



RNTS Media N.V.

Interim Report First Half 2016

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RNTS MEDIA

H1 2016 – Key Developments

RNTS Media's strategic goal is to become the leading independent monetization technology partner for mobile app developers and digital publishers. The focus on Mobile, Video and Real-time Bidding (RTB) that has been defined 18 months ago is today addressing the three top themes of the ad tech space. In H1 2016 it has already shown an impressive impact on the Group's performance:

Revenues (reported) accelerated from €32.6m in H1 2015 to €59.8m in H1 2016 by 84%

EBITDA (reported) improvement vs. H2 2015 by €2.4m to €-9.0m

Acquisition of Inneractive in July 2016 drives pro-forma revenues to €94.8m and EBITDA to €-5.5m, including Inneractive as of 1 January 2016, which documents the opportunity of scaling on the basis of the investments made by RNTS over the last 18 months

Strong growth in Programmatic trading & Real-time bidding as well as Video advertising

RTB acquisitions accelerating growth - **Fyber** RTB revenues increased more than twelve-fold YoY to €20.0m and **Inneractive** revenues up 158% in H1 2016 to €34.6m

Share of revenue from video ad formats grew from 18% in H1 2015 to more than 44% in H1 2016 on a pro-forma basis, growing more than 350% during this time

Combined Group reached more than **1 billion monthly active users**¹ and offers comprehensive ad monetization solutions for app developers and digital publishers across all relevant ad formats

Upgraded guidance for pro-forma gross revenues from more than €160m to more than €185m for 2016; Introduced guidance for 2017 with more than €240m in gross revenues and EBITDA break-even on a run-rate basis for the end of the year

Placed €50m in **convertible bonds** as the final tranche of the €150m convertible bonds launched in 2015

To fully capitalize on its successful strategic progression and significant acceleration in the growth of its RTB and programmatic businesses, RNTS Media has decided to appoint CEO and co-founder of Inneractive, Ziv Elul, as COO and CEO designate of the RNTS Group. After a transitional period, Ziv will take over the responsibility as CEO while current CEO Andreas Bodczek will be appointed Group President, focusing on the further development of the strategy, the successful post-merger integration of the recently acquired companies and the building of new strategic relationships

¹ Pending deduplication between acquired companies

Chief Executive Officer's Statement

The successful closing of the Inneractive transaction marks a step change in RNTS Media's scale and technological offering. The strong growth we have seen already during the first months of this year is a proof point for the management's strategic decision to focus the Company on digital advertising technology, powering the app economy with solutions for smarter ad monetization.

We have identified the importance and potential of programmatic trading and real-time bidding (RTB) for this sector early and positioned RNTS Media, with Fyber and Inneractive at its core, to fully participate in the continuous strong market growth.

Fyber RTB, former Falk Realtime, was acquired almost pre-revenue and has since then increased revenues to €20m, benefitting, like Inneractive, from the strong and fast-growing market adoption of the buying technology. Considering that programmatic trading and RTB for brand advertising are still in the early stages of its development, we are confident that ad spending will continue to rise in the coming years. Market studies show that even those marketers who have already adopted programmatic trading have only allotted between 30% and 40% of their programmatic spend to brand campaigns in 2015, with the intention to increase investment by 37% on average by 2017.²

Real-time bidding and Video driving market growth

We continue to see strong growth in the overall mobile advertising spend, with video and programmatic buying constituting some of the key drivers.

Digital video ad spend in the US alone is estimated at \$10bn for 2016, representing a growth of more than 120% over the last two years.³ PwC predicts mobile video adverts will

surpass the spend on desktop video advertising in 2016, growing at a 30% CAGR between 2015 and 2020, making it the fastest-growing digital ad format. Major industry studies, based on advertiser insights, suggest that this growth trend is set to continue with nearly two-thirds of marketers planning to increase their spend on mobile and digital video over the next year.⁴ In many cases ad spend budgets are being transferred from traditional TV budgets due to higher ROIs and better targeting capabilities; in line with feedback we receive from our customers.

Video offers an innovative way for advertisers to engage with their audiences and deliver high-quality, high-value content. Both Fyber and Inneractive have strong video capabilities, with video already making up more than 45% of the combined revenues in June 2016, with continued investment. Inneractive recently launched their native in-feed video product, targeting premium publishers, including major US media and news apps, who are looking for high quality usability, functionality and brand safety. They also proved that their investments into ad quality paid off by scoring 4th in Picalate's renowned ad quality audit.

Programmatic trading and RTB are other major growth factors, with more than two-thirds of all US digital display advertising budgets already allocated to programmatic. Within programmatic, both mobile and video are contributors to this success.⁵

Advertising technology continues to be an active and sought-after space for the M&A market. The first quarter of 2016 saw the third-highest deal volume on record for ad and marketing technology and by the end of June 218 deals worth \$11.5bn were completed.⁶ Recent transactions included Verizon / Yahoo or the acquisition of Smaato by China-based Spearhead.

RNTS Media underpinned its strong position on the supply side, together with Inneractive, by forming one of the largest independent ad monetization platforms and reaching more

than 1bn active users per month. Market demand remains for an independent infrastructure provider at scale, with many publishers not willing to solely rely on the owned and operated services to monetize their apps.

90% growth for the first half of the year

Pro-forma revenues during the first six months of 2016 grew 90% to €94m, compared to the same period last year. This was mainly driven by strong growth of Fyber's Rewarded Video, with ad impressions up 190% compared to H1 2015,⁷ and RTB. Fyber RTB showed strong adoption, benefitting both from organic growth in their core business of monetizing large media publishers and ad networks, in addition to enabling all of Fyber's client base to access programmatic advertising demand. In line with the overall market developments we see the same trend in the Inneractive business. Inneractive exceeded the forecasts drawn up before the acquisition, contributing to the increased revenue guidance the Group communicated in July.

While Offer Wall continues to be a stable contributor to the Fyber Group revenues, we expect more versatile ad units such as Video, Native and Interstitial to power future growth. These products can be best leveraged across all business units as they appeal to all publisher verticals, whereas Offer Wall focuses on powering gaming apps.

Requirements for product excellence, a comprehensive portfolio of ad formats and monetization tools are increasingly more important as revenue streams from mobile advertising become more meaningful to developers. For RNTS Media, this translates into continued strategic investment into engineering and product development. With more than 40% of our employees dedicated to Product and R&D, we put developing and delivering tailored technology and ensuring leadership through technological edge at the heart of everything we do.

Successfully closed two acquisitions

The acquisition of mobile supply-side platform Heyzap was completed in January 2016, putting Fyber into a market leading position for Mediation. The acquisition also expanded the Group's reach into freemium apps and games and added important functionality and expertise on ad formats like Banner and Native.

Furthermore, the completed acquisition of Tel Aviv-based RTB exchange and supply-side platform Inneractive in July 2016 marked the third and largest milestone in the execution of our acquisition-driven growth strategy on the path towards critical scale. Once fully integrated, it will offer one of the most competitive suites of mobile ad tech

products and services to app developers and publishers available in the market.

Upgraded guidance for 2016 and beyond

In July, we increased pro-forma gross revenue guidance from more than €160m to more than €185m for the full year 2016, as well as adding a gross revenue goal of more than €240m for 2017. This is largely based on the strong adoption of our RTB business, with both Inneractive and Fyber RTB outperforming their forecasts, and good traction of Fyber.

With a strong emphasis on the integration of the acquired companies and an immediate focus on organic growth, RTNS Media is heading for EBITDA break-even in the fourth quarter of 2017 on a run-rate basis. Falk Realtime, Heyzap and Inneractive have either been profitable or reached break-even since acquisition and are contributing to cash generation for the wider Group.

The connection with the Inneractive platform and the retirement of the Heyzap infrastructure in 2017 will drive further synergy. Investments made ahead of growth can now be leveraged across the Group, including the strong management team, back-office systems and the server infrastructure, enabling us to scale into profit over the coming year.

With this we have also reached a milestone that provides the opportunity to re-define the future Management Board of the RNTS Group. Ziv Elul, co-founder and CEO of Inneractive, has already joined RNTS Media's Management Board, where he is now taking on the responsibilities as Chief Operating Officer (COO) and at the same time becomes the designated CEO with immediate effect. After a transitional period, Ziv will be taking over the responsibilities as CEO from me while I will move to the new position of President to focus on the further development of the Group's strategy, the successful post-merger integration of the recently acquired companies and strategic relationships and partnerships. I am convinced that this further enhances our ability to execute against our clear vision of becoming the leading independent monetization technology partner for mobile app developers and digital publishers.

Berlin, 21 September 2016



Andreas Bodczek
Chief Executive Officer

² Source: eMarketer, Econsultancy, Quantcast, Jun 2015

³ Source: eMarketer, Cowen and Company, Mar 2016

⁴ Source: PwC, Business Insider Jun 2016

⁵ Source: eMarketer, Apr 2016; IAB Apr 2016

⁶ Source: Results Insights, Apr 2016, Jul 2016

⁷ Incl. Heyzap on a pro-forma basis as if it had been acquired on 1 January 2015

Report of the Management Board

Introductory Notes

This semi-annual group report was prepared in an abridged form according to the requirements of IAS 34 (Interim Financial Reporting), section 3 and the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), section 37w (2).

This semi-annual group report complies with the legal requirements in accordance with the Dutch Act on Financial Supervision (Wet op het financieel toezicht or Wft), section 5:25d for a semi-annual financial report, and comprises the semi-annual management report, consolidated semi-annual financial statements, and the responsibility statement in accordance with the Dutch Act on Financial Supervision, section 5:25d paragraph (2c).

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

Company Structure

RNTS Media N.V. is a public company with limited liability (Naamloze Vennootschap) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, and its office address in Berlin, Germany, operating through its subsidiaries Fyber GmbH, Heyzap Inc. and Inneractive Ltd.

In comparison to the Annual Report 2015, Inneractive Ltd. has been added to the Group structure following the completion of the transaction on 19 July and Big Star Global Co. Ltd. has been sold per 29 April 2016.

Inneractive Ltd. (Israel), with its two wholly owned subsidiaries Inneractive US Inc. (USA) and Inneractive Europe Ltd. (UK) is a direct subsidiary of RNTS Media N.V..

Market development

The underlying dynamics of RNTS Media's core market, digital and especially mobile advertising, remain unchanged from the detailed report included in the Annual Report 2015. Global growth in mobile ad spend remains strong and is projected to grow at a 30% CAGR 2015-2019, from \$69bn in 2015 to more than \$195bn in 2019 globally.⁸

Mobile video, powered by mobile programmatic, is one of the key drivers of this growth. eMarketer estimates ad spend on digital video for the US alone to be at \$9.9bn in 2016, with mobile video ad spending growing to more than \$17.4bn by 2020, making it the fastest-growing ad format on mobile, desktop and overall from 2016 through 2020.⁹

Video consumption on mobile smart devices increases rapidly, taking share from time spent on desktop and traditional TV, also thanks to higher bandwidth and lower latency on mobile. Not only among millennials, watching video on mobile is a daily occurrence, with mobile becoming the primary channel to watch online video for one in three adults between 18 and 54.¹⁰ Ericsson predict that mobile video traffic will grow 55% per year until 2020, backed by Cisco who forecast video content to make up more than 80% of the global internet consumption by 2019.¹¹ We believe that the increased user adoption, and the ongoing innovation around targeting,

viewability and brand safety, will lead to higher brand advertising budget allocated to mobile video in the near future. RNTS Media supports both performance video ad formats like Rewarded Video as well as non-rewarded video and hybrid ad units like Interstitial and Native Video, and records strong growth in both segments - with rewarded video impressions up 190% in H1 2016 vs. H1 2015 and non-rewarded video impressions up more than 360% including Inneractive.¹²

Mobile programmatic continues to attract high volumes of advertiser spend, gaining traction as measurability and targeting continue to evolve to meet marketers' needs. Magna Global predict that big branding sectors will continue to grow their use of programmatic advertising as they are best positioned to leverage their consumer and third-party data to achieve their branding and direct-response goals.¹³

In the US, eMarketer projects the programmatic digital display ad spend to reach more than \$27.5bn for next year, making up about 72% of the total digital display advertising budgets. Within mobile programmatic, RTB on private marketplaces is the fastest growing segment, poised to reach \$2.9bn by 2017, growing more than 100% YoY.¹⁴

Business Model & Products

RNTS Media is a leading advertising technology company, powering mobile app developers and digital publishers alike by offering solutions for smarter ad monetization. With Inneractive joining RNTS Media, the Group becomes one of the largest independent mobile supply-side platforms and one of the few players to offer the complete spectrum of platform products and major ad formats.

Inneractive's highly complementary product suite broadens RNTS Media's offering significantly by adding new ad formats, new publisher verticals and additional capabilities on existing platform products. Inneractive operates a similar monetization platform to Fyber. The biggest difference is that Inneractive focuses on all publisher verticals except for gaming, serving for example publishers in Entertainment, Utility or Productivity with non-rewarded ads tailored to their needs (for further details refer to section 'Introduction to Inneractive').

8 Source: eMarketer, Mar 2015

9 Source: eMarketer, Cowen and Company, Mar 2016

10 Source: Forbes Jan 2016, Google/Ipsos June 2016, eMarketer Apr 2016

11 Source: Cisco Jun 2016, Ericsson Jun 2015

12 Growth H1 2016 vs. H1 2015, incl. Inneractive and Heyzap on a pro-forma basis

13 Source: Magna Global Jun 2016

14 Source: eMarketer Apr 2016, eMarketer Sep 2015

Main product and technology initiatives during the first half of the year 2016 included:

- **Fyber Ad Server** - Launched to enable publishers to set up and manage direct deals with advertisers and to create cross-promotion advertising campaigns on their own properties
- **Facebook's Native Partner Program** - Fyber was selected as one of only three companies to be an initial partner of Facebook's native partner program, integrating Facebook's vast network of more than 3 million advertisers on our mediation platform and making their demand available to our publisher clients
- **Fyber RTB Integration** - Deep integration between Fyber and Fyber RTB for Rewarded Video, one of the fastest growing ad formats. This integration opens to Fyber publishers a vast network of programmatic demand sources to bid on in-app ad inventory. Ongoing projects include optimization of the integration and expansion of the RTB exchange
- **Heyzap Integration** - Developed core Heyzap capabilities for the Fyber platform, including Banner Mediation, Cross-Promotion and Hybrid Interstitials and started the migration of publishers to the Fyber platform
- **Fyber platform scalability and data architecture** - Continued to invest in Fyber core systems to support accelerated traffic growth. Key initiatives included

cloud migration infrastructure, as well as faster, richer data and reporting

The ongoing integration of Heyzap and the scalability of the platform and data architecture will remain important areas of focus for the Group in the second half of the year.

Introduction to Inneractive

Inneractive is a technology platform that enables app developers and mobile web publishers to sell advertisements in an automated way across their mobile properties. Inneractive's core products are its mobile ad exchange (INNEX) and its mobile SSP (Inneractive Console). It specializes in enabling the programmatic trading of a variety of high growth, high impact ad units such as video, native, rich media and more via RTB at scale, including a proprietary in-feed native video unit called STORY.

Publishers in the mobile space

Mobile ad spend has recently surpassed spend on desktop¹⁵ and more and more publishers such as app developers and mobile web publishers are creating new mobile properties. However, there are several challenges mobile publishers face:

- **Selling premium inventory programmatically** - initially, programmatic channels were used in order to sell off remnant inventory that a mobile publisher could not sell directly; Today, publishers want to be able to enjoy the benefits of programmatic (such as

automation, scale and targeting), without its perceived 'costs' of lower rates, loss of control over their environment and lack of transparency

- **Maximizing revenue** - with so many buyers available via different channels it is often difficult for publishers to know whether they are leaving money on the table and whether there is a buyer out there willing to pay more for the inventory
- **Selling premium ad units via RTB at scale** - lucrative ad units such as mobile video and native in-feed units are typically sold directly, making it difficult to scale
- **Segmenting users** - there is a data asymmetry in the market, where buyers know more about users than mobile publishers do, allowing buyers to reap the benefits of segmentation at the 'expense' of the publishers

Inneractive's Products

Mobile Ad Exchange

INNEX, the built-for-mobile ad exchange platform, gives mobile publishers immediate access to over 150 demand partners globally, through a one-time, easy integration. The exchange leverages advanced RTB technology and features a patent-pending Unified Auction algorithm, which enables RTB and non-RTB buyers to compete with one another in the same real-time auction, thus maximizing revenue for publishers, who receive the highest bid across all buying sources. Inneractive's target audience are mid-sized and premium direct app developers and mobile web publishers.

INNEX offers multiple selling channels, which make it relevant for various types of customers and differing types of inventory:

■ **Open Exchange** - publishers can sell their mobile inventory in an open marketplace which gives them immediate access to over 150 buyers globally, and Inneractive's Unified Auction mechanism

■ **Private Marketplace** - publishers can choose to create an 'invite-only' environment to sell more premium inventory programmatically to a select set of buyers

■ **Preferred Deals** - publishers can grant a specific buyer a right of first refusal on pre-designated inventory, normally at an agreed-upon price

The exchange supports a broad variety of ad units, including the most high-growth, high-impact mobile ad units, and all via RTB, at scale, across both in-app and mobile web environments:

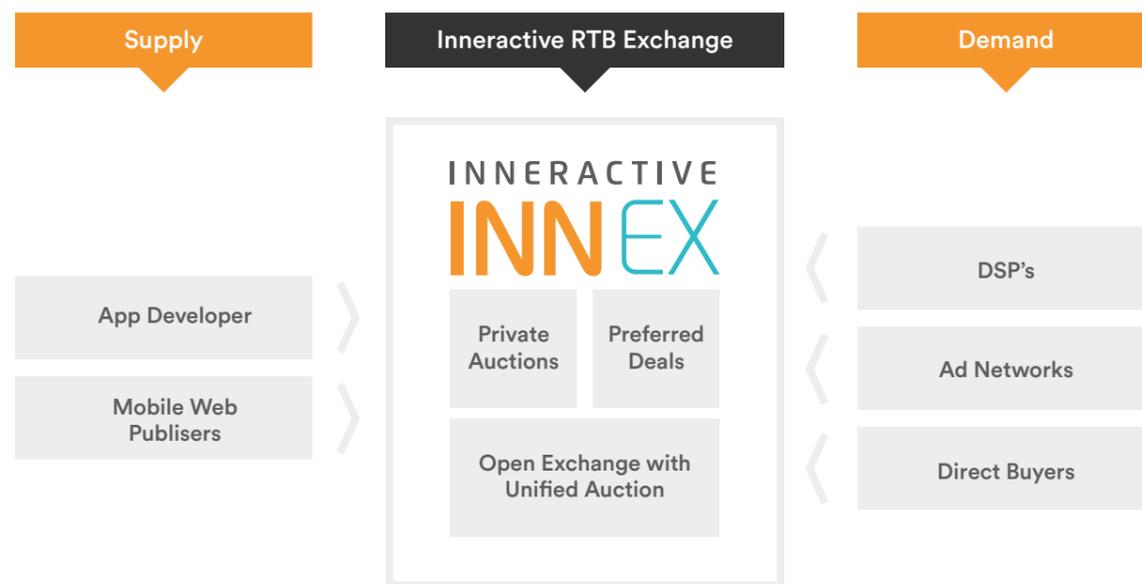
- **Video:** Native in-feed video (STORY), Pre-roll, Interstitial
- **Rich media**
- **Display:** Native, Interstitial, Banner

INNEX invests resources and works with third-party providers to ensure a clean marketplace:

- **Fraud tracking** allows to block inventory that is fraudulent
- **Auto redirect blockers** prevent ad requests to automatically be redirected to malicious sites

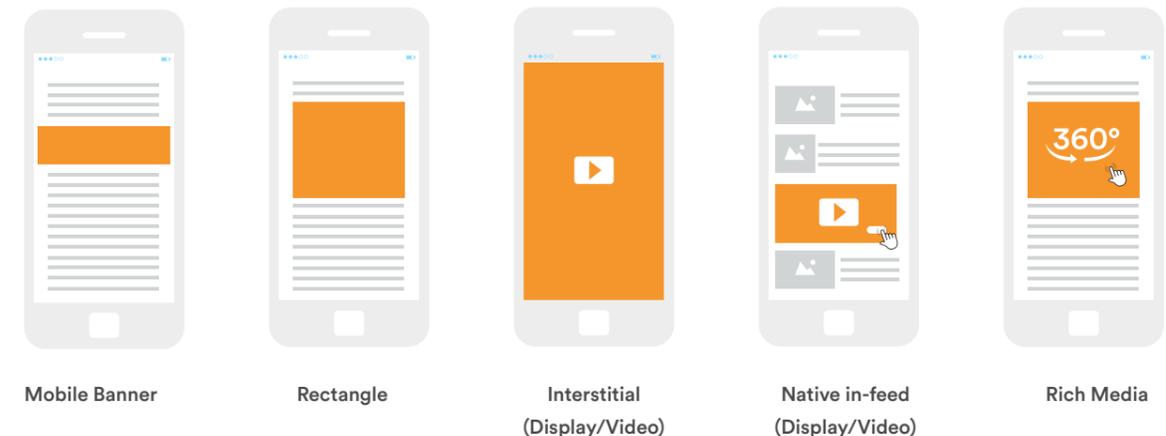
INNEX is Inneractive's main source of revenue. Its business model is based on a revenue share agreement with publishers. Inneractive collects the payment from the buyers, takes its agreed upon share and pays out to the publishers.

Inneractive's ad exchange INNEX



¹⁵ Source: eMarketer, Apr 2015

Inneractive's ad formats



Mobile Supply Side Platform (SSP)

The Inneractive Console is the client-facing dashboard that enables publishers to access various RTB and non-RTB demand sources and optimize the yield from their properties. The Console provides clients with a user-friendly interface, enabling them to either manage and optimize their yield themselves or use the auto-optimization functionality analogous to Fyber's autopilot. It also enables them to view analytics, run reports and derive valuable insights. It is provided as a complimentary service to publishers using INNEX.

Inneractive's Console is designed to give publishers transparency and control over their inventory, via the following:

- Sophisticated demand control allowing to block specific buyers or networks
- Brand safety and monitoring tools (AdWatch) allowing publishers to view which ads are being displayed on their properties
- Full transparency into KPIs and buyer performance
- Widget-based granular analytics, and actionable insights based on user segmentation (geo, operating system, age, gender, location, etc.)
- Third-party viewability verification and analytics
- Consultative support from the account management teams sharing their expertise in mobile monetization and advising on yield-optimal monetization strategies

Direct Advertising and User Acquisition

INN360 is Inneractive's direct performance sales arm that works directly with some of the world's largest power-house applications such as Twitter, Glassdoor, King.com, Kabam, Gree and leading agencies such as M&C Saatchi and Fetch. It is a buyer-facing service that allows developers, agencies and brands to run campaigns and maximize ROI. The team focuses on performance campaigns such as user acquisition.

INN360 runs campaigns on Inneractive's inventory as well as on other sources of traffic (via INN360's Media Department).

White-Label RTB Solutions

Inneractive's white-label solution captures the essence of RTB technology and makes it available to mobile ad networks and other types of mobile supply aggregators, to complement and enhance their programmatic solutions.

Inneractive's Geographic focus

Inneractive has invested heavily into building out their North America office during 2015 and has established two new offices over the last twelve months - in London (Q4 2015) and Beijing (Q1 2016).

In China, the focus is on acting as a bridge between China and the international market, especially North America and Europe, by helping Chinese mobile publishers to monetize their international users, and supporting western advertisers to reach Chinese users.

The company's presence in London helps to further build out the relations with premium partners both on the supply and the demand side, and getting closer to 'the wallet' by working directly with brands and agencies.

Strategic Developments

Convertible Bonds

On 20 July 2016, RNTS Media announced the full placement of the €50m tap issue remaining from its 2015 €150m convertible bonds. This final tranche had been fully subscribed by 11 May, and settled in three tranches on 28 June, 8 July and 20 July.

The terms of the bonds remained unchanged with a strike price of €4.20 per share, maturing in July 2020 and an interest rate of 5% per annum. The 2016 placement was largely used to cover the initial cash consideration of the Inneractive acquisition amounting to \$46m as well as transaction costs. With the funds remaining from the initial €100m tranche, the Group's operational business is fully funded until the first quarter of 2017, when the first potential earn-out payments for both Heyzap and Inneractive would fall due. Further financing activities are in preparation to bridge the months to profitability.

Inneractive acquisition

The acquisition of Tel Aviv-based mobile RTB exchange Inneractive has been successfully completed on 19 July. As described above, this addition significantly broadens RNTS Media's offering in terms of addressed app verticals and supported ad formats.

To adhere to the ambitious growth plans of both the Fyber Group and Inneractive, there are no immediate plans to merge the two monetization platforms. The exchanges will however be linked, making Inneractive's demand available for the publishers integrated with Fyber and vice versa, creating additional liquidity and expected revenue synergies.

Inneractive has exhibited strong growth in 2015 and was named in the Deloitte Technology Fast 500™ EMEA

ranking and continues its success story also in 2016. The company was recently awarded with the Gold status in the 2016 Golden Bridge Awards® for fastest growing companies, capitalizing on its strong position at the heart of key market trends RTB and mobile video advertising.

RNTS Media acquired 100% of the share capital for an initial cash consideration of \$46.0m. In addition, the agreement provides for potential earn-out and retention payments of up to \$26.0m upon achievement of certain ambitious growth targets until 2019.

Financial Report

The objective for 2015 and early 2016 was building the base for organic and acquisition driven growth into profitability was the objective for 2015 and early 2016. For 2016 this was documented also in the initial guidance of pro-forma revenues to grow to more than €160m (vs. last year's reported €81.1m) and for EBITDA to improve against last year's adjusted €-13.7m. The business performance of the first 6 months shows strong confirmations for the execution against these objectives in the revenue growth as well as improvements in income through better leverage on the cost base built in the 2nd half of 2015.

In the pro-forma reporting Heyzap and Inneractive are included as if the companies had been acquired as of 1 January 2015 vs. actual acquisition dates being 8 January 2016 and 19 July 2016 respectively. The Fyber RTB, former Falk Realtime, business is also in the pro-forma financials only included from May 2015, as prior to the acquisition

its revenues and income were very low. We continue to adjust the numbers for separately disclosed items relating to stock option based compensation as well as acquisition and divestment related cost. Both adjustments are made to provide more transparency on the actual operating performance of the group and provide more meaningful data for the readers. All figures below - unless specifically identified by the pre-fix "reported" - therefore refer to pro-forma numbers.

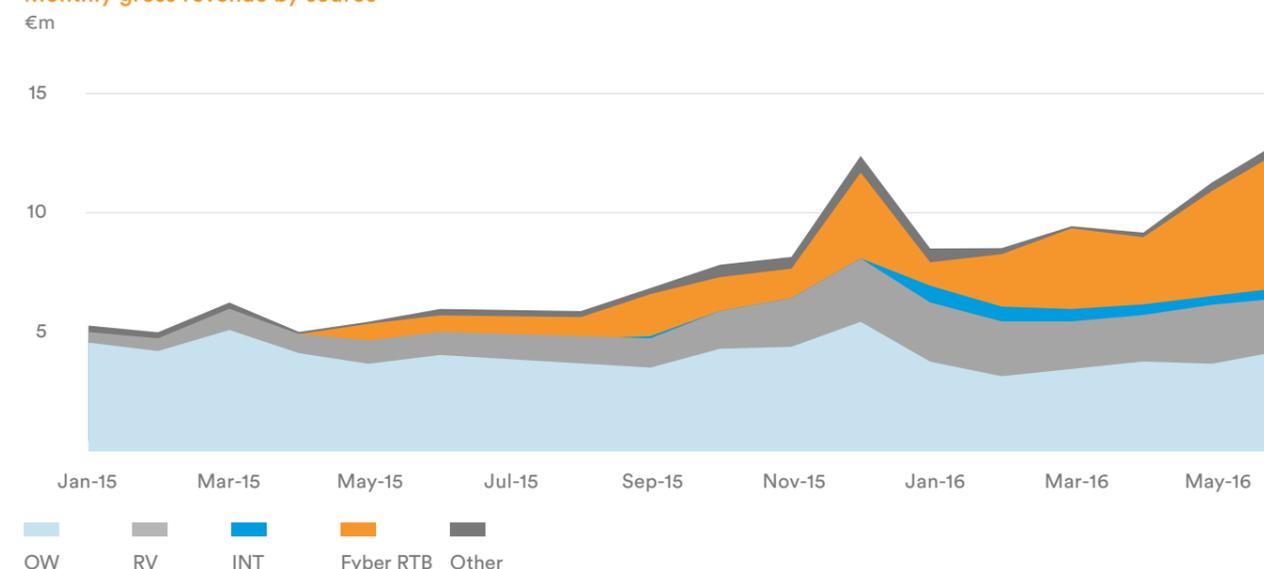
Pro-Forma Revenue Development, Gross Margin (EUR) and Gross Margin (%)

Reported revenues increased by 83.6% to €59.8m. The Fyber exchange business including Heyzap (acquired in January 2016) contributed €39.8m (+28.0%) to this revenue. The biggest increase resulted from the Fyber RTB business that has been built on the basis of Falk Realtime acquired in May 2015 and has grown from €1.4m to €20.0m (+1,284.5%).

Reported revenue from the various sources is shown in the picture below. Offer Wall continues to be a strong contributor while rewarded video has continued at the high level achieved during Q4 2015.

On the back of strong market growth in programmatic and RTB as witnessed already by Fyber RTB as well as the benefits from technology investments made in 2015, Inneractive also provides above market growth. Their revenues have grown from €13.4m to €34.6m (+157.7%) which together with Heyzap pre-acquisition revenue of €0.4m takes the group's pro-forma revenue to €94.8m - an accelerated increase of 90.2% vs. H1 2015.

Monthly gross revenue by source



INT = Interstitial Ads; OW = Offer Wall; RV = Rewarded Video; Fyber RTB = Real-time bidding; Other = Other revenues; 'Fyber RTB' shows total programmatically monetised traffic across formats
Note: Revenue contribution from acquisitions shown as of closing date.

The absolute gross margin (EUR) has grown by 67.6% from €17.2m to €28.7m. The relative gross margin (%) has fallen from 34.4% to 30.3%. The drop is due to the higher share of the lower margin business from Fyber RTB that has achieved a gross margin (%) of 14.1%. This was up from 4.9% in 2015 resulting from improved service depth and an expanded customer portfolio.

Pro-Forma Operating Expenses and Income

€3.1m of the reported Operating Income of €3.2m relate to currency gains. This is off-set by €2.6m of currency losses recorded in the Other Operating Expenses. Currency fluctuations of the USD against the EUR - especially in light of the Brexit decision - as well as the increase of currency dependent balance sheet positions due to the increase of the business have caused these high amounts.

Personnel expenses have increased by 30.2% mainly due to an increase in H2 2015 in preparation for future growth. The increase of personnel has come to a stop in H1 2016 with €17.8m being €0.6m lower than H2 2015. Headcount has increased from 381 in H1 2015 to 439 in H1 2016. HC at year-end 2015 was 399.

Adjusted EBITDA

Adjusted EBITDA losses are reduced by 60% from €-5.8m in H1 2015 to €-2.3m in H1 2016 with €3.4m of incremental gross margin (EUR) being delivered to the EBITDA level.

Separately Disclosed Items

Separately disclosed items (SDIs) amounted to €-5.4m in H1 2016 after €-7.4m in the same period 2015. The main components in 2016 were expenses for the acquisitions of Heyzap and Inneractive (€-1.8m), amortization of intangibles capitalized from the acquisitions (-€3.8m), stock-option related cost (€-1.3m) and gains from the sale of the Big Star Global entity (€1.6m). In the absence of further acquisitions, management expects the SDIs to be reduced further.

Comparison to second Half-Year 2015

The business of the RNTS group is typically influenced by a strong seasonality with H1 of the calendar year being substantially weaker than H2. In 2015 H1 and H2 contributed 40.2% and 59.8% of revenues respectively. Nevertheless, H1 2016 pro-forma revenues were 19.6% higher than H2 2015 further documenting the strong growth trend.

At the same time, this has been achieved with slightly reduced personnel cost of €17.8m vs. €18.4m in H2 - documenting the initial steps in realizing economies of scale in the business.

Adjusted Negative EBITDA has peaked in H2 2015 at €-6.4m and has already improved to €-2.3m for H1 2016. Management expects to be able to translate further revenue and gross margin (EUR) growth in H2 2016 into a continuation of this positive trend.

Risk Management

The principal risks and uncertainties affecting RNTS Media are described in the risk management section of the Annual Report for the year ended 31 December 2015. For the remainder of the financial year we additionally note the updates given below.

As of 31 August 2016, RNTS Media manages funds of €26.7m including €15m deposited at Abu Dhabi Securities. With a fast path to profitability, main negative cash flow components for the future are working capital for growth funding, interest payments on the convertible bond (€7.5m p.a.) and earn outs for the acquisitions of Heyzap and Inneractive.

At the same time, the Company holds in its Inneractive business a credit facility with Bank Leumi of \$8.0m of which \$2.5m are drawn. Further, the company is in negotiations with various banks to prolong or establish additional credit facilities.

Depending on the success to secure credit facilities as well as the magnitude of earn outs to be paid, further funding may be necessary until cash flow is turning positive. Management is currently reviewing its options for both, equity or debt based financing.

Current often cited industry developments around ad blocking are monitored closely albeit having limited to no effect on RNTS Media. Ad blocking is not as relevant and viable on mobile and specifically in-app as it may be on desktop. The Company's risk analysis finds low usage of ad blocking in its addressable market and no foreseeable growth. Reasons include data protection and cases of data infringements (ad blocking software tends to be highly intrusive), bad user experience (latency, black screens instead of ads) and difficulty of implementation. Publishers dependent on digital advertising might implement technical workarounds to block users who have enabled ad blocking. A considerable amount of RNTS Media's ad revenues is furthermore achieved with so-called opt-in ad formats, where users actively choose to engage with an ad. Based on the market sentiment in general and the Group's specific focus on in-app and the balanced product mix including opt-in advertisement the risk of ad blocking is considered to have low impact.

Outlook

On 29 July, RNTS Media announced an upgrade of the previously communicated pro-forma gross revenue guidance from more than €160m to more than €185m. Management expects to also translate the increased revenue into accelerated EBITDA improvement, while remaining negative on aggregate in 2016. For 2017, the Group expects further strong revenue growth to more than €240m and EBITDA to reach break-even on a monthly basis by the end of the year.

The upgrade comes on the back of strong adoption of the Group's RTB and programmatic offering, with both Fyber RTB and Inneractive performing above plan. RNTS Media anticipated the market development and changes in buying behavior and already last year expanded its offering significantly with the acquisition of Falk Realtime, now Fyber RTB. Inneractive widely complements this offering by offering a strong global RTB exchange in itself, focused on free app verticals such as Utility, Productivity and Messaging, where the Fyber Group is more focused on freemium apps and games.

The strong development of programmatic trading and real-time bidding underlines RNTS Media's strategy of building a complete ad tech offering for publishers, in terms of platform services, ad formats and app verticals. The comprehensive offering enables publishers to monetize their content more effectively and to execute their monetization strategies through one technical integration while ensuring yield optimization for each served ad impression.

Strong market growth and fast industry consolidation required a dual growth strategy of organic and acquisition-driven growth. Given the positive development we have experienced this year already in both areas, the Group's management is confident to now exceed the lower revenue limit of €185m provided as guidance. While the very strong growth in the RTB business cannot be extrapolated into the future at the same rate, we are still confident to have built a strong foundation for future revenue growth and a translation into sustainable profits.

The focus of the coming months will be on finishing the integration of the acquired assets and maximizing synergies with no further acquisitions planned at the time of publication.

Corporate Governance

Management Board

At the General Meeting dated 15 June 2016 Heiner Luntz was appointed CFO and Ziv Elul appointed as a Management Board Member. Subsequent to this, Ziv Elul has been appointed COO and designated CEO and, as such, RNTS Media's executive team is now fully complete and clearly structured to support the fast growth and increased requirements of the global company. CEO Andreas Bodczek will transition his duties to Ziv Elul and subsequently, in his new role as Group President, will focus on overall strategy, the successful post-merger integration of the recently acquired companies and building new strategic relationships. CFO Heiner Luntz will focus on all administrative, governance and financial markets aspects, while Janis Zech, in his role as President of Fyber and in collaboration with Ziv Elul, will drive the further growth of the Group's main business units Fyber and Inneractive.

Supervisory Board

The General Meeting held on 15 June 2016 has appointed Prof. Dr. Thorsten Grenz, Jens Schumann and Dr. Crid Yu as new members of the Supervisory Board.

Thorsten Grenz serves as President of Financial Experts Association e.V. and is based in Berlin. Jens Schumann currently serves as Deputy Chairman of the Supervisory Board of LOTTO24 AG and is one of the two founders and member of the Supervisory Board of today's Zeal Network SE (former Tipp24 SE). An ad tech industry veteran, Crid Yu is based in the San Francisco Bay Area and has held executive leadership roles with companies ranging from Google, inMobi and most recently Jana Mobile.

Following the expansion of the Supervisory Board, the setup of committees as foreseen in the Dutch Corporate Governance Code has been completed as follows:

Selection and Appointment	Dirk van Daele Thorsten Grenz
Remuneration and Organization	Guy Dubois Jens Schumann
Audit and Corporate Governance	Thorsten Grenz Guy Dubois Dirk van Daele
Strategy (additional)	Crid Yu Ryan Kavanaugh

Responsibility Statement

Within the meaning of Section 5:25d paragraph 2 of the Dutch Act on Financial Supervision (Wet op het financieel toezicht).

It is confirmed that to the best of our knowledge: (a) the semi-annual financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; (b) give a true and fair view of the assets, liabilities, financial position and operating results of the Group and the undertakings included in the consolidation taken as a whole, and (c) the consolidated half-year Report of the Management

Board of RNTS Media provides a true and fair review of the situation on the balance sheet date and of development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of RNTS Media for the remaining month of the financial year.

On behalf of the Management Board

Andreas Bodczek
CEO

Heiner Luntz
CFO

Financial Calendar 2016

Q3 2016 Results
23 November 2016

German Equity Forum
22 November 2016
(as RNTS Media's Annual Analyst Meeting)

Editorial

RNTS Media 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

RNTS Media N.V., Zweigniederlassung Deutschland
Corporate Seat: Berlin
Office Address: Johannisstraße 20, 10117 Berlin, Germany
Amtsgericht Charlottenburg HRB 166541B
Management Board: Andreas Bodczek (CEO), Heiner Luntz (CFO), Janis Zech, Ziv Elul
Chairman of the Supervisory Board: Dirk van Daele

VAT ID No.: DE283688947
ISIN Code: NL0010315453
LEI No.: 391200YUZYSVVTDCIO68

About RNTS Media N.V.

RNTS Media is a leading mobile advertising technology company. Headquartered in Berlin, Germany and founded in 2010, it empowers app developers and publishers to generate business-critical revenue streams with targeted in-app advertising through its core assets **Fyber** and **Inneractive**. RNTS Media is listed on the Prime Standard of Frankfurt Stock Exchange under symbol '**RNM**.' For more information, visit www.rntsmmedia.com.

Unaudited Pro-forma Interim Financial Statements

For the period from 1 January to 30 June 2016

UNAUDITED PRO-FORMA FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 RNTS Media N.V.

PRO FORMA INCOME STATEMENT¹

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

EUR k	1 Jan –	1 Jan –	1 Jan –	1 Jan –	1 Jan –	1 Jan –
	30 Jun 2016	30 Jun 2016	30 Jun 2016	30 Jun 2015	30 Jun 2015	30 Jun 2015
	Adjusted results	Separately disclosed items	Reported results	Adjusted results	Separately disclosed items	Reported results
Revenue	94,816	0	94,816	49,851	0	49,851
Revenue share to third parties	-66,067	0	-66,067	-32,693	0	-32,693
Gross Margin (EUR)	28,749	0	28,749	17,158	0	17,158
Other operating income	3,207	0	3,207	2,048	0	2,048
Personnel costs	-17,781	-1,342	-19,123	-13,434	-1,254	-14,688
Other operating expenses	-16,485	-1,837	-18,322	-11,526	-1,353	-12,879
EBITDA	-2,310	-3,179	-5,489	-5,754	-2,607	-8,361
Depreciation, amortization and impairment	-1,566	-3,811	-5,377	-895	-3,737	-4,632
EBIT	-3,876	-6,990	-10,866	-6,649	-6,344	-12,993
Finance income	107	0	107	0	0	0
Finance expenses	-7,607	0	-7,607	-517	0	-517
Loss for the year before tax	-11,376	-6,990	-18,366	-7,166	-6,344	-13,510
Income tax expense	-695	0	-695	-254	0	-254
	-12,071	-6,990	-19,061	-7,420	-6,344	-13,764
Gain / Loss for the year from discontinued operations after tax	0	1,629	1,629	0	-1,026	-1,026
Loss for the year after tax	-12,071	-5,361	-17,432	-7,420	-7,370	-14,790
Profit / loss attributable to:						
Owners of the parent	-12,071	-5,361	-17,432	-7,420	-7,370	-14,790
Non-controlling interest	0	0	0	0	0	0
	-12,071	-5,361	-17,432	-7,420	-7,370	-14,790
Earnings per share						
Basic loss per share (EUR)	-0.10	-0.05	-0.15	-0.07	-0.06	-0.13
Diluted loss per share (EUR)	-0.10	-0.04	-0.14	-0.06	-0.06	-0.12

¹The pro forma income statement is intended to illustrate how the income statement would have been affected if Heyzap and Inneractive would have been acquired as per 1 Jan 2015.

Unaudited Interim Consolidated Financial Statements

For the period from 1 January to 30 June 2016

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

EUR k	Notes	1 Jan –	1 Jan –	1 Jan –	1 Jan –	1 Jan –	1 Jan –
		30 Jun 2016	30 Jun 2016	30 Jun 2016	30 Jun 2015	30 Jun 2015	30 Jun 2015
		Adjusted results	Separately disclosed items	Reported results ¹	Adjusted results	Separately disclosed items	Reported results ¹
Revenue	7	59,754	0	59,754	32,553	0	32,553
Revenue share to third parties		-43,138	0	-43,138	-21,484	0	-21,484
Gross Margin (EUR)		16,616	0	16,616	11,069	0	11,069
Other operating income	8	3,207	0	3,207	2,048	0	2,048
Personnel costs		-13,352	-1,114	-14,466	-9,628	-1,111	-10,739
Other operating expenses	9	-12,892	-1,444	-14,336	-8,939	-1,353	-10,292
EBITDA		-6,421	-2,558	-8,979	-5,450	-2,464	-7,914
Depreciation, amortization and impairment	10	-1,520	-1,716	-3,236	-855	-1,146	-2,001
EBIT		-7,941	-4,274	-12,215	-6,305	-3,610	-9,915
Finance income		107	0	107	0	0	0
Finance expenses	11	-3,579	0	-3,579	-407	0	-407
Loss for the year before tax		-11,413	-4,274	-15,687	-6,712	-3,610	-10,322
Income tax expenses		-332	0	-332	-185	0	-185
Loss for the year from continuing operations		-11,745	-4,274	-16,019	-6,897	-3,610	-10,507
Gain / loss for the year from discontinued operations after tax	12	0	1,629	1,629	0	-1,026	-1,026
Loss for the year after tax		-11,745	-2,645	-14,390	-6,897	-4,636	-11,533
Profit / loss attributable to:							
Owners of the parent		-11,745	-2,645	-14,390	-6,897	-4,636	-11,533
Non-controlling interest		0	0	0	0	0	0
		-11,745	-2,645	-14,390	-6,897	-4,636	-11,533
Earnings per share	13						
<u>For continuing operations</u>							
Basic loss per share (EUR)		-0.10	-0.04	-0.14	-0.06	-0.03	-0.09
Diluted loss per share (EUR)		-0.09	-0.04	-0.13	-0.06	-0.03	-0.09
<u>For total operations</u>							
Basic loss per share (EUR)		-0.11	-0.02	-0.13	-0.06	-0.04	-0.10
Diluted loss per share (EUR)		-0.10	-0.02	-0.12	-0.06	-0.04	-0.10

¹ The Reported results represent IFRS figures.

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

EUR k	Notes	1 Jan –	1 Jan –	1 Jan –	1 Jan –	1 Jan –	1 Jan –
		30 Jun 2016	30 Jun 2016	30 Jun 2016	30 Jun 2015	30 Jun 2015	30 Jun 2015
		Adjusted	Separately disclosed items	Reported results ¹	Adjusted	Separately disclosed items	Reported results ¹
Loss for the year after tax		-11,745	-2,645	-14,390	-6,897	-4,636	-11,533
<u>To be reclassified to profit and loss in subsequent periods</u>							
Exchange differences on currency translation		-1,481	0	-1,481	650	0	650
Income tax effect		0	0	0	0	0	0
		-1,481	0	-1,481	650	0	650
<u>Not to be reclassified to profit and loss in subsequent periods</u>							
Actuarial gains on defined benefit plans		0	0	0	0	0	0
Income tax effect		0	0	0	0	0	0
		0	0	0	0	0	0
Other comprehensive income for the year, net of tax		-1,481	0	-1,481	650	0	650
Total comprehensive income for the year		-13,226	-2,645	-15,871	-6,247	-4,636	-10,883
Total comprehensive income attributable to:							
Owners of the parent		-13,226	-2,645	-15,871	-6,247	-4,636	-10,883
Non-controlling interest		0	0	0	0	0	0
		-13,226	-2,645	-15,871	-6,247	-4,636	-10,883

¹ The Reported results represent IFRS figures.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

EUR k	Notes	30 Jun 2016	31 Dec 2015
Non-current assets			
Intangible assets			
Goodwill	15	173,357	144,176
Other intangible assets		16,361	13,753
Property and equipment		2,158	2,195
Non-current financial assets	16	30,166	690
		222,042	160,814
Current assets			
Inventories		379	408
Trade and other receivables		41,920	23,160
Other current financial assets	16	35,604	14,992
Other current assets		802	2,054
Cash and cash equivalents		8,208	79,123
		86,913	119,737
Assets held for sale	5	0	618
		86,913	120,355
Total Assets		308,955	281,169
Equity			
Issued capital		11,453	11,453
Share Premium		184,812	184,812
Treasury shares		-1,327	0
Other capital reserves		16,285	13,366
Accumulated deficit		-80,369	-65,979
Other components of equity		-284	1,197
Equity attributable to shareholders of the company		130,570	144,849
Non-controlling interests		0	0
Total equity	17	130,570	144,849
Non-current liabilities			
Long-term employee benefits liabilities		104	613
Long-term borrowings	3	112,250	88,572
Deferred tax liabilities		0	0
Other non-current liabilities		14,531	68
		126,885	89,253
Current liabilities			
Trade and other payables		37,750	21,732
Short-term employee benefits liabilities		11,296	17,473
Short-term borrowings		0	0
Other current liabilities		58	3,360
Income tax payables		101	908
Provisions		295	598
		49,500	44,071
Liabilities directly associated with the assets held for sale	5	2,000	2,996
		51,500	47,067
Total liabilities		178,385	136,320
Total equity and liabilities		308,955	281,169

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

Notes	Equity attributable to owners of the parent						Total equity	Non-control-ling interest	Total equity
	Ordinary shares	Share Premium	Treasur-y shares	Other capital reserves	Accumul-ated deficit	Other compon-ents of equity			
EUR k									
1 Jan 2016	11,453	184,812	0	13,366	-65,979	1,197	144,849	0	144,849
Loss for the period after tax	0	0	0	0	-14,390	0	-14,390	0	-14,390
Other comprehensive income for the period, net of tax	0	0	0	0	0	-1,481	-1,481	0	-1,481
Total comprehensive income for the year	0	0	0	0	-14,390	-1,481	-15,871	0	-15,871
Share-based payments	0	0	0	1,114	0	0	1,114	0	1,114
Acquisition of treasury shares	5	0	-1,327	0	0	0	-1,327	0	-1,327
Discount on low-interest shareholder loans		0	0	0	0	0	0	0	0
Equity component of the convertible bond, net of tax	3	0	0	1,805	0	0	1,805	0	1,805
30 Jun 2016	11,453	184,812	-1,327	16,285	-80,369	-284	130,570	0	130,570
1 Jan 2015	11,453	184,782	0	3,021	-28,038	818	172,036	-20	172,016
Loss for the period after tax	0	0	0	0	-11,533	0	-11,533	0	-11,533
Other comprehensive income for the period, net of tax	0	0	0	0	0	650	650	0	650
Total comprehensive income for the period	0	0	0	0	-11,533	650	-10,883	0	-10,883
Acquisition of a subsidiary	0	0	0	0	0	0	0	0	0
Share-based payments	0	0	0	1,111	0	0	1,111	0	1,111
Acquisition of treasury shares	0	0	0	0	0	0	0	0	0
Discount on low-interest shareholder loans	0	30	0	0	0	0	30	0	30
Equity component of the convertible bond, net of tax	0	0	0	0	0	0	0	0	0
30 Jun 2015	11,453	184,812	0	4,132	-39,571	1,468	162,294	-20	162,274

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

Notes	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015	
EUR k			
Loss for the year before tax	-15,687	-10,322	
Depreciation, amortization and impairment	10	3,236	2,001
Financial income and expenses		3,472	407
Cash flow from discontinued operations		-1,007	1,239
Profit / loss from sale of assets		0	0
Other non-cash effects		923	-635
Reimbursement of Virtual Share Program by former Fyber shareholders		4,624	4,156
Changes in provisions, employee benefit obligations		-7,079	-7,991
Changes in working capital		-4,912	6,293
Cash generated from operations	-16,430	-4,852	
Interest received		0	0
Interest paid		-2,650	-228
Income tax paid		-1,139	-160
Net cash flow from operating activities	-20,219	-5,240	
Purchases of property and equipment		-453	-182
Proceeds from sale of property and equipment		0	0
Purchases, capitalization of intangible assets		-2,373	-1,018
Proceeds from sale of intangible assets		0	0
Free cash flow	-23,045	-6,440	
Acquisition of a subsidiary, net of cash acquired	4.2	-18,097	-10,455
Change in financial assets, net		-54,705	9,356
Cash flow from discontinued operations		0	-480
Net cash flow from investing activities	-75,628	-2,779	
Proceeds from the issue of shares		0	0
Transaction costs on the issue of shares		0	0
Proceeds from long-term borrowings	3	25,525	15,000
Transaction costs on the issue of convertible bonds	3	-563	0
Repayment of long-term borrowings		0	0
Proceeds from short-term borrowings		0	1,500
Repayment of short-term borrowings		0	0
Net cash flow from financing activities	24,962	16,500	
Net changes in cash	-70,885	8,481	
Cash at beginning of period		79,123	12,078
Net foreign exchange difference		-30	28
Net changes in cash		-70,885	8,481
Cash presented in assets held for sale		0	0
Cash and cash equivalents at end of period	8,208	20,587	

GENERAL INFORMATION

1. Corporate information

RNTS Media N.V. invests in digital advertising technology (AdTech) with significant growth potential. Its principal activities are currently mobile advertising through its subsidiaries in the Fyber Group, Heyzap Inc., acquired in January 2016, and Inneractive Ltd., acquired in July 2016.

Fyber headquartered in Germany, has developed a mobile advertising technology platform on which the Company's growth strategy is based. Fyber's supply-side platform helps app developers and publishers monetize their traffic more effectively. Fyber's platform comprises an ad exchange, an ad server a mediation layer which provides app developers and publishers easier access to a wide range of demand-side partners and advertisers as well as it offers software-based solutions (like real-time bidding and programmatic trading, ad analytics & reporting, yield optimization, ad stack management, audience segmentation tools) to increase performance. Fyber also has a direct sale and provides consulting services to its partners to help them optimizing the capitalization of their customer base.

Heyzap Inc., San Francisco, USA, has been acquired on 7 January 2016. Heyzap complements Fyber's global activities by offering a mobile monetization platform that operates a Mediation layer, ad exchange and cross-promotion functionalities. By the first half of 2017, Heyzap's monetization platform will be fully integrated with Fyber's platform, adding relevant mobile ad formats and creating an even more robust suite of mobile app monetization tools.

Inneractive Ltd. headquartered in Tel Aviv, Israel, has been acquired on 19 July 2016. Inneractive is an independent global mobile real-time bidding ad exchange and supply side platform focused on powering native and video ads. The company's mission is to empower mobile publishers to maximize the full potential of their ad inventories by providing powerful technologies for buying and selling mobile ads. Inneractive has offices in San Francisco, New York, London and Beijing.

The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the ISIN code NL0010315453.

RNTS Media 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 at Johannisstraße 20, 10117 Berlin, Germany.

These interim condensed consolidated financial statements have been approved for issue by the Management Board on 20 September 2016.

These interim condensed consolidated financial statements have neither been reviewed nor audited.

2. Accounting policies

2.1. Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June 2016 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 2015.

The accounting policies applied are consistent with the policies applied in the consolidated financial statements for the year ended 31 December 2015

The consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and the satisfaction of liabilities in the normal course of business. Please refer to note 2.2. for further detail.

2.2. Going concern considerations

In H1 2016, the Group continued to operate with losses, caused primarily by investing in the acquisitions of Heyzap and Inneractive, the Fyber platform and its organizational structure to lay foundation for future growth. This has required additional funding which was gained through the placement of additional EUR k 50,000 of Convertible Bonds (see note 3. for further detail).

At 30 June 2016, the Group showed EUR k 8,208 in cash and other current financial assets of EUR k 25,000 representing a deposit with Abu Dhabi Securities. Management expects that further resources to fund operating losses, working capital expansion as well as earn out payments for Heyzap and Inneractive will be necessary within the next 6-12 months before a cash flow break-even can be achieved.

The Group is in negotiations with Silicon Valley Bank to prolong and extend an existing working capital credit facility. Management is also in discussions with other financial institutions and is evaluating all available options for additional funding, both equity and debt based.

Management has reasonable expectation that the Group is able to acquire adequate resources to continue as a going concern for the foreseeable future.

3. Issue of convertible bonds and net debt

In July 2015, RNTS Media N.V. has placed senior, unsecured convertible bonds of EUR 100 million in aggregate principal amount due in July 2020. In H1 2016 a tap issue of additional EUR k 50,000 was issued with settlement of EUR k 25,000 in June 2016 and EUR k 25,000 in July 2016. The additional bonds were placed based on the same terms as the original issue i.e. a nominal coupon of 5% p.a. payable semi-annually in arrears and a conversion price of EUR 4.20.

Interest on the new bonds accrued starting from the last interest payment in January 2016. EUR k 525 interest were accrued until the settlement in June 2016 and were collected from bond subscribers in addition to the nominal value of the bonds. Interest earned before the settlement were netted with those owed for the same period having no effect on the income statement.

The convertible bond as a compound financial instrument was upon initial recognition split into a liability and an equity component respectively. The liability component was determined by assuming a market interest rate of 7.8% p.a. Transaction costs for the issue of the bonds of about EUR k 1,127 relating primarily to fees incurred by the acting Lead Managers to the transaction were

allocated to the liability and the equity component on a pro rata basis.

The EUR k 25,000 convertible bonds already issued by 30 June 2016 were split into equity and liability as follows:

EUR k	Equity component	Liability component	Total
Principal without accrued interest	1,847	23,153	25,000
Transaction costs	-42	-521	-563
Net proceeds	1,805	22,631	24,436

The equity component is recognized in other capital reserves.

The proceeds were primarily used to fund the initial purchase price payment for Inneractive in July 2016. As of 30 June 2016, the EUR k 25,000 were already transferred into an escrow account with the paying agent engaged for this transaction and recorded as non-current financial asset.

With the issue of the convertible bonds, net debt developed as follows:

Net debt analysis	30 Jun 2016	31 Dec 2015
	EUR k	EUR k
Long-term borrowings	112,250	88,572
Accrued interest payable on convertible bond	2,663	2,145
Cash and cash equivalents	-8,208	-79,123
Net debt / (cash)	106,705	11,594

Long-term borrowings solely consist of the convertible bond liability. As of 30 June 2016, the Group held EUR k 25,000 in a deposit account with Abu Dhabi Securities, available at short notice and carried in current financial assets. As of the date of this report the Group had withdrawn EUR k 10,000 from this account.

4. Acquisitions in 2016

4.1. General information

Effective 7 January 2016, the Group acquired 100% of the share capital of Heyzap Inc. ("Heyzap"), a supply side advertising platform and mediation provider. The maximum consideration has been agreed to be USD k 45,000 including earn out and retention components. In the acquisition business case, management expected a total consideration of USD k 36.1 million (EUR 33.4 million).

Heyzap was acquired primarily in order to expand the reach and liquidity of the Fyber platform by migrating the unique portfolio of Heyzap's publishers and advertisers, both with direct and mediated relationships, the latter one being the centerpiece of the earn out calculation. In addition, certain ad format know-how and technologies were acquired, which will be utilized in the future Fyber platform development.

Further, the acquisition of Inneractive was closed on 19 July 2016. The company and its subsidiaries will be fully consolidated as of that date (see note 21.2. for further detail).

4.2. Purchase price allocation of Heyzap Inc.

The purchase price allocation considers all knowledge and adjusting events about the conditions that existed at the acquisition date. From the estimated acquisition business case consideration of EUR 33.4 million, two loans of Heyzap have been repaid in an amount of EUR 1.0 million. The remaining purchase price of EUR 32.4 million was allocated to the identified assets and liabilities of Heyzap as well as goodwill at the date of acquisition as follows:

EUR k	Fair value 7 Jan 2016
Intangible assets	
- Identified during purchase price allocation	
-- Customer relationships	3,460
-- Technology	226
-- Brand	75
Current assets	3,761
Long-term borrowings	2,253
Current liabilities	-889
	-1,903
	3,222
Goodwill arising on acquisition	29,181
Purchase consideration transferred	32,403

The key assumptions of the valuation of the technology are as follows:

	Customer relationships	Technology	Brand
Valuation methodology used	Multi-period excess-earnings method (MEEM)	Relief from royalty	Relief from royalty
Useful life	4 years	1.5 years	1.5 years
Tax rate	40%	40%	40%

The goodwill of EUR k 29,181 comprises the value of the expected growth in revenue as well as synergies arising from the acquisition. Heyzap is considered a part of the ad monetization segment of the Group as there are numerous overlapping relationships in the operations between Fyber and Heyzap. Therefore, the entire goodwill is allocated to this segment. None of the goodwill is expected to be deductible for income tax purposes.

From the date of the acquisition, Heyzap contributed EUR k 3,722 to the consolidated revenues and EUR k -106 to loss after tax. If the combination had taken place at the beginning of the year, Heyzap would have contributed EUR k 4,140 to consolidated revenue and EUR k -77 to loss after tax.

The acquisition had the following cash effect:

	EUR k
Cash payment	-18,653
Net cash acquired with the subsidiary	556
Net cash flow (included in cash flow from investing activities)	-18,097

5. Discontinued operations

The investment in Big Star Global Ltd., in 2015 already treated as discontinued operations, was successfully sold as of 29 April 2016. For 100% of the shares in Big Star Global, the Group received a consideration of EUR k 2,268 net in promissory notes. Further, RNTS granted a new loan of EUR k 973 to Big Star Global, receiving an additional promissory note in return. EUR k 1,327 of the promissory notes received were used to buy back 627,615 RNTS shares at a price of EUR 2.12 per share. The outstanding notes fall due within the next 5 years. Due to uncertainties in respect to the recoverability, the outstanding promissory notes were fully impaired.

The Group continued to maintain provisions of EUR k 2,000 to cover for risks remaining with RNTS from the parental guarantee granted in favor of creditors from Big Star Global until 31 December 2016, which includes a refunding of a loan from the Industrial Bank of Korea, of which EUR k 239 were already paid until the date of this report.

In total, the disposal lead to a gain of EUR k 1,629 of which EUR k 931 was related to a reclassification of foreign currency translation reserve to profit and loss and the remaining gain of EUR k 698 resulted from disposal of net liabilities.

6. Structure of the Supervisory Board

The General Meeting held on 15 June 2016 has appointed Prof. Dr. Thorsten Grenz, Jens Schumann and Dr. Crid Yu as new members of the Supervisory Board.

Thorsten Grenz serves as President of Financial Experts Association e.V. and is based in Berlin. Jens Schumann currently serves as Deputy Chairman of the Supervisory Board of LOTTO24 AG and is one of the two founders and member of the Supervisory Board of today's Zeal Network SE (former Tipp24 SE). An ad tech industry veteran, Crid Yu is based in the San Francisco Bay Area and has held executive leadership roles with companies ranging from Google, inMobi and most recently Jana Mobile.

Following the expansion of the Supervisory Board, the setup of committees as foreseen in the Dutch Corporate Governance Code has been completed as follows:

Selection and Appointment	Dirk van Daele Thorsten Grenz
Remuneration and Organization	Guy Dubois Jens Schumann
Audit and Corporate Governance	Thorsten Grenz Guy Dubois Dirk van Daele
Strategy (additional)	Crid Yu Ryan Kavanaugh

NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In the following notes to interim consolidated statement of comprehensive income, the figures for the period ended on 30 June 2015 are in some parts different from the figures presented in the interim condensed consolidated financial statements for the period ended 30 June 2015 since at the end of 2015, Big Star Global was categorized as a discontinued operation. Therefore, its contribution to the consolidated income and expenses is presented separately from those of the continuing operations. To increase the comparability of the financial information, the figures for the prior period ended on 30 June 2015 are shown as if Big Star Global would have been a discontinued operation for the whole year 2015 as well.

7. Revenue

The revenues of EUR k 59,754 (2015: EUR k 32,553) shown in the income statement relate solely to the advertising services realized through Fyber including Fyber RTB and Heyzap.

8. Other operating income

Other operating income breaks down as follows:

	1 Jan - 30 Jun 2016 EUR k	1 Jan - 30 Jun 2015 EUR k
Foreign currency transaction gains	3,091	2,032
Miscellaneous	116	16
Other operating income	3,207	2,048

Foreign currency transaction gains result from movement of the exchange rate for monetary items denominated in a currency other than the functional currency of the respective operating entity as payments are made and valuation of monetary items as of the reporting date are performed to a rate that is favorable compared to the rate applied when the underlying transaction was recorded. The group realizes the majority of its revenues and a substantial portion of its expenses in USD. Corresponding foreign currency losses are recorded as other operating expenses.

9. Other operating expenses

The following table provides an overview of the material items of other operating expenses:

	1 Jan - 30 Jun 2016 EUR k	1 Jan - 30 Jun 2015 EUR k
Foreign currency transaction losses	3,188	1,465
IT	2,478	836
Professional services	1,533	1,055
Legal & Consulting	1,429	2,431
Tax & Accounting	1,016	668
Marketing	799	756
Rent & Utilities	737	620
Travel & Entertainment	549	562
Training & Recruiting	499	565
Other SG&A	2,108	1,334
Other operating expenses	14,336	10,292

Foreign currency transaction losses resulted for the same reason as foreign currency transaction gains apart from the exchange rate movements having an adverse effect (see note 8.).

Higher IT costs of EUR k 2,478 in H1 2016 compared to EUR k 836 in H1 2015 resulted from higher server costs due to increased traffic volume. This includes mediated traffic as well which is currently not converted directly into revenue.

Legal & consulting expenses of EUR k 1,429 in H1 2016 mainly related to the acquisition of Heyzap and Inneractive (EUR k 821). In H1 2015, legal & consulting costs were primarily driven by non-recurring acquisition cost for Fyber RTB (Falk Realtime) (EUR k 300) as well as cost in connection with the listing upgrade in 2015 (EUR k 1,053).

10. Depreciation, amortization and impairment

For the six months period ended 30 June 2016, the Group recognizes amortization of intangible assets of EUR k 2,745 and depreciation of tangible assets of EUR k 491.

11. Finance expenses

The following table provides an overview of the finance expenses:

	1 Jan - 30 Jun 2016 EUR k	1 Jan - 30 Jun 2015 EUR k
Interest on Convertible Bond	3,540	0
Interest on shareholder loans	0	310
Interest to Silicon Valley Bank	0	85
Other interest	39	12
Finance expenses	3,579	407

12. Profit and loss from discontinued operations after tax

Upon the disposal of Big Star Global, the Group recognized a gain from discontinued operations of EUR k 1,629 (see note 5) whereas in the same period 2015, the operations of Big Star Global had caused a loss of EUR k -866. In H1 2015 the Group suffered further subsequent losses of EUR k 160 from the abandonment of the publishing activities.

13. Earnings per share

Basic earnings per share are calculated by dividing the net income of the year attributable to ordinary equity holders of RNTS Media N.V. by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net income of the year attributable to ordinary equity holders of RNTS Media N.V. by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

The basic and diluted earnings per share are:

		1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Profit / loss attributable to owners of the parent	EUR k	-14,390	-11,533
Weighted average shares outstanding, basic	000s	114,402	114,533
Weighted average shares outstanding, diluted	000s	119,169	119,887
Basic loss per share	EUR	-0.13	-0.10
Diluted loss per share	EUR	-0.12	-0.10

The number of shares taken into account for both basic and diluted earnings per share decreased compared to H1 2015 as the treasury shares acquired in the course of the sale of Big Star Global were no longer considered outstanding (see note 5).

14. Separately disclosed items

Separately disclosed items break down as follows:

	1 Jan – 30 Jun 2016	1 Jan – 30 Jun 2015
	EUR k	EUR k
Non-cash accounting charges for stock options, warrants etc. Transaction costs related to acquisitions	-1,114	-1,111
Other non-recurring income and costs	-1,444	-300
	0	-1,053
Effect on EBITDA	-2,558	-2,464
Amortization of acquired intangible assets	-1,716	-1,146
Discontinued operations	1,629	-1,026
Related tax effects of the items listed above	0	0
Effect on loss for the period after tax	-2,645	-4,636

Non-cash stock option charges, warrants etc. in H1 2016 and H1 2015 relate to the company's stock option program.

Transaction costs relate to the acquisitions of Heyzap Inc. and Inneractive Ltd. and consist mainly of due diligence, legal advice and other consultancy services. In H1 2015, for the acquisition of Falk, transaction costs of EUR k 300 have been recognized which include due diligence and other consultancy costs.

Other non-recurring expenses in H1 2015 were mainly incurred by the preparation of the prospectus for the listing upgrade of the RNTS share to be traded on the Prime Standard of the Frankfurt Stock Exchange.

Amortization of acquired intangible assets relate to intangibles identified in the business combinations with Fyber, Falk and Heyzap. The increase of acquired intangible assets from EUR k -1,146 to EUR k -1,716 relates to intangibles recognized following the acquisitions of Falk and Heyzap. Please refer to note 4.

Discontinued operations in H1 2016 and H1 2015 relate mainly to the discontinuation of Big Star Global. Please refer to note 5. for further detail.

NOTES TO THE INTERIM
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

15. Goodwill

The goodwill results solely from acquisitions and breaks down as follows:

	30 Jun 2016	31 Dec 2015
	EUR k	EUR k
Fyber		
- Goodwill as at acquisition of Fyber GmbH	135,080	135,080
- Goodwill as at acquisition of Falk Realtime Ltd.	9,096	9,096
- Goodwill as at acquisition of Heyzap Inc.	29,181	0
Goodwill	173,357	144,176

16. Financial assets

Non-current financial assets and current financial assets break down as follows:

	30 Jun 2016	31 Dec 2015
	EUR k	EUR k
<u>Non-current</u>		
Inneractive deposit	29,989	0
Indemnification claim in respect to Fyber SAR (long-term)	104	613
Leasehold deposit (long-term)	73	77
	30,166	690
<u>Current</u>		
Deposit account ADS	25,000	0
Indemnification claim in respect to Fyber SAR (long-term)	9,638	14,780
Cash in transit	449	0
Accrued interest on deposit account ADS	239	145
Leasehold deposit (short-term)	69	56
Other	209	11
	35,604	14,992
	65,770	15,682

Inneractive deposits are payments made to an account maintained by the payment agent engaged for the Inneractive acquisition. Upon the closing of the acquisition on 19 July 2016, the deposit was included in the consideration and reclassified in the course of the preliminary purchase price allocation. Please refer to note 21.2. for further detail.

The Group has an indemnification claim against the former Fyber shareholders resulting from the acquisition of Fyber back in 2014. Please refer to the financial statements for the year ended 31 December 2015 for further detail.

17. Equity

The components and changes in consolidated equity are summarized in the consolidated statement of changes in equity.

As described in note 5, the company acquired 627,615 RNTS shares at a price of EUR 2.12 in the course of the sale of Big Star Global. These shares are held in a deposit account being available for settling share based payments or for sale in the market.

OTHER DISCLOSURES

18. Operating segments

Since the reorganization of the Group and its investment in Fyber GmbH in 2014 the Group operated with three segments (Ad monetization, Edutainment and Others). With the decision of a sale of Big Star Global, the whole segment Edutainment was discontinued and therefore ceased to be an operating segment for management reporting purposes.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. The financial performance and financial position of each segment for the period ended 30 June 2016 and the period ended 30 June 2015 are as follows:

	1 Jan - 30 Jun 2016		
	Revenue ¹	Adjusted EBITDA	Net profit / loss ¹
	EUR k	EUR k	EUR k
Ad monetization	59,754	-5,985	-10,388
Others	0	-436	-5,631
Subtotal from continuing operations	59,754	-6,421	-16,019
Discontinued operations	0	0	1,629
	59,754	-6,421	-14,390
	1 Jan - 30 Jun 2015		
	Revenue ¹	Adjusted EBITDA	Net profit / loss ¹
	EUR k	EUR k	EUR k
Ad monetization	32,553	-4,110	-8,017
Others	0	-1,340	-2,490
Subtotal from continuing operations	32,553	-5,450	-10,507
Discontinued operations	0	0	-1,026
	32,553	-5,450	-11,533

¹ The Revenue and Net profit/loss represent IFRS figures.

Segment Types of products and services

Ad monetization Providing a supply-side platform serving app developers and publishers of content for mobile and online devices to monetize their advertising inventory

Others Other services not included in previous activities incl. corporate services

Reconciliation from the amounts in the financial statements 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.

Following the Inneractive acquisition and the extension of the RNTS management board, management will review and potentially adjust the structure of segment reporting going forward.

19. Geographic information

Breakdown of revenue according to customers' location:

	1 Jan - 30 Jun 2016	
	Ad monetization	Total revenue
	EUR k	EUR k
United States	31,362	31,362
Europe, Middle East and Africa	20,474	20,474
Asia-Pacific	6,850	6,850
Rest of the world	1,068	1,068
	59,754	59,754
	1 Jan - 30 Jun 2015	
	Ad monetization	Total revenue
	EUR k	EUR k
United States	14,375	14,375
Europe, Middle East and Africa	11,430	11,430
Asia-Pacific	4,427	4,427
Rest of the world	880	880
Unknown	1,441	1,441
	32,553	32,553

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. Relationships with related parties

The following table provides the balances with related parties as at 30 June 2016 as well as the total amount of transactions that have been entered into with related parties during H1 2016:

	H1 2016			
	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
	EUR k	EUR k	EUR k	EUR k
Key management personnel	0	0	0	1,593
Shareholder				
- Sapinda Asia Ltd.	0	0	0	0
- SYSK Ltd.	0	0	0	0
- Lars Windhorst	0	0	0	0
- Sapinda Invest S.à r.l.	0	0	0	0
	0	0	0	1,593

The following table provides the balances with related parties as at 30 June 2015 as well as the total amount of transactions that have been entered into with related parties during H1 2015:

	H1 2015			
	Amounts owed by parties	Amounts owed to parties*	Sales to parties	Purchases from parties
	EUR k	EUR k	EUR k	EUR k
Key management personnel	0	0	0	1,173
Shareholder				
- Sapinda Asia Ltd.	0	3,941	0	61
- SYSK Ltd.	0	1,877	0	55
- Lars Windhorst	0	1,109	0	18
- Sapinda Invest S.à r.l.	0	16,155	0	186
	0	23,082	0	1,493

Purchases from key management personnel related to current compensation including EUR k 571 (H1 2015: EUR k 343) benefits from the Company's stock option program. Further EUR k 2,393 (H1 2015: EUR k 2,128) were paid to key management personnel in connection with the Fyber share appreciation right (SAR). Due to the indemnification mechanism from former Fyber shareholders in place, the Group is not finally burdened by these benefits.

Purchases from shareholders in H1 2015 related to interest on shareholder loans granted to the Company.

21. Events after the balance sheet date

21.1. Exercise of final put-option

During the acquisition of the Fyber group by RNTS Media in 2014, new shares have been issued to the former shareholders of Fyber GmbH as well as those employees participating in the virtual share program. Put-options have been granted for these shares by Sapinda Asia Limited falling due in four tranches. A fall-back mechanism for the shares in Fyber GmbH has been defined in case the put options were not honored. In this case, the Fyber acquisition would be reversed to the extent of put options not being honored. Until February 2016, all put options falling due have been exercised and were honored by Sapinda Asia Limited. The final 50% tranche of put options was outstanding as of the date of this report.

21.2. Acquisition of Inneractive Ltd.

On 19 July 2016, the acquisition of Inneractive Ltd., which had been contractually agreed on 2 March, was closed.

Inneractive is an independent global mobile real-time bidding ad exchange and supply side platform focused on powering native and video ads. With the acquisition of Inneractive, RNTS Media increases its reach and the relevance of its ad monetization activities significantly. Inneractive particularly strengthens the Group's position in the fast growing programmatic and real-time bidding market.

Based on the acquisition business case, the expected consideration amounts to USD 78.6 million (EUR 70.8 million) including a payment of USD 6.6 million (EUR 5.9 million) for net working capital at the time of the closing as well as earn-out payments of USD 24.8 million (EUR 22.4 million). As of the closing date, USD 60.6 million (EUR 56.9 million) were already paid. From this amount, USD 6.8 million (EUR 61.3 million) were deposited in an escrow account to cover future earn-out payments.

A first preliminary purchase price allocation is set out below:

EUR million	Fair value 19 Jul 2016
Intangible assets	
- Identified during purchase price allocation	
-- Customer relationships	14.7
-- Technology	10.9
-- Brand	2.3
	<u>27.9</u>
Deferred tax liabilities	-7.4
Deferred tax assets on tax loss carry forward	1.3
Net assets assumed	<u>5.7</u>
	27.5
Goodwill arising on acquisition	<u>43.3</u>
Purchase consideration transferred	<u>70.8</u>

The amounts above are based on preliminary information and assumptions that are still under review by management. The final purchase price may differ materially.

If the combination had taken place at the beginning of the year, Inneractive would have contributed EUR k 34,644 to consolidated revenue of H1 2016.

