Fyber

Fyber N.V.

H1 2020 Results Statement

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

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Highlights & Key Figures

21% overall YoY revenue growth to €65 million

Organic growth of 33% YoY in programmatic trading

Guidance for 2020: Expecting €155 million to €165 million in revenue and adjusted EBITDA of at least break-even

Revenue from video advertising quadrupled to €13 million

Financial performance

	Six months ended 30 Jun		Three months ended 30 Jun		Year ended 31 Dec
	2020	2019	2020	2019	2019
	in € millions				
Revenue	65.2	54.1	34.5	26.6	119.0
Cost of sales	(56.3)	(44.2)	(30.1)	(21.7)	(99.5)
Gross profit	8.9	9.9	4.4	4.9	19.5
EBITDA*	(1.7)	(1.6)	(0.9)	(0.3)	(2.7)

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

Statement from the CEO

Dear Shareholders,

Reflecting on the past six months, certainly many challenges and global developments are on everyone's mind. Our thoughts are with all families and communities affected by COVID-19. As a business with a global revenue base, we felt the impact as some advertisers understandably shifted, decreased or halted their marketing expenditures as a reaction to the general economic slowdown. Certain app verticals, including travel, ridesharing or hospitality were particularly affected. Yet, Fyber's balanced revenue and client base combined with decisive action to limit the impact on profitability enabled us to weather the storm and report growth in the first half of the year.

Strong start into the year despite challenging market environment

For Fyber, the onset of the global COVID-19 pandemic and the related economic consequences became most evident with brand advertisers reducing their ad spend due to temporary business closures or other negative impacts on their sales activities. We recorded a decline in revenue from display advertising which relies to a notable extent on brand advertising and a change in revenue composition with an increasing share of video advertising enabling overall revenue growth of 21%.

However, given Fyber's revenue base structure and focus on the gaming app vertical, we were in the fortunate position to balance this development with the growing time users spend within game apps, the increase in video advertising and stable income from Fyber's Offer Wall Edge, an incentivized ad format predominantly used within games. Although the field of video advertising is competitive and to date generates less revenue margin than other parts of the Fyber offering, the growth we recorded in the first two quarters of the year is proof of the successful implementation of our investment strategy.

Together with our employees and partners we transitioned seamlessly into a new working mode. We initiated global work from home policies for all offices, maintained service provision without disruption and strengthened our existing digital communication channels with clients including hosting online webinars. We are thankful to everyone involved for maintaining our usual high service levels while putting health and safety first in all areas of business.

21% revenue growth driven by quadrupling of programmatic video advertising

Despite the challenging market environment, Fyber delivered a 21% revenue increase during the first half of 2020 compared to the same period last year, driven by our programmatic business which recorded a plus of 33%. Most notably, the revenue from video advertising quadrupled compared to H1 2019 and now makes up 20% of our overall business.

Over the last quarters, our product investment and business efforts were focused on programmatic video advertising. Fyber delivered consistent growth in this innovative ad category, reflecting not only the market demand but also Fyber's superior partner network and technological edge. Advertisers value the use of video advertising to directly engage with their clients and portray their messages in a lively, appealing way. For app developers, it gives an opportunity to include lucrative ads in a seamless way, while maintaining a strong user experience.

We are proud that even in light of the additional strain brought onto the organization due to COVID-19, we delivered

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on all aspects of our product road map during H1 2020 on time and in highest quality. Key achievements included updates and improvements of Fyber's full screen ad format support, the real time data reporting for publishers, the programmatic mediation functionality directly increasing monetization results and the launch of playable ads.

Forecasting above 30% growth for the full year 2020 and positive adjusted EBITDA

The combination of a temporary drop in gross profit due to higher cost of revenue share paid out to third parties and the successful implementation of swift cost saving initiatives led to limiting the adjusted EBITDA loss to €(1.7) million for H1 2020. This is in line with our full year planning of achieving an adjusted EBITDA of at least break-even in 2020, as a new set of growth initiatives will focus in particular on expanding the gross profit.

At the same time, Fyber's gross profit consistently improved throughout the second quarter. Based on our defined growth strategy we are working on further expanding our share of video advertising and onboarding new partners to our flagship app monetization platform Fyber FairBid. Our business efforts also include returning to growth with traditional display advertising such as banners as the economic effects of COVID-19 ebb away and maintaining a stable income stream from Offer Wall Edge. For the full year 2020, we expect to achieve revenue between €155 million to €165 million, representing growth above 30% compared to 2019. We continue to monitor the dynamic market circumstances and stand ready to adapt our sales strategy and cost basis to meet demands. As this forecast may be negatively impacted by new privacy regulations on Apple's upcoming operating system iOS14 we are actively working on alternative ways to deliver meaningful privacy-aware performance to our iOS clients, led by our market introduction of contextual app targeting.

Once again, I extend my thanks to our employees, partners and shareholders for their ongoing support and dedication in these unprecedented times in the name of the entire management team.

Ziv Elul
Chief Executive Officer
August 2020

Report of the Management Board

Business Model

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

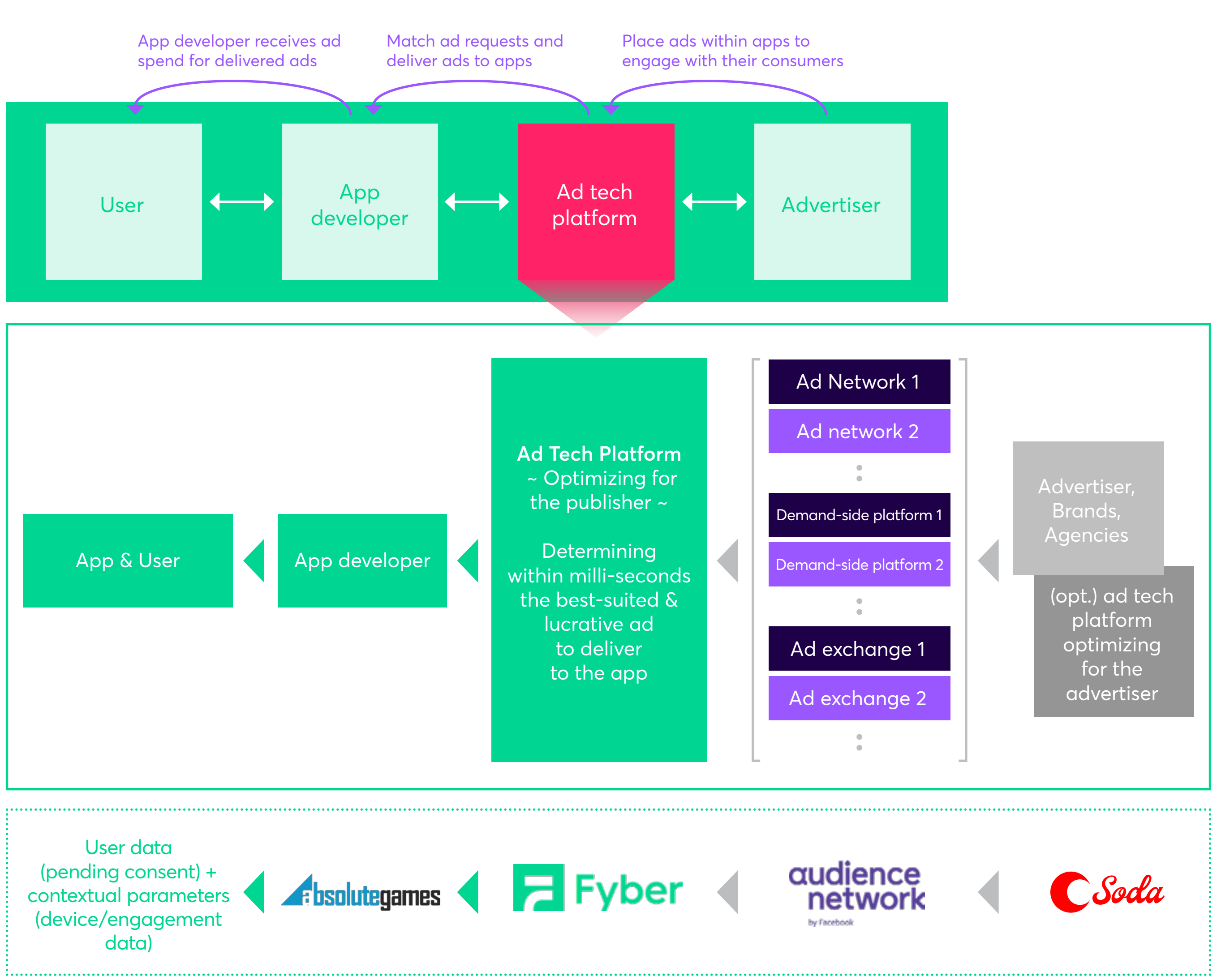
Fyber specializes in software-based automated ('programmatic') trading of advertisements (,ads') and aims to enable mobile app publishers to monetize their digital contents through the placement of targeted, high-quality ads within their apps. The Company connects app developers and their users with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

The Company's offering comprises among others

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

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

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

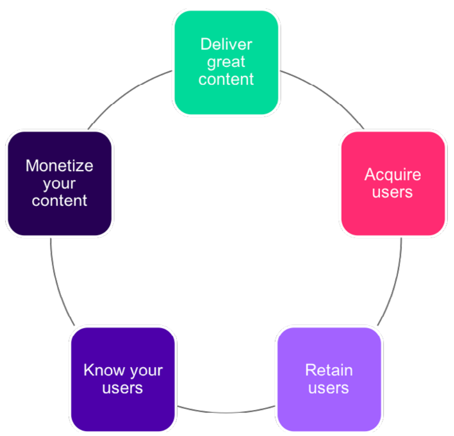


High-level view on the value chain and the data flow; example is for explanatory purpose only and not based on an actual ad campaign

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

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

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



Some of publishers' key challenges and goals

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

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

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

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

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

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

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

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

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

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

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Recent Developments

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

New advertiser tool 'Advertiser Control Panel' recorded strong beta results
In July, the Company released a new version of its ad campaign management software "ACP Edge". The self-service tool is used by advertisers to place and manage advertising on Offer Wall Edge. A single campaign configuration allows marketers to easily adjust their bids according to the quality of the results generated by each country and source ('micro-bidding'). The tool also includes important features for advertisers operating in different geographies suchs as localization of the offer language. ACP Edge is fully tied in with Fyber's existing real-time data reporting, providing advertisers with granular performance insights into each campaign permutation. Initial results of the beta version tests conducted in July show significant performance improvements, including an average increase of 40% in click-through-rate and 36% growth in conversion rate compared to campaigns for the same offers that did not utilize micro-bidding.

Initializing contextual app targeting
Apple announced a change in the user data handling for the purpose of tracking, which effectively limits the availability of IDFA information (persistent user 'identification for advertising', used by marketers to drive bidding decisions) with the release of their new operating system iOS14. For further details on the change, please refer to the section 'Risk Management' below.
In an effort to ensure that demand-side platforms will still have a relevant, diverse data set available as a basis for their bidding decisions, which drives campaign performance and return on advertising spend, Fyber launched contextual in-app targeting.
It provides advertisers with context that is generated from a mix of data points coming from the user's device, the underlying technology, and session-level behavioral information. Available parameters include the number of ad impressions the user saw during the current session, the current session length, whether the user has a strong enough network connection and battery to download a new app, whether the audio is turned on or off and headphones are in use etc.

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

Business Performance

Strong growth from video advertising

During the first half of 2020, Fyber focused on the rollout of its product roadmap to strengthen the video product and the overall competitiveness of the platform and adapting to the changing market environment. The Company delivered growth in all areas of business, further expanding the share of programmatic trading and video advertising.

Fyber achieved €65.2 million in **revenue** during the first half of the year, an increase of 21% compared to H1 2019. Despite the negative effects of COVID-19 on the general economy, the advertising market and in particular the available advertising budgets in particular, the Company recorded 29% year-over-year ('YoY') revenue growth in Q2 2020, driven by a 41% YoY increase in its programmatic business, which accounted for 71% of the overall Q2 revenue.

Within the programmatic business of the Fyber Marketplace the share of display advertising was most affected by the recent economic slowdown, as it depends in large part on brand advertising. At the same time, programmatic video advertising quadrupled compared to H1 2019, bringing the total YoY growth for the programmatic business to 33% during H1 2020.

Revenue composition

	Six months ended 30 Jun				Full year
In € millions, rounded	2020	2019	H1 2020 change YoY	H1 2020 share in %	2019
Programmatic display advertising	31.0	30.2	**2%**	48%	72
Programmatic video advertising	**13.1**	**2.8**	**369%**	**20%**	**7**
Total programmatic business	**44.1**	**33.0**	**33%**	**68%**	**79**
Non-programmatic business	21.1	19.9	6%	32%	39
One-off effects	-	1.2	-		1
Total revenue	65.2	54.1	21%	100%	**119**

To provide context for the recent market developments shaped by COVID-19, the industry association for the digital advertising ecosystem, Interactive Advertising Bureau ‚IAB', published a survey of almost 400 US brand ad agency decision makers on the changes in advertising spending in March to April and May to June compared to their original projections for these time frames and reported significant expected decline of up to 40% for digital advertising across all formats, with digital display being the most effected.

Fyber's balanced revenue base enabled it to absorb the negative impact, delivering an overall revenue growth of 21%.

Consolidated income statement – Highlights

	Six months ended 30 Jun		Three months ended 30 Jun		Year ended 31 Dec
	2020	2019	2020	2019	2019
	in € millions				
Revenue	65.2	**54.1**	34.5	**26.6**	**119.0**
Cost of sales	(56.3)	(44.2)	(30.1)	(21.7)	(99.5)
Gross profit	8.9	**9.9**	4.4	**4.9**	**19.5**
Research & development	(5.7)	(6.6)	(2.5)	(3.2)	(12.8)
Sales & marketing	(7.4)	(8.3)	(3.6)	(4.0)	(15.9)
General & administrative	(3.2)	(3.6)	(2.0)	(1.9)	(8.8)
Other expenses	(0.4)	-	-	-	-
Depreciation & amortization	5.3	6.0	2.4	3.1	17.3
Stock option plan	0.8	1.0	-	0.9	0.9
Other adjustments	-	-	-	-	(2.9)
Adj. EBITDA*	(1.7)	**(1.6)**	(0.9)	**(0.3)**	**(2.7)**
Adj. EBITDA margin (%)*	-2.5%	-3.0%	-2.6%	-1.1%	-2.3%

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

Cost of sales mainly consists of the revenue share paid to third parties, i.e. the yield Fyber generates and pays out to app developers. Other components include IT cost, amortization of technology and customer relationships acquired through business combinations. The total cost of sales amounted to 86% of revenue, compared to 82% in H1 2019. The increase is largely based on the lower revenue margins achieved with video advertising.

We continued our efforts to reduce the **operational cost,** focusing on the expenses for sales & marketing as well as research & development. Compared to H1 2019, Fyber achieved a 12% reduction.

Profitability detail

	Six months ended 30 Jun		Year ended 31 Dec
	2020	2019	2019
	in € millions		
Earnings before interest and tax	(7.8)	**(8.6)**	**(20.5)**
Total adjustments	6.1	7.0	17.8
Thereof depreciation & amortization	5.3	6.0	17.3
Thereof 'Stock Options Program'	0.8	1.0	0.9
Thereof other adjustments in general & administrative	-	-	(0.4)
Adjusted EBITDA	(1.7)	**(1.6)**	**(2.7)**

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Cash flow and going concern considerations

	Six months ended 30 Jun		Year ended 31 Dec
	2020	2019	2019
	in € millions		
Net cash flow from operating activities	3.3	(8.3)	(9.2)
Net cash flow from investing activities	(1.5)	(1.1)	(5.5)
Net cash flow from financing activities	(0.4)	3.7	14.9
Net change in cash and cash equivalents	1.4	**(5.7)**	**0.2**
Net foreign exchange difference	(0.1)	-	0.4
Opening balance cash and cash equivalents	12.9	12.3	12.3
Closing balance cash and cash equivalents and cash deposits	14.2	**6.6**	**12.9**

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

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

The revenue growth and efficiency initiatives regarding the operational cost positively affected the cash flow and resulted in a cash balance of €14.2 million. The Company achieved a positive cash flow from operating activities for the first time, amounting to €3.3 million.

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

Financial and asset position

	Six months ended 30 Jun 2020	Year ended 31 Dec 2019
	2020	**2019**
	in € millions	
Intangible assets	145.6	148.3
Other assets	10.0	10.0
Cash and cash deposits	14.2	12.9
Trade and other receivables	33.4	29.5
Other financial assets	5.8	8.2
Total assets	**209.0**	**208.9**
Interest bearing loans	124.8	120.6
Trade and other payables	45.1	36.7
Employee benefits liabilities	4.6	5.8
Other liabilities	13.4	12.7
Deferred tax liabilities	-	-
Total liabilities	**187.9**	**175.8**
Total equity	**21.1**	**33.1**

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

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Subsequent Events

New share issuance in relation to bond conversion and stock option program
The Company issued 1.3 million new shares in July to fulfill a convertible bonds conversion of 3 bonds as well as the stock options exercised by employees during the second quarter of 2020. The new number of outstanding shares amounts to 365.5 million.

Risk Management

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 2019. The Management Board confirms the Company's risk profile presented there and reports one addition in the segment of strategic market risks.

Market risk – Failure to respond to market trends

Specific new risk in addition to the stated risks of the Annual Report 2019
The group's revenue growth depends on monetizing apps through the placement of lucrative, meaningful advertising while maintaining a positive user experience. In part, the Company processes personal user data on behalf of the publisher to serve the users with targeted advertising.
Apple recently announced that the new operating system iOS14 launching in Q4 2020 will include a change in user data handling for the purpose of tracking of all sorts. To date, the tracking of users for the purpose of serving personalized ads is enabled by default for all installed apps. When using iOS14, users will be prompted with a pop-up when using an app for the first time, asking the user to allow tracking for purposes of advertising. After the opt-in, the process of tracking and serving personalized ads remains the same - meaning only the manner in which the user consent is being generated will be changed from a default granting to an active opt-in by the user per app. Depending on opt-in rates, this might impact the Company's ability to serve personalized ads using Apple's IDFA, the user identification for advertising.

Risk response
The Company operates under the assumption that the usage of IDFA will be very limited after a broad adoption of iOS14 due to estimated low opt-in rates. Therefore, the risk response centers around identifying and incorporating alternative metrics and processes to ensure successful monetization on the new operating system:

- Formed new specification summarizing contextual data points that can be a viable replacement for IDFA
- Engaging in active conversations with clients, industry experts and other ad tech companies, using their input to refine our preliminary specifications
- Study Apple's official technical documentation as it becomes available, test the iOS14 beta version including our approach to contextual app targeting with leading demand partners

Equity Information

The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN' and the ISIN code NL0014433377. As of 30 June 2020, the issued capital of Fyber N.V. amounted to €36.420 million divided into 364,199,752 common registered shares with a nominal value of €0.10 each. The issued capital consisted entirely of fully paid-up ordinary shares. The authorized capital amounts to €120.0m and is divided into 1.2 billion shares with a nominal value of €0.10 each.

Key share data

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0014433377
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	364,199,752
52 weeks high / -low *	0.50 / 0.14

* Note: as of 14 Aug 2020

Shareholders owning 3% or more of the issued capital of a listed company (a substantial shareholding or short position) must report this to the Netherlands Authority for Financial Markets ("AFM") as soon as this threshold is reached or exceeded. Subsequently, notifications to the AFM must be done by the shareholder as soon as a substantial shareholding or short position reaches, exceeds or falls below set thresholds. The thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the Company's issued share capital.
As of the date of this report, i.e. following the recent capital increase, the following shareholders owning 3% or more of the Company's voting rights were registered with the AFM:

Major shareholders

	% Voting rights
Advert Finance B.V.	94.1%

Forecast Report

During the first half of 2020, the Company recorded revenue growth above 20% compared to H1 2019, based on the strong performance of programmatic video advertising. While the overall revenue growth in March and April was clearly affected by the negative impact of COVID-19, the Company recorded consistent growth compared to last year throughout H1 2020. June trended at more than 50% above the previous year, driven by programmatic video advertising.

Revenue from video advertising grew by more than 125% compared to Q1 2020 to €9.1 million in Q2 2020, accounting for 27% of the total revenue. Preliminary results for Q3 suggest a continuation of this trend, with video in July and August year-to-date making up 30% of the revenue, and the overall revenue trending 40% above the corresponding values for 2019.

The main growth initiatives for 2020 to maintain and extend this trend include expanding the revenue share from video advertising as well as Fyber FairBid's market footprint, retaining a balanced, resilient revenue base of both performance and brand advertising, optimizing existing accounts and onboarding new partners on the demand and supply side.

Based on the accelerated growth from video advertising recorded in the first half of the year the Company expects to achieve continued growth rates above 30% year-over-year. With that, the overall revenue is forecasted at **€155 million and €165 million** at an **adjusted EBITDA of at least break-even** for the full year 2020.

Potential dampeners include further negative effects on the wider market stemming from COVID-19 and increased privacy policy regulations.
In particular, it should be emphasized that this forecast can be negatively affected by Apple's recently announced policy change to adapt a new opt-in model for user tracking in their new operating system iOS14. Fyber is actively working to counter any adverse impact by preparing to complement and if necessary substitute ad targeting based on user identification data with contextual targeting. For more details on the change please refer to the 'Risk Management' section above.

In € millions, rounded	H2 2020 forecast	H2 2019 reported	Change YoY in %	FY 2020 forecast	FY 2019 reported	Change YoY in %
Revenue	90-100	64.9	**>39%**	155-165	119.0	>30%
Adjusted EBITDA	1.7	(1.1)	-	break-even	**(2.7)**	**-**

Responsibility Statement

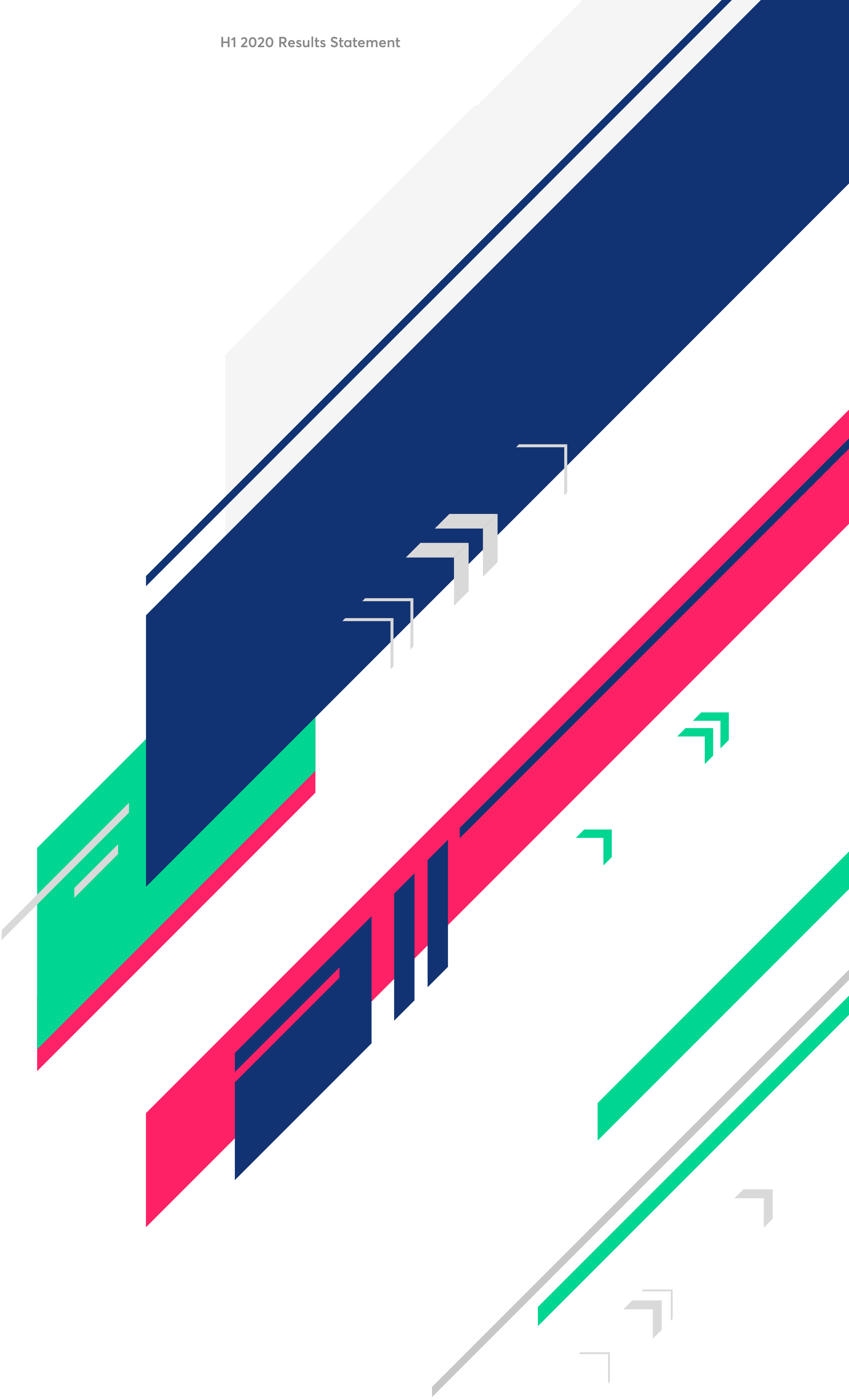
With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

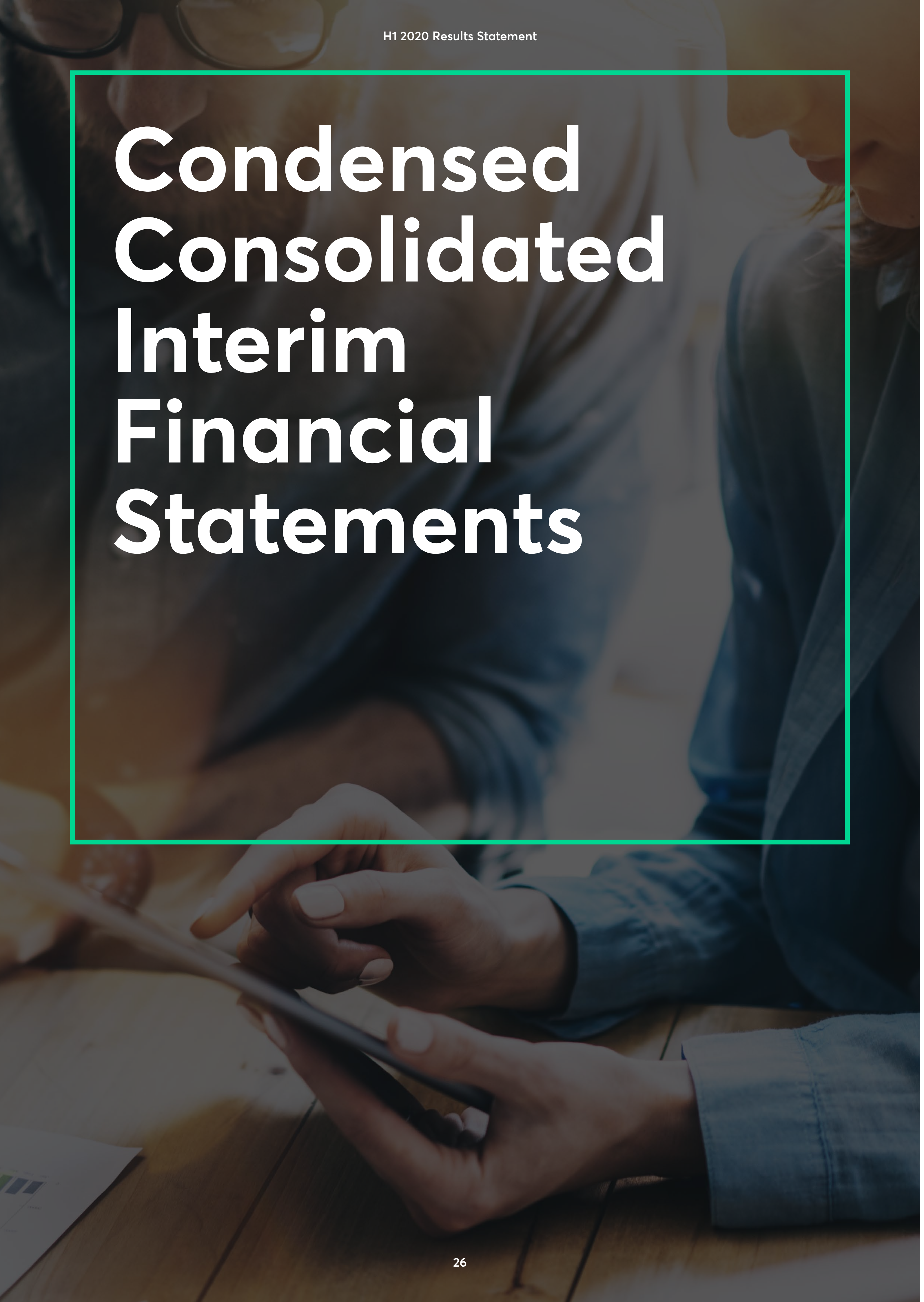
- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the interim Management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

Berlin, 26 August 2020

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

NOTES REGARDING THE UNAUDITED INTERIM REPORT
All the information in this quarterly financial report is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor.





Condensed Consolidated Interim Financial Statements

Consolidated Income Statement

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	2020	2019
	Unaudited			
	in € thousands			
Revenue	**65,206**	**54,104**	**34,477**	**26,624**
Cost of sales	(56,299)	(44,227)	(30,081)	(21,684)
Gross profit	**8,907**	**9,877**	**4,396**	**4,940**
Other operating income	-	-	-	-
Research and development expenses	(5,684)	(6,611)	(2,494)	(3,192)
Sales and marketing expenses	(7,395)	(8,344)	(3,607)	(4,022)
General and administrative expenses	(3,165)	(3,554)	(2,035)	(1,950)
Other operating expenses	(361)	-	-	-
Earnings before interest and tax (EBIT)	**(7,698)**	**(8,632)**	**(3,740)**	**(4,224)**
Finance income	41	32	-	-
Finance costs	(5,173)	(30,036)	(2,782)	(25,913)
Net finance costs	**(5,132)**	**(30,004)**	**(2,782)**	**(25,913)**
Profit (loss) before tax	**(12,830)**	**(38,636)**	**(6,521)**	**(30,137)**
Income tax gain (expense)	93	211	(3)	485
Profit (loss) for the period after tax	**(12,737)**	**(38,425)**	**(6,524)**	**(29,652)**
Profit (loss) attributable to				
Shareholder of Fyber N.V.	(12,737)	(38,425)	(6,524)	(29,652)
Non-controlling interest	-	-		
Earnings per share				
Basic profit (loss) per share (€)	(0.04)	(0.20)	(0.02)	(0.11)
Diluted profit (loss) per share (€)	(0.04)	(0.20)	(0.02)	(0.11)

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

Consolidated Statement of other Comprehensive Income

	6 months ended 30 June		3 months ended 30 June	
	2020	2019	2020	2019
	Unaudited			
	in € thousands			
Profit (loss) for the period after tax	(12,737)	**(38,425)**	(6,524)	**(29,652)**
To be reclassified to profit and loss in subsequent periods				
Exchange differences on currency translation	(609)	**454**	(1,578)	**(1,985)**
Income tax effect	-	-	-	-
Other comprehensive income (loss) for the period, net of tax	(609)	454	(1,578)	(1,985)
Total comprehensive income (loss) for the period	(13,346)	**(37,971)**	(8,102)	**(31,637)**
Comprehensive income (loss) attributable to				
Shareholders of Fyber N.V.	(13,346)	(37,971)	(8,102)	(31,637)
Non-controlling interest	-	-	-	-

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	30 June	31 December
	2020	2019
	Unaudited	Audited
	in € thousands	
Non-current assets		
Goodwill	134,337	134,932
Other intangible assets	11,220	13,402
Intangible assets	**145,557**	**148,334**
Property and equipment	8,525	8,519
Non-current financial assets	3,996	4,272
Deferred tax assets	-	-
Total non-current assets	**158,078**	**161,125**
Current assets		
Inventories	-	82
Trade and other receivables	33,401	29,531
Other current financial assets	1,768	3,898
Prepayments	1,538	1,430
Cash and cash equivalents	14,227	12,876
Total current assets	**50,935**	**47,817**
Total assets	**209,013**	**208,942**

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	30 June	31 December
	2020	2019
	Unaudited	Audited
	in € thousands	
Equity (deficit)		
Issued capital	36,420	36,187
Share premium	250,578	250,389
Treasury shares	(4,585)	(4,745)
Other capital reserves	31,238	30,489
Legal reserve capitalized self-developed intangible assets	8,858	7,980
Retained earnings	(300,584)	(286,969)
Foreign currency translation reserve	(864)	(255)
Equity (deficit) attributable to shareholders of the Company	21,061	(33,076)
Non-controlling interests	-	-
Total equity (deficit)	**21,061**	**(33,076)**
Non-current liabilities		
Employee benefits	233	238
Loans and borrowings	109,142	102,725
Deferred tax liabilities	-	-
Other non-current liabilities	13,197	12,536
Total non-current liabilities	**122,572**	**115,499**
Current liabilities		
Trade and other payables	45,101	36,701
Employee benefits	4,363	5,517
Loans and borrowings	15,703	17,950
Current tax liabilities	213	199
Total current liabilities	**65,380**	**60,367**
Total liabilities	**187,952**	**175,866**
Total equity (deficit) and liabilities	**209,013**	**208,942**

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	6 months ended 30 June	
	2020	2019
	Unaudited	
	in € thousands	
Loss for the period after tax	**(12,737)**	**(38,423)**
Income tax (gain) expense	(93)	(212)
Depreciation, amortization and impairment	5,300	4,285
Net finance costs	5,132	30,003
Profit from sale of the right-of-use asset through sublease	-	-
Share based payments	749	966
Changes in provisions, employee benefit obligations	(1,159)	(2,277)
Changes in working capital	6,947	(410)
Cash generated from operations [1]	**4,139**	**(6,068)**
Interest received	41	-
Interest paid	(961)	(1,548)
Income tax paid	(14)	(713)
Income tax received	121	-
Net cash flow from operating activities	**3,326**	**(8,329)**
Purchases of property and equipment	(24)	(548)
Purchases of and development expenditures for intangible assets	(1,763)	(342)
Net proceeds (payments) from in investments and financial assets	276	(170)
Net cash flow from investing activities	**(1,511)**	**(1,060)**
Proceeds from non-current loans and borrowings	3,084	8,000
Proceeds (repayment) from current loans and borrowings	(2,115)	(4,314)
Payment of lease liabilities	(1,324)	-
Net cash flow from financing activities	**(355)**	**3,686**
Net changes in cash and cash equivalent	**1,460**	**(5,703)**
Cash and cash equivalent at beginning of period	**12,876**	**12,276**
Net foreign exchange difference	(109)	27
Net changes in cash and cash equivalent	1,460	(5,703)
Cash and cash equivalents at end of period	**14,227**	**6,600**

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

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

H1 2020 Results Statement

Consolidated Statement of Change in Equity (Deficit)

Unaudited

in € thousands	Issued capital	Share premium	Treasury shares	Other capital reserves	Legal reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity (deficit)
01 January 2020	36,187	250,389	(4,745)	30,489	7,980	(286,969)	(255)	33,076	-	**33,076**
Loss for the period after tax	-	-	-	-	878	(13,615)	-	(12,737)	-	**(12,737)**
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	(609)	(609)	-	**(609)**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**878**	**(13,615)**	**(609)**	**(13,346)**	**-**	**(13,346)**
Share-based payments - vesting	-	-	-	749	-	-	-	749	-	**749**
Share based payments - exercise	-	(160)	160					-		**-**
Conversion of convertible bonds	233	(421)	-	-	-	-	-	654	-	**654**
Transaction costs with respect to bond conversion	-	(72)	-	-	-	-	-	(72)		**(72)**
Transactions with shareholders	**233**	**189**	**160**	**749**	**-**	**-**	**-**	**1,331**	**-**	**1,331**
30 June 2020	36,420	250,578	(4,585)	31,238	8,858	(300,584)	(864)	21,061	-	21,061

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

Consolidated Statement of Change in Equity (Deficit)

Audited

in € thousands	Issued capital	Share premium	Treasury shares	Other capital reserves	Legal reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity (deficit)
31 December 2018	11,453	184,812	(4,745)	25,313	7,272	(237,416)	(2,247)	(15,558)	-	**(15,558)**
Effect of adopting new accounting standards, net of tax	-	-	-	-	-	(76)	-	(76)	-	**(76)**
01 January 2019	11,453	184,812	(4,745)	25,313	7,272	(237,492)	(2,247)	(15,634)	-	**(15,634)**
Loss for the period after tax	-	-	-	-	962	(39,385)	-	(38,423)	-	**(38,423)**
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	454	454	-	**454**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**962**	**(39,385)**	**(1,793)**	**(37,969)**	**-**	**(37,969)**
Share-based payments	-	-	-	966	-	-	-	966	-	**966**
Issue of shares upon conversion of convertible bonds	24,734	70,676	-	-	-	-	-	-	-	**-**
Transaction costs with respect to bond conversion	-	(596)	-	-	-	-	-	-	-	**-**
Transactions with shareholders	**24,734**	**70,080**	**-**	**966**	**-**	**-**	**-**	**95,780**	**-**	**95,780**
30 June 2019	36,187	254,892	(4,745)	26,279	8,234	(276,877)	(1,793)	42,177	-	42,177

The notes on pages 37 to 40 are an integral part of these consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 GENERAL

1.1. Reporting entity and relationship with parent company

Fyber N.V. (hereinafter referred to as "Company" or together with its subsidiaries as "Fyber" or "Group") is a company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands. The Company is a global provider for advertising technology.

The Company is incorporated in Amsterdam, The Netherlands and is registered with the Dutch Chamber of Commerce under the number 54747805. The Company's head-office is located at Wallstraße 9-13, 10179 Berlin, Germany. The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN' or ISIN NL0014433377 respectively, following a conversion from registered shares to bearer shares which was completed on 28 April 2020.

Fyber empowers app developers and digital publishers to monetize their content through advanced technologies, innovative ad formats and data-driven decision making. Fyber provides an open-access platform for both publisher's and digital advertisers with a global reach.

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 250 people.

1.2. Financial reporting period

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

1.3. Going concern

As of 30 June 2020, the Group showed a total equity of €21,061 thousand (31 December 2019: €33,076 thousand) and €14,227 thousand in cash and cash equivalents (31 December 2019: €12,876 thousand).

At the balance sheet date, the Group has shareholders loans with Tennor Holding B.V. amounting to €32,000 thousand (31 December 2019: €30,000) plus accrued interest of €3,497 thousand (31 December 2019: €2,237 thousand).

Furthermore, the Group has revolving credit facilities from banks amounting to €21,876 thousand of which €15,703 thousand had been drawn (31 December 2019: €17,949 thousand). These credit facilities are due in December 2020 and considered current financing.

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

Since January 2020, the Coronavirus outbreak has dramatically expanded into a worldwide pandemic creating macro-economic uncertainty and disruption in the business and financial markets. Many countries around the world, including the countries the company is operating in, had been taking measures designated to limit the continued spread of the Coronavirus, including the closure of workplaces, restricting travel, prohibiting assembling, closing international borders and quarantining populated areas. Such measures present concerns that may dramatically affect the Company's ability to conduct its business effectively, including, but not limited to, adverse effect relating to employees' welfare, slowdown of commerce travel and other activities which are essential and critical for maintaining on-going business activities. While many countries had been gradually removed those restrictions, new infection numbers are on the rise again fueling concerns that governments are forced to revive such measures again.

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

Consequently, the uncertainties of COVID-19 could further negatively impact the willingness of the bank to prolong its financing.

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

However, Management is still positive that it will be able to prolong the credit facilities before repayment in December 2020. In view of the uncertainties connected to the COVID-19, Management has taken comprehensive measures which included a global closure of the Group's offices and implementing working from home for all its employees. Further, ongoing projects were re-assessed before the background of the current situation and some were put on hold. However, such measures enabled the Group to temporarily reduce the working capacity by more than 20% and personnel expenses accordingly in Q2 2020.

Where possible, the Group made use of government provided subsidies such as compensation for short time work or subsidized loans. In April and May 2020, the Group received liquidity securing loans amounting to $1,222 thousand. Please refer to note 3 for further details.

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

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

2 BASIS OF PREPERATION

The interim financial statements for the Three-months period ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required by International Financial Reporting Standards (IFRS) in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2019. All the information in these interim financial statements is unaudited. This means the information has been subject neither to any audit nor to any review by an independent auditor. The accounting policies applied are consistent with the policies applied in the consolidated financial statements for the year ended 31 December 2019.

3 LOANS FROM BANKS

In April and May 2020, the Group received $1,222 thousand in two loans through its subsidiaries operating in the US, Fyber Inc and Inneractive USA Inc. The loans bear 1% p.a. interest and are paid in 18 equal monthly installments, beginning in October and November 2020 respectively.

In June 2020, a revolving credit facility of up to $5 million have been agreed with Israeli based Discount Bank. The loan bear interest of LIBOR + 5.8% and the first withdrawal in July 2020 was used to reduce the outstanding credit facility with Bank Leumi from $13.5 million to $10.0 million.

H1 2020 Results Statement

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.

As described extensively in the previous in financial communication including the Group's consolidated financial statements for the year ended 31 December 2019, the Group maintains one operating segment – Fyber FairBid.

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

	Six months ended 30 June			
	2020		**2019**	
in € thousands	**Revenue**	**EBITDA**	**Revenue**	**EBITDA**
Fyber FairBid	65,206	(2,401)	54,104	(2,548)

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

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

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

5 GEOGRAPHIC INFORMATION

Breakdown of revenue according to customers' location:

	Six months ended 30 June	
	2020	**2019**
in € thousands	**Revenue**	
North America	36,287	26,441
Europe, Middle East and Africa	20,651	20,741
Asia-Pacific	4,817	6,131
Rest of the world	3,451	791
Total	**65,206**	**54,104**

6 SUBSEQUENT EVENTS

The Company issued 1.3 million new shares in July 2020 to fulfill a convertible bonds conversion of 3 bonds as well as the stock options exercised by employees during the second quarter of 2020. The new number of outstanding shares amounts to 365.5 million.

H1 2020 Results Statement

Financial Calendar

Q3 2020 Interim Statement
25 November 2020

Editorial

Fyber N.V. (Naamloze Vennootschap) is a public company with limited liability, incorporated under the laws of the Netherlands
Corporate Seat: Amsterdam
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Chairman of the Supervisory Board
Yair Safrai

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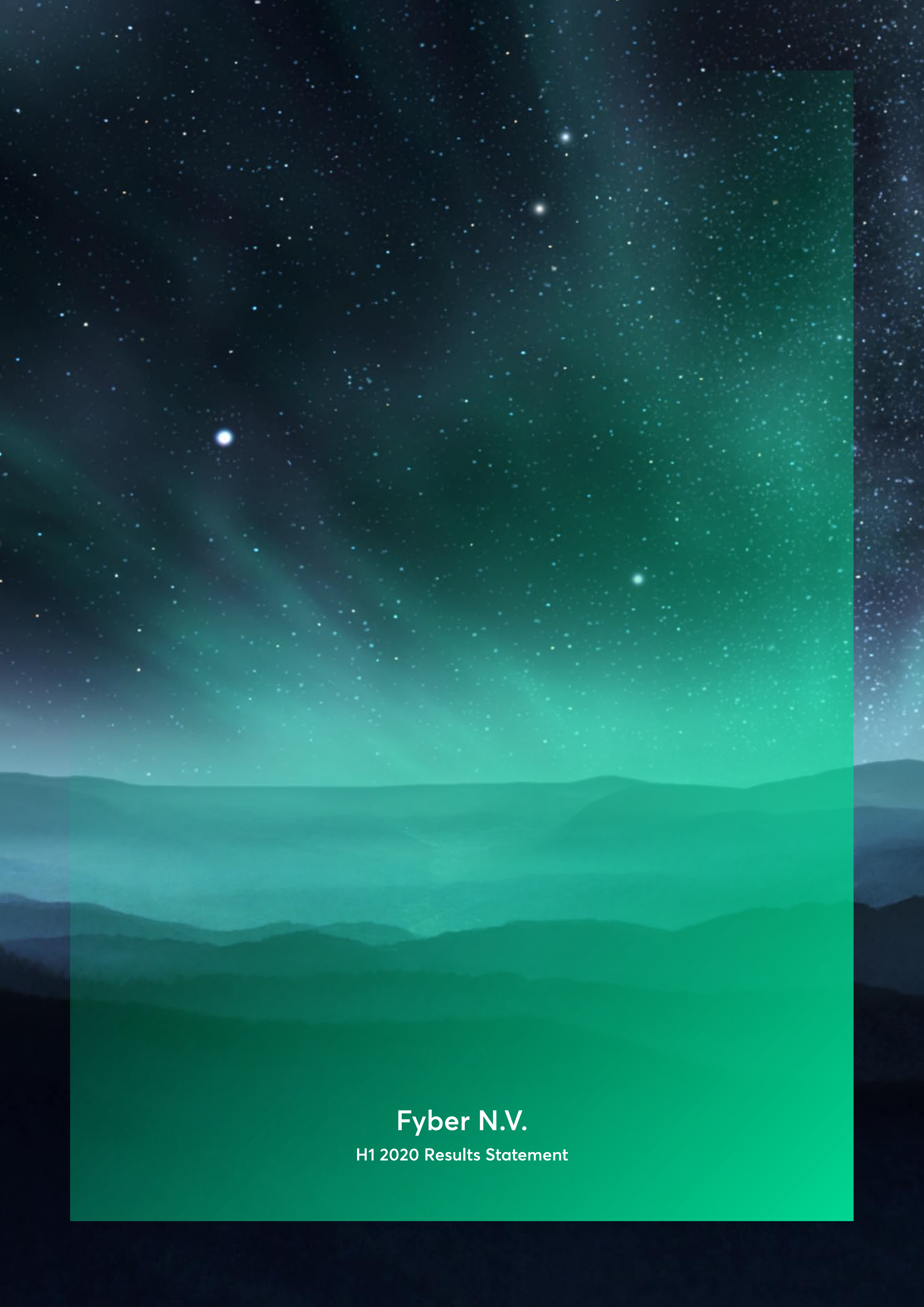

Fyber N.V.

H1 2020 Results Statement