Fyber N.V.

Third 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 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 digital publisher and advertisers with a global reach of more than 1.2 billion monthly unique users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 300 people. The Company is listed on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

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Gross revenue up by 20% in October vs. Q3 2018 average

Transitioned Fyber FairBid to general release following a successful beta phase

Added 2019 guidance – Revenue growth expected for full-year 2019

Fyber was named a Top 50 company to work for in Israel [1]

300+ employees

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

[1] Dun & Bradstreet Dun's Tech 50 list 2018

Financial Performance

	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017	31 Dec 2017
			in € million		
Gross revenue	**89.9**	**177.2**	**31.1**	**57.5**	**229.8**
Revenue share to third parties	(57.4)	(125.0)	(19.8)	(40.3)	(159.9)
Net revenue	**32.5**	**52.2**	**11.3**	**17.2**	**69.9**
Net revenue margin	36.2%	29.5%	36.3%	29.9%	30.4%
IT cost*	(8.7)	(12.1)	(3.0)	(4.1)	(15.5)
R&D cost*	(10.0)	(15.4)	(3.6)	(4.0)	(19.2)
S&M cost*	(15.0)	(19.3)	(4.4)	(6.4)	(24.3)
G&A cost*	(6.7)	(8.6)	(2.1)	(2.1)	(12.0)
EBITDA*	**(7.9)**	**(3.2)**	**(1.9)**	**0.6**	**(1.2)**

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

Statement from the CEO

Dear Shareholders,

In the first nine months of 2018, Fyber delivered on its ambitious product roadmap and was at the same time able to close several important partnerships on the business side. We have rolled out our innovative in-app header bidding solution Fyber FairBid and transitioned it to the general release in September. In addition to the initial partners AdColony and Tapjoy, we entered into an agreement with the leading ad network Facebook Audience Network, as one of the exclusive demand partners on Fyber FairBid. By now, a significant number of publishers is live on the platform and the roll-out to all our publishers is ongoing, albeit it is slightly behind our yearly planning. The initial results of increased yield for publishers are very promising and we are convinced that the fair, transparent trading, that brings together all demand sources in one unified auction is the future of the digital ad market.

We have on-boarded a large number of new publishers and demand sources worldwide, including leading companies like Atari, Zoosk, Baidu or Cheetah Mobile. With the new product launches we also continued our efforts to keep our publishers and future prospects up to date on Fyber's perks, the benefits of in-app header bidding and how to make the most of this new technology. We have been present at all leading industry conferences and organized many successful publisher summits in our global offices presenting 'the new Fyber' – a unified global publisher powerhouse under one brand and with the joined mission of bringing the highest value to the publishers.

The Company also continued its integration efforts of the former group companies – including finishing the restructuring of the global sales teams, the launch of our new office in South Korea, and the further integration of all backend systems towards a fully unified technology platform, to name just a few highlights.

The financials of the first nine months 2018 clearly reflect that Fyber is still in a transition period. The Company delivered gross revenue of €90 million, at a net revenue margin of 36% and an adjusted EBITDA of €(7.9) million. The results are marked by the one-off effects that already impacted the financials of the first half-year.

Moreover, while the organizational integration of all former group companies has been successfully completed at the end of the second quarter 2018, the broad scale market adoption of the new products, including our core product Fyber FairBid, among existing and new clients is in part behind schedule. The fact that the Company was able to enter into strategic agreements with many of the leading demand-side platforms and ad networks including Facebook Audience Network is a strong signal towards our technological capabilities. So far, the related expected ramp-up of the business takes time and will only increase the financial performance gradually over time.

We therefore updated our guidance for the full year 2018 to a gross revenue between €130 and €135 million and an adjusted EBITDA between €(7) and €(5) million.

With the conclusion of the 'Keeping it Clean' initiative, our leaner cost base stemming from the efficiency initiatives and the realized synergies, the further market adoption of Fyber FairBid in the second half of 2018 as well as the full roll-out of the unified platform during 2019, we expect to see an uptick in financial performance in 2019.

Since October, Fyber FairBid is scaling rapidly and the initial results both for the integrated publishers using the product and the Company itself were very positive. The total gross revenue in October increased by 20% compared to the average monthly revenue in the third quarter 2018. We therefore anticipate gross revenue in the range of €155 and €175 million at an adjusted EBITDA between break-even and €5 million for the full year of 2019.

At this point I want to extend my sincere gratitude to Crid Yu and Jens Schumann, who served as members of the Management Board and Supervisory Board respectively, for their efforts and contributions. At the same time, we welcome Yair Safrai to the Supervisory Board, who joined on 1 October 2018. Yair is an experienced veteran of Israel's high tech and venture capital industries and brings a wealth of experience and domain expertise to Fyber.

My thanks also go out to our shareholders for their continuous support and our employees for their tireless efforts in carrying Fyber through this transition period and setting the Company up for a new phase of growth.

Ziv Elul
Chief Executive Officer
November 2018

Report from the Management Board

Business Model

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

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

Our technology serves over 10,000 directly integrated apps, reaching more than 1.2 billion monthly unique users and a strong focus on video ads. We offer a comprehensive suite of tools that enable publishers to centrally manage all monetization strategies. Our technology ensures the delivery of relevant, high-paying ads by conducting automated, real-time auctions, optimizing the yield for publishers with every ad impression. For transactions placed via the Fyber exchanges, the Company retains a share of the ad spend advertisers place via the platform.

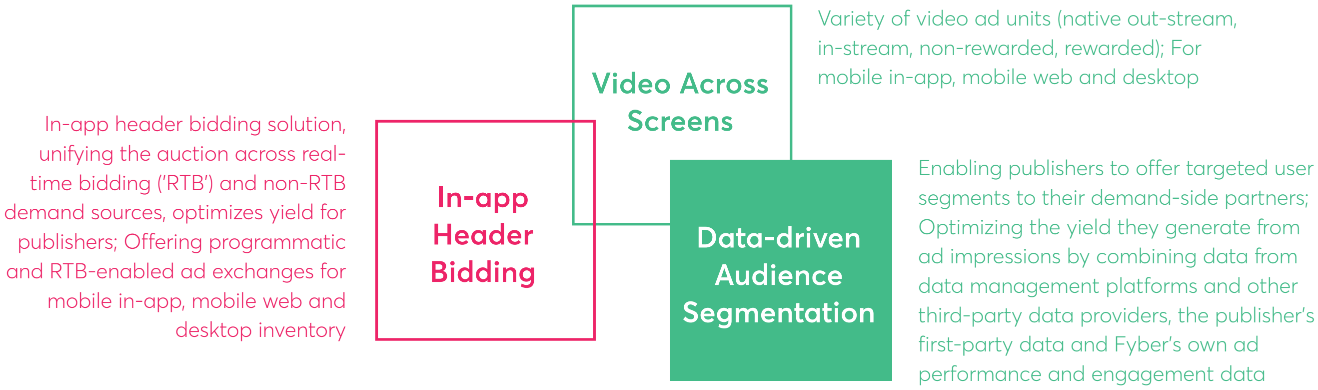
Fyber contributes to establishing 'the new ad tech'

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

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

Fyber's product focus

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



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 to secure our strong market position through technological leadership.

Highlight on Fyber FairBid

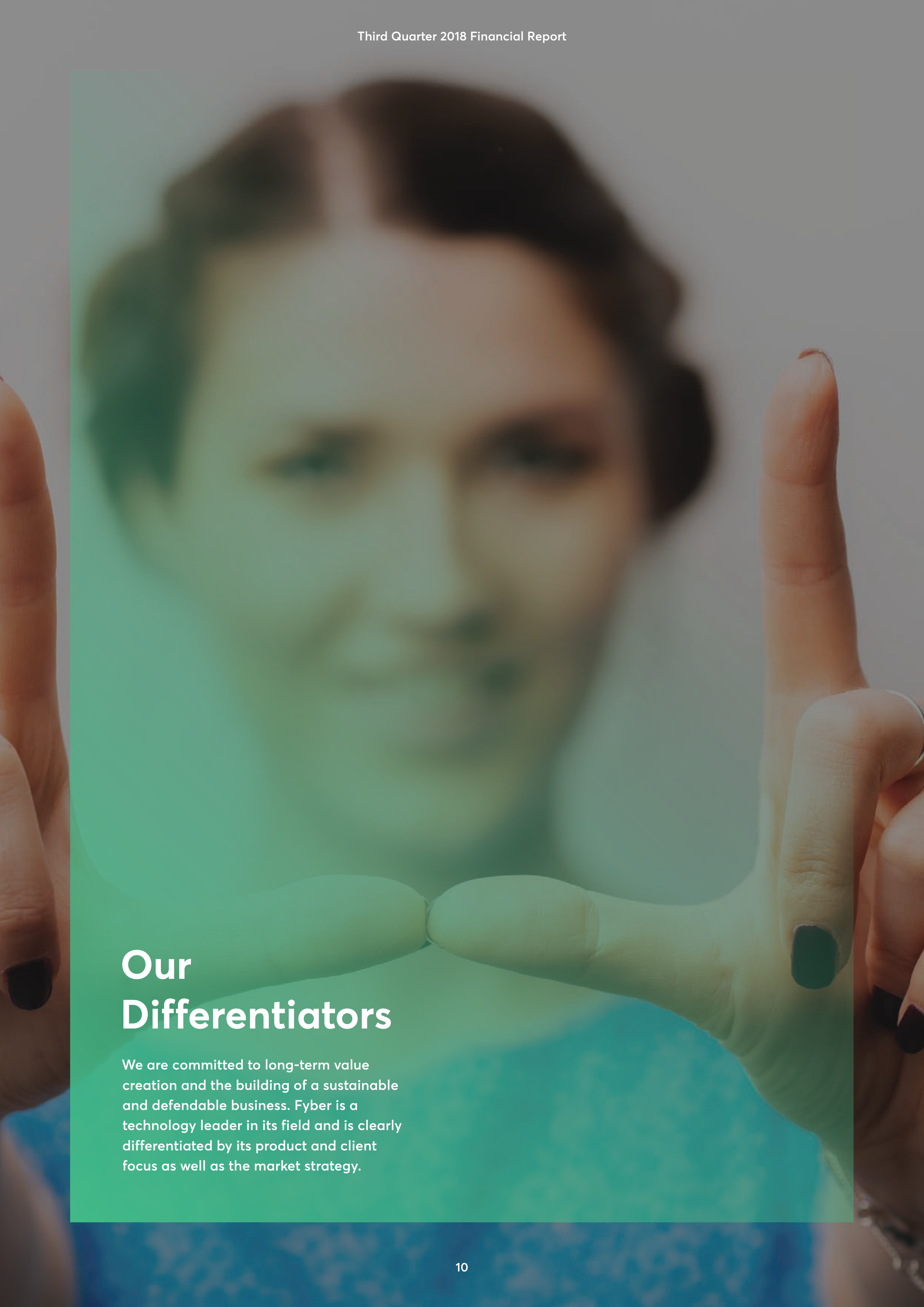
Fyber FairBid brings true header bidding to the in-app environment. To name just three key benefits for publishers, Fyber FairBid offers them

- Increased revenue opportunities: by offering each ad impression to all types of buyers in a truly parallel, real-time auction, and awarding the impression to the highest bidder. By flattening the waterfall and giving all buyers a fair chance to win the impression, we eliminate latency and missed revenue opportunities for publishers.
- Transparency & efficiency: Fyber FairBid's real-time environment provides publishers with transparency into the value of each impression through granular, reliable reporting. This includes publishers getting full visibility of the revenue details for all demand partners (DSPs, ad networks, advertisers, etc). Also, publishers save time as they are not spending resources on manually optimizing inefficient waterfalls.
- Unified auction at scale: Fyber FairBid enables SDK ad networks to bid in real-time for every impression with a committed eCPM. Traditional SDK ad networks that have yet to develop real-time bidding capabilities can also participate through Fyber's 'mock-bidder' technology, ensuring no crucial demand partner is left outside of the auction.

Introduced to the browser environment in 2015, header bidding was until recently not available for apps due to technological constraints. Current mediation solutions are based on a 'waterfall' in which demand partners are ranked based on their historical performance, which is also used to predict the revenue each partner will generate. The mediation platform then offers each ad impression in a sequential order, i.e. the demand partner ranked in 2^{nd} place is only able to see the ad request, if the demand partner ranked 1^{st} did not fill the impression.

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

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



Our Differentiators

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

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

While the launch of Fyber FairBid underlined our approach to lead with technology and contribute to the constant evolution of the digital advertising technology to bring true yield optimization to the publishers, the recent launch or Fyber's ad format Offer Wall Edge proves that also existing formats and tools are being constantly revisited and enhanced. Offer Wall Edge provides a new, sleek and engaging design, as well as various design features that make it easier for users to find and complete offers.

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

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

Focus on video

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

Global reach

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

Advanced data insights

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

Innovative ad formats focused on in-app

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

Expert guidance & premium publisher focus

Strategic guidance on yield optimization from Fyber's monetization experts

Recent Highlights

The last quarter was focused on the further implementation of our product roadmap working towards a fully integrated technology platform and the expansion of our global partner network.

- Fyber FairBid: After adding Facebook Audience Network to the list of beta partners on the demand side, we have rolled out the product further among our publishers and continue to onboard new publishers gradually. The beta phase was successfully concluded in September 2018 and the product is now in general release
- Sales updates:
  - Integrated with several new publishers as well as programmatic and direct demand partners in the Americas, Europe and the APAC regions, including Lucky Day, Atari, Zoosk, PicsArt, TheChive, Quidd, Cheetah Mobile, Baidu, KikaTech, DistrictM
  - Successfully hosted the first Israeli publisher summit, were we introduced Fyber FairBid to leading publishers in Israel
  - Fyber opened an office in Seoul, Korea to more actively engage with the local market and position Fyber FairBid as the leading product in programmatic mediation, also for local partners
- Optimized customer support organization: The customer support, technical services and sales engineering organization have been successfully merged into one global customer support layer. This will help us improve the response time to customers, decrease escalations to our engineering teams and raise overall efficiency and customer support levels

Business Performance

P&L Highlights

	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2018	**30 Sep 2017**	**30 Sep 2018**	**30 Sep 2017**	**31 Dec 2017**
	in € million				
Gross revenue	**89.9**	**177.2**	**31.1**	**57.5**	**229.8**
Revenue share to third parties	(57.4)	(125.0)	(19.8)	(40.3)	(159.9)
Net revenue	**32.5**	**52.2**	**11.3**	**17.2**	**69.9**
Net revenue margin	36.2%	29.5%	36.3%	29.9%	30.4%
Other cost of revenue	(18.1)	(19.7)	(6.0)	(6.1)	(27.2)
Gross profit	**14.4**	**32.5**	**5.3**	**11.1**	**42.7**
Research & development	(10.3)	(15.7)	(3.8)	(4.5)	(19.6)
Sales & marketing	(15.3)	(19.6)	(4.6)	(6.8)	(24.6)
General & administrative	(7.6)	(12.7)	(2.2)	(4.1)	(15.7)
Depreciation, amortization and impairment	10.2	8.4	3.2	2.4	12.6
Stock option plan	0.7	1.7	0.2	0.3	1.1
Other adjustments	-	2.2	-	2.2	2.1
EBITDA*	**(7.9)**	**(3.2)**	**(1.9)**	**0.6**	**(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 46% YoY ('year-over-year') to €31.1 million in the third quarter of 2018, due to our strategic decision to proactively discontinue parts of our business related to aggregators on the publisher side as part of the 'Keeping it Clean' initiative and the change in the 'Google Play Store' terms, which banned the use of charging screens ads from 1 January 2018 onwards. The 'Keeping it Clean' initiative was an essential factor in providing a technology platform that delivers highest quality, viewability and brand safety to our partners and we are convinced of the long-term value of this measure despite the revenue reduction in 2018. For further details on both factors please refer to Fyber's Annual Report 2017.

The effects are summarized in the table below.

	Gross revenue in € million, rounded			
	Q1-Q3 2018	Q1-Q3 2017	Change YoY	FY 2017
Aggregators on the supply-side; 'Keeping it Clean' initiative	5	54	-91%	56
Charging screen ad formats	2	21	-93%	29
Residual gross revenue = 'The new Fyber'	84	102	-18%	145
Reported gross revenue	**90**	**177**	**-49%**	**230**

The underlying core business ("The new Fyber") is declining at a much lower rate than the parts of the business affected by external one-off effects, yet it is still influenced by the tails of the integration efforts. The weaker financial performance is due to the fact that the Company's investment focus has firmly remained on the development of the joined technology platform as opposed to short-term initiatives that would directly add to the current revenue base – in line with the wider product roadmap of launching the last parts of the unified product in the course of 2019. Moreover, the integration of new advertising partners, with which the Company entered into important strategic partnership during the last months, as well as the market adoption of the new products including our flagship product Fyber FairBid among existing and new clients on a broad scale are in part behind schedule.

The total net revenue for the third quarter of 2018 decreased by 34% YoY to €11.3 million. Although the decision to move away from aggregated supply decreased the gross revenue, it significantly increased the net revenue margin from 29.9% in Q3 2017 to 36.3% in Q3 2018. The positive effect becomes more evident when considering only the core business. The net revenue for the core business remained almost stable, as our business focus shifted to the units with high and stable gross margins.

	Net revenue in € million, rounded			
	Q1-Q3 2018	Q1-Q3 2017	Change YoY	FY 2017
Aggregators on the supply-side; 'Keeping it Clean' initiative	2	14	-89%	14
Charging screen ad formats	1	7	-93%	9
Residual net revenue = 'The new Fyber'	30	31	-5%	47
Reported net revenue	**33**	**52**	**-38%**	**70**

Other adjusted cost of revenue includes IT cost and amortization. IT cost, which includes mainly server cost, accumulated to €3.0 million, compared to €4.1 million for the same period last year.
As part of the integration of group companies, we also worked on realizing identified synergies, resulting in a positive effect on our adjusted operating expenses. The total adjusted operating expenses have been reduced by 21% YoY. Based on the lower top line the adjusted EBITDA amounted to €(1.9) million in Q3 2018, compared to €0.6 million for the same period 2017.

Cash flow and going concern considerations

in € million	1 Jan - 30 Sep 2018	1 Jan - 31 Dec 2017
Net cash flow from operating activities	(15.8)	(21.3)
Net cash flow from investing activities	(3.8)	1.0
Net cash flow from financing activities	8.6	13.2
Net change in cash and cash equivalents	**(11.0)**	**(7.1)**
Net foreign exchange difference	0.4	(0.3)
Opening balance cash and cash equivalents	17.6	25.0
Closing balance cash and cash equivalents and cash deposits	**6.9**	**17.6**

After the end of the reporting period, the Company received the exercised draw-down on the existing loan facility with Sapinda Holding B.V., resulting in a total outstanding loan of €12 million with Sapinda Holding B.V.

The recent financial performance and the expected results for the full year 2018 negatively impact the ability to serve the interest payments of the €150 million 3.00 per cent convertible bonds facility ("bonds"), which are due biannually in January and July with €2.25 million each until the maturity date in July 2020, without hurting the business and the necessary investments into technology at the same time.

The Company therefore asked the bondholders to agree on a delay in interest payments until July 2020. For details, please refer to the 'Subsequent Events' section below. The proposed delay would enable the Company to uphold its product and go-to-market strategy, as opposed to dedicating funds to the interest payments, scaling down the global cost base and with that the business and revenue growth.

The delay of the existing interest payments for year 2019 and raising additional funds is a key assumption for the going concern basis of Fyber. As the Company's operating cash for the full year 2019 is expected to be around breakeven, the Company will look for additional funding of up to €5 million to support its future growth.

The estimated expected future cash flows from operating activities are largely based on management's expectations and estimates. These are uncertain as they are influenced by subjective elements such as forecasted results and margins from operating activities.

Financial and asset position

in € million	30 Sep 2018	31 Dec 2017
Intangible assets	156.1	157.6
Other non-current assets	2.9	2.2
Trade and other receivables	36.5	42.6
Other current assets	12.0	11.4
Cash and cash equivalents	6.9	17.6
Total assets	**214.4**	**231.4**
Interest bearing loans	159.5	148.0
Trade and other payables	46.8	48.9
Employee benefits liabilities	11.4	13.9
Other liabilities	4.1	5.6
Deferred tax liabilities	1.5	1.8
Total liabilities	**223.3**	**218.2**
Total equity	**(8.9)**	**13.2**

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

Equity Information

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

Key share data

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0012377394
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	114,533,333
52 weeks high / -low*	0.87 / 0.16

*As of 12 Nov 2018

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

Shareholders registered above 3% of voting rights

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

Subsequent Events

Proposed change in Convertible Bonds terms

On 7 November 2018, the Company convened a bondholder meeting to resolve on a deferral of interest payments until July 2020 and proposes that all interest accrued shall be paid out in whole on the final redemption date of 27 July 2020 together with the repayment of the principal in July 2020. In turn, the interest rate shall be increased from currently 3.0% to then 3.5% p.a.

The lower than expected financial performance impacts the ability to serve the interest payments obligation. The proposed delay would enable the Company to uphold its product and go-to-market strategy, as opposed to dedicating funds to the interest payments, scaling down the global cost base and with that the business and revenue growth.

Management Board Changes

Crid Yu stepped down from the Management Board and his role as Chief Operating Officer with effect of 1 October 2018. The role will not be re-staffed and the managerial responsibilities are fully covered by the current board of Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer.

Supervisory Board Changes

Jens Schumann stepped down as a member of the Supervisory Board effective 15 September 2018. Since 1 October 2018, Yair Safrai joined the Supervisory Board as an interim member, until his appointment will be put forward to approval by the next General Meeting.

Yair Safrai is an experienced veteran of Israel's high tech and venture capital industries. In the last few years he has held various board positions in several high-tech companies and investment funds, inter alia as chairman of Inneractive Ltd., prior to its acquisition by Fyber. In the mid-1990's, Yair co-founded Concord Ventures, before that he served as VP of the Nitzanim Venture Fund and held key consulting, marketing, and business development positions at IGS Inc. and at P.O.C.

Forecast Report

The Company updated its guidance for the full year 2018, largely based on external one-off effects, that not only influenced Fyber, but the wider market:

- Fyber's 'Keeping it Clean' initiative: based on the request by advertisers and their technology providers to work only with supply platforms that rely on direct integrations with publishers and apps, Fyber actively discontinued parts of its business and removed aggregated traffic sources from the platform.
- Google's ban of charging screen ads: due to Google's decision to discontinue charging screen ad formats, Fyber lost revenues from this ad type, which previously has been especially popular in the APAC regions.

The core business outside of these one-off effects was affected during the first half year by the internal integration efforts of merging all former group companies into one unified company and technology platform, and – most importantly – the related investments into education and training of staff.

	In € million, rounded		
	FY 2019 forecast	**FY 2018 updated forecast**	**FY 2017**
Gross revenue from aggregators	0	7	56
Gross revenue from charging screen ads	0	2	29
Core business (= residual gross revenue)	**155-175**	**121-126**	**145**
Reported/forecasted gross revenue	155-175	130-135	230

	In € million, rounded		
	FY 2019 forecast	**FY 2018 updated forecast**	**FY 2017**
Total gross revenue	155-175	130-135	230
Total adjusted EBITDA	0 to +5	-7 to -5	-1

The Company successfully completed these internal processes at the end of the second quarter 2018. Most importantly on the product side, the core of Fyber's unified platform – Fyber FairBid, the leading in-app header bidding solution – was successfully launched in line with the ambitious product roadmap in February this year, and advanced from the beta phase into the general release in September 2018. However, the roll-out to all clients integrated with Fyber takes more resources and time than expected. Similarly, the Company was able to enter into strategic agreements with many of the leading demand-side platforms and ad networks, but so far, the expected ramp-up of business takes time and will only increase the financial performance gradually over time.

Since October 2018, Fyber FairBid is scaling rapidly and the initial results both for the integrated publishers using the product and the Company itself were very positive.
Fyber saw total gross revenue in October increasing by 20% compared to the average monthly revenue in the third quarter 2018. Nevertheless, the Company therefore adjusted the guidance for the full year 2018, now expecting the gross revenue to be between €130 and €135 million and an adjusted EBITDA between €(5) and €(7) million.
Management also added a guidance for the full year 2019, expecting to deliver gross revenue in the range of €155 and €175 million at an adjusted EBITDA between break-even and €5 million.

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;
- 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, 21 November 2018

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

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

Editorial

Financial Calendar 2019

Annual Report 2018

30 April 2019

Q1 2019 Interim Statement

29 May 2019

About Fyber

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

Interim Condensed Consolidated Financial Statements

Consolidated Income Statement

	9 months ended 30 September		3 months ended 30 September	
	2018	2017	2018	2017
	Unaudited		Unaudited	
	in € thousand		in € thousand	
Revenue	**89,916**	**177,211**	**31,081**	**57,539**
Revenue share to third parties	(57,367)	(124,994)	(19,781)	(40,294)
Net revenue	**32,549**	**52,217**	**11,300**	**17,245**
Other cost of revenue	(18,136)	(19,684)	(5,999)	(6,068)
Gross profit	**14,413**	**32,533**	**5,301**	**11,177**
Research and development	(10,304)	(15,749)	(3,830)	(4,542)
Sales and marketing	(15,228)	(19,614)	(4,551)	(6,778)
General and administrative	(7,600)	(12,665)	(2,241)	(4,137)
Earnings (losses) before interest and tax (EBIT)	**(18,719)**	**(15,495)**	**(5,321)**	**(4,280)**
Net finance costs	(9,908)	(6,031)	(3,381)	(3,512)
Profit (loss) before tax	**(28,627)**	**(21,526)**	**(8,702)**	**(7,792)**
Income tax gain (expense)	792	2,391	70	415
Profit (loss) for the year after tax	**(27,835)**	**(19,135)**	**(8,632)**	**(7,377)**
Profit (loss) attributable to				
Shareholders of Fyber N.V.	(27,835)	(19,135)	(8,632)	(7,377)
Non-controlling interest	-	-	-	-
Earnings per share				
Basic profit (loss) per share (€)	(0.25)	(0.17)	(0.08)	(0.07)
Diluted profit (loss) per share (€)	(0.24)	(0.16)	(0.07)	(0.06)

Consolidated Statement of other Comprehensive Income

	9 months ended 30 September		3 months ended 30 September	
	2018	2017	2018	2017
	Unaudited		Unaudited	
	in € thousand		in € thousand	
Profit (loss) for the year after tax	**(27,835)**	**(19,135)**	**(8,632)**	**(7,377)**
To be reclassified to profit and loss in subsequent periods				
Exchange differences on currency translation	5,035	(8,063)	8,556	(348)
Income tax effect	-	-	-	-
Other comprehensive income (loss) for the year, net of tax	5,035	(8,063)	8,556	(348)
Total comprehensive income (loss) for the year	**(22,800)**	**(27,198)**	**(76)**	**(7,725)**
Profit (loss) attributable to				
Shareholders of Fyber N.V.	(22,800)	(27,198)	(76)	(7,725)
Non-controlling interest	-	-	-	-

Consolidated Statement of Financial Position

	30 September 2018	31 December 2017
	Unaudited	**Audited**
	in € thousand	
Non-current assets		
Intangible assets		
Goodwill	132,466	128,140
Other intangible assets	23,617	29,465
Property and equipment	1,144	1,116
Non-current financial assets	1,209	1,110
Deferred tax assets	462	-
Total non-current assets	**158,898**	**159,831**
Current assets		
Inventories	108	128
Trade and other receivables	36,535	42,642
Other current financial assets	10,566	10,319
Other current assets	1,334	928
Cash and cash equivalents	6,936	17,595
Total current assets	**55,479**	**71,612**
Total assets	**214,377**	**231,443**

Consolidated Statement of Financial Position

	30 September 2018	31 December 2017
	Unaudited	**Audited**
	in € thousand	
Equity (Deficit)		
Issued capital	11,453	11,453
Share premium	184,812	184,812
Treasury shares	(4,745)	(4,745)
Other capital reserves	24,330	23,711
Legal reserve	6,909	6,225
Accumulated deficit	(228,589)	(200,070)
Foreign currency translation reserve	(3,127)	(8,162)
Equity (deficit) attributable to shareholders of the Company	**(8,957)**	**13,224**
Non-controlling interests	-	-
Total equity (deficit)	**(8,957)**	**13,224**
Non-current liabilities		
Long-term employee benefits liabilities	351	357
Long-term borrowings	143,601	132,995
Deferred tax liabilities	1,495	1,763
Other non-current liabilities	3,670	5,136
Total non-current liabilities	**149,117**	**140,251**
Current liabilities		
Trade and other payables	46,765	48,881
Short-term employee benefits liabilities	11,064	13,535
Short-term borrowings	15,979	15,013
Income tax payables	409	539
Total current liabilities	**74,217**	**77,968**
Total liabilities	**223,334**	**218,219**
Total equity (deficit) and liabilities	**214,377**	**231,443**

Consolidated Statement of Cash Flows

	9 months ended 30 September	
	2018	2017
	Unaudited	
	in € thousand	
Profit (Loss) before tax	**(28,627)**	**(21,526)**
Depreciation, amortization and impairment	10,207	8,384
Financial expenses, net	9,559	6,429
Other non-cash effects	619	2,752
Changes in provisions, employee benefit obligations	(2,477)	94
Changes in working capital	661	(18,113)
Cash generated from operations	**(10,058)**	**(21,980)**
Interest received	-	10
Interest paid	(5,722)	(7,331)
Income tax paid	(69)	(349)
Net cash flow from operating activities	**(15,849)**	**(29,650)**
Purchases of property and equipment	(795)	(180)
Purchases, capitalization of intangible assets	(2,856)	(3,208)
Change in investments and financial assets, net	(99)	5,431
Net cash flow from investing activities	**(3,750)**	**2,043**
Proceeds from long-term borrowings	8,000	-
Proceeds from short-term borrowings	577	17,383
Net cash flow from financing activities	**8,577**	**17,383**
Net changes in cash	**(11,022)**	**(10,224)**
Cash at beginning of period	**17,595**	**24,982**
Net foreign exchange difference	363	(302)
Net changes in cash	(11,022)	(10,224)
Cash and cash equivalents at end of period	**6,936**	**14,456**

Consolidated Statement of Change in Equity (Deficit)

in € thousands	Unaudited							
	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity (deficit)
01 Jan 2018	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,070)**	**(8,162)**	**13,224**
Loss for the year after tax	-	-	-	-	684	(28,519)		(27,835)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	5,035	5,035
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**684**	**(28,519)**	**5,035**	**(22,800)**
Share-based payments	-	-	-	619	-	-	-	619
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Equity component of the convertible bonds, net of tax	-	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**619**	**-**	**-**	**-**	**619**
30 September 2018	**11,453**	**184,812**	**(4,745)**	**24,330**	**6,909**	**(228,589)**	**(3,127)**	**(8,957)**

Consolidated Statement of Change in Equity (Deficit)

in € thousands	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity (deficit)
	Unaudited							
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	-	-	-	-	-	(19,135)	-	(19,135)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(8,063)	(8,063)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**(19,135)**	**(8,063)**	**(27,198)**
Share-based payments	-	-	-	1,031	-	-	-	1,031
Acquisition of treasury shares	-	-	304	-	-	-	-	304
Equity component of the convertible bonds, net of tax	-	-	-	5,069	-	-	-	5,069
Transactions with owners	**-**	**-**	**304**	**6,100**	**-**	**-**	**-**	**6,404**
30 September 2017	**11,453**	**184,812**	**(4,745)**	**23,618**	**4,259**	**(115,228)**	**(4,519)**	**99,940**

Notes to the Interim Condensed Consolidated Financial Statements

1. FYBER N.V.

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

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

Fyber 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 unique 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, Beijing and Seoul.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements for the Nine-month period ended 30 September 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) in the annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2017. All the information in this interim financial report is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor. The accounting policies applied are consistent with the policies applied in the consolidated financial statements for the year ended 31 December 2017 except for the change in accounting policies described in 2.3.

2.2. Going concern consideration

As a result of losses in prior years including a significant impact of an impairment of goodwill recognized in 2017, the Group’s equity totaled €13,224 thousands as of 31 December 2017.

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

The recent financial performance and the expected results for the full year 2018 negatively impact the ability to serve the interest payments of the €150 million 3.00 per cent convertible bonds facility (“bonds”), which are due biannually in January and July with €2.25 million each until the maturity date in July 2020, without hurting the business and the necessary investments into technology at the same time. The Company therefore asked the bondholders to agree on a delay in interest payments until July 2020. Please refer to note 7 for further details.

For 2019, Management expects operating cash flow for the full year to be break even and will look for an additional funding of up to €5 million to secure and support its future growth.

On 30 September 2018, the Group showed €6,936 thousands in cash and cash equivalents. As per the same date, the Company had been secured an increase of the existing credit facility with Sapinda Holding B.V. by €4,000 thousands which were paid to the Company in October 2018.

Therefore, taking under consideration that the delay of existing interest payment will take place and additional funding as outlined above will be successful, management has reasonable expectation that Fyber has adequate resources to continue as a going concern for the foreseeable future.

Please refer to notes 3.1 and 3.2 for further details.

2.3. Changes in accounting policies and disclosures

2.3.1. Presentation of operating expenses

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

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

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

	9 months ended 30 September		3 months ended 30 September	
in € thousands	**2018**	**2017**	**2018**	**2017**
Revenue	**89,916**	**(177,211)**	**31,081**	**57,539**
Revenue share to third parties	(57,367)	(124,994)	(19,781)	(40,294)
Gross Margin (EUR)	**32,549**	**52,217**	**11,300**	**17,245**
Personnel costs	(21,366)	(32,882)	(7,013)	(10,922)
Other operating expenses	(19,696)	(26,446)	(6,380)	(8,341)
EBITDA	**(8,512)**	**(7,111)**	**(2,093)**	**(2,018)**
Depreciation, amortization and impairment	(10,207)	(8,384)	(3,228)	(2,263)
Earnings before interest and tax (EBIT)	**(18,719)**	**(15,495)**	**(5,321)**	**(4,281)**
Finance income	-	2,903	-	-
Finance expenses	(9,561)	(9,562)	(3,307)	(3,602)
Foreign exchange gains (losses)	(347)	628	(74)	91
Profit (loss) for the year before tax	**(28,627)**	**(21,526)**	**(8,702)**	**(7,792)**
Income tax gain (expense)	792	2,391	70	415
Profit (loss) for the year from continuing operations	**(27,835)**	**(19,135)**	**(8,632)**	**(7,377)**

2.4. New and amended standards and interpretations

2.4.1. IFRS 9 Financial Instruments

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

2.4.2. IFRS 15 Revenue from contracts with customers

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

2.5. Business combinations and goodwill

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

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

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

2.6. Recognition of income and expenses

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

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

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

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

2.7. Impairment of intangible assets and property and equipment

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

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

2.8. Accounting estimates and assumptions

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

3. LOANS

3.1. Loan from Sapinda Holding B.V.

On 31 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 31 December 2019.

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

3.2. Leumi credit facility line

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

4. GOODWILL

The Group’s goodwill resulted from the acquisition of the four platform businesses between 2014 and 2016. Goodwill is tested whenever a triggering event occurred but at least once per year. The Company experienced challenges in the first half of the year which lead to the announcement on 23 July 2018 that the Company will not meet the previously communicated guidance for the full-year 2018 (see note 2.2 for further details). The significance of the decline in the revenue forecast was considered a triggering event which led the Company to perform an impairment test a per June 2018.

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

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

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

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

To address this challenge, the free cash flow is planned over a high-level period of 8 further years. This high-level planning takes into account that historically high growth rates normally slow done over the long term. Before that background, management decided that a Twelve-year forecast period is more appropriate. This assesment is based on the market share Fyber has reached and the advertiser and publisher relationships built in the past. It is assumed that due to a further shift of advertising budgets to mobile advertising, there will be a significant growth in this space, which Fyber will be able to service substantially within the infrastructure and cost base already built today. Based on these assumptions, the recoverable values of the cash generating unit exceed its carrying amounts including goodwill.

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

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

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

5. OPERATING SEGMENTS

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

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

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

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

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

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

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

in € thousands	Nine months ended 30 September			
	2018		**2017**	
	Gross revenue	**EBITDA**	**Gross revenue**	**EBITDA**
Fyber Unified Platform	**89,916**	**(8,340)**	**177,211**	**(7,111)**

6. GEOGRAPHIC INFORMATION

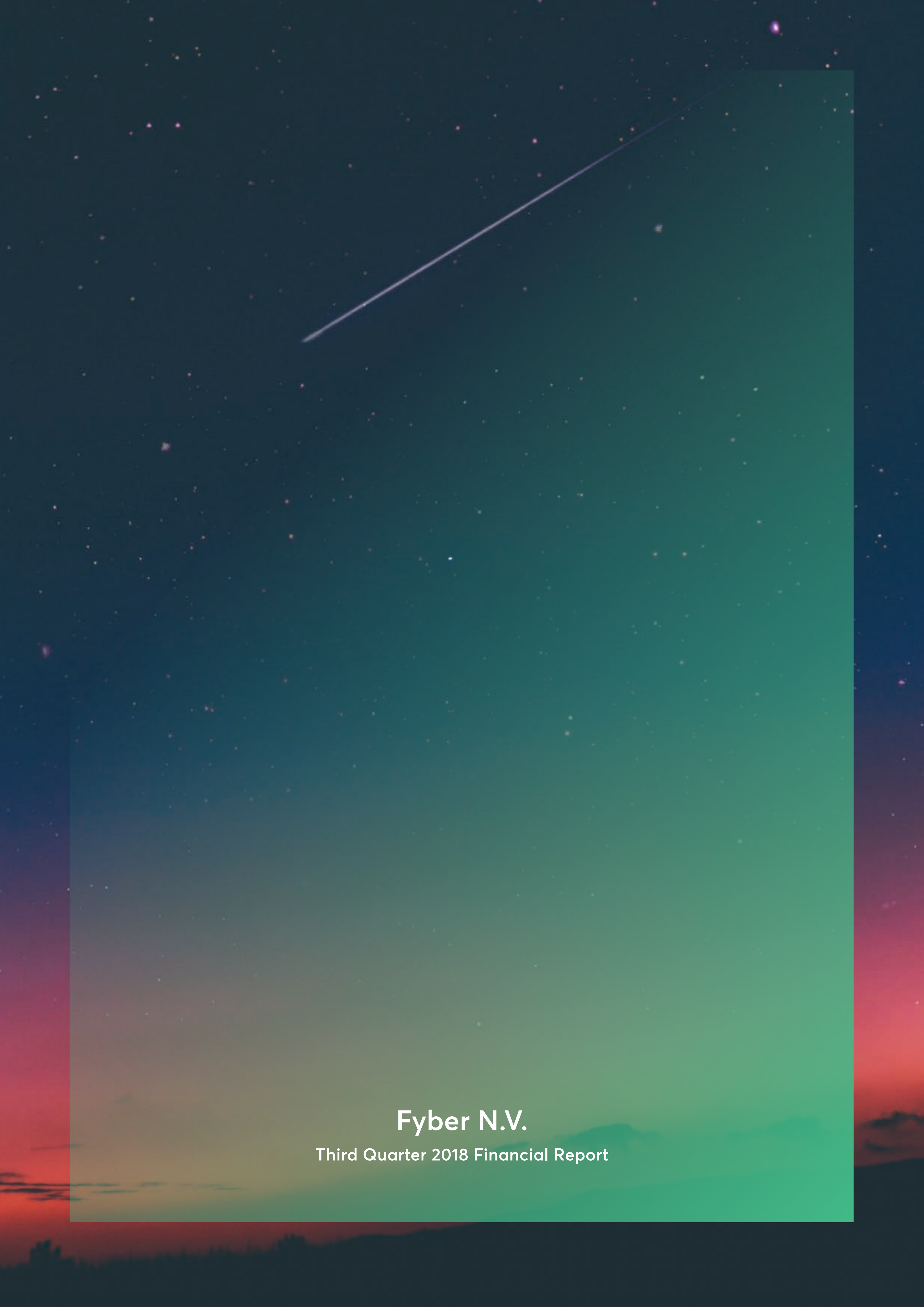
Breakdown of gross revenue according to customers' location:

in € thousands	Nine months ended 30 September	
	2018	**2017**
	Gross revenue	
United states	**46,785**	94,027
Europe, Middle East and Africa	**33,475**	69,915
Asia-Pacific	**7,611**	11,636
Rest of the world	**2,045**	1,633
Total	**89,916**	**177,211**

7. SUBSEQUENT EVENTS

7.1. Proposed change in convertible bonds terms

On 7 November 2018, the Company convened a bondholder meeting to resolve on a deferral of interest payments until July 2020 and proposes that all interest accrued shall be paid out in whole on the final redemption date of 27 July 2020 together with the repayment of the principal in July 2020. In turn, the interest rate shall be increased from currently 3.0% to then 3.5% p.a.



Fyber N.V.

Third Quarter 2018 Financial Report