUR 37,218,929.20, divided into 372.2 million ordinary shares.

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

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Yaron Zaltsman (CFO)

Chairman of the Supervisory Board
Yair Safrai

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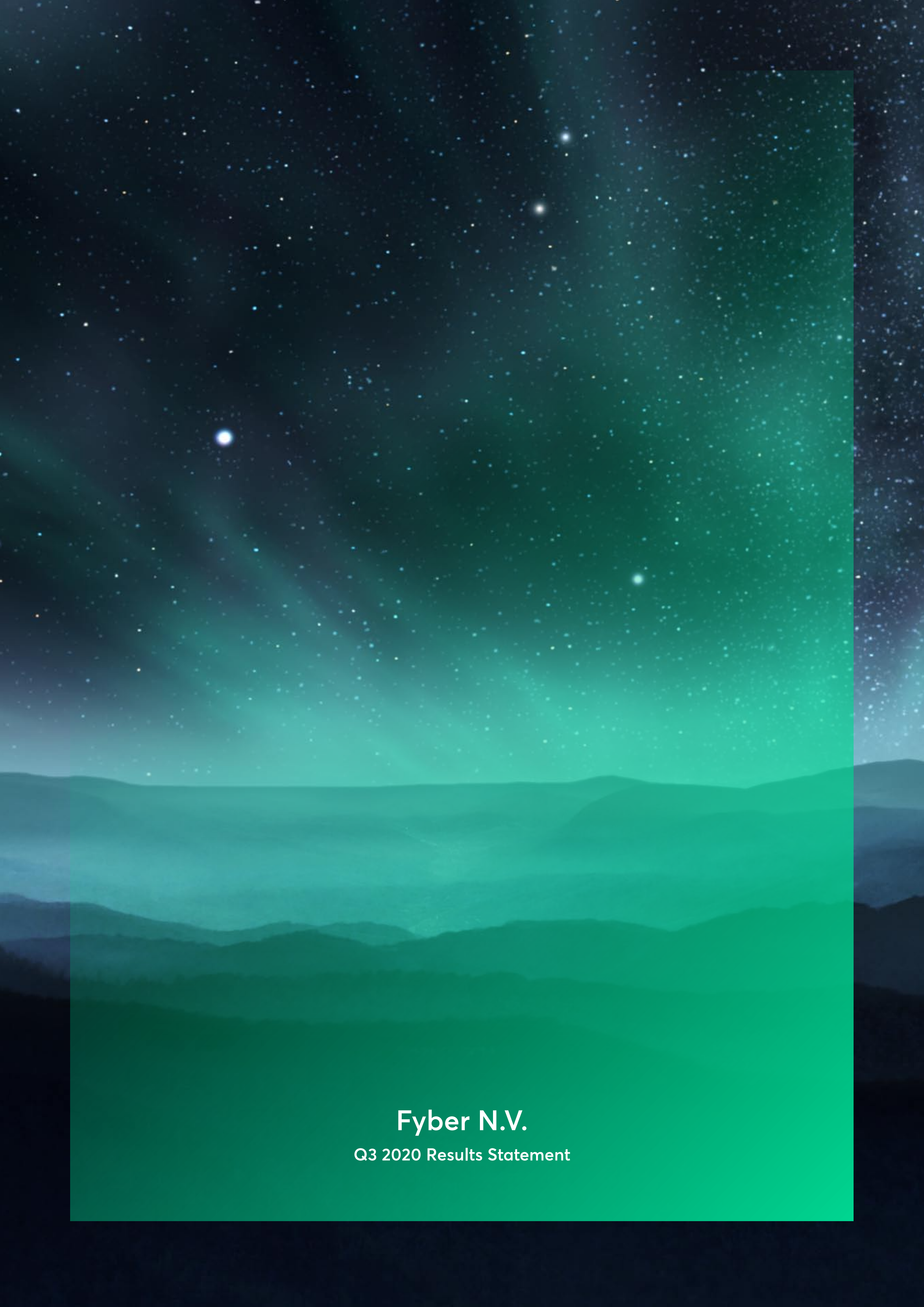

Fyber N.V.

Q3 2020 Results Statement