Fyber

Fyber N.V.

First Quarter 2018 Financial Report

Fyber N.V. and its subsidiaries ('Fyber' or 'the Company') is a leading advertising technology company, developing a next generation platform for the programmatic trading of ads, in a data-driven environment. Its mission is to fuel the creation of quality content by empowering digital publishers and app developers to monetize their content through advanced technologies, innovative ad formats and data-driven decision-making. Fyber's technology platform provides an open-access platform for both digital advertisers and publishers, enabling cross-device advertising with a global reach of more than 1.2 billion unique monthly users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, and Beijing and employs more than 300 people. The Company is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN'.

Table of Content

Key Figures

300+ employees

Focus on efficiency and integration resulted in decreased EBITDA loss

Offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing

30% decrease in net revenue due to strategic cuts to parts of our business in relation to 'Keeping it Clean' initiative

Key Financials

	For the three months ended		For the year ended
	31 Mar 2018	31 Mar 2017	31 Dec 2017
	in € million		
Gross revenue	**29.3**	**49.7**	**229.8**
Revenue share to third parties	(19.1)	(35.1)	(159.9)
Net revenue	**10.2**	**14.6**	**69.9**
Net revenue margin	34.8%	29.4%	30.4%
IT cost	(3.0)	(3.7)	(15.5)
R&D cost	(3.3)	(5.5)	(19.2)
S&M cost	(5.6)	(6.5)	(24.3)
G&A cost	(2.3)	(4.0)	(12.0)
EBITDA*	**(4.0)**	**(5.1)**	**(1.2)**

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

Statement from the CEO

During the first quarter of 2018, we continued to focus our efforts on the integration of the group companies and the development and implementation of our unified product roadmap – the two central projects of Fyber's growth strategy. As communicated in our 2017 Annual Report, management took the strategic decision to invest some of our short-term growth into setting strong foundations for future growth and scale.

While both initiatives are well underway and within the communicated timelines, we faced slower-than-expected financial performance in the first three months of the year. Gross revenue declined by 41% compared to the first quarter of 2017, to €29 million, with a lower net revenue decline of 30% year-over-year to €10 million. The revenue shortfall was largely due to effects of the 'Keeping it Clean' initiative, which included actively removing aggregated traffic sources from our platform, as well as discontinuing the use of charging screen ads, as a result of Google's ban of this ad format. The latter has impacted our APAC region, as this format was a popular one in China. In addition, we took advantage of the often 'slower' Q1 to invest in the reorganization and merging of our sales teams. This included in-depth training to prepare all salespeople to sell the portfolio of products within the company, and transitioning of accounts to reflect a more regional model. The investment had an impact as many man-hours were spent on training, building the new regional teams and cultivating the sales leadership.

Despite the financial outcomes, we have made substantial strides this past quarter and reaffirmed our position as one of the leaders in mobile mediation. First, we are making strong progress against our unified platform product roadmap and are particularly happy with being first-to-market with our proprietary in-app header bidding technology 'Fyber FairBid' which reinforces our leading position in the in-app header bidding space. The FairBid technology builds on the extensive existing Fyber know-how of both mediation and RTB trading to offer a revolutionary alternative to the way app monetization is handled today with a truly parallel bidding process of all connected demand sources based on actual, real-time prices. We have already signed major strategic partnerships with AdColony, Tapjoy, with whom we kicked off the beta phase in February this year, and additional conversations with leading industry players is well-underway to extend our partner network for Fyber FairBid in the short term. Market feedback from existing and potential clients has been extremely positive and we have a healthy pipeline of beta partners for Fyber FairBid, as well as for other upcoming product releases.

While this investment in product innovation only partially offsets the effects on revenue in 2018, we are confident that they set strong foundations for future growth from 2019 on.

Finally, despite the revenue decline, net revenue margin continued to rise and has increased from 29.4% in the first quarter of 2017 to 34.8% for the reporting period, based on the 'Keeping it Clean' initiative and the related increase of marketplace quality. EBITDA also improved YoY to €(4.0) million for Q1 2018, compared to €(5.1) million for the same period 2017. While this is an increase of 20%, the result is below our internal plans. In line with the seasonality of the broader market, the majority of our revenues are forecasted to be generated in the second half of the year, with around 40% of planned gross revenues expected in the last quarter of the year alone. Therefore, the current results of the first quarter do not influence our strategy for the full year 2018 and beyond.

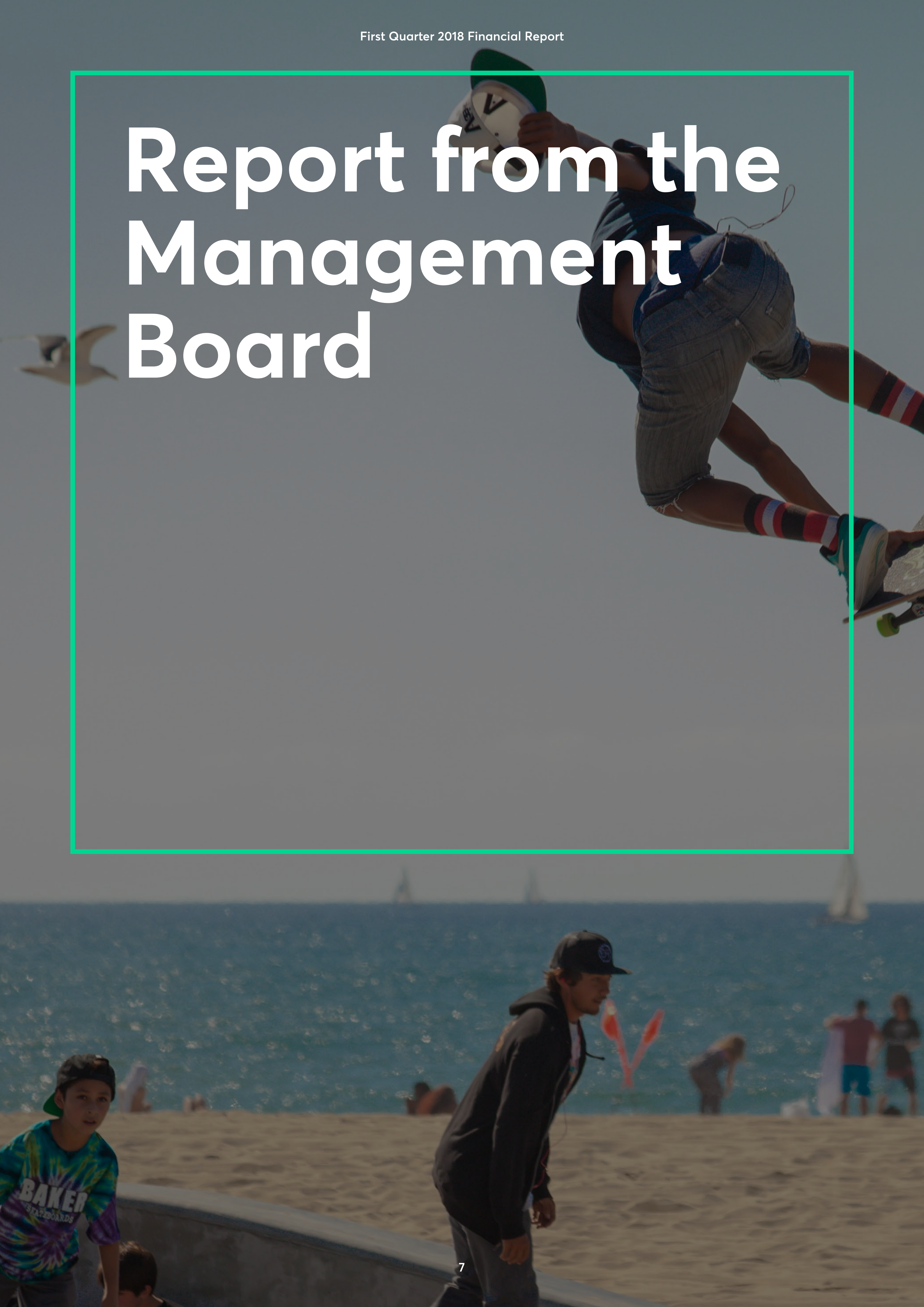
We remain very confident in our product vision, technology, and strategy and look forward to launching the unified product later in the year, and to reap the benefits of our diligent investment in successfully merging the four companies, and designing the next generation of app monetization. My sincere thanks goes out to our employees, partners and shareholders for their support and trust. I am confident that we will achieve the goals we set for ourselves for 2018. I have been deeply impressed by our teams' determination and spirit and it makes me proud to already see the results we have achieved during the first few months in the new company structure.

I formally took over as the CEO of Fyber in July 2017 after an adequate hand-over period. My first moves have been to align the Company behind clear goals and set up the global organization for both efficiency and growth. We have achieved many important milestones, and I am convinced that we now have the framework and structures in place to achieve and exceed our goals for 2018 and beyond.

My sincere gratitude goes out to our employees and partners, for their valuable contributions and trust. I have full confidence in our ability to achieve the goals we set for ourselves and to deliver on Fyber's immense promise.

Ziv Elul
Chief Executive Officer
30 May 2018

Report from the Management Board



Business Model

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

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

Our platforms enable cross-device advertising with a global reach of more than 1.2 billion unique monthly users and a strong focus on video ads. We offer a full-stack monetization suite, including an ad exchange, ad serving, ad network mediation, along with several publisher tools to centrally manage all monetization strategies. Our automated real-time bidding mechanisms ensure the delivery of relevant, high-paying ads, optimizing the yield for publishers with every ad impression. For transactions placed via the Fyber exchanges, the Company retains a share of the ad spend advertisers place via the platform.

Fyber 'FairBid'

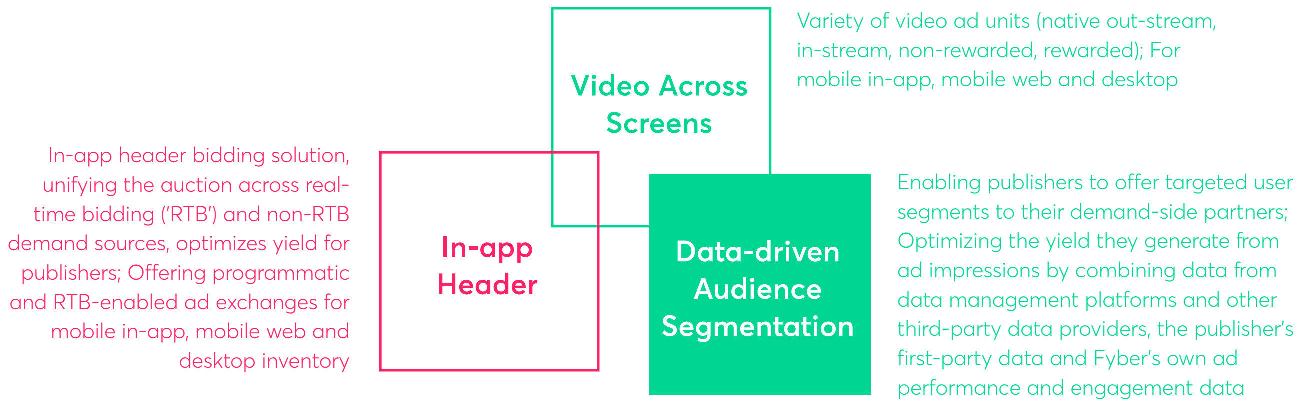
With 'Fyber FairBid', the Company launched the first true in-app header bidding solution for the in-app environment. The solution builds on Fyber's existing capabilities of mediation and revolutionizes ad trading by enabling a true parallel bid of all demand sources in real time on every ad impression based on actual bids by ad partners instead of estimates based on historical data as used in more traditional 'waterfall models'.

While header bidding for the web environment has already reached maturity levels, Fyber is ahead of the curve in offering a first header bidding solution specifically and only for in-app advertising, tackling some of the key challenges marketers and publishers face in digital advertising. For buyers, Fyber FairBid offers equal opportunity to acquire the ad impressions they value most, by being able to place a direct bid for each impression (e.g. no more 'ranking' in a waterfall). For publishers, Fyber FairBid drives yield by awarding each impression to the qualified buyer willing to pay the highest price for it, regardless of the buying mechanism and with no bias towards any demand source. Additionally, Fyber FairBid's automated auctions means publishers no longer need to spend time manually managing and optimizing the demand waterfall.

Fyber has partnered with AdColony and Tapjoy, two of the world's leading mobile advertising platforms, to start the beta phase of its product in February 2018 and is working to add more strategic partnerships to the program.

Fyber's product focus

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



Strategy & Objectives

Fyber's growth strategy centered around the acquisitions of Fyber (supply-side platform focused on freemium apps and game developers), Fyber RTB (real-time bidding ad exchange and ad server), Heyzap (supply-side platform focused on mediation for freemium apps and game developers) and Inneractive (programmatic in-app monetization platform focused on publisher verticals outside of gaming).

The compatible technology and shared vision of all group companies form the basis of our integration plans, which have been kicked off in 2017 and will be concluded with the roll-out of one integrated technology infrastructure during 2018.

The recent unifying rebranding and the launch of our in-app header bidding solution are two key milestones, which were already successfully completed during the first quarter of 2018.

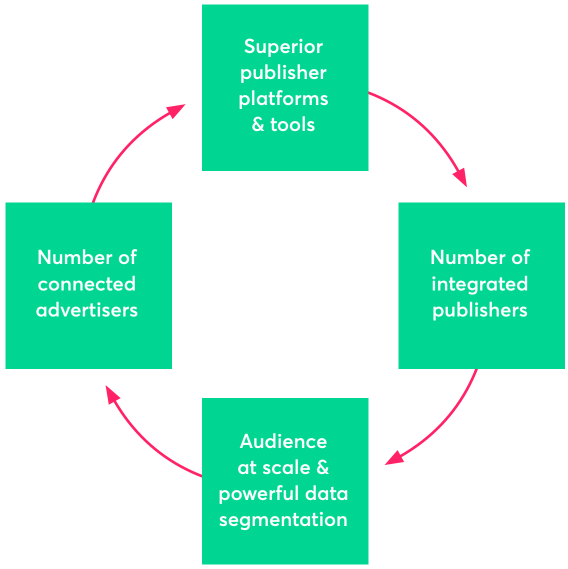
Long-term value creation

The integration of the group companies is key to Fyber's long-term value creation driven by the Management Board. It is aligned with the market trends we observe and will make Fyber one of the largest, most innovative providers of independent publisher-focus monetization technology that services all publisher verticals. We will focus on organically growing the existing business lines, led by programmatic trading and video advertising, and on increasing efficiency throughout the Company. This is expected to positively influence the Company's operational and financial position, substantially growing both top-line revenue and EBITDA.

The growth will also be driven by the expansion of the global client base on the supply- and demand-side as well as the development of existing accounts, as illustrated in the 'Fyber flywheel' on the right side.

The Company's reach among digital publishers and app developers, and with that the number of unique users each month, determine the benefit Fyber proposes to advertisers and other demand-side partners. By adding value to each ad impression through advanced data analytics and user targeting, the Company creates traction on both sides of the value chain. Increasing the available demand and the share of ad spend Fyber can monetize through its ad exchanges, the Company is able to further invest into the product and publisher tool offering. The below chart depicts the positive interdependence of the offering, with each part of the flywheel reinforcing the next.

Fyber's flywheel of growth



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

Our Differentiators

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

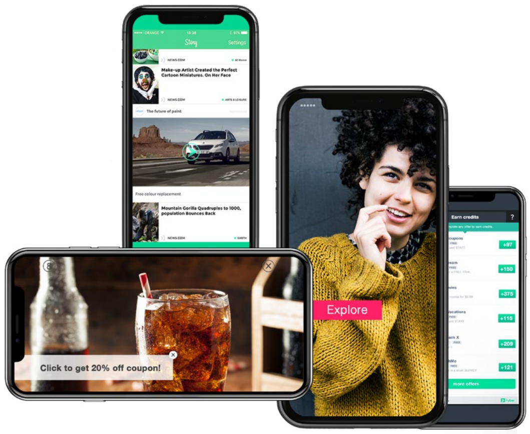
Powerful technology – Advanced programmatic trading & optimization managed through one central dashboard

Access to all relevant demand – unified auction across programmatic and non-programmatic demand at scale offering true yield optimization to publishers. Manage and evolve monetization on-the-fly - also on mobile - with a comprehensive set of publisher tools and granular real-time data analytics

Innovative ad formats focused on in-app, but covering all screens

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

Dedicated video suite gives access to cutting edge video capabilities, supporting rewarded and non-rewarded video formats across screens, all designed to facilitate low latency, broad functionality and optimized user experience



Global Reach

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

Advanced Data Insights

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

Expert Guidance

Strategic guidance on yield optimization from Fyber's monetization experts

Business Performance

P&L Highlights

	For the three months ended		For the year ended
	31 Mar 2018	31 Mar 2017	31 Dec 2017
	in € million		
Gross revenue	**29.3**	**49.7**	**229.8**
Revenue share to third parties	(19.1)	(35.1)	(159.9)
Net revenue	**10.2**	**14.6**	**69.9**
Net revenue margin	34.8%	29.4%	30.4%
Other cost of revenue	(6.1)	(6.2)	(27.2)
Gross profit	**4.1**	**8.4**	**42.7**
Research & development	(3.4)	(5.6)	(19.6)
Sales & marketing	(5.7)	(6.6)	(24.6)
General & administrative	(2.6)	(4.5)	(15.7)
Depreciation, amortization and impairment	3.3	2.8	12.6
Stock Option Plan	0.2	0.4	1.1
Other adjustments	-	-	2.2
EBITDA*	**(4.0)**	**(5.1)**	**(1.2)**

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

Gross revenue decreased by 41% to €29.3 million, largely based on the strategic decision to proactively discontinue parts of our business related to aggregators on the publisher side as part of the 'Keeping it Clean' initiative (please refer to the Fyber Annual Report 2017 for further details on the initiative). Sales stemming from aggregated supply accounted for around 25% of gross revenue in the first quarter of 2017.

A second factor contributing to the lower revenue was the a recent change in the 'Google Play Store' terms, which bans the use of charging screens ads from 1 January 2018 onwards. Previously this was a popular ad format especially in the APAC region and a significant contributor to Fyber's business in China.

Additionally, the restructuring of our global sales units from a product focus to a regional focus, i.e. all member of the sales teams selling all of the group companies products in their respective regions, temporarily impacted our productivity, as resources were spent on internal efforts such as trainings.

The total net revenue for the first quarter of 2018 decreased by 30% year-over-year ('YoY') to €10.2 million. Although the decision to move away from aggregated supply slowed down revenue growth, it significantly increased net revenue margin from 29.4% in Q1 2017 to 34.8% in Q1 2018.

Other cost of revenue includes IT cost and amortization. IT cost, which includes mainly server cost, accumulated to €3.0 million, compared to €3.7 million for the same period last year.

As part of the integration of group companies, we are working on realizing the identified synergies, resulting in a positive effect on our operating expenses. The total operating expenses have been reduced by 30% YoY, largely based on a cut of more than 40% in adjusted general & administration cost, compared to the same period in 2017.

As stated in our financial statements for the full year 2017, we expected Q1 to be the only quarter with a negative EBITDA and a contribution of less than 15% to the full-year revenue, which is also in line with the seasonality of the broader industry and our financial performance during the last years.

The EBITDA amounted to €(4.0) million for Q1 2018, compared to €(5.1) for the same period 2017. While this is a plus of 20%, the result is behind our internal plans. The majority of our revenues are forecasted to be generated in the second half of the year, with around 40% of the expected gross revenues to be generated in the last quarter of the year alone. Therefore, the current results of the first quarter do not influence our strategy or of planned positive EBITDA for the full year 2018 and beyond.

Cash flow and going concern considerations

in € million	1 Jan - 31 Mar 2018	1 Jan - 31 Dec 2017
Net cash flow from operating activities	(5.7)	(21.3)
Net cash flow from investing activities	(1.5)	1.0
Net cash flow from financing activities	3.1	13.2
Net change in cash and cash equivalents	**(4.1)**	**(7.1)**
Net foreign exchange difference	(0.7)	(0.3)
Opening balance cash and cash equivalents	17.6	25.0
Closing balance cash and cash equivalents and cash deposits	**12.8**	**17.6**

Despite the higher than expected negative operating cash flow incurred in the first quarter of 2018, management is committed to reach the positive EBITDA goal for for the full year, which will be largely dependent on the successful conclusion of our integration strategy.

The Company plans to fully exercise the remaining €3 million of a loan facility granted for up to €8 million by Sapinda Holding B.V. to pay the upcoming coupon payments of the convertible bonds in July 2018. With that, Management has reasonable expectation that Fyber has adequate resources to continue as a going concern for the foreseeable future.

Financial and asset position

in € million	31 Mar 2018	31 Dec 2017
Intangible assets	153.4	157.6
Other assets	3.0	2.2
Cash and cash deposits	12.8	17.6
Trade and other receivables	28.7	42.6
Other financial assets	11.7	11.4
Total assets	**209.6**	**231.4**
Interest bearing loans	152.4	148.0
Trade and other payables	36.2	48.9
Employee benefits liabilities	13.0	13.9
Other liabilities	5.6	5.7
Deferred tax liabilities	1.7	1.8
Total liabilities	**208.9**	**218.2**
Total equity	**0.7**	**13.2**

Four acquisitions since 2014 for a total consideration of close to €250 million in shares and cash have added significant goodwill to the balance sheet. The change in goodwill made in year 2017 is due the strategic decision to discontinue business with aggregators on the publisher side, which was a major contributor to the revenue of Fyber RTB. Please refer to Note 16 of the Notes to the Annual Report 2017 for further details. The decrease in trade receivables and payables in the first quarter is due to the lower revenue and cost of revenue.

Equity Information

The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN' and the ISIN code NL0012377394.

Key share data

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0012377394
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	114,533,333
52 weeks high / -low	1.93 / 0,55

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

Shareholders registered above 3% of voting rights

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

Forecast Report

We are confident that Fyber's strong competitive position, efficient operation and its focus on innovation are the foundation for sustainable growth and long-term value creation. The Company delivered positive adjusted EBITDA in the last three quarters of 2017 and expects the first full-year EBITDA profit in 2018 for the first time in company history.

Despite the challenging first quarter, the Company views its 2018 goals, and especially its positive EBITDA goals, as still achievable, notably since the majority of revenue is generated in the second half of the year, with Q4 alone expectedly contributing more than 40% to the full year sales.

The goal achievement for 2018 and beyond is dependent on the successful conclusion of the integration of group companies and the speed and ease of adoption of the unified product, that will be available to all customers by the end of 2018.

Risk Report

Risk management is an integral part of Fyber's daily business operations. It is promoted by top-level management and designed to ensure that the most relevant strategic, operational, financial and compliance risks are identified, monitored and managed appropriately. Our approach to risk management, the main risks per category, and actions we take to manage, control and mitigate the risks are described in the Risk Management section of the Annual Report for the year ended 31 December 2017.

The Management Board confirms the Company's risk profile presented there and reports no update.

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, May 2018

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

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

Editorial

Financial Calendar

H1 2018 Interim Statement

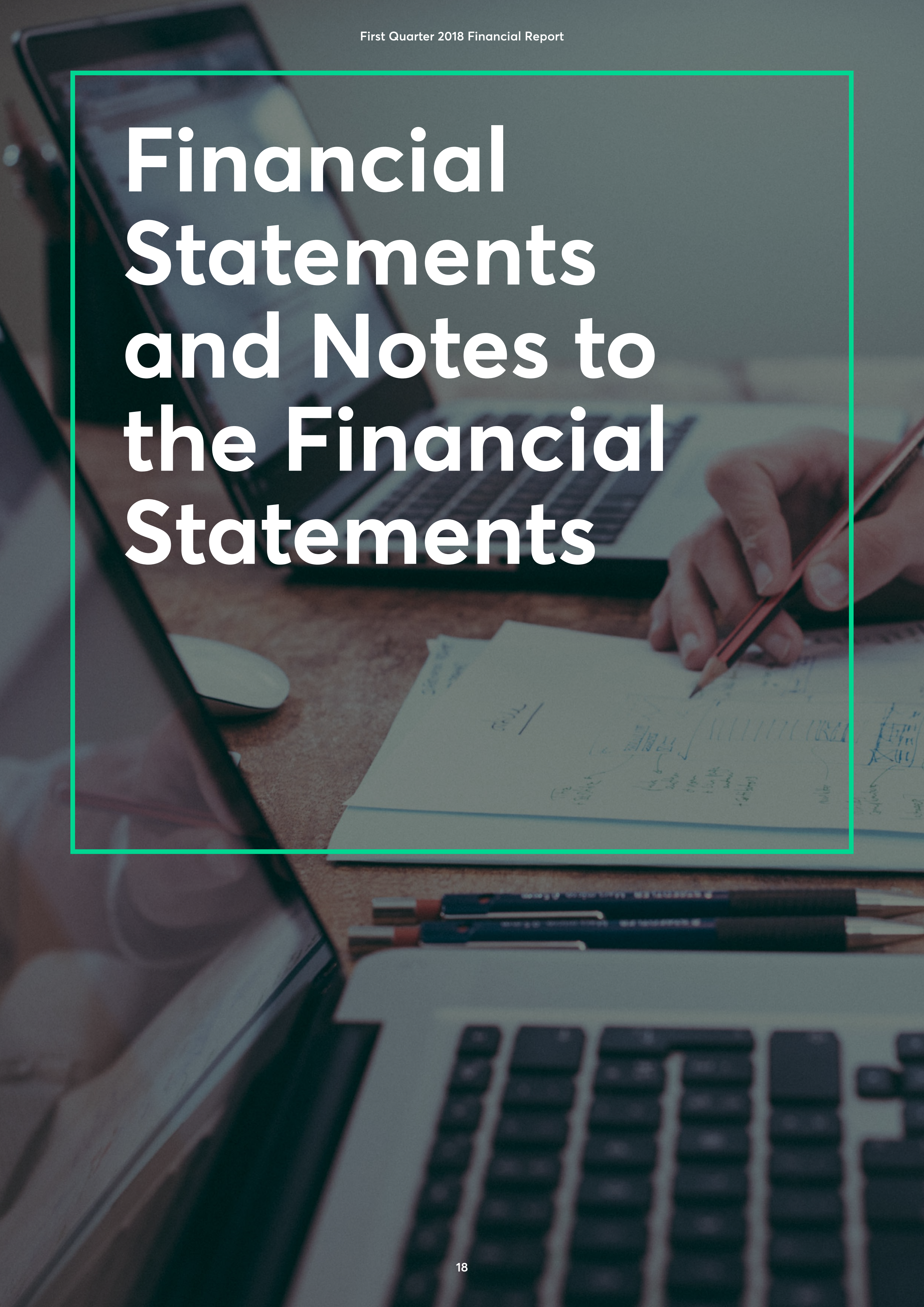
29 August 2018

Q3 2018 Interim Statement

21 November 2018

About Fyber

Fyber is a leading advertising technology company, developing a next generation platform for the programmatic trading of ads, in a data-driven environment. Its mission is to fuel the creation of quality content by empowering digital publishers and app developers to unlock the true value of their advertising properties through advanced technologies, innovative ad formats and data-driven decision-making. Fyber's technology platforms enable cross-device advertising with a global reach of more than 1.2 billion unique monthly users, and has a strong focus on video advertising. Fyber has offices in Berlin, Tel Aviv, New York, San Francisco, London, and Beijing. The Company employs more than 300 people globally and is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN' and the ISIN NL0012377394.



Financial Statements and Notes to the Financial Statements

Consolidated Income Statement

	Three months ended 31 March	
	2018	2017
	Unaudited	
	in € thousand	
Revenue	**29,293**	**49,725**
Revenue share to third parties	(19,088)	(35,089)
Net revenue	**10,205**	**14,636**
Other cost of revenue	(6,062)	(6,233)
Gross profit	**4,143**	**8,403**
Research and development	(3,377)	(5,647)
Sales and marketing	(5,719)	(6,576)
General and administrative	(2,552)	(4,428)
Other operating expenses	-	-
Earnings before interest and tax (EBIT)	**(7,505)**	**(8,248)**
Net finance costs	(2,786)	(2,816)
Profit (loss) before tax	**(10,291)**	**(11,064)**
Income tax gain (expense)	67	(146)
Profit (loss) for the year after tax	**(10,224)**	**(11,210)**
Profit (loss) attributable to		
Shareholders of Fyber N.V.	**(10,224)**	**(11,210)**
Non-controlling interest	**-**	**-**
Earnings per share		
Basic profit (loss) per share (€)	(0.09)	(0.10)
Diluted profit (loss) per share (€)	(0.09)	(0.10)

Consolidated Statement of other Comprehensive Income

	Three months ended 31 March	
	2018	2017
	Unaudited	
	in € thousand	
Profit (loss) for the year after tax	(10,224)	(11,210)
To be reclassified to profit and loss in subsequent periods		
Exchange differences on currency translation	(2,479)	(1,311)
Income tax effect	-	-
Other comprehensive income (loss) for the year, net of tax	(2,479)	(1,311)
Total comprehensive income (loss) for the year	**(12,703)**	**(12,521)**
Profit (loss) attributable to		
Shareholders of Fyber N.V.	**(12,703)**	**(12,521)**
Non-controlling interest	**-**	**-**

Consolidated Statement of Financial Position

	31 March 2018	31 December 2017
	Unaudited	**Audited**
	in € thousand	
Non-current assets		
Intangibale assets		
Goodwill	126,437	128,140
Other intangible assets	26,993	29,465
Property and equipment	1,420	1,116
Non-current financial assets	1,156	1,110
Total non-current assets	**156,006**	**159,831**
Current assets		
Inventories	113	128
Trade and other receivables	28,722	42,642
Other current financial assets	10,522	10,319
Other current assets	1,417	928
Cash and cash equivalents	12,796	17,595
Total current assets	**53,570**	**71,612**
Total assets	**209,576**	**231,443**

Consolidated Statement of Financial Position

	31 March 2018	31 December 2017
	Unaudited	**Audited**
	in € thousand	
Equity		
Issued capital	11,453	11,453
Share premium	184,812	184,812
Treasury shares	(4,745)	(4,745)
Other capital reserves	23,894	23,711
Legal reserve	6,583	6,225
Accumulated deficit	(210,652)	(200,070)
Foreign currency translation reserve	(10,642)	(8,162)
Equity attributable to shareholders of the Company	**703**	**13,224**
Non-controlling interests	-	-
Total equity	**703**	**13,224**
Non-current liabilities		
Long-term employee benefits liabilities	349	357
Long-term borrowings	139,534	132,995
Deferred tax liabilities	1,763	1,763
Other non-current liabilities	5,011	5,136
Total non-current liabilities	**146,657**	**140,251**
Current liabilities		
Trade and other payables	36,169	48,881
Short-term employee benefits liabilities	12,644	13,535
Short-term borrowings	12,859	15,013
Other current liabilities	544	539
Total current liabilities	**62,216**	**77,968**
Total liabilities	**208,873**	**218,219**
Total equity and liabilities	**209,576**	**231,443**

Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2018	2017
	Unaudited	
	in € thousand	
Loss for the year before tax	**(10,291)**	**(11,064)**
Depreciation, amortization and impairment	3,291	2,811
Financial expenses, net	3,104	2,878
Other non-cash effects	183	446
Changes in provisions, employee benefit obligations	(899)	(1,221)
Changes in working capital	1,544	(4,794)
Cash generated from operations	**(3,068)**	**(10,944)**
Interest received	-	10
Interest paid	(2,748)	(3,753)
Income tax paid	71	(95)
Net cash flow from operating activities	**(5,745)**	**(14,782)**
Purchases of property and equipment	(533)	-
Purchases, capitalization of intangible assets	(992)	(882)
Change in investments and financial assets, net	-	4,907
Net cash flow from investing activities	**(1,525)**	**4,025**
Proceeds from long-term borrowings	5,000	-
Proceeds (repayment) from short-term borrowings	(1,879)	-
Net cash flow from financing activities	**3,121**	**-**
Net changes in cash	**(4,149)**	**(10,757)**
Cash at beginning of period	**17,595**	**24,982**
Net foreign exchange difference	(650)	(270)
Net changes in cash	(4,149)	(10,757)
Cash and cash equivalents at end of period	**12,796**	**13,955**

Consolidated Statement of Change in Equity

	Unaudited							
in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity
01 Jan 2018	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,070)**	**(8,162)**	**13,224**
Loss for the year after tax	-	-	-	-	358	(10,582)	-	(10,224)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	(2,480)	(2,480)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**358**	**(10,582)**	**(2,480)**	**(12,704)**
Share-based payments	-	-	-	183	-	-	-	183
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Equity component of the convertible bonds, net of tax	-	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**183**	**-**	**-**	**-**	**183**
31 March 2018	11,453	184,812	(4,745)	23,894	6,583	(210,652)	(10,642)	703

Consolidated Statement of Change in Equity

in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity
	Unaudited							
01 Jan 2017	**11,453**	**184,812**	**(5,049)**	**17,518**	**4,259**	**(96,093)**	**3,544**	**120,444**
Loss for the year after taxs	-	-	-	-	298	(11,508)	-	(11,210)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(1,311)	(1,311)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**298**	**(11,508)**	**(1,311)**	**(12,521)**
Share-based payments	-	-	-	446	-	-	-	446
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Equity component of the convertible bonds, net of tax	-	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**446**	**-**	**-**	**-**	**446**
31 March 2017	**11,453**	**184,812**	**(5,049)**	**17,964**	**4,557**	**(107,601)**	**2,233**	**108,369**

Notes to the Financial Statements

1. FYBER N.V.

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

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

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

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

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements for the Three-month period ended 31 March 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) in the annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2017.All the information in this interim financial report is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor. The accounting policies applied are consistent with the policies applied in the consolidated financial statements for the year ended 31 December 2017 except for the change in accounting policies describe in 2.2.

2.2. Changes in accounting policies and disclosures

2.2.1. Presentation of operating expenses

As per the reporting date, the Group changed the structure of presenting operating expenses from a presentation by nature to a presentation by function. This change in accounting policies have been done in order to improve the transparency by providing additional information about the purpose and the use of an expense according to its enterprise function. Further, this kind of presentation increases comparability with other companies in particular within the Ad Tech industry where the presentation of operating expenses is commonly applied.

Until the end of the financial year 2016 as well as for the purpose of interim financial reporting in 2017, the operating expenses were presented in the consolidated income statement by their nature. Comparative, prior year figures have been adjusted respectively in the consolidated income statement.

The following table shows how the income statement 2017 would have been looked like when Fyber would have continued to present its operating expenses by nature.

	Three months ended 31 March	
in € thousands	**2018**	**2017**
Revenue	**29,293**	**49,725**
Revenue share to third parties	(19,088)	(35,089)
Gross Margin (EUR)	**10,205**	**14,636**
Personnel costs	(7,891)	(11,049)
Other operating expenses	(6,528)	(9,024)
EBITDA	**(4,214)**	**(5,437)**
Depreciation, amortization and impairment	(3,291)	(2,811)
Earnings before interest and tax (EBIT)	**(7,505)**	**(8,248)**
Finance income	-	9
Finance expenses	(3,104)	(2,887)
Foreign exchange gains (losses)	318	62
Profit (loss) for the year before tax	**(10,291)**	**(11,064)**
Income tax gain (expense)	67	(146)
Profit (loss) for the year from continuing operations	**(10,224)**	**(11,210)**

2.3. New and amended standards and interpretations

2.3.1. IFRS 9 Financial Instruments

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

2.3.2. IFRS 15 Revenue from contracts with customers

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

2.4. Business combinations and goodwill

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

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

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

2.5. Recognition of income and expenses

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

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

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

Interest income and expense is recorded using the effective interest method with exception of borrowing costs capitalized according to IAS 23. In 2017 there were no qualifying assets, so that all interest expenses were recorded in profit and loss. Income and expenses are not offset unless gains and losses arise from a Group of similar transactions unless they are material.

2.6. Impairment of intangible assets and property and equipment

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

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

2.7. Accounting estimates and assumptions

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

3. LOAN FROM SHAREHOLDERS

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

4. OPERATING SEGMENTS

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

In 2018, management examined the Group's financial performance by the following four segments:

	Types of products and services
Fyber Platform	Comprised of the 2014 Fyber GmbH acquisition and the 2016 Heyzap acquisition; providing supply side platform and mediation services for mobile publishers predominantly in the gaming industry.
Fyber RTB	Representing the 2015 Falk Realtime Ltd. acquisition that has grown substantially since then; providing programmatic real-time bidding services in the desktop space with a specific focus on video.
Inneractive	Representing the 2016 Inneractive Ltd. acquisition which provides supply side platform and programmatic services to mobile publishers outside of the gaming industry.
Others	Other services not included in the other segments incl. corporate services.

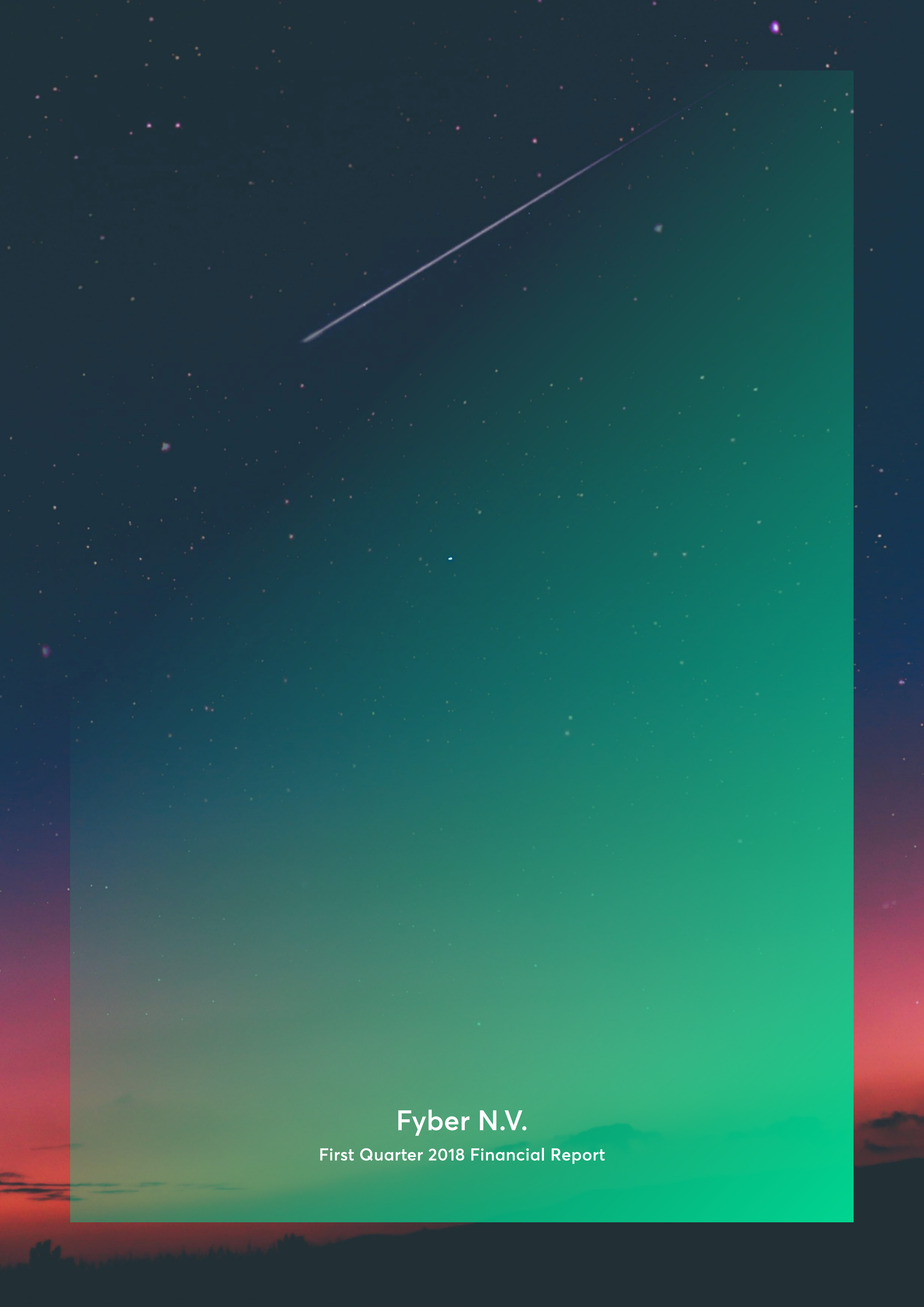
The financial performance the period ended 31 March 2018 and the reference period ended 31 March 2017 are as follows:

in € thousands	31 March 2018		31 March 2017	
	Gross revenue	EBITDA	Gross revenue	EBITDA
Fyber Platform	14,367	(571)	17,649	(4,282)
Fyber RTB	2,219	812	13,203	1,083
Inneractive	12,441	(508)	18,392	76
Others	266	(3,947)	481	(2,314)
Total	**29,293**	**(4,214)**	**49,725**	**(5,437)**

5. GEOGRAPHIC INFORMATION

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

in € thousands	31 March 2018					31 March 2017				
	Fyber Plat-form	Fyber RTB	Inner-active	Other	Total gross revenue	Fyber Plat-form	Fyber RTB	Inner-active	Other	Total gross revenue
United states	5,416	1,509	8,003	-	14,928	10,409	4,991	11,893	321	27,614
Europe, Middle East and Africa	6,295	710	3,996	250	11,251	4,538	8,207	5,852	143	18,740
Asia-Pacific	2,040	-	442	16	2,498	2,291	5	647	3	2,946
Rest of the world	616	-	-	-	616	411	-	-	14	425
Total	**14,367**	**2,219**	**12,441**	**266**	**29,293**	**17,649**	**13,203**	**18,392**	**481**	**49,725**



Fyber N.V.

First Quarter 2018 Financial Report