Position Statement

by the Management Board and the Supervisory Board

of

FYBER N.V.

on the

Mandatory Takeover Offer (Cash Offer)

by

Advert Finance B.V.

In accordance with Article 24 and Annex G of the Dutch Public Takeover Offers Decree (*Besluit openbare biedingen Wft*)

8 July 2019

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I. GENERAL INFORMATION ABOUT THE POSITION STATEMENT

On 24 June 2019 Advert Finance B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands, with its registered office at Schiphol Boulevard 127, G4.02, 1118BG Schiphol, the Netherlands and registered with the Trade Register of the Dutch Chamber of Commerce (*Kamer van Koophandel, afdeling Handelsregister*) in Amsterdam under no. 74507516 ("**Bidder**") published in accordance with Section 14 (2) and (3) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz)* ("**WpÜG**") an offer document ("**Offer Document**") within the meaning of section 11 WpÜG ("**Offer Document**") for its mandatory offer (cash offer) ("**Offer**", "**Mandatory Offer**" or "**Takeover Offer**") to the shareholders of Fyber N.V. ("**Fyber**", **Fyber N.V.**", "**Company**", or "**Target Company**" and together with its affiliated companies "**Fyber Group**") regarding the acquisition of all registered shares of Fyber N.V. with a nominal value of EUR 0.10 each (ISIN NL0012377394, WKN A2DUJD) ("**Existing Fyber Shares**"), including the ancillary rights existing at the time of the settlement of the Offer, in particular the dividend entitlement, for a cash payment of EUR 0.31 ("**Offer Price**" or "**Consideration**") per Fyber share.

On 6 May 2019 the Target Company has implemented a Capital Increase (as defined under section 4.2 of the Offer Document) against contribution of Fyber Convertible Bonds (as defined under section 8 of the Offer Document) which increased the Target Company's share capital of EUR 11,453,333.30 by EUR 24,733,308.60 to EUR 36,186,641.90 by issuing 247,333,086 new registered shares with a nominal value of EUR 0.10 each. The 247,333,086 registered shares with a nominal value of EUR 0.10 each, including all ancillary rights at the time of settlement, in particular the dividend entitlement (the "**New Fyber Shares**"), are booked under ISIN NL0013405483 (WKN A2PFBJ) until they are admitted to trading on the regulated market of the Frankfurt Stock Exchange. The Existing Fyber Shares and the New Fyber Shares are also collectively referred to in this Offer Document as Fyber Shares ("**Fyber Shares**").

The Offer Document which the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht)* ("**BaFin**") authorized to be published on 21 June 2019 was communicated to the management board of the Target Company ("**Management Board**") by the Bidder on 24 June 2019 and subsequently forwarded to the supervisory board of the Target Company ("**Supervisory Board**") and the employees.

The Management Board and Supervisory Board have carefully examined the Offer and discussed it in several meetings and adopted this position statement (the "**Position Statement"**) in accordance with article 24 and Annex G of the Dutch Public Takeover Offers Decree (*Besluit openbare biedingen Wft*) ("**Takeover Decree**").

The Management Board and the Supervisory Board issue the following Position Statement on the Offer:

1. Legal basis of the Position Statement

This Position Statement has been published by the Management Board and the Supervisory Board pursuant to article 24 and Annex G of the Takeover Decree. This Position Statement is solely governed by Dutch Law.

2. Factual basis of the Position Statement

Unless expressly stated otherwise, any references to time in this Position Statement refer to the local time of Frankfurt am Main, Germany. To the extent that terms such as “currently”, “at the moment”, “now”, “at present” or “today” are used in this Position Statement, they shall refer to the date of the publication of this Position Statement, unless expressly stated otherwise.

References in this Position Statement to a banking day (“**Banking Day**”) refer to any day on which banks in Frankfurt am Main, Germany, are open for general business. References to “EUR” refer to the legal currency in the Federal Republic of Germany.

Any information, expectations, evaluations or forward-looking opinions and declarations of intent contained in this Position Statement are based on the information available to the Management Board and/or the Supervisory Board at the time of publication of this Position Statement and/or reflect its estimates or intentions at that time. Such opinions are indicated in particular by the use of expressions such as “anticipate”, “believe”, “is of the view”, “attempt”, “estimate”, “intend”, “plan”, “assume” and “endeavor”. These opinions may change after the publication of this Position Statement. Any update to this Position Statement will be made by the Management Board and the Supervisory Board only within the framework of the duties stipulated under Dutch law.

The information regarding the Bidder’s intentions are based on opinions and communications by the Bidder which cannot be verified by the Management Board and the Supervisory Board of the Target Company. To the extent that this Position Statement makes reference to the Offer Document or quotes from it or reproduces it, such references, quotations or reproductions are mere indications through which the Management Board and the Supervisory Board neither adopt the Offer Document as their own nor assume responsibility for its correctness or completeness.

3. Own responsibility of the Fyber Shareholders

The Management Board and the Supervisory Board point out that the statements and assessments in this Position Statement are not binding for the shareholders of Fyber (“**Fyber Shareholders**”). Each Fyber Shareholder must make his own decision whether to accept the Offer and, if so, for how many Fyber Shares, taking into account the overall circumstances, his individual situation (including his personal tax situation) and his individual assessment of the future development of the value and stock market price of the Fyber Shares.

In deciding whether or not to accept the Offer, the Fyber Shareholders should make use of all available sources of information to pay sufficient regard to their personal circumstances. In particular, the specific financial and tax situation of individual Fyber Shareholders may in individual cases result in assessments that differ from those presented by the Management Board and the Supervisory Board. The Management Board and the Supervisory Board therefore recommend that the Fyber Shareholders independently seek for tax and legal advice and assume no liability for the decision taken by a Fyber Shareholder in respect of the Offer.

The Management Board and the Supervisory Board point out that they are not able to verify whether the Fyber Shareholders comply with all legal obligations applicable to them personally on acceptance of the Offer. The Management Board and the Supervisory Board recommend, particularly for anyone who receives the Offer Document outside the Federal Republic of Germany and wishes to accept the Offer but is subject to security regulations of jurisdictions other than the Federal Republic of Germany's should inform himself about and comply with these legal provisions.

4. Publication of the Position Statement and any additional Position Statements on possible amendments to the Offer

This Position Statement , as well as any statements on any amendments to the Offer pursuant to sections 39, 27 para. 3 sentence 1, 14 para. 3 sentence 1 WpÜG, will be published on

https://investors.fyber.com/.

Copies thereof will be kept available free of charge at the Target Company at the address Fyber N.V., Wallstraße 9-13, 10179 Berlin, Germany, Phone: +49 30 60985550, Fax: +49 30 609855535 (requests via e-mail to: ir@fyber.com providing a complete postal address)

II. INFORMATION ON THE COMPANY

Fyber N.V. is a public limited liability company (*naamloze vennootschap*), incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, its registered office at Johannisstraße 20, 11017 Berlin, Germany and registered with the Trade Register of the Dutch Chamber of Commerce (*Kamer van Koophandel, afdeling Handelsregister*) in Amsterdam under No. 54747805, and with its branch office with business address at Johannisstraße 20, 11017 Berlin, Germany registered in the commercial register (*Handelsregister*) of the Local Court of Berlin-Charlottenburg, Germany under No. HRB 166541 B.

At the time of the publication of this Position Statement, the registered share capital of the Company amounts to EUR 36,186,641.90 and is divided into 361,866,419 registered shares with a nominal value of EUR 0.10 each.

The Existing Fyber Shares are admitted to be traded on the regulated market of the Frankfurt Stock Exchange (*Prime Standard*) under ISIN: NL0012377394 (WKN: A2DUJD). The New Fyber Shares will also be admitted to be traded on the regulated market of the Frankfurt Stock Exchange. Until admission, they will be booked under ISIN: NL0013405483 (WKN: A2PFBJ).

For a more detailed description of the Target Company, please refer to section 7 of the Offer Document.

III. INFORMATION ON THE BIDDER AND THE PERSONS ACTING JOINTLY WITH THE BIDDER

The Bidder is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands and with its registered office at Schiphol Boulevard 127, G4.02, 1118BG Schiphol, the Netherlands and registered with the Trade Register of the Dutch Chamber of Commerce (*Kamer van Koophandel, afdeling Handelsregister*) in Amsterdam under no. 74507516. The share capital of the Bidder amounts to EUR 100.00. The Bidder was incorporated on 4 April 2019 and registered with the Dutch Chamber of Commerce on 5 April 2019.

For further information and details on the Bidder, in particular with regard to the Bidder's corporate structure, business activities and persons acting jointly with the Bidder, the Fyber Shareholders are requested to refer to section 6 of the Offer Document.

IV. INFORMATION ON THE OFFER

1. Relevance of the Offer Document

Below, selected information from the Bidder's Offer Document is presented, which, in the opinion of the Management Board and the Supervisory Board, is important for purposes of this Position Statement. For more information and details (in particular, details of the terms of the Offer, the acceptance periods, the acceptance procedures and the withdrawal rights), Fyber Shareholders are referred to the statements in the Offer Document. The information below merely summarizes parts of the information included in the Offer Document. The description of the Offer in this Position Statement does not claim to be exhaustive. Content and settlement of the Offer are governed solely by the provisions of the Offer Document. It is the responsibility of each Fyber Shareholder to take notice of the Offer Document and to take the necessary measures.

2. Background of the Offer

The Bidder's Offer is a Mandatory Offer (cash offer) pursuant to section 35 para. 2 WpÜG to acquire all registered shares of Fyber and is linked to the ongoing financial restructuring of the Fyber Group.

On 27 July 2015, the Management Board of the Target Company issued, with the consent of the Supervisory Board, convertible bonds with a total nominal value of EUR 150 million (ISIN: HS1223161651 / WKN: A1Z3XC), which become due on 27 July 2020 ("**Fyber Convertible Bonds**"). Of the Fyber Convertible Bonds issued, 757 Fyber Convertible Bonds with a total nominal value of EUR 75.7 million are still outstanding at the time of publication of the Offer Document. For further details on the outstanding Fyber Convertible Bonds, please refer to the Bidder's statements in sections 6.7.1 and 8 of the Offer Document.

The holders of the Fyber Convertible Bonds (“**Bondholders**“) decided at their creditors' meeting on 19 December 2018 with the necessary majority that no payments arising out of existing interest payment obligations on Fyber Convertible Bonds will be made to the Bondholders, taking retroactive effect from 27 July 2018 onwards until the due date. In return, the fixed interest rate of the Convertible Bonds was increased from 3% p.a. to 3.5% p.a. ("**2018 Bond Adjustment**").

As announced by the Target Company in an ad hoc notification dated 19 June 2019, the Company has decided to restructure the remaining 757 Fyber Convertible Bonds with a total nominal value of EUR 75.7 million. In order to delay the repayment of the Convertible Bonds and thus secure the necessary liquidity of the Company, it is intended to extend the term of the Convertible Bonds and to improve the conditions for an early conversion by reducing the conversion price to EUR 0.30 The conversion price of the Convertible Bonds will be reduced to EUR 0.30 per Convertible Bond.

For this purpose, the Company intends to hold a Bondholders' meeting to decide that the term of the Convertible Bonds will be extended until July 2022, the interest payment obligations deferred until July 2022 and the conversion price of the Convertible Bonds reduced from EUR 3.00 to EUR 0.30 per share.

In this context, the Company also intends to convene an Extraordinary General Meeting to decide on a capital increase to issue new shares to service any conversions that may be pending.

The main financial liabilities of the Company are (i) the remaining 757 Fyber Convertible Bonds with a total nominal value of EUR 75.7 million and an interest rate of currently 3.5% p.a., (ii) a Convertible Bond issued on 20 June 2017 between Fyber Monetization Limited with its registered office in Petach Tikwa, Israel, (previously Inneractive Ltd.), a subsidiary of the Target Company, and Bank Leumi, Tel-Aviv, Israel, (“**Bank Leumi**“) for USD 18.0 million with an interest rate of 5.3 % above LIBOR p.a. (if LIBOR is below 0 % but at least 5.3 % p.a.), for which the Target Company has provided a guarantee to Bank Leumi, and (iii) the following loan liabilities.

The liquidity situation of Fyber N.V. has been strained since the beginning of 2018. In order to use existing financial resources for investments in product and technology development instead of servicing debt repayments and interest payments, the company proposed restructuring the convertible bonds, which were later approved by bondholders and shareholders (postponement of interest payments, voluntary debt-to-equity swap). In addition, the Company entered into several loans with Tennor Holding B.V. ("**Tennor**") to secure its ongoing working capital and advance its growth strategy: As the company does not yet receive itself on a cash flow basis in the current year 2019 either, a further loan of EUR 5.0 million was concluded with Tennor in May 2019, which could be extended by an additional EUR 10.0 million to accelerate specific business growth of Fyber after fulfilling certain conditions. This option has not yet been exercised, bringing the total volume of outstanding loans to Tennor to EUR 20.0 million

In order to advance the financial restructuring of Fyber N.V., the parties agreed in the loan agreement dated 6 December 2018 that the Target Company invites to an Extraordinary General Meeting at which the Fyber Shareholders shall vote on a debt-to-equity swap, i.e. an exchange of all Fyber Convertible Bonds for new Fyber Shares to be issued as part of a capital increase of the Company at an exchange ratio yet to be determined. The contribution of the Fyber Convertible Bonds to the Company in exchange for the issue of new Fyber Shares should significantly contribute to the debt relief and financial restructuring of the Target Company. Fyber N.V. has complied with this obligation by publishing an invitation to an Extraordinary General Meeting to be held on 20 December 2018, at which an exchange rate of EUR 0.30 was proposed on the basis of an expert opinion by the banking house M.M. Warburg & CO. On the same day the Target Company notified the capital market via an ad hoc announcement of the suggestion for a conversion rate. In the same loan agreement dated 6 December 2018, Tennor Holding agreed to ensure that Fyber Convertible Bonds with a volume of EUR 70 million would be converted into equity of the Company by means of the debt-to-equity swap. The Bidder subsequently acquired Fyber Convertible Bonds with a total nominal value of EUR 47.4 million and contributed these to the Target Company as part of the capital increase. The Bidder alone acquired 474 Fyber Convertible Bonds with a total nominal amount of EUR 47.4 million in the tender period between 14 March 2019 and 24 April 2019, during which the Bondholders accepted the offer to all Bondholders to contribute their Fyber Convertible Bonds at an exchange price of EUR 0.30, and then contributed these to the Target Company as part of the capital increase.

On 6 May 2019 the capital increase of the Target Company, which increased the share capital by EUR 24,733,308.60 from EUR 11,453,333.30 to EUR 36,186,641.90 by issuing 247,333,086 new registered shares with a nominal value of EUR 0.10 each (“**Capital Increase**”), was completed. In the course of this Capital Increase, the Bidder acquired ownership of 157,999,842 Fyber Shares. This corresponds to 43.66% of the Company's total shares and voting rights, issued after the Capital Increase.

By acquiring the 157,999,842 Fyber Shares, the Bidder has acquired control of Fyber pursuant to section 5:70 in conjunction with Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (“**FMAG**”). With publication of this Offer, the Bidder fulfills its obligation resulting from the acquisition of control over Fyber pursuant to section 35 para. 2 sentence 1 WpÜG to make a Mandatory Offer within the meaning of Part 5 WpÜG. The Management Board and the Supervisory Board have not conducted a review of the Offer regarding the compliance with the relevant statutory provisions.

Since Fyber N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under Dutch law with its corporate seat in the Netherlands, while the Existing Fyber Shares are exclusively admitted to be traded on a regulated market in Germany and an admission of the New Fyber Shares to be traded is intended solely on a regulated market in Germany, pursuant to section 2 para. 3 no. 2 WpÜG in conjunction with section 1 para. 3 WpÜG, the German WpÜG applies, inter alia, to questions relating to the Offer procedure and a reasoned opinion under German law. Pursuant to the provisions of the WpÜG and section 2 of the Regulation on the Applicability of Regulations concerning Offers within the meaning of section 1 para. 2 and para. 3 of the WpÜG, these questions are to be assessed by BaFin. Dutch law, including the Dutch Civil Code (*Burgerlijk Wetboek*), the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), the Dutch Decree on Public Takeover Bids (*Besluit openbare biedingen Wft)* and the Dutch Corporate Governance Code (*De Nederlandse corporate governance code*), applies to matters concerning corporate law, in particular with regard to the percentage of voting rights resulting in control over an entity, and to possible exemptions from the obligation to render a takeover offer and to those conditions, subject to which the Management Board and Supervisory Board of Fyber are allowed to take defensive measures against the takeover.

In addition, according to article 2(2) in conjunction with article 24 and Annex G of the Takeover Decree, Fyber is obliged to issue this Position Statement, ten (10) business days before the deadline of the Offer ends.

3. Offer Price

Subject to the terms and conditions set out in the Offer Document, the Bidder offers to all Fyber Shareholders to purchase and acquire all Existing Fyber Shares which are not directly held by the Bidder, including the ancillary rights existing at the time of the settlement of the Offer, in particular the dividend entitlement, for a cash payment of

EUR 0.31 per Fyber Share

("**Offer Price**" or "**Consideration**").

4. Acceptance Period and Extension of the Acceptance Period

The period for accepting the Offer began upon publication of the Offer Document on 24 June 2019 and ends on 22 July 2019, 24:00 hours (Frankfurt am Main local time) / 18:00 hours (New York local time) (defined as the "**Acceptance Period**" under 5.1 of the Offer Document).

Fyber Shareholders can accept the Mandatory Offer within the Acceptance Period only

- by declaring their acceptance of the Mandatory Offer in text form vis-à-vis their respective depository securities services company ("**Depository Bank**") ("**Declaration of Acceptance**"), whereby the receipt of the Declaration of Acceptance at the Depository Bank shall be decisive for compliance with the Acceptance Period, and

- instructing their Depository Bank to transfer or to have transferred the Fyber Shares held in their account for which they wish to accept the Mandatory Offer ("**Tendered Fyber Shares"**) to ISIN: NL 0013649650 (WKN: A2PLP3) in the case of the Existing Fyber Shares tendered for sale ("**Existing Tendered Fyber Shares** ") or into ISIN: NL0013649668 (WKN: A2PLP4) in the case of the New Fyber Shares (**"New Tendered Fyber Shares**") at Clearstream Banking AG.

The Declaration of Acceptance will only become effective if the Existing Tendered Fyber Shares have been transferred to ISIN: NL0013649650 (WKN: A2PLP3) or the Tendered New Fyber Shares to ISIN: NL0013649668 (WKN: A2PLP4) at the latest by 18:00 hours on the second Banking Day following the expiry of the Acceptance Period at Clearstream Banking AG. These transfers must be initiated by the Depository Bank upon receipt of the Acceptance Notice.

Declarations of Acceptance which are not received by the respective Depository Bank within the Acceptance Period or which are not correct or incomplete shall not be deemed to be an acceptance of the Offer and shall not entitle the respective Fyber Shareholder to receive the Offer Price.

After expiry of the Acceptance Period, the Mandatory Offer can generally no longer be accepted.

However, with regard to the statements made in section 5 of the Offer Document, it shall be clarified as follows:

Provided that the Bidder has acquired at least 95 % of the Fyber Shares after completion of the Offer, Fyber Shareholders who do not accept the Offer may initiate sell-out proceedings before the Enterprise Chamber (*Ondernemingskamer*) of the Amsterdam Court of Appeal (the "**Enterprise Chamber**") pursuant to Article 2:359d of the Dutch Civil Code. Fyber Shareholders must file the claim for a sell-out within three months after the end of the Acceptance Period. The Enterprise Chamber may grant the claim for a sell-out in relation to the applying minority shareholders and will determine the reasonable price to be paid for the shares by the Bidder. As the sell-out proceedings were preceded by the Takeover Offer, in principle the fair price paid in the Takeover Offer is considered reasonable for the purpose of the sell-out proceedings. However, the Enterprise Chamber may (assisted by independent experts) determine a reasonable price, which may be greater, equal to or less than the fair price paid in the Takeover Offer (with such price being increased by the statutory interest rate applicable in the Netherlands).

The period for accepting the Offer will be extended automatically under the following circumstances:

- The Bidder may amend the Offer up to one working day prior to expiry of the Acceptance Period in accordance with section 21 WpÜG. In the event of an amendment to the Mandatory Offer, the Acceptance Period shall be extended pursuant to section 21 para. 5 WpÜG by two weeks, i.e. presumably until 5 August 2019, 24:00 hours, provided that the amendment is published within the last two weeks prior to expiry of the Acceptance Period specified in section 5.1 of the Offer Document. This shall also apply if the amended Mandatory Offer violates legal provisions.

- If a competing offer (the "**Competing Offer**") is submitted by a third party during the Acceptance Period of the Mandatory Offer and the Acceptance Period for the Mandatory Offer expires before the expiry of the Acceptance Period for the Competing Offer, the expiry of the Acceptance Period for the Mandatory Offer pursuant to section 22 para. 2 WpÜG shall be determined after the expiry of the Acceptance Period for the Competing Offer. This shall also apply if the Competing Offer is amended or prohibited or violates legal provisions.

- If a General Meeting of the Target Company is convened in connection with the Mandatory Offer after publication of the Offer Document, the Acceptance Period pursuant to section 16 para. 3 WpÜG shall be ten weeks from publication of the Offer Document notwithstanding the extension of the Acceptance Period described above. The Acceptance Period would therefore run until 2 September2019, 24:00 hours. The period for acceptance of the Mandatory Offer, including all extensions of this period resulting from the provisions of the WpÜG, is referred to as the Acceptance Period in the Offer Document.

The period for accepting the Mandatory Offer, including all extensions of this period resulting from provisions of the WpÜG, is uniformly referred to as the Acceptance Period in the Offer Document.

For further details on the Acceptance Period, please refer to section 5 (*Acceptance Period)* in the Offer Document.

5. State of official procedures and approvals

Based on the information provided in section 12 of the Offer Document, the BaFin has authorized the Bidder to publish the Offer Document on 21 June 2019 pursuant to section 14 para. 2 sentence 1 WpÜG.

Furthermore, no other official approvals, consents or procedures are required in connection with the Offer.

V. FINANCING OF THE OFFER

Pursuant to section 13 para. 1 sentence 1 WpÜG, prior to publication of the Offer Document the Bidder must take the necessary measures to ensure that the funds necessary to fully fulfill the Offer are available at the due date of the Consideration. According to the Bidder's statements in section 13 of the Offer Document, the Bidder has met this obligation.

1. Maximum Consideration

At the time of publication of the Offer, the Target Company has issued 361,866,419 Fyber Shares.

The Target Company currently holds 1,966,667 own shares.

As stated in section 13.1 of the Offer Document, the Bidder currently holds 254,061,181 Fyber Shares and the persons acting jointly with the Bidder (except the Target Company) another

49,610,354 Fyber Shares. Should the Mandatory Offer be accepted for all currently issued Fyber Shares, minus the Fyber Shares held directly by the Bidder and by the Target Company, the Bidder would have to acquire 105,838,571 Fyber Shares (361,866,419 minus the 254,061,181 Fyber Shares directly held by the Bidder and minus the 1.,966,667 own Fyber Shares held by the Target Company). The payment obligation of the Bidder to the accepting Fyber Shareholders would amount to a total of EUR 32,809,957.01 (corresponding to the Offer Price of EUR 0.31 per Fyber Share multiplied by 105,838,571 remaining Existing Fyber Shares) (as defined under Section 13.1 of the Offer Document as "**Financing Requirement Fyber Shares**").

As described in section 7.2.2 of the Offer Document, the Annual Report of Fyber N.V. shows that a total of 13.7 million subscription rights to Fyber Shares had been issued to members of the Management Board and employees by 31 December 2018 and that the weighted average exercise price on 31 December 2018 was EUR 1.95.

The Target Company has provided the Bidder with the information that an exercise of the option right in the current price environment for only approximately 500,000 stock options ("**Stock Options**") would not be completely unrealistic. With a net exercise being the only possibility under the Stock Options, an exercise would currently result in less than 150,000 shares, which would be served to the employees using the 1,966,667 own shares held by Fyber N.V..

Should the Mandatory Offer be accepted for all such Fyber Shares the payment obligation of the Bidder would amount to a total of EUR 46,500 (corresponding to the Offer Price of EUR 0.31 per Fyber Share multiplied by 150,000) ("**Financing Requirement Stock Options**"). Concerning the remaining Stock Options, the Bidder assumes, that an exercise of the option rights by the Management Board and the employees of Fyber N.V. is not to be expected since the weighted average exercise price is EUR 1.95 which is six times the Offer Price.

In addition, the Fyber Convertible Bonds, with a total nominal value of EUR 75,7 million, which were not rendered to the Target Company as contribution in kind as part of the Capital Increase ("**The Remaining Fyber Convertible Bonds**"), grant the right to convert into Fyber Shares. The right to conversion may be exercised at any time up to ten (10) days prior to the due date of the Remaining Fyber Convertible Bonds. The current valid minimum conversion price of the Remaining Fyber Convertible Bonds is EUR 3.00 per Fyber Share. According to Section 13.1 of the Offer Document, the Bidder holds the opinion that the exercise of the right to convert the Remaining Fyber Convertible Bonds by the Bondholders is not to be expected, as the minimum conversion price of the Remaining Fyber Convertible Bonds of EUR 3.00 is almost ten times the Offer Price of EUR 0.31 and again almost thirty times the average stock price of EUR 0.12 as of 9 May 2019, as communicated by BaFin. Therefore, the Bidder has not deposited any additional cash to secure the financing of the total transaction amount.

In addition, the Bidder will incur transaction costs in connection with the Mandatory Offer and its execution which are not expected to exceed a total amount of EUR 950,000.00. These transaction costs include all costs incurred in connection with the implementation and execution of the Mandatory Offer by the advising attorneys, the bank handling the transaction and other ancillary costs (defined in the Offer Document under Section 13.1 as the "**Execution Costs of the Offer**").

The expected financing requirement of the transaction, consisting of Financing Requirements Fyber Shares and the Execution Costs of the Offer, would thus amount to EUR 33,806,457.01 (defined in the Offer Document under Section 13.1 as the "**Total Transaction Amount**").

For further details on the Financing Requirements Fyber Shares and, in general, on the total costs of the Bidder for the takeover of the Company, please refer to section 13.1 of the Offer Document.

2. Financing of the Offer

According to the Offer Document, the Bidder has taken the necessary measures to ensure that it has at the relevant time access to the financial resources that are necessary to fulfill the Takeover Offer.

According to section 13.2 of the Offer Document, the Bidder has taken the following measures to ensure financing:

According to the Offer Document, Tennor Holding has assumed the obligation vis-à-vis the Bidder on 7 June 2019 to make available either directly or indirectly in total EUR 65,000,000.00 in cash or in the form of immediately available funds without interest, in detail (i) the Total Transaction Amount of up to EUR 33,806,457.01, (ii) the costs of acquiring the 524 Fyber Convertible Bonds with a total nominal value of EUR 52,4 million in the amount of EUR 1.00, as well as the costs of acquiring a Fyber Convertible Bond with a total nominal value of EUR 0,1 million in the amount of EUR 1.00, (iii) the purchase price of EUR 2,000,000.00 for the acquisition of the Fyber Shares within the scope of Acquisition Transaction 14 and (iv) the purchase price of EUR 27,625,741.06 for the acquisition of the Fyber Shares within the scope of Acquisition Transaction 15 (defined as the "**Financing Agreement**" in the Offer Document under section 13.2). On 7 June 2019, Tennor Holding provided the Bidder with the corresponding cash in fulfillment of the Financing Agreement.

Tennor Holding states in the Offer Document that it is a global investment group and that in June 2019 it issued bonds with a total principal amount of EUR 1,5 billion (ISIN: DE000A2R2ZW0 WKN: A2R2ZW) and is therefore able to provide capital from its investors.

In order to secure the financing of the Total Transaction Amount, on 7 June 2019 the Bidder has deposited cash funds in an amount covering the Total Transaction Amount in a bank account of Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin, Germany.

The Bidder has thus taken all necessary measures to ensure that it will have cash funds available in an amount corresponding to the Total Transaction Amount at the due date of the claim to the Offer Price.

3. Confirmation of financing

Pursuant to section 13.3 of the Offer Document, Quirin Privatbank AG, Berlin, a securities services company, independent of the Bidder, has issued the required financial confirmation pursuant to section 13 para. 1 sentence 2 WpÜG, which is attached to the Offer Document as Annex 3.

The Management Board and Supervisory Board of the Company have no reason to doubt the correctness of the financing confirmation of Quirin Privatbank AG.

4. Assessment of the financing measures taken by the Bidder

According to the Offer Document, the Bidder has thus taken the required measures to ensure that, at the relevant time, funds in the amount of the Total Transaction Amount are available. In the view of the Management Board and the Supervisory Board, the measures taken by the Bidder meet the requirements of section 13 para. 1 sentence 1 WpÜG.

VI. POSITION ON THE TYPE AND AMOUNT OF THE CONSIDERATION

1. Type and amount of the Consideration

The Bidder's Offer is a mandatory takeover offer which provides exclusively for monetary consideration. It is subject to the statutory minimum price rules. The Bidder offers an Offer Price in the amount of EUR 0.31 per Fyber Share.

The Offer Price includes all ancillary rights, in particular the entitlement to dividends at the time of the settlement of the Offer.

2. Statutory minimum price

To the extent that the Management Board and Supervisory Board can assess this based on the information available to them, the Offer Price per Fyber Share of EUR 0.31 meets the minimum price requirements of section 31 WpÜG in conjunction with sections 4, 5 of the WpÜG Offer Ordinance (*WpÜG-Angebotsverordnung*, "**WpÜG-AngVO**").

According to the wording of section 4 WpÜG-AngVO, the Consideration offered must at least correspond to the value of the highest consideration granted or agreed by the Bidder, a person acting jointly with the Bidder or its subsidiaries within the last six months prior to publication of the Offer Document for the acquisition of Fyber Shares.

The Bidder, the persons acting jointly with the Bidder and their subsidiaries have carried out the transactions described in detail in section 6.7 of the Offer Document. For comprehensive information on the securities transactions carried out, reference is made to the statements under section 6.7 of the Offer Document. At this point, the Management Board and the Supervisory Board again expressly point out that they are unable to verify the correctness of the Bidder's information and therefore assume no liability for the correctness and completeness of this information.

2.1 Determination of the Offer Price

According to the information provided by the Bidder under section 10 of the Offer Document, the Offer Price corresponds to the statutory minimum consideration pursuant to section 31 para. 1 WpÜG and section 31 para. 7 WpÜG in conjunction with sections 4, 5 WpÜG-AngVO in the amount of EUR 0.31 per Fyber Share.

2.2 Fairness of the Consideration

According to the information provided by the Bidder under section 10.2 of the Offer Document, in determining the Offer Price the Bidder has primarily relied on the consideration which the Bidder, the person acting jointly with the Bidder and its subsidiaries have granted or agreed upon for the purchaser of Fyber Shares within the last six months prior to the publication of this Offer Document (i) for the acquisition of Fyber Shares, (ii) for the acquisition of Fyber Convertible Bonds, which in turn were contributed to Fyber by way of a contribution in kind within the framework of a capital increase for a calculated conversion price of rounded up EUR 0.31 per New Fyber Share and (iii) the consideration agreed upon in any agreements on the basis of which the transfer of Fyber Shares may be demanded. In addition, the Bidder has based the determination of the fairness of the Offer Price on market data, i.e. the average domestic stock exchange price of the Fyber Share during the last three months prior to the publication of obtaining control on 10 May 2019 pursuant to section 35 para. 1 sentence 1 WpÜG in conjunction with section 10 para. 3 sentences 1 and 2 WpÜG and the exchange price for the contribution of Fyber Convertible Bonds into the Target Company as contributions in kind in connection with the Capital Increase.

Based on the information provided by the Bidder in the Offer Document, the BaFin informed the Bidder in a letter dated 17 May 2019 that the average domestic stock exchange price of the Fyber Share during the last three months prior to the publication of the acquisition of control on 10 May 2019 pursuant to section 35 para. 1 sentence 1 WpÜG in conjunction with section 10 para. 3 sentences 1 and 2 WpÜG amounts to EUR 0.12. The conversion price offered to the Bondholders in return for the contribution of the Fyber Convertible Bonds to the Target Company as a contribution in kind within the scope of the capital increase amounts to rounded up EUR 0.31 per New Fyber Share. Against the background of the special circumstances of the Mandatory Offer, the Bidder is therefore of the opinion that the Offer Price of EUR 0.31 per Fyber Share is an appropriate consideration within the meaning of section 1 para. 3 WpÜG in conjunction with section 1 para. 3 WpÜG in conjunction with section 3 No. 2 WpÜG-AngVO in connection with section 31 para. 1 WpÜG.

3. Assessment of the Consideration

The Management Board and the Supervisory Board have carefully and thoroughly examined and analyzed the financial adequacy of the Consideration offered by the Bidder for the Fyber Shares, in particular taking into account the current situation of the Company and its financial situation as well as the historical share prices of the Fyber Shares immediately prior to publication of the acquisition of control.

The Management Board and the Supervisory Board note that since the publication of the Bidder's acquisition of control on 10 May 2019 the closing prices of Fyber Shares on the Xetra electronic trading system has always been quoted below the Offer Price (source: http://www.boerse-frankfurt.de/). The Management Board and the Supervisory Board have critically followed the share price development since, in their estimation, it can be assumed that the share price will be strongly influenced by speculative factors due to the the ad hoc announcement of 7 and 20 December 2018 on the intended execution of the debt-to-equity swap as well as the Bidder's announcement of exceeding the threshold of 30% on 10 May 2019 and the ad hoc announcement of 19 June 2019 on the further planned short-term debt restructuring with regard to the outstanding Convertible Bonds with a total volume of EUR 75.7 million. The Management Board and the Supervisory Board are of the opinion that the uninfluenced stock market prices of the Fyber Share and the overall economic situation of the Target Company in the ongoing restructuring process constitute the suitable valuation parameter for the valuation of the appropriateness of the Consideration and reflect the true enterprise value.

3.1 Historical stock exchange prices

According to the Offer Document and the investigations of the Management Board and Supervisory Board, the Offer Price is in the following ratio to historical stock market prices (source: http://www.boerse-frankfurt.de/):

3.1.1 The closing price on 9 May 2019 in the electronic trading system Xetra, the last trading day prior to the announcement of the acquisition of control, was EUR 0.1040. The Offer Price, by comparison, includes a premium of EUR 0.2060.

3.1.2 The closing price on 21 June 2019 in the electronic trading system Xetra, the last trading day prior to the publication of the Offer Document, was EUR 0,2620. The Offer Price, by comparison, includes a premium of EUR 0.048.

3.1.3 The closing price in the electronic trading system Xetra in the period between 21 June 2019, the last trading day prior to the publication of the Offer Document and 23 August 2018 were always below the Offer Price of EUR 0.31.

3.1.4 The last trading day, on which the closing price in the electronic trading system Xetra was above the Offer Price of EUR 0.31, was 22 August 2018.

Thus, the Offer Price exceeds the stock exchange price of the Fyber Share on the days stated prior to the publication of the acquisition of control within the meaning of section 10 para. 1 sentence 1 WpÜG.

The Management Board and Supervisory Board refrain from further analysis of historical average share prices. This is in particular due to the fact that the Mandatory Offer is above all a mandatory legal consequence of the current refinancing, so that the historical average prices do not have any particular significance in the opinion of the Management Board and Supervisory Board.

3.2 Fairness Opinion

The Management Board of the Target Company has commissioned M.M.WARBURG & CO (AG & Co.) KGaA, Hamburg ("**M.M.Warburg**") to submit written comments on the appropriateness of the overall Consideration from a financial point of view for the purposes of this Opinion. M.M.Warburg issued this written statement on 24 June 2019 (the "**Fairness Opinion**" or "**Opinion Letter**") and outlined the performed analysis and the conclusions thereof to the Management Board and the Supervisory Board on 1 July 2019. The full text of the Opinion Letter is attached to this Opinion as **Annex 1**.

M.M.Warburg concludes in the Fairness Opinion that, subject to the assumptions contained therein, the Offer Price of EUR 0.31 per Fyber Share is reasonable.

The Management Board and the Supervisory Board point out that the Fairness Opinion was issued solely for the information and assistance of the Management Board and the Supervisory Board in connection with the review of the Consideration. It is not addressed to third parties (in particular not the Fyber Shareholder), is not intended to protect third parties and does not establish any rights of third parties. There is no contractual relationship between M.M.Warburg and third parties in connection with the Fairness Opinion. Neither the Fairness Opinion nor the underlying mandate agreement between M.M.Warburg and Fyber has any protective effect for third parties or leads to the inclusion of third parties in their respective scope of protection. The Fairness Opinion does not constitute a recommendation by M.M.Warburg to Fyber Shareholders to accept or not to accept the Offer.

M.M.Warburg's consent to attach its Fairness Opinion to this Position Statement as an annex does not, and should not be construed as, extending or supplementing the circle of persons to whom this Fairness Opinion is addressed or who may rely on this Fairness Opinion.

In preparing the Fairness Opinion, M.M.Warburg has performed a valuation of the Target Company as typically performed by financial advisors when engaged to prepare a Fairness Opinion for transactions of this type. M.M.Warburg has mainly based this Fairness Opinion on a discounted cash flow analysis. Furthermore, M.M.Warburg has applied a number of factors, assumptions, procedures, limitations and valuations described in the Fairness Opinion.

The Management Board and Supervisory Board further point out that M.M.Warburg's Fairness Opinion is subject to certain assumptions and reservations and that full reading is required in order to understand the investigations underlying the Fairness Opinion and its findings. The Fairness Opinion of M.M.Warburg is based on the (particularly economic, monetary and regulatory) general conditions and the market situation at the time of the Fairness Opinion and on the information available to M.M.Warburg at that time. Any developments occurring after this date could have an impact on the assumptions made in preparing the Fairness Opinion and its conclusion. M.M.Warburg has no obligation to update, revise or confirm the Fairness Opinion. The Fairness Opinion is not a valuation report as typically provided by auditors. Accordingly, it does not follow the standards for valuation reports such as those set by the German institute for auditors (*Institut der Wirtschaftsprüfer in Deutschland e.V.*) (for company valuations according to IDW 51; for the preparation of fairness opinions according to IDW 58). A Fairness Opinion as issued by M.M.Warburg differs in important aspects from a company valuation by an auditor. Furthermore, M.M.Warburg has not issued any opinion as to whether the terms of the Offer, including the Offer Price, comply with the requirements of the WpÜG. M.M.Warburg receives a normal market remuneration from the Target Company for the preparation of the Fairness Opinion in connection with the Offer. The Target Company has also agreed to reimburse M.M.Warburg for certain expenses and to indemnify M.M.Warburg against certain liability risks and obligations that may arise in connection with M.M.Warburg's activities for Fyber. Please note that M.M.Warburg and its affiliates may have had or will have had other business relationships with Fyber in the past, present or future and that M.M.Warburg has been or will be remunerated with fees and expenses.

3.3 Restructuring

The Mandatory Offer is a legally binding consequence of the ongoing refinancing and debt relief of the Target Company and the Fyber Group.

After a diligent and thorough assessment of the overall circumstances, in particular with regard to Fyber’s continuing liquidity requirements, the Management Board and the Supervisory Board have independently come to the conclusion that the Consideration per Fyber Share offered by the Bidder meets the statutory minimum requirements and is appropriate without taking into account the debt relief and other advantages intended by the complete refinancing possibly already reflected in the current market price for Fyber Shares.

In view of the fact that, on the one hand, the Management Board and the Supervisory Board consider the Offer Price to be reasonable and, on the other hand, the ongoing refinancing of the Target Company may result in a substantial potential increase in value, which may not yet be reflected in the market price, the Management Board and the Supervisory Board refrain from making a recommendation to the Fyber Shareholders (so-called “neutral” statement).

VII. POSITION ON THE EXPECTED CONSEQUENCES FOR THE TARGET COMPANY

The Bidder has set out its current intentions with regard to the Company in sections 9.1 and 9.2 of the Offer Document and explained the background to the Offer in section 8 of the Offer Document. This relates in particular to the objectives pursued by the Offer as well as the expected consequences of a successful offer for the Target Company, the employees and their representatives, the employment conditions and the locations of the Target Company. According to the information under section 9 of the Offer Document, the relevant persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG have no intentions or objectives which differ from those of the Bidder. Therefore, the Management Board and the Supervisory Board limit themselves in the following to a statement on the objectives of the Bidder, which at the same time comprises a statement on the objectives of the other persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG.

1. Consequences for the Target Company

1.1. Information of the Bidder in the Offer Document

In the following, the Management Board and the Supervisory Board have summarized the information of the Bidder contained in the Offer Document regarding the expected consequences of a successful offer for the Target Company, the employees and their representatives, the employment conditions and the locations of the Target Company as well as the information regarding the objectives pursued by the Bidder with the Offer and further information. For a complete description, the Management Board and the Supervisory Board refer to the information provided by the Bidder under section 9 of the Offer Document.

1.1.1 Restructuring of the Target Company

With its participation in the Capital Increase, the Bidder intends to further advance with the restructuring of Fyber through cooperation with and support from the Management Board.

1.1.2 Business activity

According to the Bidder, the business activities carried out by Fyber are to be maintained. Fyber N.V. will continue to exist as an independent company. There are no intentions to use the Company's assets or activities that would increase Fyber N.V.'s obligations outside its ordinary course of business.

With the Capital Increase, the Bidder intends to initially restore a balance sheet structure with an adequate equity base, which is a necessary prerequisite for the continuation of the business activities of the Fyber Group and thus for future growth. The partial elimination of interest liabilities due to the conversion of the Fyber Convertible Bonds into equity should improve the liquidity situation and create the possibility to finance further growth. The Bidder intends to work towards extending the term of the remaining Fyber Convertible Bonds (as described in section 13.1 of the Offer Document).

According to the information in section 9.1 of the Offer Document, it is part of the Bidder's corporate strategy to acquire investments in companies, to restructure them if necessary and to hold them in the medium or long term. Against this background, the Bidder is not pursuing any intentions with regard to economic cooperation or the exploitation of synergy effects with the Offer.

1.1.3 Structural measures

The Bidder does not intend to conclude an affiliation agreement or a “relationship agreement” as permitted under Dutch law, which grants the Bidder certain rights of influence over the Target Company (e.g. the right to appoint a certain number of Supervisory Board members or the exchange of commercial and financial expertise).

1.1.4 Stock exchange listing

The Bidder emphasizes the importance of the continued stock exchange listing of Fyber N.V. The Bidder therefore does not intend to initiate a squeeze-out procedure (*uitkoopprocedure*) pursuant to Article 2:92a of the Dutch Civil Code or, in the event that the Bidder reaches the necessary majority of 95 % of the share capital and voting rights after the completion of the Mandatory Offer, to initiate a squeeze-out (as provided under takeover law) pursuant to Article 2:359c of the Dutch Civil Code in order to acquire the remaining Fyber Shares. Nor does the Bidder intend to revoke the admission of the Fyber Shares to be traded on the Frankfurt Stock Exchange (delisting).

1.1.5 Corporate seat and locations

The Bidder does not intend to relocate the registered office of Fyber N.V.. Nor does the Bidder intend to relocate or close any substantial part of the Fyber Group.

1.1.6 Composition of the Management and Supervisory Board

The Bidder has full confidence in Fyber N.V. and its current Management Board and Supervisory Board members. It supports the administration in the implementation of the restructuring efforts and does not intend to cause any changes in the size or composition of the Management and Supervisory Board. The Bidder intends that a number of candidates corresponding in proportion to the amount of its participation will be represented on the Supervisory Board of the Target Company.

1.1.7 Employees

In connection with the Offer, the Bidder does not intend to make any changes with respect to the employees of the Fyber Group, their employment contracts or their representatives.

1.1.8 Use of assets

With the exception of the changes in the net assets, financial situation and results of operations of the Bidder and the shareholders of the Bidder presented in section 14 of the Offer Document, the Mandatory Offer will not result in any changes with regard to the use of the assets or future obligations of the Bidder and the Bidder's parent companies.

1.2 Position on the likely consequences for the Target Company, its employees and employee representative bodies, employment conditions and locations of the Target Company

The Management Board and the Supervisory Board welcome all intentions and objectives of the Bidder as well as all statements made by the Bidder regarding the expected consequences for the Target Company, the employees and their representatives, the employment conditions and the locations of the Target Company in the Offer Document. In the view of the Management Board and the Supervisory Board, these are all necessary for the successful implementation of the debt relief and refinancing of the Target Company. In particular:

1.2.1 Restructuring of the Company

The Management Board and the Supervisory Board welcome the Bidder's intention to use its participation in the Capital Increase to advance the restructuring of Fyber by cooperating with and supporting the Management Board.

1.2.2 Business activities

The Management Board and the Supervisory Board welcome the Bidder's intention, as described in section 9.1 of the Offer Document, that the business activities carried out by Fyber be maintained and that Fyber N.V. shall continue to exist as an independent company. The Management Board and the Supervisory Board further welcome the fact that there are no intentions of the Bidder to use the assets of the Company for activities which would lead to an increase in obligations of Fyber N.V. outside the ordinary course of business.

Furthermore, the Management Board and the Supervisory Board welcome the fact that the Bidder intends to use the Capital Increase to restore a balance sheet structure with an adequate equity base, which is a necessary prerequisite for the continuation of the business activities of the Fyber Group and thus for future growth, and that the partial elimination of interest liabilities due to the conversion of the Fyber Convertible Bonds into equity will improve the liquidity situation and create the possibility of financing further growth. The Management Board and the Supervisory Board welcome in particular the intention of the Bidder to work towards extending the term of the remaining Fyber Convertible Bonds.

The Management Board and the Supervisory Board also welcome the Bidder's intention with regard to the corporate strategy to acquire investments in companies, to restructure them if necessary and to hold them in the medium or long term. Furthermore, the Management Board and the Supervisory Board welcome the fact that the Bidder is not pursuing any intentions with regard to economic cooperation or the exploitation of synergy effects with the Offer.

1.2.3 Structural measures

The Management Board and the Supervisory Board acknowledge and welcome the fact that the Bidder does not intend to enter into an affiliation agreement or a relationship agreement as permitted under Dutch law which grants the Bidder certain rights of influence over the Target Company (e.g. the right to appoint a certain number of Supervisory Board members or the exchange of commercial and financial expertise).

1.2.4 Stock Exchange listing

The Management Board and the Supervisory Board also welcome the fact that the Bidder emphasizes the importance of the continued stock exchange listing of Fyber N.V. and does not intend to initiate a squeeze-out procedure (*uitkoop procedure*) pursuant to Article 2:92a of the Dutch Civil Code or, in the event that the Bidder reaches the necessary majority of 95 % of the share capital and voting rights after the completion of the Mandatory Offer, intends to initiate a squeeze-out (as provided under takeover law) pursuant to Article 2:359c of the Dutch Civil

Code in order to acquire the remaining Fyber Shares. In particular, the Management Board and the Supervisory Board welcome the fact that the Bidder does not intend to revoke the admission of the Fyber Shares to be traded on the Frankfurt Stock Exchange (delisting).

1.2.5 Locations

The Management Board and the Supervisory Board further welcome the fact that the Bidder does not intend to relocate the registered office of Fyber N.V. and that the Bidder has no intentions to relocate or close substantial parts of the Fyber Group.

1.2.6 Management and Supervisory Board

The Management Board and Supervisory Board welcome the fact that the Bidder has full confidence in Fyber and its current Management Board and Supervisory Board members and supports the administration in implementing the restructuring efforts. On the other hand, the Management Board and the Supervisory Board reject the Bidder's intention that the Supervisory Board of the Target Company should be represented on the Supervisory Board in proportion to the Bidder's shareholding. The Management Board and the Supervisory Board are of the opinion that a sufficient number of independent members should be represented on the Supervisory Board. Therefore, the Supervisory Board intends to continue to propose an appropriate number of independent members for election to the Supervisory Board. In addition, those members of the Supervisory Board with relations to the Bidder will have to refrain from the deliberations and the decision-making in respect of any proposed transaction with the Bidder (and group companies thereof). This is in line with the implementation in Dutch law of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

1.2.7 Employees

Furthermore, the Management Board and the Supervisory Board welcome the fact that the Bidder does not intend to make any changes in connection with the Offer with regard to the employees of the Fyber Group, their employment relationships or their representatives.

1.2.8 Use of assets

The Management Board and the Supervisory Board also note and welcome the fact that, with the exception of the changes in the net assets, financial situation and results of operations of the Bidder and the shareholders of the Bidder as presented in section 14 of the Offer Document, the Mandatory Offer will not result in any changes with regard to the use of the assets or future obligations of the Bidder and the Bidder’s parent companies.

This is in line with the Company's vision and plans.

VIII. POSITION ON THE INTENTIONS OF THE BIDDER

1. Information of the Bidder given in the Offer Document

According to the information in the Offer Document, the Bidder and the persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG are pursuing the objective of fulfilling their legal obligation to publish a Mandatory Offer pursuant to section 35 WpÜG after gaining control (see section 8 of the Offer Document). Please refer to section 9.2 of the Offer Document for information regarding the future business activities of the Bidder and the Bidder's parent companies as well as the shareholders of the Bidder, the registered office and the location of substantial parts of the Company, the use of assets, future obligations, the employees and their representatives, the members of the management bodies and material changes in the terms and conditions of employment. Furthermore, in section 14 of the Offer Document, the Bidder has described the expected effects of the Mandatory Offer on the net assets, financial position and results of operations of the Bidder and Tennor Holding. Reference to these statements is made here.

2. Assessment of the intentions of the Bidder

The Management Board and the Supervisory Board have carefully and thoroughly examined the objectives of the Bidder as set out in the Offer Document.

The Management Board and the Supervisory Board most recently welcome the Bidder's statement that the Mandatory Offer does not pursue any intentions with respect to itself, with the exception of the acquisition of voting rights in the Target Company, and that the Mandatory Offer to acquire the Fyber Shares is not intended to change the Bidder's business activities, the registered office or the location of substantial parts of the Bidder. The Management Board and the Supervisory Board welcome the fact that the Mandatory Offer is not intended to change the members of the management bodies of the Bidder.

Furthermore, the Management Board and the Supervisory Board welcome the fact that the fact that the Bidder does not employ any employees as a result of the implementation of the Offer does not imply any change with regard to the employees, their terms of employment or the employee representatives and that the same applies to the Bidder’s parent companies.

The Management Board and the Supervisory Board welcome the expected effects of the completion of the Takeover Offer on the net assets, financial situation and results of operations of the Bidder and Voltaire Investment as described in the Offer Document in section 14.

IX. OPINION OF EMPLOYEES OF THE TARGET COMPANY

The Management Board has not received any opinion or comments from employee representatives relating to the consequences of the Offer for employment pursuant to section 4 of Annex G of the Takeover Decree.

X. EFFECTS ON THE FYBER SHAREHOLDERS

The following statements are intended to provide the Fyber Shareholders with information concerning the assessment of the effects of the acceptance or non-acceptance of the Offer.

The following aspects do not claim to be exhaustive. It is the own responsibility of each Fyber Shareholder to evaluate the effects of an acceptance or non-acceptance of the Offer. The Management Board and the Supervisory Board recommend that the Fyber Shareholders seek professional advice, if necessary.

The Management Board and the Supervisory Board furthermore point out that they do not and cannot assess whether Fyber Shareholders, through accepting or not accepting the Offer, might be exposed to possible tax disadvantages (especially any tax liability on capital gains) or if tax benefits could be forfeited. The Management Board and the Supervisory Board recommend that, before deciding to accept or not accept the Offer, Fyber Shareholders should seek tax advice, taking into consideration the personal circumstances of the respective Fyber Shareholder.

1. Possible effects in case the Offer is accepted

Fyber Shareholders who intend to accept the Offer should, in view of the above, take into account, inter alia, the following:

- Fyber Shareholders who accept or have accepted the Offer will no longer benefit in the future from a possible positive development of the Fyber Share price or a positive business development of the Fyber Group.

- Fyber Shareholders who accept or have accepted the Offer will lose their shares, in particular they will not be entitled to dividends in the future.

- Fyber Shareholders who accept or have accepted the Offer will not participate in any cash compensation of any kind, payable by law if certain structural measures are implemented after completion of the Offer.

- Withdrawal from acceptance of the Offer is only possible under the narrow conditions set out in section 15 of the Offer Document.

2. Possible effects in case the Offer is not accepted

Fyber Shareholders who intend not to accept the Takeover Offer should follow the instructions in section 16 of the Offer Document.

In addition, the Management Board and the Supervisory Board point out that the success of the refinancing measures agreed with the Bidder and the intended restructuring of Fyber cannot be predicted with certainty, so that the future performance of the Fyber Shares cannot be predicted.

XI. INTERESTS OF AND TRANSACTIONS BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD

1. Interest of the members of the Management Board

The Management Board currently consists of the following members:

- Ziv Elul (Chief Executive Officer)
- Daniel Sztern
- Yaron Zaltsman

Mr. Ziv Elul currently holds 549,924 shares in the Target Company.

Mr. Daniel Sztern holds 25,300 shares in the Target Company.

Mr. Yaron Zaltsman holds no shares in the Target Company.

2. Interests of the members of the Supervisory Board

According to Article 19.2 of the Fyber Articles of Association, the Supervisory Board itself determines the number of its members, whereby the Supervisory Board must consist of at least three members. The Supervisory Board currently consists of three (3) members by name:

- Yair Safrai (Chairman of the Supervisory Board)
- Karim Sehnaoui
- Arjun Metre.

The members of the Supervisory Board currently hold no Fyber Shares.

Supervisory Board member Mr. Arjun Metre, who was appointed as interim member of the Supervisory Board on 30 January 2019 in accordance with Article 25.1 of the Fyber Articles of Association and who was elected by the ordinary general meeting of the Target Company on 12 June 2019 as a (full) member of the Supervisory Board, entered with Tennor Holding, a person acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG, into a consulting agreement taking effect from 1 January 2019 onwards. In this agreement Mr. Arjun Metre assumed the obligation to provide consulting services to Tennor Holding.

In connection with the Offer of the Bidder or the persons acting jointly with the Bidder, the members of the Management Board and the Supervisory Board have not received any unjustified payments or other unjustified payments in kind or corresponding commitments beyond the special agreements described above.

3. Transactions by the members of the Management Board and the Supervisory Board

Below is an overview of all transactions or agreements in respect of Fyber Shares that have been effected or have been concluded in respect of Shares, by any member of the Management Board or the Supervisory Board, by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), under aged children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*), during the year preceding the date of publication of the Offer Document, i.e. from 25 June 2018 until 24 June 2019, in accordance with section 3 of Annex G of the Takeover Decree.

This information corresponds to the information included in the "Register notifications directors and members of the supervisory board" on the website of the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "AFM").

Name	**Date**	**Number and type of securities**	**Acquired/disposed**	**Price**
Z. Elul	25 June 2018	58,000 Fyber Shares	Acquired	EUR 0.43
Z. Elul	28 December 2018	79,542 Fyber Shares	Acquired	EUR 0.16
Z. Elul	27 December 2018	27,582 Fyber Shares	Acquired	EUR 0.14
Z. Elul	6 February 2019	3,000,000 options on Fyber Shares	Granted	N/A
Y. Zaltsman	9 May 2019	3,450,000 options on Fyber Shares	Granted	N/A
D. Sztern	9 May 2019	3,600,000 options on Fyber Shares	Granted	N/A
Z. Elul	9 May 2019	6,300,000 options on Fyber Shares	Granted	N/A

XII. INTENTIONS OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARD TO ACCEPT THE OFFER

The members of the Management Board and Supervisory Board holding Fyber Shares are free to accept the Offer. In this case, like all other Fyber Shareholders, they will receive the Offer Price for the submission of their Fyber Shares.

None of the members of the Management Board intends to accept the Offer.

None of the members of the Supervisory Board currently has Fyber Shares.

XIII. FINANCIAL INFORMATION FYBER

1. Selected financial information in respect of FY 2016, FY 2017 and FY 2018, and auditor's statement

Attached hereto as **Annex 2** are:

- Selected financial information in respect of Fyber, consisting of the consolidated income (loss) statement, the consolidated statement of financial position and the consolidated statement of cash flows for the financial years 2016, 2017 and 2018; and
- an independent auditor's statement from Maiestas Accountants B.V. regarding the selected financial information of Fyber.

2. Audited financial statements FY 2018 and auditor's opinion

Attached hereto as **Annex 3** are the audited financial statements for the financial year 2018, including explanatory notes, together with the independent auditor's opinion from Grand Thornton Accountants en Adviseurs B.V. in respect thereof.

3. Unaudited and not reviewed Q1 2019 interim statement

Attached hereto as **Annex 4** is Fyber's Q1 2019 interim statement. The Company does not have its interim statements audited or reviewed.

XIV. RECOMMENDATION

The Management Board and the Supervisory Board, after their respective independent examination of the Offer Document and the circumstances surrounding the Offer, consider the amount of the Offer Price to be reasonable within the meaning of section 31 para. 1 WpÜG and are of the opinion that the implementation of the Offer as a necessary part of the restructuring is in the interest of the Target Company and the Fyber Shareholders. The Offer and the Offer Price cannot be assessed in isolation from the existing liquidity crisis of the Target Company and the ongoing refinancing and are in the well-understood interest of Fyber, the Fyber Group, employees and shareholders of Fyber. In the opinion of the Management Board and the Supervisory Board, the Offer Price adequately reflects the value of the Company, in particular also taking into account the liquidity crisis described above. The Management Board and Supervisory Board cannot assume any liability for the successful implementation of the refinancing measures.

Fyber Shareholders should take their decision to accept or reject the Offer in view of the intended continuing debt restructuring of the remaining outstanding Fyber Convertible Bonds. As a result of the planned simplification of the conversion conditions and the reduction of the conversion price from EUR 3.00 to EUR 0.30 (as described in section IV.2 of this Position Statement), it may be possible that the conversion price of the bonds will be reduced from EUR 3.00 to EUR 0.30 (as described in section IV.2 of this Position Statement) there may be an increased number of conversions into Fyber Shares, which would lead to dilution for the existing shareholders.

On this basis and in consideration of the above statements in this Position Statement and in view of the fact that on the one hand the Management Board and the Supervisory Board consider the

Offer Price to be reasonable, but on the other hand, a comprehensive restructuring process has been agreed with the Bidder, resulting potentially in a considerable value enhancement, which may not yet be reflected in the stock exchange price, the Management Board and the Supervisory Board refrain from making a recommendation to the Fyber Shareholders (so-called "neutral" statement).

The decision as to whether or not to accept the Offer must be made by each Fyber Shareholder in consideration of the overall circumstances, his individual circumstances, his assessment with regard to the probability of success of the restructuring measures, his personal assessment with regard to the benefits that may result from the restructuring, the future development of Fyber as well as the value and the stock exchange price of the Fyber Shares currently exceeding the Offer Price.

Subject to mandatory statutory provisions, the Management Board and the Supervisory Board assume no responsibility in the event that the acceptance or non-acceptance of the Offer should lead to adverse economic consequences for a Fyber Shareholder.

Berlin, Germany, 8 July 2019

FYBER N.V.

Management Board Supervisory Board

<u>Annex 1</u>: Opinion Letter by M.M.Warburg

M.M.WARBURG & CO
BANK

Personal / confidential

Fyber N.V.
The Members of the Management Board and
the Supervisory Board

Johannisstr. 20
10117 Berlin

Hamburg, July 1, 2019

Public Takeover Offer of Fyber N.V.

Dear Madam or Sir,

Fyber N.V., Berlin, Germany ("***Fyber***" or "***Company***"), has mandated M.M.Warburg & CO (AG & Co.) KGaA, Hamburg, Germany ("***M.M.Warburg***"), to issue an opinion ("***Opinion***" or "***Valuation Memorandum***") regarding the financial adequacy of the consideration set out in the offer submitted by Advert Finance B.V. ("***Advert***" or "***Bidder***"), a 100% subsidiary of Tennor Holding B.V. (formerly Sapinda Holding B.V.) ("***Tennor***"), said offer being described in greater detail in the subsequent paragraph.

On June 24, 2019, the Bidder, a subsidiary of Tennor Holding B.V., Netherlands, has submitted a mandatory public takeover offer ("***Offer***") to the shareholders of the Company. The Offer provides for a consideration of EUR 0.31 per share to be paid in cash ("***Consideration***") by the Bidder to every participating shareholder. The exact terms and conditions of the Offer can be derived from the offer documentation publicly available at http://advert-finance-angebot.de/websites/1028_ma/German/1000/bekanntmachungen.html.

The Opinion issued by M.M.Warburg regarding the financial adequacy of the Consideration offered for the transfer of all shares in the Company is essentially based on the following data and sources of information:

1. Public information regarding Fyber that was deemed relevant for the analysis. Among this information are annual reports for the fiscal years 2014 to 2018, investor presentations and press releases as well as other ad-hoc disclosures by the company.

2. Confidential Company internal information that was deemed relevant for the analysis, which particularly included the current trading for the fiscal year 2019 as well as the business plan for the fiscal years 2019 to 2022. The business plan includes a monthly liquidity plan for the fiscal year 2019. The business plan has been prepared by the management and approved by the supervisory board.

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3. Descriptive documents on Fyber's strategy with details on planning perimeters as well as initiated and planned measures with regard to the business plan.

4. Discussions and telephone conferences with the management focused on the financial situation and profitability as well as the development of the company, the current and future market environment, value drivers and especially the underlying assumptions of the business plan.

5. Convertible bond information (senior unsecured convertible bond due 2020).

6. Current equity research reports as well as capital markets data and financial data regarding Fyber and selected comparable companies.

7. Data on selected precedent transactions in the sector.

8. The Offer submitted by the Bidder.

M.M.Warburg did not use any information received in any other capacity or function than that of the party preparing the Opinion.

In elaborating the Opinion, M.M.Warburg essentially performed the following analyses:

1. Determination of the enterprise value as well as the equity value through the discounted cash flow method (discounting of future potential free cash flows of the company with the risk-adjusted capital costs);

2. Valuation of the Company through multiplication of selected financial data of the Company with valuation relations of comparable listed companies;

3. Valuation of the Company through multiplication of selected financial data of the Company with valuation relations of comparable M&A-Transactions;

4. Assessment of historical share price development and trading volumes of the share of the company before publishing of the Offer as well as public takeovers of German target companies and analysis of the resulting takeover premia.

The analyses carried out by M.M.Warburg have solely been performed for preparation of the Opinion. M.M.Warburg has explained the carried out analyses and the results to the management of the Company in detail.

In preparing this Valuation Memorandum, M.M.Warburg assumed that the information, reports and explanations made available to us by the Client or the Company for purposes of preparing this Valuation Memorandum are correct and complete and reflect the current situa-

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tion of the Company. M.M.Warburg relied upon the correctness and completeness of the aforementioned information and on the correctness of other publicly available information that was used in conducting this analysis without performing an independent review to verify the completeness and correctness of this information.

In conducting the analyses, M.M.Warburg assumed that the documents made available by the Client or the Company, particularly including the business plan and other forecasts and projections, were prepared carefully and on the basis of the best estimations and judgment of the Management, and that they describe the Company's future development with respect to the expected operating results and financial situation in the best possible manner, based on the Company's current knowledge, and that they correctly reflect the current status of the Company's knowledge and estimations. M.M.Warburg relied upon the correctness and completeness of the aforementioned information and on the correctness of other documents made available by the Company that was used in conducting this analysis without performing an independent review to verify the completeness and correctness of this information.

This Opinion is not an appraisal report of the kind typically produced by public accountants in accordance with the requirements of German corporate law. Thus, this Opinion is not an appraisal conducted on the basis of the IDW Standard "Principles for Conducting Company Valuations" (IDW S1) or the IDW Standard "Principles for the Preparation of Fairness Opinions" (IDW S8) published by the German accountancy association Institut der Wirtschaftsprüfer in Deutschland (IDW).

Instead, this Opinion is based on methods of the kind that are typically employed by investment banks in comparable transactions. The methods employed to determine the financial fairness are in conformity with internationally accepted valuation methods. It cannot be ruled out that other analyses conducted on the basis of other methodological approaches would lead to a different result than the one arrived at by M.M.Warburg in this Opinion.

In preparing the Opinion, M.M.Warburg assumed that the transaction will be carried out in keeping with the provisions made in the Offer and subject to the conditions stated therein, and without change to any of the Offer's key provisions or conditions.

In addition, this Opinion is necessarily based on the economic and financial conditions, market conditions and other framework conditions available as of the current date, and on the information provided in the time until the date of this Opinion. Events occurring after the current date could influence the results of the analyses conducted and the assumptions considered in conducting them. M.M.Warburg points out that if the aforementioned conditions were to change, M.M.Warburg will not be obligated to update, review or confirm this Opinion. Furthermore, changes in laws and regulations that are relevant to the economic sector in which the Client and/or the Company operates could also influence the Company's financial forecasts.

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The Opinion is intended exclusively for the Management Board and Supervisory Board of the Company. Its objective is to assist these bodies in reaching an independent judgment regarding the Offer in accordance with section 27 WpÜG. The Opinion is not intended for the Company's shareholders, the Bidder, or any other person, and shall not give rise to any legal rights or protective effects for the benefit of said parties. Unless M.M.Warburg has given its prior written approval, the Opinion may not be used for any purpose other than the one stated herein, may not be forwarded or disclosed to third parties, and may not be published, either as a whole or in part. On the other hand, this Opinion Letter may be attached as a supporting annex to a reasoned statement of position to be issued by the Company's Management Board and Supervisory Board regarding the Offer pursuant to section 27 WpÜG and, insofar as required by law, it may be incorporated into the disclosure documentation which the Company is required to provide in connection with the Offer.

The Opinion focuses exclusively on the adequacy, as assessed in financial terms, of the Consideration to be paid pursuant to the Offer, but not on any other aspects or ramifications of the transaction. In particular, the Opinion does not make any statement regarding any legal, regulatory, tax-related, or accounting-related issues. The Opinion also does not address the relative advantages of the transaction as compared to any alternative transactions or strategies that could potentially be available to the Company's shareholders.

The Opinion does not replace an independent evaluation of the Offer by the governing bodies of the Company. In particular, it does not contain any recommendation to accept or reject the Offer.

The Opinion is subject to the mandate agreed by the Company and M.M.Warburg in the version of June 7, 2019 pursuant to which the Company instructed M.M.Warburg to act as adviser. In return for preparing the Opinion, M.M.Warburg is to receive a fee from the Company. The Company has also agreed to reimburse M.M.Warburg for the costs M.M.Warburg may incur in connection with performing said mandate, and to release M.M.Warburg from certain liability risks that could potentially arise from said mandate. The scope of M.M.Warburg's mandate in connection with the transaction is strictly limited to preparing the Opinion; M.M.Warburg has neither conducted nor solicited any discussions with external third parties regarding the submission of a competing offer or regarding an alternative transaction structure.

It is possible that shares or other securities of the Company have been traded, or will be traded, by M.M.Warburg and/or an affiliate of the M.M.Warburg Group, either for M.M.Warburg's, or the affiliate's own account or on behalf of its customers. Warburg Research GmbH, a fully-owned subsidiary of M.M.Warburg, prepares independent financial analyses of the Company.

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As per the date of the Opinion, M.M.Warburg, in its capacity as investment bank, holds the view that, based on and subject to the above explanations, the Consideration to be paid to the shareholders of the Company pursuant to the Offer is financially adequate.

Yours sincerely,

M.M.Warburg & CO

ppa. Petersen

<u>Annex 2</u>: Selected financial information in respect of FY 2016, FY 2017 and FY 2018, and auditor's statement

1. SELECTED FINANCIAL INFORMATION

The selected financial information consisting of

- Consolidated income (loss) statement for the years 2018, 2017 and 2016
- Consolidated statements of financial position for the years ending 31 December 2018, 2017 and 2016
- Consolidated statements of cash flows for the years 2018, 2017 and 2016

has been derived from the 2018 and 2017 consolidated financial statements of Fyber N.V. which have been audited by Grant Thornton Accountants en Adviseurs B.V. Reading the selected financial information is not a substitute for reading the audited consolidated financial statements of Fyber N.V. which are publicly available on the website of the Company (www.fyber.com). Retrospective adjustments, relating to changes in accounting policies, for the financial year 2016 have been included in the selected financial information. The change of operating expenses being presented by function rather than by nature as well as the change in presentation of net finance cost were reflected in the adjusted comparative of the 2016 figures presented in the 2017 consolidated financial statements and as such, included in the selected financial information.

2. BASIS OF PREPARATION

The selected financial information of Fyber N.V. is presented as originally reported in Fyber's audited consolidated financial statements for the financial years 2018 and 2017.

Fyber N.V. has prepared their audited consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

For a better understanding of Fyber's financial position and results, the selected financial information should be read in conjunction with the consolidated financial statements of 2018 and 2017 of Fyber.

Document to which our report dated 4 July 2019 also refers.
Ref: MA-FYB-RG-SFI161718-4/7/2019

3. CONSOLIDATED INCOME (LOSS) STATEMENT

	Year ended 31 December		
	2018	2017	2016
	in € thousands		
Gross revenue	**128,544**	**229,832**	**176,786**
Revenue share to third parties	(82,458)	(159,935)	(128,551)
Net revenue	**46,086**	**69,897**	**48,235**
Other cost of revenue	(23,114)	(27,162)	(16,416)
Gross profit	**22,972**	**42,735**	**31,819**
Other operating income	-	2,603	9,351
Research and development	(13,962)	(19,600)	(15,878)
Sales and marketing	(20,196)	(24,560)	(20,584)
General and administrative	(10,398)	(15,709)	(20,981)
Other operating expenses	-	(82,678)	-
Earnings before interest and tax (EBIT)	**(21,584)**	**(97,209)**	**(16,273)**
Net finance costs	(14,066)	(9,900)	(10,817)
Profit (loss) before tax	**(35,650)**	**(107,109)**	**(27,090)**
Income tax gain (expense)	230	5,098	(2,148)
Profit (loss) for the year from continuing operations after tax	**(35,420)**	**(102,011)**	**(29,238)**
Profit (loss) for the year from discontinued operations after tax	-	-	3,383
Profit (loss) for the year after tax	**(35,420)**	**(102,011)**	**(25,855)**
Profit (loss) attributable to			
Shareholders of Fyber N.V.	**(35,420)**	**(102,011)**	**(25,855)**
Non-controlling interest	**-**	**-**	**-**

Document to which our report dated 4 July 2019 also refers.
Ref: MA-FYB-RG-SFI161718-4/7/2019

4. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Year ended 31 December		
	2018	**2017**	**2016**
	in € thousands		
Non-current assets			
Intangible assets			
Goodwill	133,321	128,140	216,951
Other intangible assets	22,318	29,465	40,039
Property and equipment	1,172	1,116	1,940
Non-current financial assets	765	1,110	504
Total non-current assets	**157,576**	**159,831**	**259,434**
Current assets			
Inventories	103	128	271
Trade and other receivables	32,207	42,642	63,539
Other current financial assets	6,474	10,319	16,292
Other current assets	1,030	928	1,109
Cash and cash equivalents	12,276	17,595	24,982
Total current assets	**52,091**	**71,612**	**106,193**
Total assets	**209,667**	**231,443**	**365,627**

Document to which our report dated 4 July 2019 also refers.
Ref: MA-FYB-RG-SFI161718-4/7/2019

	Year ended 31 December		
	2018	**2017**	**2016**
	in € thousands		
Equity			
Issued capital	11,453	11,453	11,453
Share premium	184,812	184,812	184,812
Treasury shares	(4,745)	(4,745)	(5,049)
Other capital reserves	25,313	23,711	17,518
Legal reserve	7,272	6,225	4,259
Accumulated deficit	(237,416)	(200,070)	(96,093)
Foreign currency translation reserve	(2,247)	(8,162)	3,544
Equity attributable to shareholders of the Company	**(15,558)**	**13,224**	**120,444**
Non-controlling interests	**-**	**-**	**-**
Total equity	**(15,558)**	**13,224**	**120,444**
Non-current liabilities			
Long-term employee benefits liabilities	217	357	429
Long-term borrowings	154,146	132,995	136,642
Deferred tax liabilities	964	1,763	4,054
Other non-current liabilities	3,709	5,136	9,425
Total non-current liabilities	**159,036**	**140,251**	**150,550**
Current liabilities			
Trade and other payables	38,418	48,881	78,059
Short-term employee benefits liabilities	8,039	13,535	14,001
Short-term borrowings	18,824	15,013	1,429
Other current liabilities	-	-	479
Income tax payables	908	539	570
Short term provisions	-	-	95
Total current liabilities	**66,189**	**77,968**	**94,633**
Total liabilities	**225,225**	**218,219**	**245,183**
Total equity and liabilities	**209,667**	**231,443**	**365,627**

Document to which our report dated 4 July 2019 also refers.
Ref: MA-FYB-RG-SFI161718-4/7/2019

5. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2018	**2017**	**2016**
	in € thousands		
Loss for the year before tax	(35,650)	**(107,109)**	**(27,090)**
Depreciation, amortization and impairment	12,540	92,626	9,286
Net finance costs before currency effect	13,684	9,764	9,499
Cash flow from discontinued operations	-	-	(1,254)
Other non-cash effects	1,602	1,596	460
Reimbursement of Virtual Share Program by former Fyber shareholders	-	-	4,624
Changes in provisions, employee benefit obligations	(5,636)	(634)	(5,084)
Changes in working capital	3,183	(14,803)	(5,494)
Cash generated from operations	**(10,277)**	**(18,560)**	**(15,053)**
Interest received	-	10	188
Interest paid	(6,228)	(2,339)	(6,889)
Income tax received (paid), net	(200)	(432)	(380)
Net cash flow from operating activities	**(16,705)**	**(21,321)**	**(22,134)**
Purchases of property and equipment	(682)	(218)	(461)
Purchases, capitalization of intangible assets	(3,778)	(4,099)	(4,949)
Acquisition of a subsidiary, net of cash acquired	-	-	(70,182)
Change in investments and financial assets, net	345	5,367	(4,673)
Net cash flow from investing activities	**(4,115)**	**1,050**	**(80,265)**
Proceeds from long-term borrowings	12,000		50,014
Transaction costs on the issue /restructuring of convertible bonds		(422)	(1,198)
Proceeds (repayment) from short-term borrowings	3,179	13,584	(831)
Net cash flow from financing activities	**15,179**	**13,162**	**47,985**
Net changes in cash	**(5,641)**	**(7,109)**	**(54,414)**
Cash at beginning of period	**17,595**	**24,982**	**79,123**
Net foreign exchange difference	322	(278)	273
Net changes in cash	(5,641)	(7,109)	(54,414)
Cash and cash equivalents at end of period	**12,276**	**17,595**	**24,982**

Document to which our report dated 4 July 2019 also refers.
Ref: MA-FYB-RG-SFI161718-4/7/2019

maiestas | accountants

Independent auditor's report on selected financial information of Fyber N.V.

To: shareholders of Fyber N.V.

Introduction
We have been engaged to express an opinion whether the selected financial information as presented in the Position Statement in Annex II Selected financial information are consistent, in all material respect with the consolidated financial statements respectively in accordance with the criteria as set out in the 'Basis for preparation paragraph' in Annex II Selected financial information of this Position Statement.

Management's responsibility
Management is responsible for the preparation of the selected financial information in accordance with the criteria as set out in the 'Basis for preparation paragraph' in Annex II Selected financial information of this Position Statement.

Auditor's responsibility
Our responsibility is to express an opinion on the selected financial information for the years ended December 31, 2018, December 31, 2017 and December 31, 2016 comprising the consolidated statements of financial position, consolidate income (loss) statements and consolidated statements of cash flows of Fyber N.V. based on our procedures, which were conducted in accordance with Dutch law, including the Dutch Standard on Auditing 3000D 'Assurance engagements other than audits or review engagement of financial statements'.

Opinion
In our opinion, the selected financial information for the years ended December 31, 2018, December 31, 2017 and December 31, 2016 as included in Annex II Selected financial information of this Position statement and as derived from the consolidated financial statements of Fyber N.V. is consistent, in all material respects, with these financial statements, in accordance with the criteria as set out in the 'Basis for preparation paragraph' in Annex II Selected financial information of this Position Statement.

Emphasis of matters
We did not audit the financial statements for the years ended December 31, 2018, December 31, 2017 and December 31, 2016. These financial statements were audited by other auditors.

The selected financial information does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the selected financial information, therefore, is not a substitute for reading the audited financial statements of Fyber N.V..

Restriction on use
The selected financial information and our independent auditor's report thereon are intended solely for enclosure in the position statement in connection with the mandatory takeover offer by Advert Finance B.V. to the shareholders of Fyber N.V. and cannot be used for other purposes.

Amstelveen, 4 July 2019

Maiestas Accountants B.V.

Signed by

R. Groen RA

Ref: MA-FYB-RG-SFI161718-4/7/2019

Annex 3: Audited financial statements FY 2018 and auditor's opinion

Fyber N.V.

Annual Report 2018

01 Introduction

02 Report of the Management Board

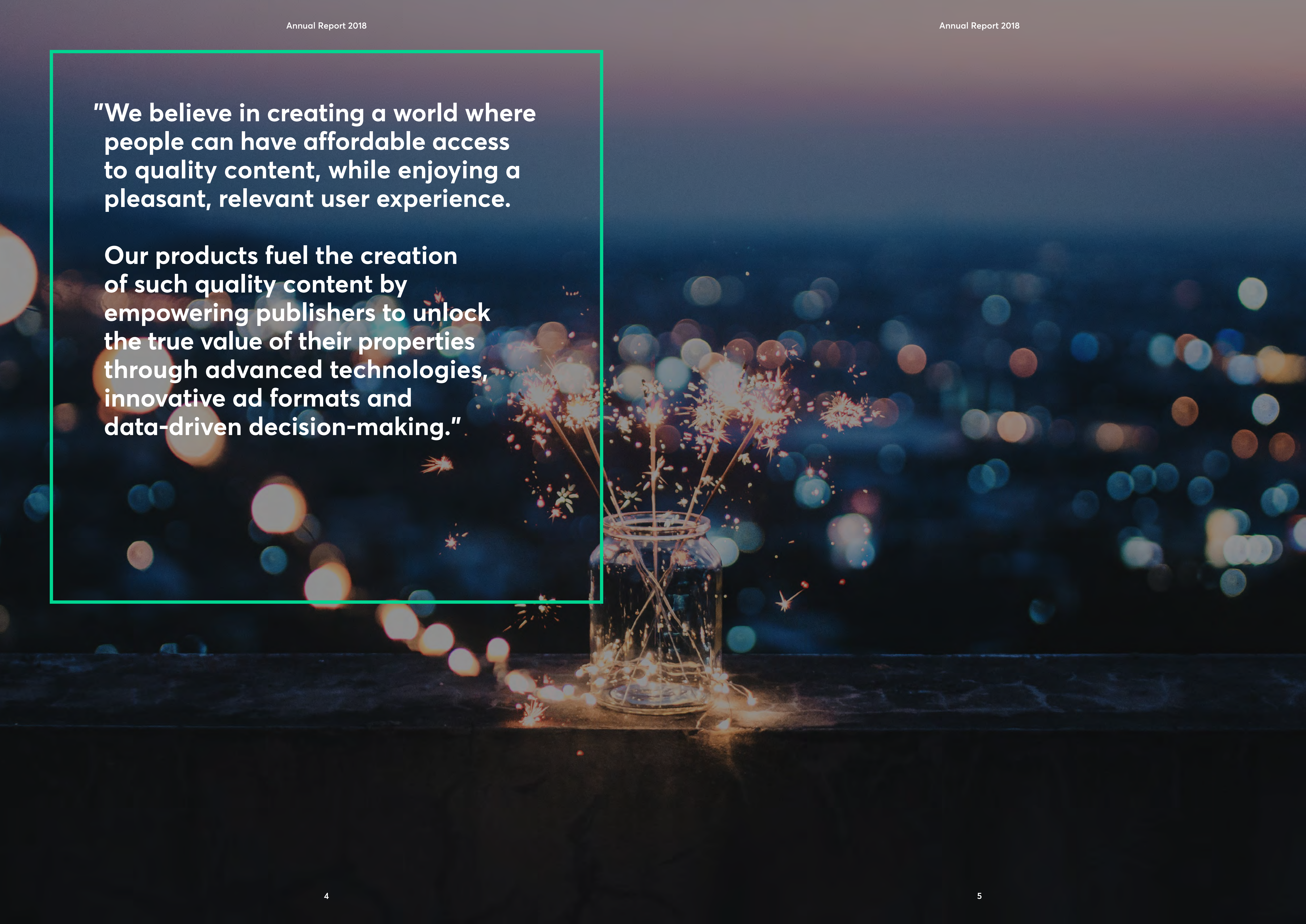
Annual Report 2018

03 Corporate Governance Report

04 Financial Statements 2018

05 Other Information

Annual Report 2018



"We believe in creating a world where people can have affordable access to quality content, while enjoying a pleasant, relevant user experience.

Our products fuel the creation of such quality content by empowering publishers to unlock the true value of their properties through advanced technologies, innovative ad formats and data-driven decision-making."

Highlights & Key Figures

Completion of the integration of former group companies & enhancement of the capital structure

38% year-over-year growth in our programmatic core business in Q4 2018

Successful launch of Fyber's proprietary in-app header bidding technology Fyber FairBid & signed agreements with industry leaders including Facebook Audience Network

One-off effects & strategic decisions burdened financial results, but set stable foundation for future scaling of Fyber's business

Financial Performance

	Year Ended 31 December		Three months ended 31 December	
	2018	2017	2018	2017
	in € millions			
Gross revenue	**128.5**	**229.8**	**38.6**	**52.6**
Revenue share to third parties	(82.4)	(159.9)	(25.1)	(34.9)
Net revenue	**46.1**	**69.9**	**13.5**	**17.7**
Net revenue margin	35.9%	30.4%	35.0%	33.6%
IT cost*	(11.2)	(15.5)	(2.5)	(3.5)
R&D cost*	(13.5)	(19.2)	(3.6)	(3.8)
S&M cost*	(19.6)	(24.3)	(4.8)	(4.9)
G&A cost*	(9.0)	(12.0)	(2.0)	(3.4)
EBITDA*	**(7.2)**	**(1.2)**	**0.6**	**2.0**

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

Added 2019 guidance – Revenue growth above 20% expected for full year 2019

Product launch of Offer Wall Edge, major redesign of one core ad format

Strong retention rate of more than 85% with direct clients

Positive adjusted EBITDA in Q4 2018

Statement from the CEO

Dear Readers,

Already leading up to 2018, we have identified the two key pillars of Fyber's growth strategy – the integration of the former subsidiary companies and the development and implementation of our unified product roadmap. The past year was dominated by efforts around these essential projects, namely the realization of synergies, the full organizational integration, as well as important product launches and improvements to our existing ad tech platforms. We have achieved important milestones and are proud of the progress made and the strong starting position for a successful year 2019:

In-app header bidding:
First-to-market launch of our new and innovative in-app header bidding technology Fyber FairBid which builds on our extensive know-how of both mediation and real-time bidding. Making possible a truly parallel bidding process of all connected demand sources based on actual, real-time prices, Fyber FairBid is at the heart of our unified platform and offers a revolutionary alternative to the way app monetization is handled.

We partnered with Facebook Audience Network, AdColony and Tapjoy, three of the world's leading mobile advertising networks – a strong validation of the capabilities and the quality of this product – and are working to add more strategic partnerships. In the few months since its inception in November 2018, we integrated more than 2,000 publishers and the further roll-out is a key priority for 2019. Initial independent tests show an increase in prices per impression for the publishers using in-app header bidding.

While this technology is still young within the in-app environment, it is to be expected that market penetration will grow rapidly in line with customer demands for fairness, transparency and the unification of auction mechanisms. For Fyber, this not only entails stronger stickiness with clients, but also growth opportunities with potential new partners.

Full organizational integration of former subsidiaries:
Including the establishment of a unified leadership team, the reorganization and merging of our sales teams in a 'glo-cal' sales approach, the upgrade to a regional sales structure covering all of the group's products and the establishment of a new global Fyber brand. In particular, we are proud that we expanded our international focus on the markets in Latin America and Russia, without increasing the cost base by opening new offices, but including the coverage in the responsibility of our existing teams.

Focus on core products, advertising quality and brand safety:
Proactive discontinuation of non-core parts of our business, namely web and aggregator-based advertising, to fully focus on in-app ads based on direct integrations with publishers and highest standards of viewability, trackability and safety. We have proven to be a partner of trust to many leading industry players – a key factor to win in a market that made headlines time and again with fraud and inflated usage numbers – and we consider it our most important task to guarantee fraud-free value creation for all involved partners.

From the financial point of view, the past year was a challenging transition period for Fyber. By cleaning our platforms from non-direct traffic we invested parts of Fyber's otherwise possible short-term revenue growth into the long-term defensibility of its product and market position. We now rely on direct integrations with publishers with client retention rates of above 85% and benefit from highest levels of transparency, quality and brand safety, making us a trusted partner of many industry-leading publishers and advertisers.

For the full year 2018, the Company delivered €129 million in gross revenue at an adjusted EBITDA of €(7) million. Having concluded the restructuring process now, for the current financial year we expect to monetize on our unified product starting from 2019, with revenues between €155 and €175 million at an adjusted EBITDA between break-even and €5 million. The growth stems from our existing product, the roll-out of new products to a wider group of our partners and the onboarding of new partners. In the fourth quarter of 2018 alone, more than 30% of our gross revenue was achieved with new publishers – a strong indicator for the growth opportunities ahead. Furthermore, the programmatic side of our core business, i.e. excluding the stated one-off effects of aggregators and charging screen ads, grew by more than 35% in the second half of the year compared to the same period in 2017.

"We are well positioned for the coming years with a strong client base, a valued product portfolio and a close-knit team of ad tech experts."

We are convinced that in today's maturing digital ad tech market, only focused technology providers offering a clear data-driven value-added can succeed and expand their market share. Ongoing consolidation along the value chain and increasing levels of client requirements, complexity and quality focus make it even more important to focus on a specific client group – app developers in Fyber's case – and fully cater to their needs.

The underlying global mobile advertising market shows a steady CAGR of almost 20% for 2018-2022 with the number of smartphone users expected to reach 3.3 billion people by 2022. The mobile space is dominating the market and is expected to make up more than 77% of the digital ad spend and more than 44% of the total media ad spend worldwide by 2022. The Asian markets are forecasted to have some of the most rapid global growth in the space over the next years. (Source: eMarketer 2018)

Fyber is well positioned to service these international markets with 7 offices around the globe, including operational bases in these regions.

We will continue to set the bar and are dedicated to contributing to advancing the industry. In line with the previous years, we set a strong focus on product development, investment and functional growth. In the last twelve months, we launched our new brand, our flagship product Fyber FairBid, remastered key elements of our existing platforms and optimized all elements of our internal organization.

My sincere thanks go out to all our employees worldwide, who contributed wholeheartedly to Fyber's success. Together we have set ourselves the mission to become a leading technology provider for publishers.

I would also like to thank all our partners and shareholders for their trust and ongoing valuable support. The successful restructuring of our convertible bonds facility, including a delay in interest payment and the partial conversion into equity, greatly supports our growth strategy, allowing us to keep our investment focus on innovation and product development.

Our industry is at a tipping point, with few advanced technologies revolutionizing how the key market players work together. We have one of the most advanced products available, launched it ahead of key competitors and our world-class customers are advocates of our service. Based on this, we are well-positioned to deliver growth and I am extremely confident about the period ahead.

Yours sincerely,

Ziv Elul
Chief Executive Officer
Berlin, April 2019

Statement from the Supervisory Board

Dear Readers,

Fyber has concluded a challenging year with important and successful results regarding the integration of our former subsidiaries, product development and the optimization of the company's global organizational structure. Although 2018 did not bring revenue growth to the group, Fyber is, however, in better shape with an improved product offering, a clean marketplace that ensures highest quality for all integrated partners, and a clear growth plan to execute on its tech assets.

The Company delivered gross revenues of €129 million, at a net revenue margin of 36% and an adjusted EBITDA of €(7) million. The Supervisory Board has fully supported the management's strategy to focus on Fyber's core business, the in-app revenue streams and the business focused on direct publisher integrations – even if this meant to forgo short-term revenue opportunities. Trust has come to be a key asset in the rapidly evolving digital advertising space – trust into the longevity of the business relations, the quality of offered services and users, the viewability of ads, the protection against fraud and other threats of missed revenues such as inefficient processes or hidden fees.

As such, we are convinced Fyber took the right approach to clean up its marketplaces from revenue sources based on indirect connections with publishers and to launch Fyber FairBid, a new product centered around transparency, fairness and equality of market participants. We are proud to be a trusted partner to major industry players and a source of innovation and development when it comes to the latest trends such as in-app header bidding.

Moreover, we managed to reduce the Company's immediate debt burden. In December, the holders of our convertible bonds agreed to delay all coming interest payments to the final maturity date of the bonds in July 2020. This enabled our growth strategy for 2019 as additional resources could be spent on our product vision and plans to expand our business. Additionally, the Company offered to bondholders the opportunity to acquire new shares of the Company against payment of their bonds. For more details on this process please refer to the 'Subsequent Events' section below.

At this point we extend our sincere gratitude to Jens Schumann and Yaron Valler, who both greatly supported the Company as engaged members of the Supervisory Board until September and December 2018 respectively. Special thanks go out to our chairman of the Supervisory Board for many years, Dirk van Daele, who helped shape Fyber's acquisition-driven growth strategy since January 2013, including the move into ad technology, the listing upgrade to the Prime Standard of the Frankfurt Stock Exchange and the expansion of our global investment base to name just a few key projects. Yair Safrai joined the Supervisory Board in October 2018 and took over as its chairman in February 2019. Together with Arjun Metre, who joined the Board in January 2019 as interim member until suggesting his formal approval to the next general meeting in June 2019, we welcome their industry expertise and domain knowledge to the team. We are looking forward to supporting the Management Board in the best possible way in bringing Fyber back onto the growth track and monetize on the investments made since the start of integrating the former group companies.

The Management Board announced guidance for the full year of 2019 with gross revenues between €155 and €175 million and an adjusted EBITDA above break-even. Looking only at the core business of Fyber which makes up the full revenue in 2019 and excludes about €7 million still from the reported gross revenue for 2018 due to one-off effects, this equals a growth rate of almost 30% for 2019 compared to 2018. We trust this to be achievable, based on Fyber's high customer loyalty, the strong product portfolio and the very positive client feedback on the new product releases.

We sincerely thank our shareholders and bondholders for their continuous support in these times of change and are looking forward to a fruitful year 2019!

With best regards,

The Supervisory Board
Berlin, April 2019

"Fyber is one of the small group of ad tech companies worldwide, that offers independent publisher-focused technology at scale and continue to push the industry's boundaries through innovation."

Powering Digital Advertising

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 both publishers and digital advertisers with a global reach of more than 1.2 billion unique monthly users.

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul employs more than 270 people. The Company is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN'.

On the following pages we present two client case studies from 2018, which illustrate the positive impact that Fyber's offering has had on client monetization strategies.

ARPDAU* jumps by 20% as Absolute Games uses Fyber FairBid to go all-in on bidding

Absolute Games, recently acquired by Penn National Gaming, specializes in Board/Card games

*ARPDAU: average revenue per daily active user

Case Study: Fyber FairBid

The challenge

Evaluate the technical and business impact of switching from a waterfall setup to a fully programmatic ad stack

The solution

Integrate Fyber FairBid to run all monetization via a unified auction that includes ad networks as well as performance and brand DSPs

As part of this transition, 2 ad networks that were not bidding-enabled were replaced by 2 bidding ad networks

Fyber's account management and engineering team provided extensive support and shared best practices to ensure a smooth transition

"The Fyber team was there to support us throughout the whole integration process, so I felt confident that our users were going to get a solid experience. The integration itself was the same as products we already had experience with so there were no surprises in how things worked. The end result was a build that outperforms our previous versions. Can't ask for more."

Nick Scheri,
Co-Founder & CTO, Absolute Games

The results

20%
increase in ARPDAU*

Increased competition
from 4 ad networks to 35+ programmatic buyers

*ARPDAU: average revenue per daily active user

Musi increases in-app eCPMs with Fyber

Improved monetization for display with brands maximizes Musi's revenue potential

Musi is an iOS app and organizational tool for YouTube content. With Musi, users can organize the YouTube videos that they love in a music friendly manner with playlists, up-next, and more. Musi was launched in 2013 and is among the top 10 music apps in the US.

The challenge

Musi is a very small company with a lean team that wanted to generate additional revenue specifically from brand advertisers while still preserving a positive user experience for their specific audience: music-loving millennials. Up to this point, Musi had consistently hit their revenue goals but were connected primarily to performance buyers. They thought there were incremental gains to be made by attracting brand advertisers. To do this, they needed to add the formats that brands were demanding: display and VPAID* ad units.

Musi only wanted to add another demand source if they were able to control key optimization functions such as setting different floor prices, creating multiple tiers for different formats, and blocking advertisers and categories to ensure that users were seeing relevant ads from a healthy mix of brands. Being able to do this all through one platform was essential if they were to increase incremental revenue.

*VPAID: Video Player Ad-Serving Interface Definition, referring to video ad units adhering to a standard template across all types of video players, allowing all compliant publishers to display.

Annual Report 2018

The solution

To better monetize their display ads, Musi integrated Fyber's programmatic mobile marketplace, Fyber VAMP, which is connected to all the leading DSPs and opened VPAID demand from brand advertisers looking to run rich media creative formats. Additionally, Fyber's team curated PMPs* and direct deals using Audience Vault.

Audience Vault, Fyber's data-driven segmentation platform, enriched first-party data from publishers, ad engagement from Fyber's platform, and third-party from vendors such as Nielsen Marketing Cloud and others to create custom packages for advertisers looking to target users with high income, high CTR*, and specific age and gender demographics.

Musi used Fyber's main user interface, the Revenue Desk, to manage this inventory. By adding Fyber VAMP to their exchange portfolio, Musi was able to maximize the potential of their ad placements and as a result, increased competition among Musi's other demand partners to drive overall higher CPMs*.

"Fyber has proved to be a good match for Musi and stands out as one of our top monetization partners. They were able to support our goal to expand beyond a performance-focused ad strategy and help us attract brand dollars in order to exceed our revenue goals."

Aaron Wojnowski
Founder of Musi

*PMP: Private marketplaces
*CTR: click-through rate
*CPM: cost-per-mille

Report of the Management Board

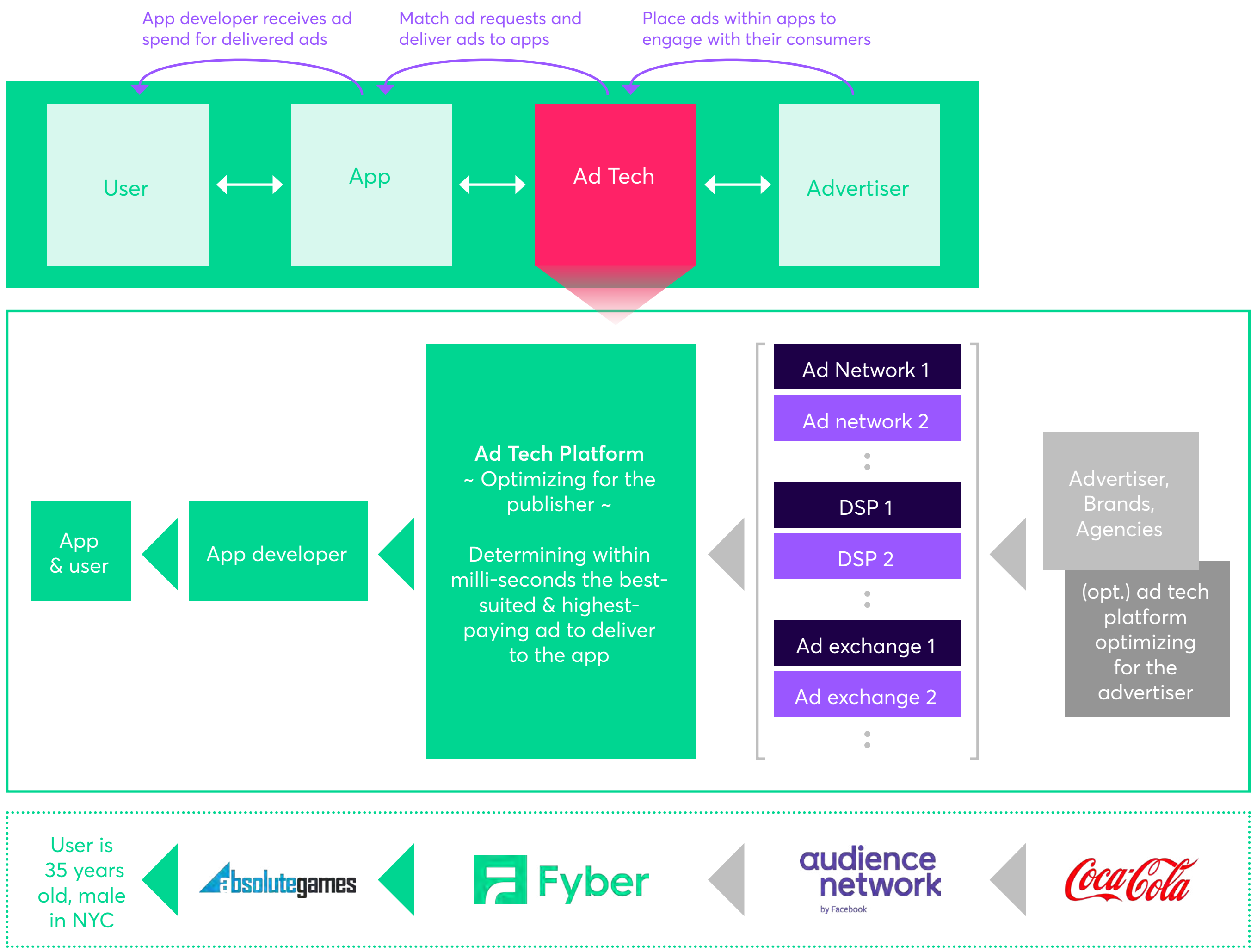
Business Model

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

Our vision is to become the primary monetization platform for the in-app environment, providing a powerful platform to publishers that allows them to centrally manage and execute all their monetization strategies across screens, ad formats, industry verticals and geographies.

Fyber's offering includes an ad exchange, ad server, programmatic ad network mediation, in-app header bidding, a publisher data platform and many more publisher tools. Our automated real-time bidding mechanisms ensure the delivery of relevant, high-paying ads, optimizing the yield for publishers with every ad impression. For transactions placed via the Fyber exchanges, the Company retains a share of the ad spend advertisers place via the platform.

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



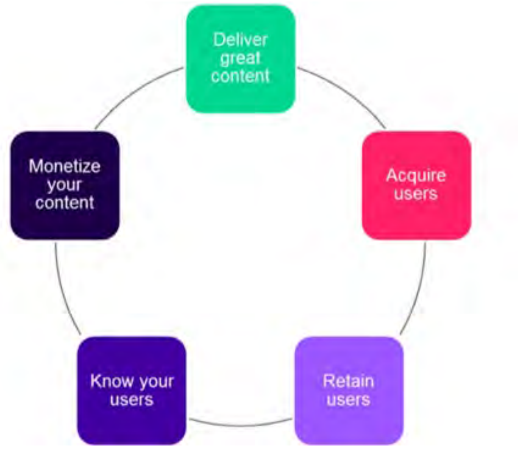
*Example is for explanatory purpose only and not based on an actual ad campaign.

Enable publishers to establish sustainable business models
By the end of 2018, the leading app stores of Apple and Google counted more than 100 billion app downloads globally across the more than 2 million apps available on each store – a plus of 12% compared to the previous year in terms of number of downloads and more than 20% growth in terms of generated revenue. More than 95% of all downloads were attributed to free apps. (Source: App Annie 2019)

App developers can rely on three different approaches to monetize their content: 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).

While app purchases grew by more than 20% in 2018 compared to 2017 to $76 billion globally, in-app advertising is still the dominating source of income with an estimated value of more than $200 billion by 2021. (Source: App Annie 2018)

Publishers are dependent on digital advertising to monetize their content and generate stable income. 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 key challenges faced by publishers:



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. It is e.g. possible to work with different 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.

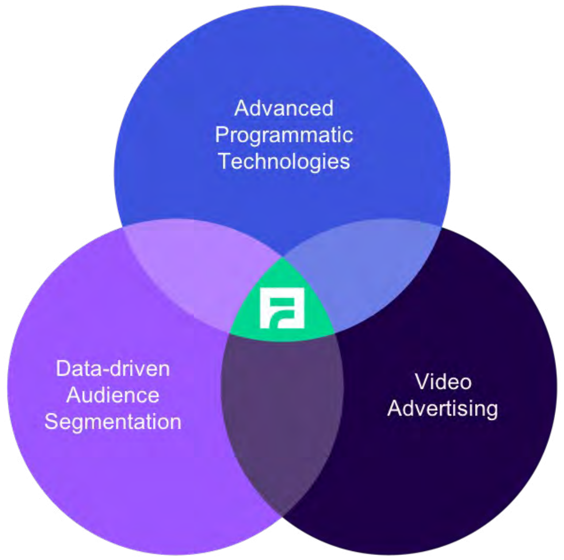
Video delivery at scale
Video remains among the most attractive ad formats and is currently the only digital ad type with more advertising demand than available supply. The integration of video ads, the smooth delivery, viewability and the measurement of campaign goal achievement is a technical challenge.

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.

Fyber's product focus

Our product focus and investment strategy are centered around continuing to solve these publisher challenges by further optimizing our existing product portfolio and bringing new innovative ad formats and publisher tools to the market.



Advanced Programmatic Technologies
Fyber FairBid, our solution that mends key pain points of current mediation solutions enables all types of buyers to compete simultaneously over each ad impression – please refer to the next chapter or our website for more details.

Data-driven Audience Segmentation
Our groundbreaking Audience Vault is bringing data insights and segmentations tools to publishers, enabling them to proactively apply different pricing and auction rules based on the value of their users, and with that upgrading the achievable yield per served advertisement.

Video Advertising
Our video solutions, including leading video standards for in-app and viewability measurement partnerships, are paving the road to unlocking more brand advertising dollars for the in-app environment.

In-app header bidding – Cutting through the clutter

Introduced to the browser environment in 2015, header bidding was until recently not available for apps due to technological constraints. Current mediation solutions, which are the equivalent of the ad server for web publishers, are based on a so-called 'waterfall' model to determine which demand source is selected to fill an ad spot for any given auction and deliver an ad creative to an app or website. Demand partners are ranked depending on their historical performance, and as such they enter into the race for the ad spot with estimated prices as opposed to the actual prices they are willing to pay for the specific ad impression. The mediation platform then offers each ad impression in a sequential order, i.e. the demand partner ranked in 2nd place is only able to see the ad request, if the demand partner ranked 1st did not fill the impression.

This can create missed revenue opportunities for publishers as the highest bidder does not necessarily win the auction for a specific ad spot as well as missed marketing opportunities for advertisers, in case they are unable to fill the desired ad spot.

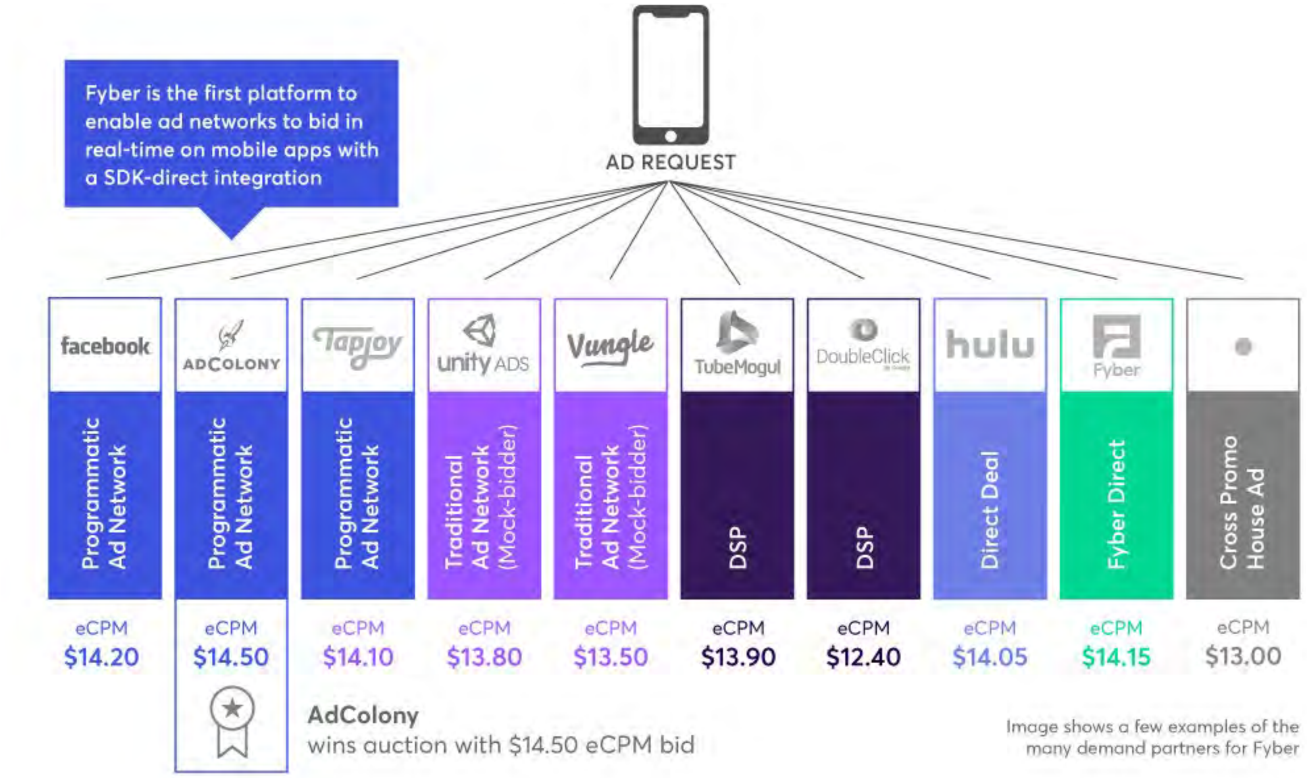
Inefficiencies and roadblocks faced by app developers around traditional mediation solutions

Not processed	Missed revenue	Inefficient	Lack of transparency
Advertisers and their bids for ad spots are based on estimations & historical data, and are not delivered in real-time	Calling each advertiser one after the other in a predefined sequence ('waterfall') leads to latency and missed revenue opportunities	Waterfall optimization is highly manual and cumbersome for app developers	Most mediation platforms are still a black box and make it difficult for a developer to know whether htey are indeed getting the highest revenue

The result: Developers often try to 'fix' the situation by expanding the waterfall making it even more inefficient and labor intensive

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, Fyber FairBid eliminates 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 (demand-side platforms 'DSP', 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 ad networks to bid in real-time for every impression with a committed price. Traditional 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.



Fyber FairBid is the evolution of mediation as it flattens the waterfall and offers each ad request in a parallel, fair auction to all demand partners

By leveraging Fyber's extensive expertise in ad mediation (the technology responsible for managing all advertising SDKs, 'software development kit', 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 introduce the 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.

We are keeping close track of the results we achieve for publishers using this new technology and are rolling it out step-by-step to the publishers integrated with our platform. At the end of 2018, around 2,000 app developers have been actively using it and initial indicators show they are experiencing up to 21% increase in ad impression value (measured using a metric called eCPM = effective cost per mille, i.e. the amount an advertiser pays per 1,000 impressions), and up to 26% increase in their average revenue per daily active user. While these numbers are considered preliminary due to the limited length of the test period and the number of live partners, all indicators have been very positive, and the strong client feedback gives us the confidence in the future growth of this product.

We also trust that Fyber FairBid will expand the partner network of directly integrated publishers and with that broaden Fyber's revenue base, as Fyber is one of only a few publisher-centric companies worldwide currently offering in-app header bidding.

Excerpt of product & engineering investments during 2018

- **In-app header bidding mechanism Fyber FairBid:** Successful product launch during 2018 including the launch of a new SDK empowering a unified auction among all advertising partners integrated with Fyber FairBid.

- **Programmatic mediation:** Proprietary solution that enables ad networks connected to Fyber's mediation platform to switch from a waterfall setup, in which their performance is evaluated based on historical data, to an integration with the above-mentioned unified auction. This way, they can offer a dynamic price in real time for each ad request without impacting the direct integration between the ad network and the publisher.

- **Redesigned ad format Offer Wall Edge:** Release of a completely new design and optimized user experience for the incentivized ad format Offer Wall, one of Fyber's core revenue contributors; the gradual product roll-out among all clients is ongoing and on track.

- **Compliance with GDPR:** Dedicated product and engineering efforts to define and implement the requirements for 'General Data Protection Regulation' compliance across all Fyber products.

Outlook on product & engineering investments during 2019

- Launch an upgraded version of Fyber FairBid within the first half of the year: The launch of Fyber FairBid in 2018 was a significant milestone in Fyber's ambitious product roadmap, as it was the first step in leveraging the best-of-breed technology assets of the Company to create a new flagship product. Our current efforts are devoted to launching a significant upgrade to Fyber FairBid, which will introduce many new and innovative capabilities to the platform and further enhance the value our platform delivers to publishers.

- Continuous enhancement and optimization of our platform's ability to support the needs of programmatic demand partners, enabling both performance and brand advertising campaigns to run effectively and perform well on our platform, thus encouraging our demand partners to allocate more advertising budgets towards Fyber.

- Further optimize and improve our Offer Wall product to maintain the positive trend in performance we have seen since the release of the new version of this product – Offer Wall Edge.

Our Differentiators

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

One-stop-shop for publisher

We solve many of app developers' key challenges when it comes to monetization by offering the latest technology, a central easy-to-use dashboard, access to all relevant demand sources and guaranteed yield optimization that puts publishers' interests first

Innovative ad formats

Unobtrusive monetization for the different publisher verticals that engages users

Advanced data insights

Actionable audience insights to create highly-desirable user segments & granular real-time reporting to optimize monetization on-the-fly

Expert Guidance

Strategic guidance on yield optimization from Fyber's monetization experts

For investors, our value lies among other factors in our market positioning and the growth prospect stemming from our direct publisher integration – a clear competitive advantage in our field:

- **Fast-growing market dominated by few key players:** Focused on in-app advertising, one of the fastest growing segments of advertising at a CAGR of above 17% between 2018 and 2022 (Source: Fyber estimate based on eMarketer 2019 data), with Fyber being one of the few international independent companies of scale
- **Defensible competitive position:**
  - Deliberate focus on supporting app developers and publishers, as all our technology assets were built specifically for this purpose
  - Less competition than on the advertiser side of the value chain, which is dominated by major providers such as Google and Facebook; Fyber is instead partnering with many of these leading demand companies and captures parts of their advertising budgets, which are processed through the Fyber platform
  - Fyber FairBid is at the forefront of publisher monetization technology with mature, battle-tested capabilities across multiple ad tech disciplines, a combination very few companies in this market possess
  - Significant scale of direct, SDK-based integrations with leading publishers. These integrations are done with each individual app making it difficult for new challengers to achieve equivalent scale
  - Extensive demand relationships with over 180 individual demand partners providing global advertising coverage for our publishers
- **Direct publisher integrations:** The direct SDK-based integrations with leading publishers are among our main assets, positioning Fyber as a trusted source of high-quality in-app inventory at scale. This is decisive especially during a time in which advertisers' appetite for this inventory is rapidly increasing and quality, viewability and brand safety become key selling points
- **Diversified revenue base:** Catering to all publisher verticals with tailored product solutions including gaming, social media, messaging, utility, productivity, entertainment, news
- **Global reach and scale:** Reaching 1.2 billion monthly unique users
- **Commitment to profitability:** Despite the slower top-line development, the Company was able to establish an optimized, largely fixed cost base and expects to reach above break-even adjusted EBITDA for the full year 2019

Strategy & Objectives

Fyber is a technology company, developing and providing an essential platform to app developers, enabling them to create sustainable revenue streams. It is our aim to become the go-to independent publisher platform in digital advertising for mobile in-app advertising.

Long-term value creation

By bringing together four individual, strong ad tech companies – each focused on supporting publishers in monetizing their audiences – and further developing these assets into one state-of-the-art platform answering the latest market needs, the Company set out to establish an innovative provider of publisher-centric monetization technology that services all publisher verticals.

We will focus on organically growing the existing business lines and expanding the footprint of the new products. The set growth initiatives are expected to positively influence the Company's operational and financial position, substantially growing both top-line revenue and EBITDA.

Growth with new publishers: Onboarded > 50 high-profile publishers in H2 2018 alone & strong client pipeline for 2019

Growth with existing publishers: Sustainable, loyal client base based on SDK integrations with a consistent retention rate of above 85%

Growth with new products: Innovations in areas of fastest market growth including Fyber FairBid, which contributed to total gross revenue growth of +24% in Q4 2018 vs. Q3 2018

Growth through existing products: Fyber is one of the market leaders in rewarded video mediation, yet only a small percentage of the massive traffic is monetized today - specific initiative to help raise our share of monetization

Securing defensible market position: Through proprietary technology & a suite of leading ad tech assets, which establishes high barriers of entry

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

Excerpt of business & marketing initiatives during 2018

- **The new Fyber brand:** Launch of our new brand, representing our vision and our dedication to transparency, equality, and the promise of a flat, fair, and transparent playing field for our customers; presentation of it at the Mobile World Conference in Barcelona
- **Strategic partnerships:** Signed partnership agreements with Facebook Audience Network, AdColony and Tapjoy for Fyber FairBid and further collaborations with major industry players to expand our global footprint in working with premium providers
- **Sales reorganization and training:** Successfully completed comprehensive trainings as part of the integration and transition to one global sales organization
- **New partners:** Integrated with several new publishers as well as programmatic and direct demand partners in the Americas, Europe and the APAC regions
- **Signature private events:** Successfully hosted a series of exclusive events for both publishers and demand partners, attended by hundreds of high-profile industry players who expressed interest in Fyber's products and thought leadership content. Furthermore, we provided speakerships and were invited to participate in panels in key industry events such as Game Developers Conference, GMIC Beijing, Programmatic Pioneers and the Casual Connect, solidifying Fyber's position as a thought leader in the ad tech industry
- **New office:** 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

Outlook on business & marketing initiatives during 2019

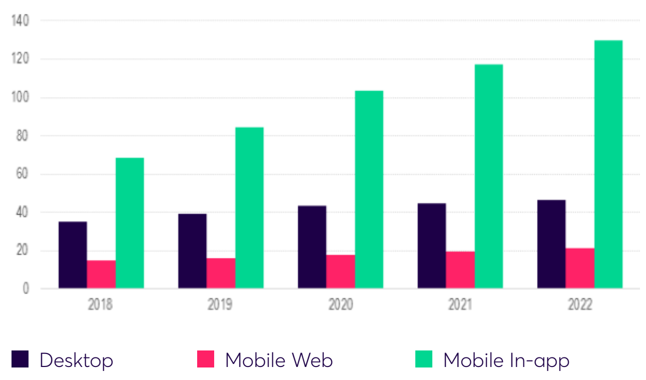
- **Growth with existing partners:** Given that we have invested heavily into our product offering during 2018 and will continue to do so during 2019 – with a focus on Fyber FairBid, our programmatic Fyber Marketplace and Offer Wall Edge – we expect significant growth from existing clients as all of these new products are yet to be rolled out to all our partners
- **Growth with new partners:** Already at the end of 2018 we had formed a stable pipeline of new clients, who are looking to test our existing and new products during 2019, led by Fyber FairBid
- **Expecting stable growth from Offer Wall:** Given that Fyber is one of only three premium providers of Offer Wall to publishers on a global scale, we expect to see a stable single-digit growth coming from this rewarded ad format, in line with market demand

Market Overview

Fyber provides publisher-facing advertising technology solutions with a focus on the mobile in-app space and the advanced programmatic trading of digital advertising. The continuing growth trends in digital advertising allow for a positive outlook on the market in general and the specific growth opportunity for our Company.

In the digital world, mobile continues its growth path – both in terms of the time users spend with the medium and the share of ad spend placed via mobile devices.

US digital ad spending by device[1], in $bn



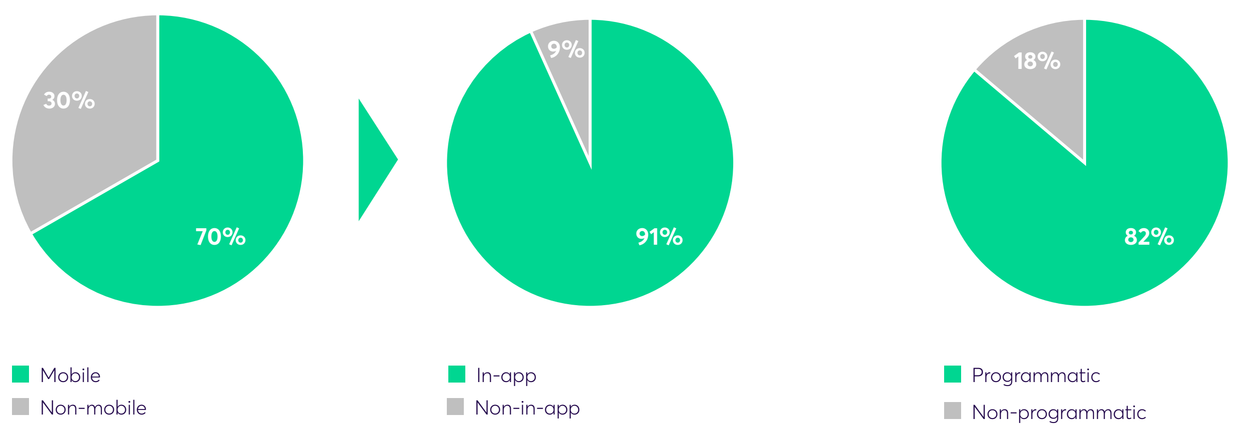
Based on market research by eMarketer, we estimate a CAGR for the mobile in-app ad spend in the US of above 17% between 2018 and 2022, compared to only 7% estimated growth in desktop advertising for the same period.

As such, mobile is the most important growth factor within digital advertising, within itself dominated by programmatic and video advertising. In 2019, advertising on mobile is estimated to be worth more than $230 billion globally, accounting for 34% of the total media spending and 71% of the total digital ad spending. The same dominance can be seen for the US market:

$132bn (+19% YoY)
Digital ad spend, US, 2019[2]

$93bn (+22% YoY)
Mobile ad spend, US, 2019[2]

$70bn (+18% YoY)
Digital display ad spend, US, 2019[2]

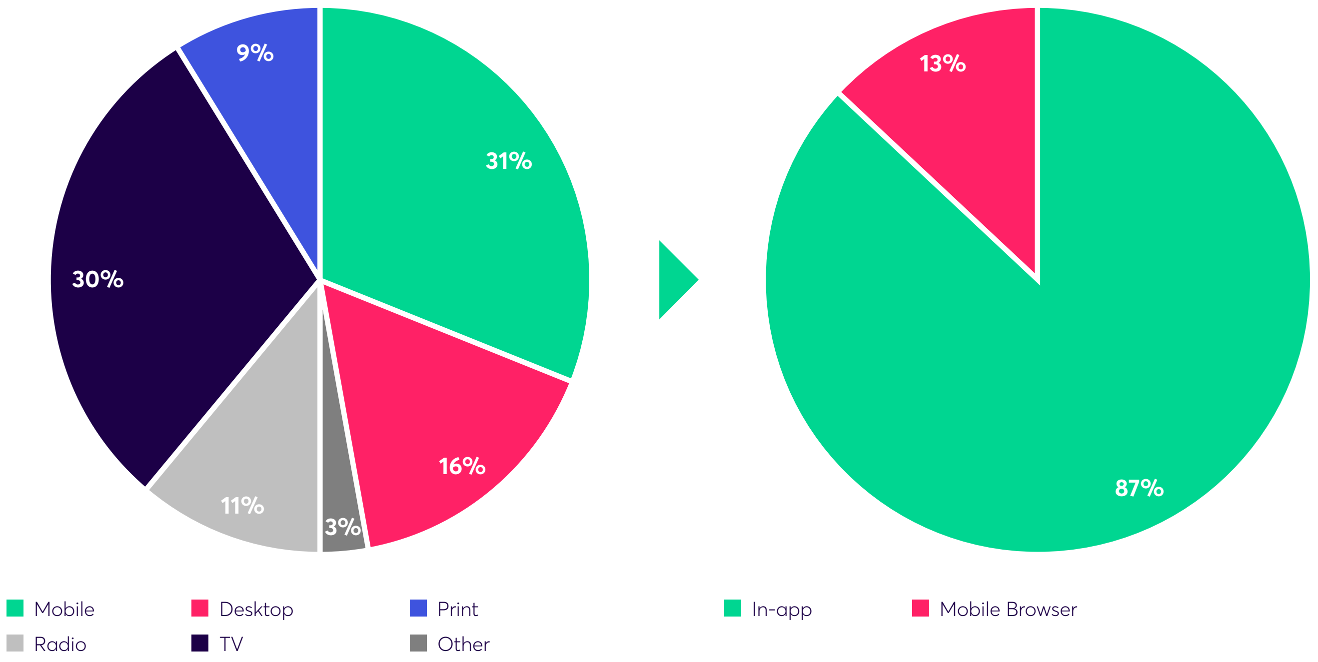


1 Source: Fyber estimate based on eMarketer 2019 data
2 Source: eMarketer 2019

In the US, mobile surpassed TV ad spend during 2018 – in line with the yet increased time users spend on mobile each day which is also expected to outgrow time spent on classic TV by 2019. eMarketer estimates adult US users spent more than 3.5 hours on their mobile devices in 2018, a year-over-year ("YoY") increase of 11 minutes. Of the more than 12 hours spent daily with different media, including multitasking and engaging with more than one medium at a time, mobile leads the board:

12hrs
average time spent with media by US adults per day in 2019[1]

3.5hrs
mobile internet usage by US adults per day in 2019[1]



Growing global app economy
Driven by these trends and the fact that in-app is the preferred way of engaging with mobile content, the app economy evolved into an established industry. The total yearly app downloads reached 194 billion worldwide in 2018, a plus of 35% compared to 2016.

While emerging markets drive the number of downloaded apps, mature markets like the US are of equally high interest to marketers as the engagement, the number of sessions, the time spent in users' go-to apps and the consumer spend are growing. The global consumer spend on apps, either to download apps or to unlock premium content within free-to-download apps, reached $101 billion in 2018. (Source: App Annie 2019)

Assuming a share of this reaches the app developers themselves after deducting fees to app stores and distributors, income from in-app advertising remains a significant source of income for developers.

Another factor next to the monetization itself is the challenge of building a strong user base in a growing and crowded market. Dedicated providers like Fyber enable both discoverability and the monetization through targeted advertising.

Leading app categories in terms of time spent include audio listening, social networking, gaming, productivity, utility, news and entertainment. Gaming is the clear leader when it comes to the number of downloaded apps globally, followed by utility, entertainment and communication. Fyber's service offering covers all these app categories.

1 Source: eMarketer 2018

Programmatic advertising driving growth and efficiency
Evolving technology and the implementation of measures to ensure transparency, viewability, brand safety and overall advertising quality contribute to the continued growth of programmatic advertising – referring to the automated process of trading and placing digital ads within apps or websites.

Marketers turn to programmatic buying to access a large number of publishers paired with granular audience data, enabling superior campaign targeting and execution of more sophisticated marketing strategies. For publishers on the other hand, programmatic trading and especially the parallel bidding of programmatic and non-programmatic demand sources in real time can mean a significant increase in monetization yield.

During 2018, US marketers spent more than four of every five digital display ad dollars via programmatic channels. As such, it is not surprising, that the area is a key investment focus for many. Advanced programmatic systems such as in-app header bidding emerged also in the mobile space, further optimizing the yield opportunities for publishers and enabling demand players to actually reach the ad properties they want to target for each ad impression.

eMarketer assessed in late 2018 that header bidding on web has reached maturity, judged by the mass adoption and the price stabilization. For publishers, it is a way to make more money from programmatic advertising as competition on the advertiser side increases and many buyers are willing to pay more to win the desired ad impression that before have not been accessible through the waterfall. Moreover, marketers underline the positive effects of header bidding on transparency and ad quality. (Source: eMarketer October 2018)

While header bidding is still young in the in-app space, we forecast a rapid increase in usage and market share, given that many players simply still lack the technical understanding of the bidding process, which will naturally evolve over time. Fyber is working hard on educating its partner base on the protocol and its benefits. Already today, countless players are actively seeking to bringing the positive effects of web header bidding, namely increased yield, higher transparency in the bidding process and improved ad quality, to the in-app world.

Fyber is well positioned to benefit from these market trends, as its business is built on direct integrations with app developers, offering state-of-the-art programmatic advertising technology which brings true yield optimization to publishers and high-quality in-app audiences to advertisers worldwide.

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Business Performance

Basis of presentation and highlights
The below business performance review of Fyber gives an overview of the key financials 2018 and the underlying trends and explanations. For full details on the financials, please refer to the Financial Statements and Notes at the back of this report.

2018 has been a year of transition for Fyber. On the one hand, the Company restructured its income base in an effort to maximize transparency and ad quality and with that setting Fyber up for future growth. On the other hand, Fyber kept its focus on efficiency, the integration of former group companies and investments into technology and products. Two key proof points for the effectiveness of our initiatives are the increased net revenue margin (2018: 36%, up from 30% in 2017) and the growth in our programmatic core business (Q4 2018: €22 million gross revenue, up 38% compared to Q4 2017).
Fyber's financial figures also reflect the Company's main initiatives taken in 2018:

- **Gross revenue:** Over the course of 2018 we decided to forgo almost €80 million of gross revenues related to aggregators on the publisher side and charging screen ad formats. Both segments were not viewed to be poised for future growth, and while the decision to actively discontinue these segments negatively impacted our topline, we were able to raise our net revenue margin from 30% in 2017 to 36% in 2018. Moreover, while the total gross revenue declined by 44%, the core business, which is defined as the total income excluding the stated one-off effects, declined by only 16% driven by our focus on integrating the existing product lines rather than investing into short-term growth during 2018

Fyber's core business excluding one-off effects

	in € millions, rounded		
	FY 2018	FY 2017	Change YoY
Aggregators on the supply-side; 'Keeping it Clean' initiative	5	56	-91%
Charging screen ad formats	2	29	-93%
Core business (= residual gross revenue)	**122**	**145**	**-16%**
Reported gross revenue	**129**	**230**	**-44%**

Q4 2018 in detail – organic growth in programmatic trading

	in € millions, rounded					
	Q4 2018	Q4 2017	Change YoY	FY 2018	FY 2017	Change YoY
Total one-off effects	0	10	n/a	7	85	-92%
Core business (= residual gross revenue)	**39**	**43**	**-9%**	**122**	**145**	**-16%**
Thereof programmatic	**22**	**16**	**38%**	**65**	**59**	**10%**
Thereof non-programmatic	17	27	-37%	57	86	-34%
Reported gross revenue	**39**	**53**	**-26%**	**129**	**230**	**-44%**

- Recent financials make it evident, that we have successfully concluded the integration and are now working on monetizing on our investments of the past two years: **The programmatic segments of our core business increased by 38% in the fourth quarter of 2018 compared to the same period in 2017**

- **Cost base:** The total operational cost base of 2018 was reduced by 25% compared to 2017, largely based on our efforts to integrate the former group companies and to realize related synergies. The reduced cost base enabled us to achieve a positive adjusted EBITDA* in the last quarter of 2018 despite lower revenues. This largely fixed cost base will furthermore allow us to scale profitability with an increasing topline as per our guidance for the full year 2019

Focus on programmatic trading

Our focus on programmatic trading expanded during 2018. Major investments went into Fyber FairBid, the heart of our integrated platform and the next evolutionary step of mediation and programmatic mediation. We believe that by optimizing the programmatic process around digital advertising we can increase the value add for both publishers and advertisers.
For Fyber, this means an important step towards our goal of becoming the go-to monetization infrastructure for app developers and significant growth opportunities from existing and new partners.

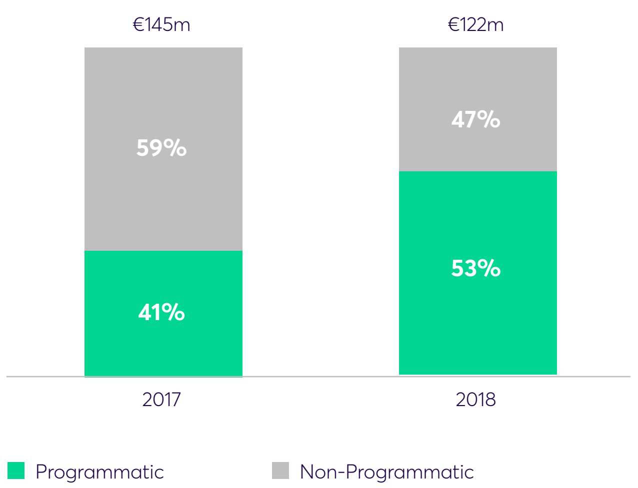
Considering only our core business, in 2018, 53% of our revenue was generated from programmatic trading, compared to 41% in the previous year. We expect this share to grow further given the continuous investment focus of the most innovative products in our suite and on the market itself.

Capitalizing on our mobile experience

Mobile continues to lead the digital space, both in terms of time spent on devices and the placed advertising spend. As users spend more time on mobile, and within mobile mostly within apps as opposed to mobile web, advertisers are following suit and are shifting ad budgets to in-app environments. Recent technological developments further support this trend, as the industry matures and offers higher standards of brand safety, ad quality, viewability and targeting capabilities.

In 2017, around 77% of our revenue was generated from mobile traffic. Our shift in business focus back to our in-app core business further increased this share to over 95% of revenue in 2018, as major parts of the discontinued aggregator business was web-based.

Fyber's core business by trading mechanism



* 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.

Profitability

Financial performance

	Year ended 31 December		Three months ended 31 December	
	2018	2017	2018	2017
	in € millions			
Gross revenue	128.5	**229.8**	38.6	**52.6**
Revenue share to third parties	(82.4)	(159.9)	(25.1)	(34.9)
Net revenue	46.1	**69.9**	13.5	**17.7**
Net revenue margin	35.9%	30.4%	35.0%	33.6%
Other cost of revenue	(23.1)	(27.2)	(4.9)	(7.5)
Gross profit	23.0	**42.7**	8.6	**10.2**
Research & development	(14.0)	(19.6)	(3.7)	(3.8)
Sales & marketing	(20.2)	(24.6)	(5.0)	(4.9)
General & administrative	(10.4)	(15.7)	(2.8)	(3.1)
Depreciation & amortization	12.8	12.6	2.5	4.2
Stock option plan	1.6	1.1	1.0	(0.6)
Other adjustments	-	2.2	-	-
EBITDA*	(7.2)	**(1.2)**	0.6	**2.0**
EBITDA margin (%)*	-5.6%	-0.5%	1.7%	4.1

*Adjusted to eliminate one-off impacts such as acquisition-related costs and option plans.

Gross revenue decreased by 44% to €128.5 million driven by a 92% decline of income from non-core business, which was eliminated from the product offering proactively to focus our investments and growth initiatives on our core business. The core business decreased at a much lower rate of 16% to €122 million, with the programmatic parts of the core business, which is the majority of revenue, delivering YoY growth of 38% in the fourth quarter of the year.

Gross revenue for Q4 2018 decreased by 26% YoY to €38.6 million, driven by a decline of 37% in non-programmatic core business in line with our product and investment focus. For Q4 2018, this gross revenue was already entirely generated by our core business, as all one-off effects could be concluded before the start of the quarter.

As part of the 'Keeping it Clean' initiative, we took the strategic decision to move away from aggregated supply and focus primarily on direct publisher integrations. This initiative is in line with the on-going industry trends calling for a cleaning up of the ecosystem. Aggregators add another layer to the value chain of digital advertising, which can create inefficiencies, intransparency, increased chances of fraudulent activities and lower ROI for buyers. While the initiative sets the foundation for Fyber to be one of the few selected top tier suppliers ensuring our marketplace adheres to the highest standard of quality, it entailed losings of gross revenue of about €51 million in 2018, lowering the revenue base significantly.

Furthermore, the move away from charging screen ad units reduced the income by €27 million compared to 2017. The remaining portion of €23 million decline in gross revenue can be attributed to our efforts of integrating the former group companies and focusing on internal efforts such as aligning the global organization and especially the sales team as well as investing into trainings and product developments rather than short-term revenue initiatives.

All three factors represent important investments into the long-term value of the platforms.

Net revenue for the full year 2018 decreased by 34% YoY to €46.1 million, based on the lower topline. However, the investments into higher quality products and the reduction of lower margin business units paid off and significantly increased the net revenue margin – leading to a lower decline in total net revenue. Net revenue for Q4 2018 decreased by 23% YoY to €13.5 million – a notable slow-down in decrease compared to the full year.

Net revenue margin for 2018 increased to 35.9% compared to 30.4% last year, the margin for Q4 2018 amounted to 35.0%.

Other cost of revenue includes IT cost and amortization of technology and customer relationships acquired through business combinations and amounted to €23.1 million in 2018 compared to €27.2 million last year. IT cost, which includes mainly server cost, accumulated to €11.2 million for 2018 or 8.7% of gross revenue, compared to €15.5 million for last year. Going forward, we estimate that IT cost will be around 6 to 7% of gross revenue, largely based on economies of scale.

In addition, we finalized the organizational integration of group companies into one company during 2018, realizing synergies and lowering operating expenses in the process. Thus, research & development cost for the full year was reduced by 29% YoY to €14.0 million or 11% of gross revenue. For the fourth quarter R&D cost amounted to €3.7 million, similarly to the third quarter. Going forward, we estimate that R&D cost will be around 8.5% of gross revenue.

Sales & marketing cost accumulated to €20.2 million for the full year 2018 or 16% of gross revenue, compared to €24.6 million for 2017. Going forward, we estimate that S&M cost will be around 11% of gross revenue due to economies of scale.

General & administrative cost amounted to €10.4 million, or 8% of gross revenue. We expect to keep this level also for the next year.

The cost reduction allowed us to achieve a positive adjusted EBITDA of €0.6 million in Q4 2018, representing 2% of gross revenue.

Depreciation & amortization increased slightly to €12.8 million of which the biggest part relates to other cost of revenue. The adjustments consist of €1.6 million of cost related to Fyber's stock options program.

The adjusted EBITDA for the full year 2018 accumulated to €(7.2) million compared to €(1.2) million in the previous year. We completed our initiatives around cost reduction and the organizational integration of former group companies in 2018 and do not expect additional major reductions going forward. The forecasted positive EBITDA for 2019 therefore depends on our ability to achieve revenue growth.

Cash flow and going concern considerations

in € millions	Year Ended 31 December 2018	2017
Net cash flow from operating activities	(16.7)	(21.3)
Net cash flow from investing activities	(4.1)	1.1
Net cash flow from financing activities	15.2	13.1
Net change in cash and cash equivalents	**(5.6)**	**(7.1)**
Net foreign exchange difference	0.3	(0.3)
Opening balance cash and cash equivalents	17.6	25.0
Closing balance cash and cash equivalents and cash deposits	**12.3**	**17.6**

The above described one-off effects impacting the revenue development outside of Fyber's core business resulted in the high negative operating results, which were financed mainly by debt facilities provided by Sapinda Holding B.V. ("Sapinda").

In December 2018, the holders of the Convertible Bonds (the "Bonds", €150 million principal, 07/2020, ISIN XS1223161651) agreed to changes of the Bonds' terms, namely the delay of all interest payments, following the last payment on 27 July 2018, until the final redemption date of 27 July 2020 and the increase of the annual interest rate from 3.0% p.a. to 3.5% p.a. The delay enabled the Company to focus on its product development 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 opportunities.

The Company entered into a financing agreement with Sapinda in an amount of €6 million, which was reduced to €3 million following the delay of coupon payments on the Bonds. The existing debt facilities with Bank Leumi and finance provider BillFront have been prolonged for an additional year.

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As the Company's operating cash for the full year 2019 is expected to be around breakeven the Company may consider looking for additional funding of up to €3 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. For more details on the underlying going concern considerations related to the outstanding debt please refer to the 'Financial and asset position' chapter below.

Financial and asset position

in € millions	Per 31 December 2018	2017
Intangible assets	155.6	157.6
Other assets	2.3	2.2
Cash and cash deposits	12.3	17.6
Trade and other receivables	31.2	42.6
Other financial assets	8.3	11.4
Total assets	**209.7**	**231.4**
Interest bearing loans	173.0	148.0
Trade and other payables	38.4	48.9
Employee benefits liabilities	8.3	13.9
Other liabilities	4.6	5.7
Deferred tax liabilities	1.0	1.8
Total liabilities	**225.3**	**218.2**
Total equity	**(15.6)**	**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 impairment of goodwill applied in 2017 was due to the strategic decision to discontinue business with aggregators on the publisher side. Please refer to Note 16 of the Notes to the Financial Statements for further details.

After the end of the reporting period, the Company initiated a swap process in which €74.2 million of the outstanding €149.9 million Bonds were handed in to be exchanged for equity at a price of €0.30 per share. This transaction will result in a positive equity for the full year 2019. For details, please refer to the 'Subsequent Events' section below. Following this conversion, the Company is mainly financed through the remaining outstanding amount of Bonds of €75.7 million which mature in July 2020 as well as a shareholder loan from Sapinda in the aggregate amount of €15 million maturing in June 2020.

The Company is aware of the refinancing risk of the remaining Bonds and the straight debt facilities in place and the substantial impact on the Company's ability to proceed under a going concern assumption. Management expects to be able to prolong the remaining debt ahead of maturity or to complete other financing alternatives including a further debt-to-equity swap.

Subsequent Events

Changes in share capital
The Extraordinary Meeting on 21 February 2019 resolved upon the increase of the authorized capital of the Company from €40m to €120m to provide sufficient room for the issuance of new shares in relation to the convertible bonds conversion process.

Updated convertible bonds terms and conversion process
In September 2018, the Company announced the aim to restructure the Bonds. The first step was to delay all interest payments, following the last payment on 27 July 2018, to be paid out in whole on the final redemption date of 27 July 2020 and at the same time raising the annual interest rate from 3.0% p.a. to 3.5% p.a. Both changes have been approved by the adjourned meeting of Bondholders on 19 December 2018.

The second step was opening up a voluntary swap process, in which all Bondholders were invited to acquire new shares of the Company against payment of their Bonds at a swap price of €0.30. Following the approval of the general meeting regarding the issuance of new shares in relation with such swap on 19 February 2019, the Company invited to a voluntary tender period starting 14 March 2019. At the end of the offer period, Bonds worth €74.2 million have been traded in at a swap price of €0.30. The conversion into new shares will follow in due course, creating 247.3 million new shares. These will be ready for trade admittance following the publication and the approval of a related admittance prospectus, which is planned to be handed to market authorities in H2 2019.

Financing
During 2019, the Company received the exercised draw-down of the existing loan facility with Sapinda amounting to €3 million, resulting in a total outstanding and drawn loan of €15 million with Sapinda.

Composition of the Supervisory Board
In January 2019, Mr Dirk van Daele, the chairman of the Supervisory Board, and Mr Yaron Valler, member of the Supervisory Board, stepped down from their positions effective immediately. Mr Yair Safrai, who has been designated as a temporary member of the Supervisory Board pursuant to section 25.1 of the articles of association in October 2018, was appointment by the extraordinary general meeting of shareholders in February 2019 for a term of four years and subsequently elected as the new chairman. Finally, Mr Arjun Metre joined the Supervisory Board as new interim member at the end of January. His appointment will be suggested for confirmation to the annual general meeting of shareholders in June 2019.

Risk Management

Risk management is an integral part of Fyber's daily business operations, 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 to manage, control and mitigate the risks are described below.

Approach to risk management

Senior management together agrees on the risk management priorities for the Company. The risk profile is discussed and agreed with the Management Board and updated annually in order to manage our most important risks. During the year, we monitor the mitigating actions and the trend for each risk.

The business risk profile is taken into account when establishing the Company's strategy, annual business plans and budgets.

Fyber follows a top-down approach whereby management identifies and tracks the major risks that could affect the Company's business objectives - and assesses the effectiveness of the processes and internal controls in place to manage and mitigate those risks. Assurance on the effectiveness of controls is obtained through management reviews and discussions, monitoring dashboards, self-assessments and testing of certain aspects of our internal financial control systems. This, however, does not imply that certainty as to the realization of our business and financial objectives can be provided, nor can the approach of the Company to control its financial reporting be expected to prevent or detect all misstatements, errors, fraud or violations of law or regulations.

The key features of the systems of our internal controls are as follows:

- Strong governance standards based on the (1) ultimate responsibility of the Management Board and (2) supervision of the Management Board by sub-committees of the Supervisory Board;
- Defined lines of accountability and delegation of authority, together with reporting and analysis against budgets;
- Minimized operating risks by ensuring that the appropriate infrastructure, controls, policies, systems and people are in place throughout the business;
- Organizational design that supports business objectives and a culture that encourages open and transparent communication;
- Financial shared service center with a centralized enterprise resource planning environment which allows us to monitor our business throughout all regions and apply a consistent level of control;
- Centralized treasury operations to manage cash balances and exposure to credit default and currency risks through treasury policies, risk limits and monitoring procedures;
- Ensure the code of conduct and internal policies are accessible to all staff via the intranet, which includes whistleblowing facilities.
- Adherence to legal and regulatory requirements;
- Reliable decision-making support.

Risk appetite and impact

Our willingness to assume risks and uncertainties (the risk appetite) differs for each category. The level of the Company's risk appetite gives guidance as to whether Fyber would take measures to control such uncertainties. The overview table shows the appetite, the occurrence likelihood and the expected impact on the group's achievement of its strategic, operational and financial objectives if one or more of the main risks and uncertainties were to materialize. The risks are shown 'net', meaning that the risks are described after taking the risk response into consideration.

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Risk overview

Category	Description	Appetite	Impact	Likelihood
Strategic risks	Market risk – Failure to respond to market trends	low	high	medium
	Integration risk – Failure to manage the move to one integrated ad tech company successfully / leverage synergies	low	medium	medium
	Capital risk - Failure to increase liquidity of the stock	medium	high	medium
	Refinancing risk – Failure to repay debt facilities	low	high	medium
Operational risks	Personnel risk – Failure to attract, develop, retain and motivate talent	medium	medium	medium
	Infrastructure risk – Failure to secure functioning of the IT infrastructure	low	high	low
	Fraud risk – Failure to detect fraudulent activities	low	medium	medium
	Technology risk – Failure to develop and implement the unified product roadmap	low	high	low
	Technology risk – Open source software programs	medium	medium	low
Financial risks	Currency risk – Failure to combat unfavorable movements in foreign currencies	low	low	medium
	Working capital risk – Seasonality of advertiser spending	medium	low	medium
	Credit risk – Pre-financing substantial part of our revenue	medium	medium	medium
	Financing risk – Failure to secure financing	low	medium	medium
	Impairment risk – Failure to meet initial expectations	medium	high	high
	Price risk – Failure to maintain current margin levels	medium	medium	medium
Compliance risks	Compliance risk – Failure to comply with relevant laws and regulations	low	medium	medium
	Data risk – Failure to comply with increasing data security regulations	low	medium	medium

● low ● medium ● high

Group risk profile

Below is an overview of the risks that we believe are most relevant to the achievement of our strategy. The sequence of risks below does not reflect an order of importance, vulnerability or materiality. This overview is not exhaustive and should be considered in connection with forward-looking statements. There may be additional risks not yet known to us or which are currently not deemed to be material.

Description of risk categories

Strategic risks	Risk relating to prospective earnings and capital arising from strategic changes in the business environment and from adverse strategic business decisions.
Operational risks	Risk relating to current operational and financial performance and capital arising from inadequate or failed internal processes, people and systems or external events.
Financial risks	Risk relating to financial loss due to the financial structure, cash flows and financial instruments of the business (including capital structure, insurance and fiscal structure) which may impair its ability to provide an adequate return.
Compliance risks	Risk resulting from non-compliance with relevant laws and regulations, internal policies and procedures.

Strategic risks

Fyber may be unable to adapt swiftly to changes in industry or market circumstances, which could have a material adverse impact on its financial condition and results.

Fyber was incorporated in February 2012 (as RNTS Media N.V.) and has made significant acquisitions within the last years, increasing the group's revenue substantially since its inception. Although the mobile advertising industry has somewhat matured over recent months and years, the industry is still very fast-paced and characterized by innovation and consolidation. Therefore, trends can develop or disappear very quickly, putting pressure on the Company to permanently review and potentially adjust its strategy. The Company is facing the typical risks and difficulties of technology companies in rapidly developing and changing industries.

Market risk – Failure to respond to market trends

Specific risks

Underlying technologies and advertising trends may change rapidly leading to loss of competitive positioning and revenue. Also, concentration trends amongst advertisers and publishers may lead to direct business relationships which bypass the Fyber platform and thus make the business model obsolete.

Major players in the market such as the mobile operators or the providers of application ecosystems such as Apple and Google may decide to introduce ad blockers to their systems and/or change their policies to ban certain ad formats. These could potentially seriously obstruct the delivery of advertisements to users of mobile apps and thus harm the business of Fyber.

Risk response

- We are closely monitoring market developments
- Fyber has defined programs and processes to support product innovation & build up a diversified, stable product offering that can withstand changing market environments (e.g. supporting different ad formats, different buying mechanisms and publisher tools)
- Our system architecture is continuously being improved to ramp up flexibility for adaptations
- With the acquisitions in the last years, the Company was able to strengthen its technology offering
- Fyber has a track record of identifying market changes early and investing into winning technologies ahead of time, e.g. Fyber was first-to-market to launch an innovative in-app header bidding mechanism

Integration risk – Failure to manage the move to one integrated ad tech company successfully / leverage synergies

Specific risks

The integration process includes the consolidation into one brand, the formation of one management team under the new Management Board, one corporate structure and ultimately one product offering and business/engineering organization.

Risks during this process include loss of key personnel, inability to realize synergies, cultural challenges associated with the integration, inability to integrate and benefit from acquired technologies and services in a profitable manner. The group's failure to address these risks could harm the business in general.

Risk response

- We have set up a global post-merger integration program management
- Reconvened the R&D, business and administrative teams under strong global lead; The entire organization is put under one aligned global management board, unifying all former group companies without redundancies
- Engaging external counsel to advise on process and structure to overcome cultural issues
- Maintaining transparent and frequent communication between management and staff
- Anchored the group companies under one Fyber brand to support internal and external alignment
- Achieved significant milestones in the integration of technologies, e.g. launched Fyber FairBid, unified the strongest tech assets of former group companies

Capital risk – Failure to increase liquidity of the stock

Specific risks

The Company's valuation cannot reflect the strategic and technology achievements of the Company due to key corporate challenges in financing and shareholder structure. The low share price may lead to inability to attract strong long-term investors and limits the ability to raise new equity and attract key personnel.

Risk response

- Restructured the convertible bonds facility, reducing cash-flow burden
- Debt-to-equity swap of around 49% of the volume of the convertible bonds under way, reducing immediate debt burden and improving the Company's capital structure (reference is made to the 'Subsequent Events' section of this report)
- Participating in investor conferences, introducing Fyber to new investors

Re-financing risk –Failure to repay debt facilities

Specific risks

Fyber is presently financed through, amongst other facilities, a debt financing in the form of €150 million. convertible bonds ("Bonds") and shareholder loans in the aggregate amount of €15 million.
The refinancing risk of repaying the principal and the aggregated interest poses a burden for the Company and hinders its ability to access financing options on the capital markets or attract new investors.

Risk response

Management has taken significant steps to refinance this debt ahead of the original maturity date in 2020 by:

- Negotiating with a number of larger bondholders and shareholders to refinance this debt ahead of the original maturity date of July 2020.
- Initiating a process to convert part of the bonds and debt to equity, reducing the outstanding amount significantly and increasing the Company's equity position has been started (reference is made to the 'Subsequent Events' section of this report)
- Delaying the Bonds interest: Following the bondholders meeting of 19 December 2018, the outstanding interest payments have been delayed until final maturity date of the Bonds in July 2020

In all of these fields, management addresses the risks by actively monitoring the developments and evaluating the actual exposure to these risks. This includes participation in industry events, discussions with analysts, creating business cases for new developments and securing required financing for at least 12 months on that basis. Matters of substantial significance are also reviewed with the Supervisory Board through the two-tier board structure. In general, management's risk appetite in this field is low to medium with the potential impact being mostly high. Management sees the likelihood of the risks mostly medium.

Operational risks

Fyber's business depends on personnel, infrastructure, technology and customers.

In all of these areas lie operational risks that management permanently addresses:

Personnel risk – Failure to attract, develop, retain and motivate talent

Specific risks
Our current and future performance is heavily bound to the performance of individual contributors. It has and will be key to identify and attract this talent inside and outside of the Company, to develop it to the full potential and to retain it within the group. The small candidate market within the ad tech industry as well as long hiring cycles and unplanned fluctuation could result in substantial delays in product development, sales activities and revenue growth.

Risk response
- Providing attractive remuneration package
- Providing employee stock option program to all employees
- Creation of a positive working environment
- Structured individual development plan
- Attractive training and development opportunities
- Global recruiting set up to identify and attract the best talent on the market

Infrastructure risk – Failure to secure functioning of the IT infrastructure

Specific risks
The group's success largely depends on the continued and uninterrupted performance of its information technology, network systems and certain hardware / data centers.

Revenue is earned by delivering advertisements to publishers' applications through the Fyber platform. Down-time of the platform immediately reduces revenue for the duration of the outage.

A catastrophic failure or disaster impacting the main data centers may lead to a complete disruption, as the group does not have a 1:1 replica of its server infrastructure in another location at this point.

Risk response
- Regular backups
- Redundant server structures: every component within a data center is supposed to run in a way that its failure does not impact system functionality, since it will be covered by at least one identically functioning (redundant) component
- Moving to the cloud: the move to the cloud (see risk "Technology risk - Failure to scale the platform") ensures that the mediation layer services are running in multiple cloud data centers (Frankfurt, N. Virginia). This guarantees a stable provision of service even if one regional data center fails
- Insurance coverage of data center
- Data centers have alternative power sources: since power is a crucial prerequisite for running a data center, our data center is equipped with redundant power supply

Fraud risk – Failure to detect fraudulent activities

Specific risks	Risk response
The group may be subject to fraudulent and malicious activities undertaken by persons seeking to use its platform to divert or artificially inflate the purchase by buyers through its platform, mainly fraudulently generated advertising impressions overstating the performance of advertising impressions. As we do not own content, we rely in part on publishers for controls with respect of such activities. If fraudulent or other malicious activity is perpetrated by others, and the group fails to detect or prevent it, the affected advertisers may experience or perceive a reduced return on their investment resulting in dissatisfaction with the group's solution, refusals to pay, refund demands or loss of confidence of advertisers or publishers and ultimately withdrawal of future business.	■ A dedicated anti-fraud team has been established, tasked to identify unusual patterns ideally already in the design phase of advertising campaigns or latest in the initial user patterns after the launch of each campaign ■ Use of proprietary technology to identify non-human inventory and traffic ■ Assessing the quality and performance of advertising on publisher's' properties ■ Constantly improving our processes for assessing, detecting and controlling fraudulent activity

Technology risk – Open source software programs

Specific risks	Risk response
The group's products rely on third-party open source software components. The use of open-software may bear the risk that certain licenses could be construed in a way that could impose unanticipated conditions or restrictions to the group. If the group is held to have breached the terms of an open source software license, it could be required to discontinue use of certain code, or to make generally available portions of its proprietary code. Any of these actions could have a material and adverse effect on the group's business, reputation and operating results.	■ The use of open-source software is strictly monitored by the SVP Technology ■ In addition, a formalized process to regulate and monitor the usage of open source software throughout the group has been developed by the Fyber security department

Technology risk – Failure to develop and implement the unified product roadmap

Specific risks	Risk response
The group's revenue growth depends largely on the ability to develop a reliable, scalable, secure, high-performance technology infrastructure that meets current market needs. The markets in which Fyber operates are characterized by rapidly changing technology and developments. In addition to that the group is unifying their ad tech platforms into one global unified platform.	Management is focusing on continuous improvement on the group's product offerings, bringing new innovative technologies to the market and taking advantage of the synergies of the groups ad tech platforms. In 2018 important product launches and improvements to the existing ad tech platforms could be achieved: ■ Launch of Fyber FairBid (an innovative in-app header bidding technology). Fyber FairBid is at the core of Fyber's technology and the unified platform. With the launch of this product, the biggest part of merging the tech platforms of the former group companies. ■ Signed strategic partnership agreements with leading advertising networks, like Facebook Audience Network, AdColony and Tapjoy for Fyber FairBid ■ Focus on core products, advertising quality and brand safety. Proactive discontinuation of non-core parts of our business, namely web and aggregator-based advertising, to fully focus on in-app ads based on direct integrations with publishers and highest standards of viewability, trackability and safety. The one-off effects cleaning up our marketplace negatively impacted the gross revenue development of 2018, but they could be concluded during 2018 and in the fourth quarter, the total gross revenue was already made up by our core business outside of the stated one-off effects.

In addition to the measures already described above, operational risks are furthermore managed through the ongoing budgeting, forecasting and reporting process as well as training activities to constantly improve and update the employees' skills. Management generally considers the likelihood of risks in the operational and technology area as low to medium while evaluating the financial impact of each event as low to high depending on the specific risk field. Management's risk appetite in this field is low to medium and we seek to mitigate risks through contracts, service level agreements, insurances and cooperation with established partners.

Financial risks

In the course of its ordinary business, Fyber is exposed to treasury risks and other financial risks including liquidity risk, currency risk and credit risk.

Currency risk – Failure to combat unfavorable movements in foreign currencies

Specific risks
The group's reporting currency is the Euro (EUR) which is also the functional currency of Fyber. It is exposed to exchange rate risks, particularly with respect to transactions in foreign currencies arising mainly from the relative value of the EUR compared to the value of the US dollar (USD). The majority of the Company's revenue is generated in USD. The group is therefore significantly exposed to currency fluctuations between the USD and EUR.
Unfavorable foreign currency movements such as a weakening of the USD may lead to a reduction of income as USD revenue denominated revenues exceed USD denominated cost.

Risk response
- Management seeks to minimize these risks through natural hedging by increasing its cost base in USD
- In securing additional financing, USD 15 million through Bank Leumi have deliberately been secured in USD
- No other hedging or option strategy is applied

For additional information, please refer to the Notes to the Financial Statements.

Working capital risk – Seasonality of advertiser spending

Specific risks
The group's results of operations and cash flows vary from quarter to quarter due to the seasonal nature of advertising spending. In contrast to the higher amount of advertising budgets spent during the fourth quarter, the first quarter of the calendar year is typically the slowest in terms of advertising spend. This affects the group's results of operations, cash flows and cash requirements. In addition, digital advertising spend is volatile and unpredictable. As a result, in times of lower than expected advertising spend the group's revenue may be materially adversely affected.

Similarly, in times of higher and instantaneously increasing advertising spend and traffic, the group's platform must be able to support increased traffic volumes and the variety of advertising formats whilst maintaining a stable and effectively functioning infrastructure and reliable service to customers. This flexibility and stability require significant investments in both the Company's organization and technology, which increase the cost base.

Risk response
- Closely monitoring and actively managing working capital and cash flow
- Permanent review process in connection with monthly results, forecasting and budgeting
- Regular short-term and long- term cash forecasts during the year which the Treasury team use to manage cash resources effectively
- Securing excess contingency funds through banks or other financing partners

Credit risk – Pre-financing substantial part of our revenue

Specific risks
Fyber charges the advertisers for the gross advertising value delivered to publishers. Typical payment terms with advertisers are 30 days after invoice but can be 60 days or longer. In addition, the group typically experiences slow payment by advertisers as is common in the industry. Typical payment terms with publishers are between 15-45 days. As a consequence, Fyber may pay the publishers before it collects money from advertisers. Since the Company has contractual relationships with publishers and advertisers independently, the group is exposed to credit risk. Advertisers may pay

Risk response
- Permanent review process in connection with monthly results, forecasting and budgeting
- Closely monitoring and actively managing working capital and cash flow
- KYC procedures
- Strict approval process for any deviation in payment terms in place
- General terms & conditions provide for a right to withhold payments from publishers if the underlying advertisers have not yet paid

Impairment risk – Failure to meet initial expectation

Specific risks
The group has significant goodwill and other intangibles including those acquired in business combinations. Critical changes in market conditions, and therefore in the group's assumptions, could result in a change to the estimated recoverable value and therefore in an impairment charge to the goodwill or

Risk response
- Continuous monitoring of market conditions and business performance to identify any negative variations against initial assumptions underlying the valuation of intangibles
- Managing towards budgets and business cases

Price risk – Failure to maintain current margin levels

Specific risks
Fyber is providing monetization services to digital publishers, based on the business model of charging a revenue share on the advertising spend that is being processed through the Company's ad exchanges. There is a risk of incurring losses from potential adverse changes in prices of the inventory purchased by marketers or the revenue share that the Company

Risk response
- Provided technology enables publishers to monetize their inventory through advertising; The significant value added justifies current margin levels
- Continuous investment into innovation, product capabilities, technology, global reach and client services to maintain margins
- Investment focus on high-value, high-priced ad formats such as native video

Financing risk – Failure to secure financing

Specific risks	Risk response
Fyber may need additional capital in the future to pursue its business objectives. Additional capital may not be available on favorable terms, or at all, which could comprise the group's ability to meet its financial obligations and support its forecasted business growth. Especially since the Company's operating cash flow is expected to be around breakeven for the full year 2019, the Company may consider looking for additional funding of up to €3 million to support its future growth.	■ Management has taken significant steps to reduce the cash needs of the group by reducing the cost base, realizing synergies stemming from the integration of former group companies and installing a tight ongoing cash flow monitoring ■ The Company is constantly screening the market for additional financing options and attracting of new capital (reference is made to the 'Subsequent Events' chapter) to either add additional financing if needed, or enhance the existing capital structure. Furthermore, the General Meeting of shareholders has granted authority to the Management Board to issue new shares up to 30% of issued capital in order to ensure continuing flexibility with regard to the financing of the Company and attracting of new capital.

Management addresses the financial risks mainly through transparency and the permanent review process in connection with monthly results, forecasting and budgeting. Matters of substantial significance are also reviewed with the Supervisory Board through the two-tier board structure. Management realizes that the expansion of the business does require some risk taking and evaluates its risk appetite as medium. The group continues to be dependent on additional liquidity to fund its growth, the risk of not finding these funds is always present. In addition, there is the risk that the Company might not be able to fully restructure its bonds that are maturing in July 2020. Due to the strong strategic position already developed and the operating improvement, management estimates this risk to be high. Should the risk materialize, it would have a very high, potentially critical impact for the going concern assumption. This material uncertainty is also further disclosed in the financial statements. Management takes this risk very seriously and therefore constantly reviews capital needs and seeks to secure additional funds rather early.

Annual Report 2018

Compliance risks

Fyber is exposed to non-compliance with various laws and regulations in different countries.

The compliance strategy of Fyber is crafted with the view to ensuring consistency between the conduct of its business operations and the ongoing observance of relevant laws, rules and standards of good market practices. The aim is to shield the organization from legal and regulatory sanction, financial or reputation losses.

Compliance risk – Failure to comply with relevant laws and regulations

Specific risks	Risk response
Fyber is subject to numerous German and foreign laws and regulations covering a wide variety of subject matters. New laws and regulations (or new interpretations of existing laws and regulations) may also negatively impact our business. The cost of compliance with these laws and regulations are high and are likely to increase in future.	■ We have processes in place and provide guidance to our employees through guidelines and policies (e.g. code of conduct and Insider Trading Regulations) ■ We mitigate the risk by working with well-established external partners such as tax, legal and audit advisors in all countries we are operating, as well as building in-house capabilities through training and qualification measures for existing staff ■ We are paying continuous attention to latest developments as regards related laws and regulations, accurately understanding their impact and coming up with necessary responses to guarantee that the group addresses the risks arising from such changes

Data risk - Failure to comply with increasing data security regulations

Specific risks	Risk response
With the General Data Protection and e-Privacy Regulation, coming into effect in May 2018 in Europe as well as the EU E-Commerce Directive, compliance obligations and financial penalties for noncompliance are increasing significantly and could potentially harm our business. We face risks and cost as our service is offered in international markets and may be subject to additional regulations. Any failure on our part to comply with these laws and regulations can result in negative publicity and may subject us to significant liabilities and other penalties.	In order to respond to the increasing efforts to process, store, protect and use personal data in compliance with governmental regulations, contractual obligations and other obligations related to privacy and security, the following measures have been implemented: ■ External Data Security Officer appointed, further external advisors are available where needed ■ A designated project team within the Company has been created to advise and coordinate group-wide and to govern data compliance in all sectors ■ Analysis of existing contractual relationships and update of agreements ■ Monitoring of changes in governing laws and regulations and assessment in regards to the business ■ Creation of inter- and intra-company workgroups and training of personnel

As the group is growing fast in a complex environment and is still in the process of establishing and improving its processes, regulatory violations may occur. Management's risk appetite is low and it estimates the impact of possible violations low to medium.

Annual Report 2018

Remuneration Report

Fyber's Remuneration Policy aims to attract and retain highly qualified individuals and reward them with a remuneration package that focuses on delivering sustainable performance in line with long-term business strategy of the Company.

This Remuneration Report describes the Remuneration Policy and its application in 2018. Due to the composition of the Supervisory Board, there was no designated Remuneration Committee and consequently no report of the Remuneration Committee, the duties of the Remuneration Committee have been discharged by the Supervisory Board as a whole.

Remuneration Policy and application in 2018

The Remuneration Policy has been adopted by the General Meeting on 30 June 2014 upon proposal by the Supervisory Board and governs the remuneration of the members of the Management Board and all employees. The Remuneration Policy is clear and understandable, focuses on long-term value creation for the group, and takes into account the internal pay ratios within the Company. The full policy can be found on the Company's website.

Pursuant to the Remuneration Policy, members of the Management Board are remunerated via salary components that ensure retention of the board members to market standards as well as individual and group performance and may consist of the following fixed and variable components:

i. Fixed remuneration (including fixed supplements)
ii. Performance-based remuneration (variable pay)
iii. Long-term incentive plan (in the form of a stock option plan)
iv. Pension schemes and other benefits
v. Severance payments

In accordance with best practice provision 3.4.2 of the Dutch Corporate Governance Code (the 'Code') the main elements of the contracts of the Management Board members are published on the Company's website, as well as the Remuneration Report (as part of the Annual Report).

i. Fixed remuneration
The fixed remuneration of the individual members of the Management Board is based on the individual situation, such as employment contracts with subsidiaries or other, and is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the group's complexity and the extent of the responsibilities of the member of the Management Board.

ii. Performance-based remuneration
The intention of the performance-based bonus scheme is to ensure a uniform bonus structure throughout the organization.

To support the policy objectives, the remuneration package includes a significant variable part in the form of an annual cash bonus incentive and long-term incentive in the form of performance options. The policy does not encourage inappropriate risk-taking. The performance targets for the members of the Management Board are determined annually at the beginning of the year. The variable part of the annual salary ranges between 40% to 50% of the total annual salary. The performance conditions may include criteria concerning the Company's financial performance, qualitative criteria representing the Company's performance with regards to the long-term strategy implementation and/or individual performance.

The Supervisory Board annually defines the performance ranges, i.e. the values below which no payout will occur (threshold performance), the 'at target' value and the maximum at which the payout will be capped. The Supervisory Board can, at its discretion and only in the event of special circumstances, decide to adjust the variable remuneration. The performance conditions for members of the Management Board for 2018 are linked to the results of the Company (100% weighting) and include targets of gross revenue, net revenue and EBITDA. The maximum achievable annual incentive is 150% of the annual base compensation.

iii. Long-term incentive plan / Stock option plan
In accordance with its Remuneration Policy, the Company uses a stock option plan ('SOP') for the purpose of awarding, retaining and attracting talented employees and executives. The boards are of the opinion that share-based incentives increase commitment and motivation on the part of participants in the plan and therefore benefit the Company and support the long-term value creation of Fyber. The SOP is designed to grant options over ordinary shares in the capital of Fyber N.V. to certain Management Board members and employees of Fyber and its subsidiaries following a consistent course of action according to the conditions of the SOP and periodicity of the grants. Unless determined otherwise by the Supervisory Board, the options granted will vest, i.e. options will actually become exercisable, over a period of three years, subject to continued employment. In principle, vested options may be exercised within five years from the start date.

The SOP was originally approved by the extraordinary general meeting ('EGM') held on 1 April 2015 and amended in the 2016 annual General Meeting ('AGM') to accommodate the increase in the number of persons who are eligible to participate in the SOP, as a consequence of organic growth and acquisitions. The SOP (which, for the avoidance of doubt, includes the Israeli subplan) was most recently amended and restated by the Supervisory Board upon recommendation of the Remuneration Committee and approved by the General Meeting at the EGM held on 11 April 2017 to facilitate a so-called cashless exercise of stock options by participants in the SOP.

The revised SOP is available as part of the "EGM April 2017 Annexes to Notice and Agenda" on the Company's website.

As of 31 December 2018, 7,427,500 options have been granted to the Company's employees, and additional 6,300,000 options have been granted to the members of the Management Board.

iv. Pension and other benefits
Ziv Elul, Daniel Sztern and Yaron Zaltsman are entitled to benefits according to the Israeli provisions of the 'General Approval of the Minister of Labor and Social Welfare Regarding Payments by Employers to a Pension Fund and Insurance Fund in lieu of Severance Pay' with a monthly employer contribution of up to 17.3% of the base salary and the Education Fund ('Keren Hishtalmut') short-term savings plan with a monthly employer contribution of 7.5% of the base salary. In addition, Daniel Sztern and Ziv Elul are entitled to car allowances. Ziv Elul is furthermore entitled to full membership of the 'Young Presidents Organization'.

Pursuant to Article 25 of the Articles of Association, the Company provides for and bears costs of an adequate directors and officers insurance for sitting and former members of the Management Board.

v. Severance arrangements
In line with best-practice provisions of the Code 3.2.3, the maximum severance payment to Management Board members amounts to a one-year base salary in case of termination without cause by the Company. For details on severance payments to former members of the Management Board please refer to Note 39 of the Notes to the Financial Statements.

Management Board remuneration in 2018
The Supervisory Board determines the remuneration of the Management Board members, in accordance with the Remuneration Policy as adopted by the General Meeting of shareholders. During its meeting held on 7 June 2017 the Supervisory Board decided on the remuneration of the Management Board as outlined in the table below. In its meeting on 15 January 2018, the Supervisory Board decided that the remuneration of the Management Board members remains unchanged in 2018.

Annual remuneration of Management Board members 2018

in € thousands	Fixed	Performance-based*
Ziv Elul, CEO	300	300
Daniel Sztern, Deputy CEO	250	175
Yaron Zaltsman, CFO	250	175
Crid Yu, COO**	250	250

*Note: in case of achievement of 100% of the performance targets
**Note: Crid Yu stepped down from the Management Board with effect 30 September 2018

For further details and pro rata remuneration for the period of their serving in 2018 please refer to Note 39 of the Notes to the Financial Statements.

In line with the Dutch Corporate Governance Code, internal pay ratios are an important input for determining the remuneration of Management Board members. The ratio between the annual fixed remuneration for the CEO and the average annual fixed remuneration for an employee was 4.5 : 1 for 2018. Whereas the ratio of the variable remuneration for the CEO and the average variable remuneration for an employee was 28 : 1 in 2018. The development of this ratios will be monitored and disclosed going forward.

Supervisory Board remuneration in 2018
The General Meeting determines the remuneration of the members of the Supervisory Board. The remuneration of the members of the Supervisory Board does not depend on the results of the Company. No ordinary shares, options and/or similar rights to subscribe for ordinary shares have been granted to the members of the Supervisory Board by way of remuneration for their services.

Apart from the remuneration, the members of the Supervisory Board are entitled to reimbursement of costs.

Annual remuneration of Supervisory Board members 2018

in € thousands	Annual remuneration
D. v. Daele	200
Y. Valler	100
K. Sehnaoui	100
G. Dubois	100
J. Schumann	100
Y. Safrai (interim)	100*

*Note: subject to approval of the General Meeting

For details and pro rata remuneration in 2018 please refer to Note 39 of the Notes to the Financial Statements.

The EGM held on 11 April 2017 approved that, effective from 1 January 2017, the annual remuneration of the chairman of the Supervisory Board shall be €200.0 thousand and the annual remuneration for all other members of the Supervisory Board shall be €100.0 thousand. Payment of the remuneration shall be made in quarterly installments during the financial year to which the remuneration relates, payable at the start of every quarter. The remuneration can be adjusted downwards at the discretion of the Supervisory Board.

None of the Supervisory Board members were given personal loans, guarantees or any similar financial assistance.

Management Board and Supervisory Board members' shareholdings
The number of ordinary shares held by members of the Management and Supervisory Board as of the date of the accounts is set out in the table below.

as of 31 December 2018	Number of ordinary shares	Number of options over ordinary shares
Z. Elul	386,124	2,950,000
D. Sztern	25,300	1,725,000
Y. Zaltsman	-	1,625,000
D. Van Daele	-	-
Y. Valler	25,000	-
K. Sehnaoui	-	-
Y. Safrai	-	-
Total	**436,424**	**6,300,000**

The options over ordinary shares granted to the members of the Management Board, have been terminated in January 2019 and replaced by new options with different terms under the Company's SOP.

Remuneration committee activities

The Supervisory Board has set up a Remuneration Committee from among its members, confirming Guy Dubois and Jens Schumann as members of this committee in its meeting held on 26 April 2017. After both left in the course of 2018, the duties of the Remuneration Committee have been taken over by the Supervisory Board as a whole, which are, among others, to make proposals about the selection criteria and appointment procedure for members of the Supervisory Board and Management Board, to monitor the effectiveness and relevance of the Remuneration Policy throughout the year and to consider the extent to which the individual remuneration packages of the Management Board members were in line with the Company's policy.

The performance of the Management Board as a whole and its individual members were discussed by the Supervisory Board during its meetings held on 15 January 2018, together with the performance appraisal and bonus computation for the preceding year, the performance goals of the Management Board for 2018 as well as the remuneration of the Management Board for 2018.

The Supervisory Board agreed on the key performance indicators ("KPIs") and weighting levels set for the performance-based remuneration of the Management Board and periodically reviewed the progress on the achievement of these KPIs. A scenario analysis was carried out within the terms of the Code to evaluate the variable components of the remuneration packages of the Management Board members.

The objectives set by the Supervisory Board for the members of the Management Board are in line with executive remuneration throughout the ad tech industry, that is, to focus on improving the performance of the Company and its long-term value, to motivate and retain board members, and to be able to attract other highly qualified executives, when required. In order to compete for talents, the Supervisory Board identified a peer group of other ad tech companies for remuneration benchmarking purposes in 2018 to align the Management Board's remuneration levels closer to equivalent positions in the market. These peer companies are either business competitors, i.e. other technology companies with a focus on advertising technology, or companies we compete with for executive talent. The peer group predominantly consists of US-based companies with global operations and Israel-based companies, of comparable size, complexity and international scope. Annual changes to the peer group can be made by the Supervisory Board.

The Supervisory Board discussed the individual Management Board members' views with regard to the amount and structure of their own remuneration and asked the members of the Management Board to pay attention to the aspects referred to in best practice provision 3.1.2 of the Code.

Personnel Report

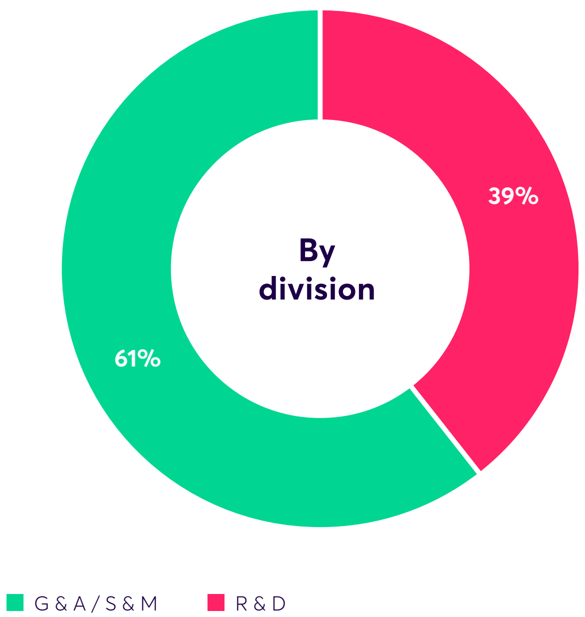
2018 was focused on concentrating our efforts towards the release of Fyber FairBid. We made important hires of talent and concluded restructurings in the R&D division to offer better and more efficient services for our customers.

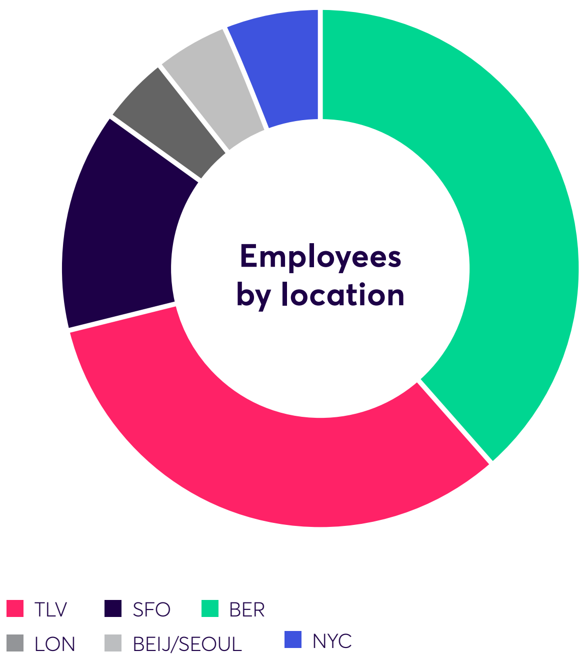
By the end of 2018, the total number of employees, including permanents and working students, was at 276.

The current structure supports the existing business as well as our budgeted growth plan. Management does not expect substantial changes in headcount.

Employees by division & geography
Fyber shows a highly diverse workforce of more than 35 nationalities in its offices in Berlin, Tel Aviv, San Francisco, New York, Beijing, Seoul and London. The below charts give an overview of the number of employees by division and office location. Almost 40% of all employees globally work within research & development.

Fyber's personnel structure
Number of employees as of 31 December 2018, including permanent employees and working students/interns





Living our company values
Fyber defined a set of joined, equally important values, that best express our focus on technological leadership through innovation, long-term value creation and the creation of a fair, inspiring work environment for all our employees. The Management Board promotes and applies these values thoroughly in all personnel related processes such as hiring, promotions and the review of employee performance. In 2018, we conducted a 360-degree feedback evaluation among selected people managers based on these values and defined leadership skills. This pilot project went very well and it will be rolled out to all our people managers in 2019.

Fyber values

Accountability
We value individuals who proactively drive for results, even if it means stepping out of their comfort zone. We celebrate success and learn from failures and either way, we own up to it.

Team Spirit
We believe that two minds are better than one and encourage an environment of collaboration and friendship. We believe that our successes are group efforts.

Innovation
We value creativity and constantly strive to make things better - whether it's in our industry, our technology, or our business approach. We dare to challenge conventions and identify new, exciting ways of adding value.

Mutual Respect
We embrace individuality and honor the diverse cultures and personalities that exist. We believe in creating a work environment that allows people to feel valued and equal, regardlessof who they are.

Dedication
We believe each person has a direct contribution to the overall success of Fyber, and value individuals who are committed and passionate about their role and what we do at Fyber.

Diversity
The members of the Management Board and the Supervisory Board recognize the importance of diversity with regards to the composition of the boards and the entire workforce. The quota of female employees across the group grew during 2018 to 42%. This is a great success and shows our efforts to reach equality not only in salaries, but also in the gender ratio at Fyber.

The Company's targets and current status relating to diversity (gender, geographical provenance, education, experience etc.) are described in our Diversity Policy, downloadable from our website. Further details can also be found in the Corporate Governance Report of this Annual Report.

Employee participation body
Following an employee election at Fyber's Berlin office in November 2017 a work council has been established which represents the employees of this office. In 2018, they worked closely with HR and the members of the Management Board on different topics regarding their co-determination and information rights.

Forecast Report

The financial results of 2018 have been affected by:

- **The 'Keeping it Clean' initiative:** In line with the requirements of leading 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 this decision, Fyber lost revenues from this ad type, which previously has been especially popular in the APAC regions
- **The integration efforts**: Merging all former group companies into one unified company and technology platform, triggered investments into education and training of staff as opposed to short-term revenue initiatives

The factors combined set our gross revenue back by around €100 million in 2018 compared to the previous year. While this is a significant number, these were necessary steps to set Fyber up for future growth. We can confirm the completion of these internal processes including the launch of Fyber FairBid, the leading in-app header bidding solution.

We chose to invest into the transparency, fairness and quality of our platform and our traffic. Already in Q4 2018 we have seen this strategy paying off, with our programmatic core business growing almost 40% YoY.

Targets for 2019

Our targets for 2019 are centered around making Fyber FairBid the independent primary platform of choice for app publishers and solidifying Fyber as a 'must-have' source of app inventory for leading marketers.

We expect to return to growth in year 2019 with gross revenues between €155 and €175 million and an adjusted EBITDA between break-even and €5 million.

Looking only at the core business of Fyber, which makes up the full revenue in 2019, we aim for a yearly growth rate of above 25%.

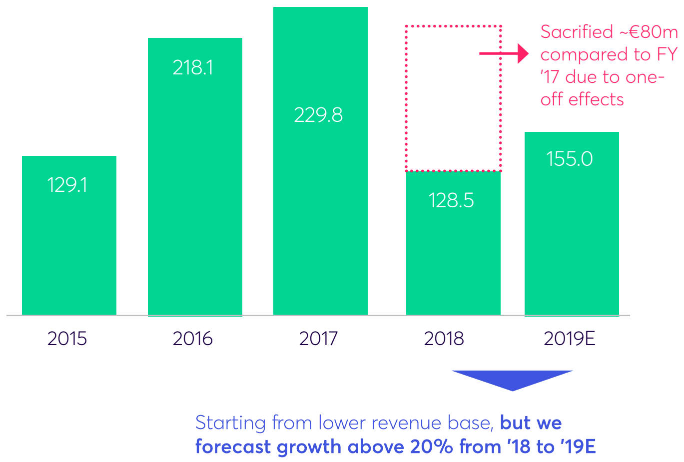
in € millions, rounded	FY 2019 Forecast	FY 2018	FY 2017
Aggregators on the supply-side; 'Keeping it Clean' initiative	-	5	56
Charging screen ad formats	-	2	29
Core business (=residual gross revenue)	155-175	**122**	145
Reported gross revenue	**155-175**	**129**	**230**

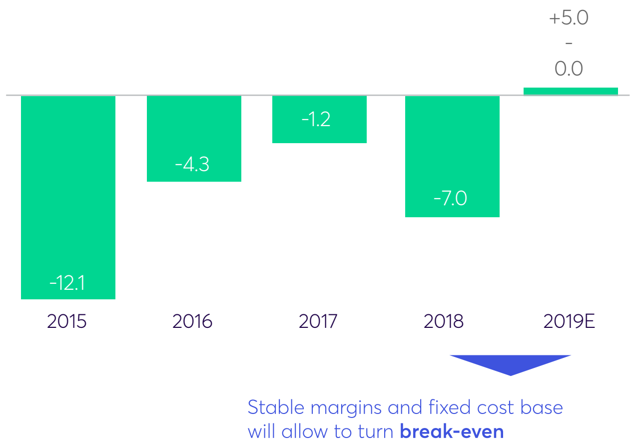
in € millions, rounded	FY 2019 Forecast	FY 2018	FY 2017
Total gross revenue	155-175	129	230
Total net revenue	52-56	46	70
Total adjusted EBITDA	**0 to +5**	**(7)**	**(1)**

The core factors enabling this growth are:

- **New clients:** Continuous investment and sales efforts into growing our publisher base and with that also be an attractive partner to new advertising sources. 30% of our gross revenues in Q4 stemmed from new publisher integrations; onboarded 50 top-ranked players in H2 2018 alone; strong pipeline for 2019
- **Existing clients:** In the growing market we are operating in we are naturally growing with our clients; in proving the worth of innovations like Fyber FairBid we expect to be able to grow existing accounts; consistently high client loyalty – above 85% for direct integrations
- **New products:** Significant parts of our product portfolio, including Fyber FairBid and Offer Wall Edge have only recently started to be rolled-out to all our partners and we expect further upside from making them available to all our clients in the course of 2019
- **Existing products**: Fyber is one of the leaders of rewarded video mediation, and while we see large amounts of traffic on our platform we currently only monetize a small part of this. With wrapping up the integration of former group companies and making all products available to all client groups we expect to be able to increase this share and realize further up-and-cross sell potentials

Based on the guidance for 2019, management will also provide the market with a mid-term outlook later in the year replacing the previously announced goals for 2021, which will take into account the contribution from Fyber FairBid and the mediation fees.





Note: Gross revenue and adjusted EBITDA yearly overview, in €m

Initial preliminary results for Q1 2019 support the stated guidance and show a continuation of the growth trend in our programmatic business

Preliminary Q1 2019 results

	in € millions, rounded		
	Q1 2019*	**Q1 2018**	**Change YoY**
Revenues from programmatic business	**14.5**	**12.4**	**17%**
Revenues from non-programmatic business	13.0	14.9	-13%
Total one-off effects	-	2.0	n/a
Total gross revenue	27.5	29.3	-6%
Total net revenue	9.9	10.2	-3%
Total operating cost	(11.7)	(14.2)	18%
Total adjusted EBITDA	**(1.8)**	**(4.0)**	**55%**

*Note: all figures are preliminary and unaudited

We have started the first quarter of 2019 at a lower revenue base, since the revenues of the same period last year were still including aggregators on the published side and charging screen ads. Furthermore, further savings in the operating cost led to a 55% improvement in adjusted EBITDA, even though the topline declined slightly. In line with the industry's natural seasonality and our financial performance during the last years we expect the first quarter to contribute less than 20% to the full-year revenue.

Equity Information

Capital structure

The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN' and the ISIN code NL0012377394. At the end of the year, the issued capital of Fyber N.V. amounted to €11.453 million, divided into 114,533,333 common registered shares with a nominal value of €0.10 each. The issued capital as of 31 December 2018 consisted entirely of fully paid-up ordinary shares. The authorized capital amounts to €40.0m and is divided into 400,000,000 shares with a nominal value of €0.10 each.

Potential dilution can arise from the exercise of the remaining Bonds as well as from the exercise of options under the Stock Option Plan. As of the reporting date 13.7 million options were outstanding. At year-end, Fyber shares were traded for a share price of €0.16 (XETRA Frankfurt closing value on 29 December 2018). As the weighted average strike price of the outstanding stock options was at €1.95 as of the reporting date, both were out of the money. For changes to the share capital and the Stock Option Plan following the end of the reporting period please refer to section 'Subsequent Events' above.

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*	0.70/0.08

*Note: as of 08 April 2019

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 at 31 December 2018, the following shareholders owning 3% or more of the Company's voting rights were registered with the AFM:

Major shareholders

	% Voting rights
Stichting Horizon One	22.7%
Abu Dhabi Securities	18.0%
Duet Emerging Macro Master Fund Limited	17.5%

Responsibility Statement

The Management Board is responsible for the design, implementation and operation of Fyber's internal risk management and control systems. In discharging this responsibility, the Management Board has assessed the effectiveness of the Company's internal control and risk management systems in accordance with best practice provision 1.4.3 of the Code. Based on this assessment and to the best of its knowledge and belief, the Management Board states that:

- Fyber's internal risk management and control systems provide reasonable assurance that the Annual Report does not contain any errors of material importance;
- There is a reasonable expectation that Fyber will be able to continue in operation and meet its liabilities for at least twelve months, therefore, it is appropriate to adopt the going concern basis in preparing the Annual Report; Nevertheless, as the Company's operating cash flow for the full year 2019 is expected to be around breakeven, the Company may consider looking for additional funding of up to €3 million to support its future growth. The expected future cash flows from operating activities is 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. For more information on the going concern assumption and relevant uncertainties, we refer to the Notes to the Financial Statements.
- The Company is mainly financed through the outstanding convertible bonds maturing in July 2020 as well as shareholder loans from Sapinda Holding B.V. maturing in June 2020. The Company is aware of the refinancing risk of the remaining Bonds and the straight debt facilities in place and expects to be able to prolong its debt ahead of maturity.

With reference to the statement within the meaning of Article 5:25 (2c) of the Financial Supervision Act, the Management Board states to the best of its knowledge and belief, that:

- The annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and that
- the Management Board Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realization of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations. Nor can they provide certainty that we will achieve our objectives.

Berlin, April 2019

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

Corporate Governance Report

Introduction & Company Structure

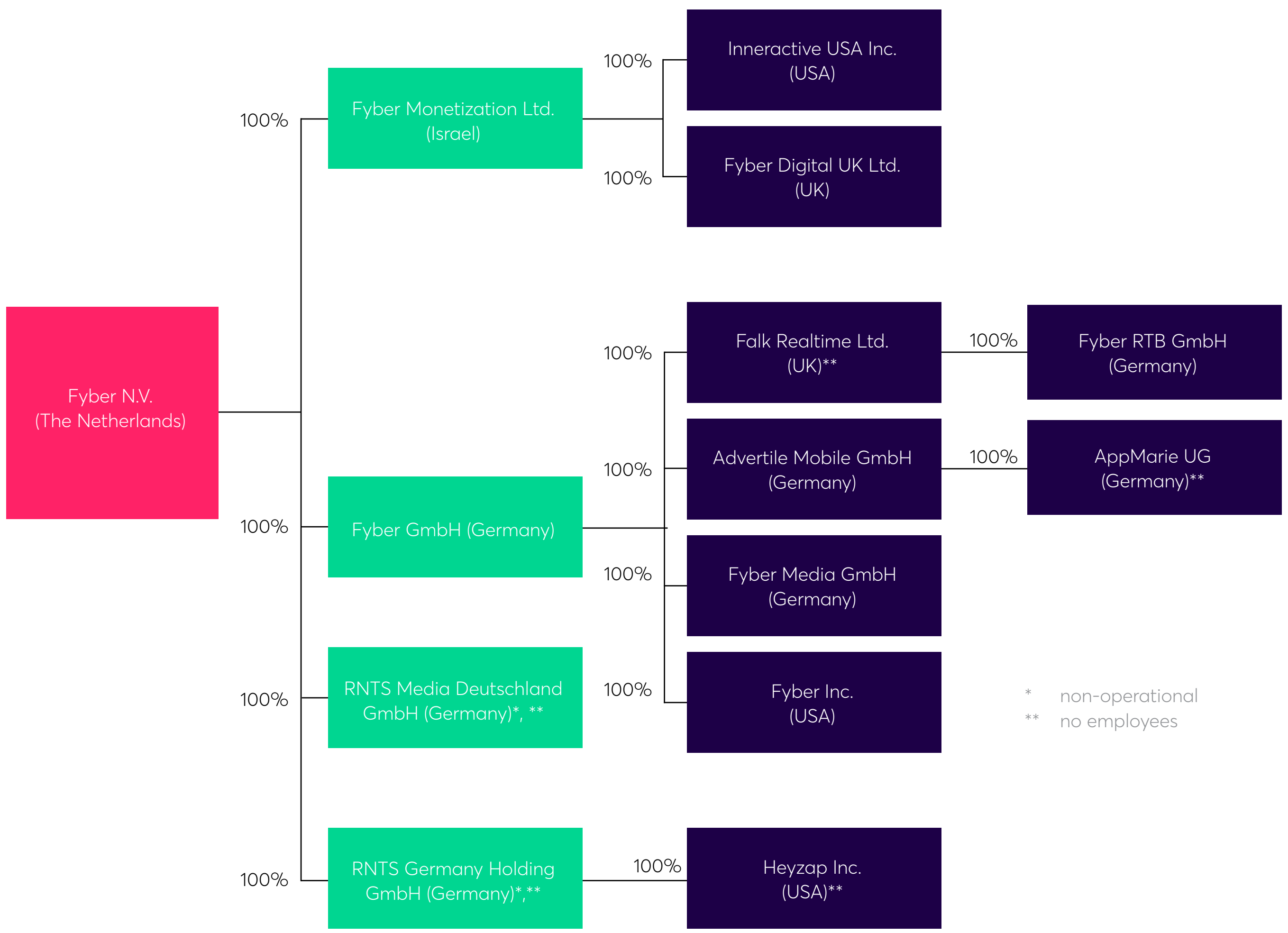
Fyber N.V. ("Fyber" or the "Company") is a public limited liability company incorporated under the laws of The Netherlands (naamloze vennootschap), having its corporate seat in Amsterdam, The Netherlands. Its office address is in Berlin, Germany.

Fyber is listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) in Germany.

The chart below sets out the group's structure as at 31 December 2018.

For more information about our group companies please refer to the Report of the Management Board.

Company structure



Corporate Governance Approach

Fyber is organized in a two-tier board structure, consisting of a Management Board (raad van bestuur) and a Supervisory Board (raad van commissarissen), accountable to the General Meeting of shareholders for the performance of their duties.

Our corporate governance structure is based on our strategy and in line with the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code in the 2016 version (the 'Code'), applicable securities laws and the rules and regulations of the Frankfurt Stock Exchange. We continuously monitor and assess our corporate governance structure and compliance with the Code and applicable laws and regulations. The provisions in the Dutch Civil Code that are referred to as the 'large company regime' (structuurregime) do not apply to the Company.

Furthermore, the Company is governed by its articles of association and internal procedures, such as the by-laws of the Management Board and the Supervisory Board. In order to drive governance, consistency and functional excellence throughout the Company, the Management Board has established a set of policies, guidelines and manuals. The Company operates inter alia a code of conduct and a whistleblower scheme, both of which are published on the Company's website. The Management Board monitors the effectiveness and compliance with its internal policies and guidelines, both on the part of itself and of the employees of the group and informs the Supervisory Board in case of any relevant findings.

In this section, we address our overall corporate governance, and provide information on our compliance with the best practice provisions of the Code. Occasional deviations from the Code are explained and information on the reasons for any such deviations are provided at the end of this section. In case of any substantial changes to the corporate governance structure of Fyber and its compliance with the Code, the shareholders shall be informed at a General Meeting.

Examples of external regulations that affect Fyber

- Dutch Civil Code
- Frankfurt Stock Exchange rules for Issuers, Prime Standard
- German and Dutch applicable securities laws
- Accounting legislation including International Financial Reporting Standards (IFRS)
- Dutch Corporate Governance Code in the version last amended December 2016 (the "Code"), which is available at http://www.mccg.nl/

Examples of external regulations that affect Fyber

- Articles of association
- By-laws of Management and Supervisory Board
- Fyber Governance Matrix
- Fyber Code of Conduct
- Fyber Insider Trading Policy
- Fyber Whistleblower Policy
- Fyber Remuneration Policy
- Other policies, guidelines and manuals

Governance bodies

The illustration summarizes Fyber's corporate governance structure. Fyber's shareholders ultimately decide the Company's direction, since the shareholders at the General Meeting appoint members of the boards and the external auditor.

Supervisory Board

Charged with the supervision of the Management Board and the general course of affairs of the Company; approves and supervises the strategy for long-term value creation; supports Management Board by providing advice, appoints and oversees key executives, approves major transactions and investments; accountable to the General Meeting.

Shareholders & General Meeting

Adopt annual accounts, appoints Supervisory Board members and Management Board members, determine remuneration of Supervisory and Management Board, appoint the external auditor and adopt articles of association.

Management Board

Responsible for the day-to-day management of the operations of the Company, for complying with the relevant legislation, for managing the business risks, financial reporting, to ensure financing and for setting and achieving its targets; accountable to the Supervisory Board and the General Meeting.

External Auditor

Examines the annual accounts; draws up auditor's statement; reports to the General Meeting.

The Management Board

Role & procedure
The Management Board is the executive body entrusted with the day-to-day management of the operations of the Company and is guided by long-term value creation. Headed by the chief executive officer ("CEO"), its responsibilities involve setting and achieving the Company's strategic objectives, managing the Company's strategic risks, legal compliance and corporate social responsibility matters insofar as relevant to the Company's business. The Management Board is accountable for this to the Supervisory Board and to the General Meeting. In performing its duties, the Management Board must carefully consider and act in accordance with the interests of the Company and the business connected with it, taking into consideration the interest of all the stakeholders of the Company as a whole.

The Management Board is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its prior approval, including but not limited to a) the operational and financial objectives of the group, b) the long-term value creation by the Company, c) the parameters to be applied in relation to this strategy and d) any corporate social responsibility issues that are relevant to the Company, if any.

The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those prohibited by law or expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the articles of association and the Management Board by-laws.

Meetings
The Management Board shall in principle meet as often as deemed desirable or required for a proper functioning of the Management Board by one or more Management Board members and be chaired by the CEO. The Management Board members shall endeavor to achieve that resolutions are as much as possible adopted unanimously. Each Management Board member has the right to cast one vote. Where unanimity cannot be reached and the law, the Company's articles of association or Management Board by-laws do not prescribe a larger majority, all resolutions of the Management Board are adopted by an absolute majority of the votes cast. In the event of a tie, the CEO shall have the deciding vote.

Appointment, dismissal & suspension
The General Meeting appoints the members of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a nomination submitted by the Supervisory Board. The members of the Management Board are appointed for a period of four years with the possibility of re-appointment for a consecutive four-year term in accordance with the Code.

The articles of association provide that the Management Board must consist of at least one member, with the total number of members of the Management Board determined by the Supervisory Board.

If the Management Board consists of more than one member, the General Meeting may designate Managing Directors A, which are authorized to represent the Company alone, and Managing Directors B, authorized to jointly represent the Company with another Managing Director or proxy holder.

As far as regarded necessary, the Management Board discusses and assesses together with the Supervisory Board whether its current composition and structure is still appropriate.
Each Management Board member may be suspended or removed by the General Meeting at any time. A resolution of the General Meeting to suspend or remove a Management Board member other than pursuant to a proposal by the Supervisory Board requires a two-third majority of the votes cast representing more than one-half of the Company's issued capital.

A Management Board member may also be suspended by the Supervisory Board. A suspension by the Supervisory Board may, at any time, be discontinued by the General

Composition

Ziv Elul
CEO
Managing Director A

Nationality	Israeli
Year of birth	1975
Date of first appointment	June 2016

Qualification
Ziv brings more than 15 years of industry and management experience; on the management board of Israel's branch of YPO, a global network of young Chief Executives, deeply involved in the local high tech and startup ecosystem; holds an Executive MBA which he graduated from with honors; co-founder and former CEO of Inneractive Ltd.

Daniel Sztern
Deputy CEO
Managing Director B

Nationality	Israeli
Year of birth	1965
Date of first appointment	July 2017

Qualification
Dani brings over 20 years of diverse experience at public and private companies, mainly in the software industry, as both COO and CFO; vast exposure to financing in both private and public markets and actively managing M&A processes; for Fyber, heads corporate strategic projects team, the business and commercial legal department, the system integration department; responsible for the integration process of the acquired assets, overseeing the global operations and driving growth through the optimization of processes across departments and offices.

Yaron Zaltsman
CFO
Managing Director B

Nationality	Israeli
Year of birth	1974
Date of first appointment	July 2017

Qualification
Yaron brings extensive knowledge of working within public companies worldwide, and specifically on the Frankfurt Stock Exchange; led the 2015 IPO of ADO Properties on the Frankfurt Stock Exchange, raising €0.4 billion.

Crid Yu resigned as member of the Management Board with effect 30 September 2018.

Meeting. Any suspension may be extended one or more times, but may not last longer than six months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension will end.

Remuneration
The Company has defined a remuneration policy governing the remuneration of all the group's employees, including the Management Board, which has been adopted by the General Meeting on 30 June 2014 upon proposal by the Supervisory Board (the Remuneration Policy). Any material amendments to the Remuneration Policy or the implementation of a new Remuneration Policy will need to be proposed by the Supervisory Board to the General Meeting for adoption. The Remuneration Policy is published on the Company's website.

Pursuant to the Remuneration Policy, the remuneration of the Management Board members may consist of the following fixed and variable components:

- Fixed remuneration (including fixed supplements);
- Performance-based remuneration (variable pay);
- Long-term incentive plan (in the form of a stock option plan);
- Pension schemes
- Other benefits
- Severance payments

For further information about the remuneration of the Management Board members in 2018, reference is made to the Remuneration Policy and the 'Remuneration Report' section in the Report of the Management Board.

The Supervisory Board & Report of the Supervisory Board

Role & procedure
The Supervisory Board is charged with the supervision of the Management Board and the general course of affairs of the group and supports the Management Board by providing advice. The Supervisory Board oversees the strategy for realizing long-term value creation of the group, appoints and monitors key executives, approves major transactions and investments. In performing its duties, the Supervisory Board acts in the interest of the Company as well as that of its stakeholders as a whole and is accountable to the General Meeting.

Pursuant to article 21.4 of Fyber's articles of association and best practice provision 2.3.1 of the Code, the Supervisory Board has adopted by-laws summarizing the modus operandi of the Supervisory Board, complementary to the provisions regarding the Supervisory Board and the Supervisory Board members as contained in applicable legislation and regulations, the articles of association and the rules pertaining to the relationship between Management Board and Supervisory Board as contained in the by-laws of the Management Board (which have been approved by the Supervisory Board). The by-laws are posted on the Company's website.

Meetings
The Supervisory Board will meet whenever its chairman or at least two of its members deem it desirable. The chairman or his substitute will preside over the meeting and minutes will be kept of the proceedings. The Management Board members will attend the meetings unless the Supervisory Board expresses its wish to meet separately. At the meeting of the Supervisory Board, resolutions must be adopted by an absolute majority of the votes cast at the meeting. In the event of a tie in voting the chairman will have a deciding vote, but only if more than two Supervisory Board members are present. A Supervisory Board member may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. If the Supervisory Board considers it necessary, it will obtain information from officers and external advisers of the Company and require them to attend its meetings. The Company is providing the necessary resources for this purpose.

In 2018 the Supervisory Board held four meetings in person and three meetings by conference call. The non-physical meetings were held to discuss financial updates and recent developments within the Company in the months when no physical meetings were scheduled. The Management Board members attended all those meetings either in full or in part. The meetings of the Supervisory Board achieved an overall average attendance rate of 100%, best practice provision 2.4.4 of the Code is complied with. All members have had sufficient time available for their duties relating to their membership of the Supervisory Board. Their availability for ad-hoc calls, prompt response on emails and the fact that the members prepared the meetings well and actively participated in the meeting discussions, demonstrate that they were all able to devote adequate attention to the Company.

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Composition & committees As per 31 December 2018, the Supervisory Board consisted of the following members:

Dirk van Daele
Chairman

Nationality	Belgian
Year of birth	1961
Date of first appointment	January 2013 (reappointment in June 2016), chairman since June 2014
Term of office	4 years

Former positions
Broad experience in the commercial banking and alternative finance industries, from 2006 to 2009 he was the Co-Chief Executive Officer at DAM Capital S.à r.l., a joint-venture between Philip Anschutz and Dresdner Bank and subsequently board member and CEO of Belvall Capital S.A. Dirk holds an MA in Economics from the University of Louvain, Belgium and Licentiaat Toegepaste Economie from the University of Antwerp, Belgium. He was also admitted to the Centre of Creative Leadership in Greenboro, NC, USA.

Current positions
Chairman of Dare Holdings, member of the board of directors, CEO/ Joint Owner of Anoa Advisory Services, member of the board of Track Group Inc. (former SecureAlert Inc.), and member of the board of Better African Foods Ltd.

Yaron Valler
Board Member

Nationality	Israeli
Year of birth	1970
Date of first appointment	February 2017
Term of office	4 years

Former positions
Yaron managed Hasso Plattner Ventures and invested in companies such as Panaya (sold to Infosys), Fyber (sold to Fyber N.V.), Delivery Hero and many other leading companies in Berlin and Israel. Before that Yaron led the enterprise software practice at Giza Venture Capital where he invested in companies such as Soluto (sold to Asurion), Yadata (sold to Microsoft) and eGlue (sold to NICE Systems), was an early stage investor at the Technion Incubator, co-founder and VP of business development at Excedo Technologies. He holds an MBA from INSEAD in France and a B.Sc. in Information Systems Engineering from Ben-Gurion University in Israel.

Current positions
Partner at Target Global

Karim Sehnaoui
Board Member

Nationality	British
Year of birth	1978
Date of first appointment	May 2018
Term of office	4 years

Former positions
Karim is an investment professional with almost 20 years' experience in private equity, venture capital, corporate finance and project management and has held several C-Level positions in investment management firms and others, including CEO and CIO positions. He has helped launch and/or is an advisor to, several tech start-ups. He holds a Masters in Engineering from McGill University, Canada and was a Global Leadership Fellow at the World Economic Forum in Geneva, Switzerland.

Current positions
General Manager of The Reference Group SARL, a financial advisory firm based in Geneva; since January 2018, a board member of Track Group, a security tech company based in the US.media accelerator GmbH Germany.

Yair Safrai
Board Member

Nationality	Israeli
Year of birth	1958
Date of first appointment	October 2018
Term of office	Interim

Former positions
Yair is an experienced veteran of Israel's high tech and venture capital industries. 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, served as VP of the Nitzanim Venture Fund, and held key consulting, marketing, and business development positions at IGS Inc. and P.O.C. He holds a B.Sc. in Economics and Management from Tel Aviv University, an MA in International Studies from the Lauder Institute at the University of Pennsylvania, and an MBA from Wharton Business School.

Current positions
He serves as active chairman of the boards of Exent Technologies Ltd., Impact First Investments Ltd. and BeeEye Ltd. (a startup company in the Fintech), Yair is executive chairman in Polymertal Ltd. and a board member in VNT Solutions Ltd., The Time Ltd. (a technological Incubator) and Quick Loris Ltd., all Israeli companies, furthermore he sits on the board of Exent Technologies Inc. based in the US.

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Mr Karim Sehnaoui's interim appointment as acting member of the Supervisory Board has been formalized in the annual General Meeting of shareholders on 29 May 2018.

In accordance with the rotation plan of the Supervisory Board the term of appointment of Mr Guy Dubois ended at the close of the AGM on 29 May 2018, Mr Dubois was not reappointed.

Mr Jens Schumann decided to step down as a member of the Supervisory Board with effect 15 September 2018.

Yair Safrai has been designated to join Fyber's Supervisory Board as a temporary member pursuant to Article 25.1 of the Company's articles of association by the Supervisory Board on 1 October 2018. It is expected to have the appointment confirmed and made permanent by the Extraordinary General Meeting of shareholders scheduled for 21 February 2019.

Mr Dirk van Daele stepped down effective 1 January 2019 as member and chairman of the Supervisory Board. Mr Yaron Valler handed in his resignation as member of the Supervisory Board shortly afterwards on 3 January 2019.

The Supervisory Board will appoint a new chairman among its remaining members and is taking measures to fill the vacancies as soon as possible in accordance with article 19.2 and 20 of the articles of association of the Company.

Committees
The Supervisory Board may appoint standing and / or ad hoc committees from among its members, which are charged with tasks specified by the Supervisory Board. The composition of any committee is determined by the Supervisory Board. If the Supervisory Board consists of more than four members, the Supervisory Board shall establish an Audit & Corporate Governance Committee, a Remuneration Committee and a Nomination Committee. The Supervisory Board shall establish terms of reference for each committee and may amend these at any time. The Supervisory Board remains collectively responsible for decisions prepared by committees from among its members. A committee may only exercise such powers as are explicitly attributed or delegated to it and may never exercise powers beyond those exercisable by the Supervisory Board as a whole. At least 50% of the members of a committee, among the chairman of the committee, shall be independent Supervisory Board members.

Following the changes in the composition of the Supervisory Board during 2018, the committees are setup as follows at the end of the financial year 2018:

Audit & Corporate Governance	Dirk van Daele Yair Safrai

The **Audit & Corporate Governance Committee** acts as the first contact point of the external auditor and assists the Supervisory Board in supervising the activities of the Management Board with respect to best practice provision 1.5.1 of the Code. It is inter alia monitoring the integrity and quality of Fyber's financial reporting, the compliance with legal and regulatory requirements and the independence and performance of Fyber group's external auditors. The Supervisory Board discussed the items reported on by the Audit & Corporate Governance Committee as per best practice provision 1.5.3 of the Code. The Audit & Corporate Governance Committee may decide to invite Management Board members and/or the auditor to its meetings. At least once a year the committee is meeting the auditor without Management Board members being present.

The duties of the **Remuneration & Organization Committee** and the **Selection & Appointment Committee** are discharged by the Supervisory Board as a whole. The best practice provisions applicable to these committees apply to the entire Supervisory Board.

Diversity
The Supervisory Board members recognize the importance of diversity within the boards of Fyber and believe that the Company's business gains from a wide range of skills and a variety of different backgrounds which reflects the diversity of the Fyber client base. A diverse composition of the Management Board and Supervisory Board contributes to a robust decision-making and proper functioning. The Supervisory Board furthermore recognizes that diversity should not be limited to the boards, but should extend to all areas of the Company.

The targets are laid down in the Diversity Policy of the Company, addressing the concrete targets relating to diversity and aspects relevant to the Company, such as gender, geographical provenance, education and/or (work) experience. The Supervisory Board is reviewing the Diversity Policy and the implementation thereof in dialog with the Management Board and updates it if and when necessary.

The Diversity Policy has been adopted in 2017 and the Company does not yet fully comply with it, as of 31 December 2018, no women are represented in the Supervisory Board and the Management Board. The Supervisory Board considers diversity, including as concerns gender, a relevant criterion in the board member selection process. However, top priority in filling open positions will continue to be the suitability in regards to expertise and experience. In any future vacancies that arise, gender diversity will subsist to be one of the criteria in the selection process, and the Company shall continue to strive towards achieving its diversity targets within the next years.

Appointment, dismissal & suspension
Supervisory Board members are appointed by the General Meeting for a period of four years.
The Supervisory Board nominates one or more candidates for appointment, all in accordance with the articles of association and with due regard to the Diversity Policy and the requirements of its profile as stipulated in the Supervisory Board by-laws, which are all posted on the Company's website. This profile also reflects the detailed competence and diversity requirements of the Code.

A member of the Supervisory Board is appointed for a period of four years and may then be re-appointed once for another four-year period. After this eight-year period, the Supervisory Board member may be reappointed again for a period of two years, which may be extended by another two years. This 2 x 2 years' extension is subject to justification in the report of the Supervisory Board.

The Supervisory Board can designate a temporary (stand-in) member to occupy a vacant position within the Supervisory Board in accordance with Article 25.1 of the articles of association of the Company. This interim appointment has to be formalized by the next General Meeting of shareholders.

The General Meeting has the authority to suspend and dismiss a member of the Supervisory Board. Any suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken regarding cancelling the suspension or dismissal by the General Meeting, the suspension shall automatically terminate.

A Supervisory Board member who is temporarily charged with the management of the Company when seats on the Management Board are vacant or Management Board members are unable to fulfil their duties, shall resign from the Supervisory Board.

Supervisory Board members retire periodically in accordance with the rotation plan to be drawn up by the Supervisory Board in order to avoid, as far as possible, a situation in which many Supervisory Board members retire at the same time. The Supervisory Board may at any time amend the rotation plan. The rotation plan is posted on the Company's website.

Rotation Plan

Name (year of birth)	First appointment	Last re-appointment	Date of possible re-appointment[1]
Van Daele (1961)	2013	2016	2020[2]
Valler (1970)	2017	-	2021
Sehnaoui (1978)	2018	-	2022
Safrai (1958)	2019[1]	-	2023[1]

1 For approval by the Extraordinary General Meeting of shareholders on 21 February 2019
2 Subject to justification in the Report of the Supervisory Board

A Supervisory Board member shall retire earlier in the event of inadequate performance, structural incompatibility of interests, and in other instances in which this is deemed necessary by the Supervisory Board.

Fyber offers its newly appointed members of the Supervisory Board an orientation program that provides general and specific information about Fyber's financial affairs and facts regarding the advertising technology industry, Fyber's business within the sector, and social and legal affairs of the group. The Supervisory Board regularly discusses whether there are any areas in which its members require further training or education.

Remuneration
The General Meeting determines the remuneration of the members of the Supervisory Board. The Supervisory Board periodically submits proposals to the General Meeting in respect of the remuneration of the chairman and the other members of the Supervisory Board reflecting the time spend and the responsibilities of their role. The remuneration of the members of the Supervisory Board does not depend on the results of the Company and no shares, options and/or similar rights to subscribe for shares will be granted to the members of the Supervisory Board by way of remuneration. The Company has, however, issued warrants to one member of the Supervisory Board in 2014 as consideration under a consulting agreement as described in the prospectus on the Company's website. These warrants have been held as a long-term investment and expired in July 2018. Reference is made to the 'Independence of Supervisory Board members' chapter. Any shares in the Company held by Supervisory Board members shall be long-term investments.

The EGM of the Company held on 11 April 2017 approved that, effective from 1 January 2017, the annual remuneration of the Chairman of the Supervisory Board shall be €200 thousand and that the annual remuneration for all other members of the Supervisory Board shall be €100 thousand. Payment of the remuneration shall be effected in quarterly installments (payable at the start of every quarter) during the financial year to which the remuneration relates. The remuneration can be adjusted downwards at the discretion of the Supervisory Board.

Apart from the remuneration, the members of the Supervisory Board are entitled to the reimbursement of costs, the reasonableness of such costs being assessed by the chairman of the Supervisory Board (costs incurred by the chairman are assessed by the vice-chairman, or by the other members of the Supervisory Board if no vice-chairman is in place).

None of the Supervisory Board members were given personal loans, guarantees or any similar financial assistance.

Assessment
The Supervisory Board has drawn up a profile for its size and composition taking into account the nature of the Company's business, the Supervisory Board's activities and the desired expertise and background of the Supervisory Board members. The Supervisory Board has discussed the profile at the occasion of its adoption and will subsequently discuss it with each amendment thereof in the General Meeting.

The Supervisory Board reviewed and discussed its own functioning, as well as that of its individual members, its committee and the chairman. The evaluation of the chairman was discussed by the entire Supervisory Board, without the chairman present. The review and discussion included reviews of the composition and expertise of the Supervisory Board, its time management, its effectiveness, its dynamics and succession planning. The Supervisory Board's oversight on the creation of the Company's long-term value strategy, the implementation of the strategy and the principal risk associated with it, the human resources management, risk management and internal controls were also reviewed and discussed on a regular basis during the year.

The Supervisory Board as well as the Management Board are each responsible for stimulating openness and accountability within the organ of which they form part, and between the different organs of the Company.
In 2018, the Supervisory Board of Fyber N.V. exercised its duties as required by law and the statutes with the utmost care. It regularly monitored the management of the Management Board and provided advice on the Company's strategic development and important individual measures, about which the Supervisory Board was regularly and thoroughly informed by the Management Board. This occurred both during and outside of the meetings of the Supervisory Board and its committees in the form of written and oral reports on, for example, all of the major financial KPIs of the Fyber group, the economic situation in the markets, and on deviations in business developments from original plans. Furthermore, the Supervisory Board tackled fundamental questions of corporate planning, including financial, investment, sales volumes and personnel planning. The Supervisory Board was convinced of the lawfulness, expediency and propriety of the Management Board's leadership.

The CEO and CFO and the chairman of the Supervisory Board were in regular contact outside of Supervisory Board meetings, as well. The former promptly informed the latter of current developments and significant issues. The Supervisory Board was always involved at an early stage in decisions of major importance. The Supervisory Board passed resolutions on the individual measures that required the approval of the Supervisory Board.

The relationships between the individual members of the Supervisory Board and between the Supervisory Board and the Management Board were rated high overall. The same applied in view of the atmosphere in the boardroom in terms of encouraging equal contribution, accountability, candid discussion and critical thinking.

Independence of Supervisory Board members
Mr Karim Sehnaoui entered into an employment relationship with a shareholder, whose holdings in the Company exceed 10 percent of shares until 31 December 2018. Consequently, Mr Sehnaoui cannot be considered independent within the meaning of best practice provision 2.1.8 par vii of the Code.

Mr Yair Safrai cannot be considered independent within the meaning of Best Practice provision 2.8.1 par iii of the Code as Mr Safrai has had a consulting relationship with an affiliated company in the year prior to the appointment.

The Company entered into business consulting agreements and warrant agreements with Dirk van Daele in 2014. In consideration of the provision of the services, the Company has agreed to issue warrants to Dirk van Daele for a number up to 2,000,000 shares that have been exercisable, in whole or in part, until 14 July 2018. It was proposed to the AGM in 2018 to extend the term of the warrant until July 2020, but

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this proposal has not been adopted. As a result of the proposal being rejected, the warrant expired on the 14th of July 2018. Mr van Daele can still not be considered an independent member within the meaning of best practice provision 2.1.8 par ii of the Code for the length of his term. The Supervisory Board does not meet the independence requirements of best practice provision 2.1.7 (i) and (ii) of the Code, as:

- Any one of the criteria referred to in best practice provision 2.1.8 (i) through (v) of the Code is applicable to more than one member of the Supervisory Board;

- More than half of the total number of Supervisory Board members cannot be considered to be independent in accordance within the meaning of best practice provision 2.1.8 of the Code during 2018.

Best practice provision 2.1.7 (iii) is complied with, as of the shareholders that hold more than 10 % of the shares in the capital of the Company, not more than one representative is a member of the Supervisory Board.

Thus, three out of four members of the Supervisory Board cannot be considered to be independent within the meaning of best practice provision 2.1.8 of the Code at the end of 2018. We nevertheless believe the Supervisory Board functioned properly and with the requisite degree of unbiased judgment by its members without its full compliance with best practice provision 2.1.7, 2.1.8 and 2.1.9 of the Code.

Conflict of interest

The Supervisory Board of Fyber N.V. is responsible for the decision-making on dealing with conflicts of interest between the Company on the one hand and the Supervisory Board members, the Management Board members and the majority shareholders on the other.

The by-laws of the Supervisory Board and the Management Board provide detailed rules on dealing with conflicts of interest among other things and are posted on the Company's website. Those documents also stipulate which transactions are subject to approval of the Supervisory Board and/or the General Meeting.

During 2018 no conflicts of interest were reported. There were furthermore no transactions in 2018 according to the best practice provisions 2.7.1, 2.7.3 or 2.7.6, for which there was a conflict of interest between Management Board members and/or Supervisory Board members and/or majority shareholders and the Company that are of material significance to the Company and/or to the relevant Management Board and/or Supervisory Board members.

The best practice provisions 2.7.3 to 2.7.5 of the Dutch Corporate Governance Code have been complied with.

Shares & Shareholders

Powers & responsibility of shareholders
Shareholders have the right to vote, receive dividends and to execute all other rights as granted under Dutch law and the articles of association.

Right to vote
Shareholders who hold shares on a predetermined record date (mandatory fixed at the 28th day prior to the day of the General Meeting of Shareholders) are entitled to attend and vote at the General Meeting of shareholders regardless of a sale of shares after such date. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of shares which are held by the Company. Resolutions of the General Meeting are passed by an absolute majority of the valid votes cast, except where Dutch law or the articles of association prescribe a greater majority. If there is a tie in voting other than a vote for the election of persons, the proposal concerned will be rejected.

The General Meeting of shareholders
A General Meeting of shareholders is held at least once a year within six months after the end of the preceding financial year ("Annual General Meeting" or "AGM") and generally takes place in Amsterdam, the Netherlands. The chairman of the General Meeting is responsible for ensuring the proper conduct of business at meetings.

Extraordinary General Meetings ('EGM') may be convened when deemed necessary in the interests of the Company, by Management Board or Supervisory Board resolution or when requested in writing to the Management Board or Supervisory Board by shareholders representing at least 10% of the issued capital, with a specification of the topics to be discussed.

The General Meeting is convened by public notice at least 42 calendar days prior to the meeting and also made available via the Company's website. The public notice includes the agenda, explanatory notes to the agenda and a voting proxy. The minutes and resolutions of the General Meeting are recorded in writing. The draft minutes are made available to the shareholders on Fyber's website no later than three months after the meeting, after which the shareholders have three months to respond. After this term the minutes are formally adopted.

The following powers are vested exclusively in the General Meeting

- Adoption and amendment of the articles of association;
- Compilation of the annual report and adoption of the annual accounts;
- Grant of discharge to Management Board and Supervisory Board members;
- Dividend proposal (if applicable);
- Appointment and removal of Supervisory Board members and Management Board members;
- Determination of the Remuneration Policy for Management Board and Supervisory Board members upon proposal from the Supervisory Board;
- Appointment of an external auditor;
- Decision of other matters that are reserved by law or by the articles of association to the General Meeting of shareholders.

The Company adheres to the applicable principles and best practice provisions in chapter 4.1, 4.2.1 to 4.2.5 and 4.3 of the Code with regard to the shareholders and the General Meeting. The provisions 4.3.3 to 4.3.6 and chapter 4.4. are not applicable to the Company.

Amendment of the articles of association
The General Meeting may resolve to amend the articles of association upon a proposal of the Management Board, which requires the approval of the Supervisory Board. A proposal to amend the articles of association must be included in the notice of the General Meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, must be lodged with the Company for the inspection of every shareholder and other persons holding meeting rights from the date on which notice of the meeting is given until the end of the General Meeting (free

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of charge). A resolution by the General Meeting to amend the articles of association requires an absolute majority of the votes cast.

The Company's articles of association were last amended at the EGM held on 11 April 2017 and are available on the website under 'Corporate Documents'.

Other shareholder rights
Shareholders representing at least 3% of the Fyber N.V. share capital may request that an item is added to the agenda. Such requests must be made in writing to the Management Board or Supervisory Board, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days, but not exceeding 180 days, before the day of the General Meeting.

Issue of shares
The Management Board has the power to issue shares or grant rights to subscribe for shares if so designated by the General Meeting or the Company's articles of association. This Management Board resolution is subject to the prior approval of the Supervisory Board. No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

Independent External Auditor

Appointment

Based upon recommendation by the Audit & Corporate Governance Committee and the Management Board, the Supervisory Board nominates an independent external auditor for appointment by the General Meeting of shareholders.

The current auditor of the Company, Grant Thornton Accountants en Adviseurs B.V. ("Grant Thornton") was appointed by the EGM on 11 April 2017 for the annual accounts 2016 and 2017 and by the AGM held on 26 September 2017 for the annual accounts 2018 as well.

Role & procedure

Grant Thornton is responsible for providing an opinion whether the annual financial statements 2018 give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. The annual financial statements of the Company comprise the consolidated financial statements and the Company financial statements. Furthermore, Grant Thornton will determine whether the Management Board's Report has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and is consistent with the financial statements, and whether the information required under Sections 392(1), (b) to (h), of Book 2 of the Dutch Civil Code, has been annexed.

The Management Board ensures that Grant Thornton receives all necessary information in time to perform the audit and is given the opportunity to comment and respond to this information.

The findings of the external auditor, the audit approach and the risk analysis are discussed with the Audit & Corporate Governance Committee's on an ongoing basis. The external auditor attends the meetings of the Supervisory Board at which the report of the external auditor with respect to the audit of the annual accounts is discussed. In its audit report on the annual accounts to the Management Board and the Supervisory Board of the Company, the external auditor refers to the financial reporting risks and issues that were identified during the audit, internal control matters, and any other matters, as appropriate, requiring communication under the auditing and other standards generally accepted in the Netherlands and Germany. The Supervisory Board may examine the most important points of discussion arising between the external auditor and the Management Board based on the draft of the management letter or the draft audit report.

Assessment

The Audit & Corporate Governance Committee, acting on behalf of the Supervisory Board, is responsible for overseeing the activities and reviewing the performance of the external auditor in consultation with the Management Board. The main conclusions of this assessment shall be communicated to the General Meeting for the purposes of assessing the nomination for the continuous appointment of the external auditor. The Supervisory Board shall give the external auditor a general idea of the content of this report related to their functioning.

The Supervisory Board concluded that the relation with the independent auditor is sound and constructive.

Annual financial statements

The annual financial statements are prepared by the Management Board and reviewed by the Supervisory Board upon the advice of its Audit & Corporate Governance Committee and taking into account the report of the external auditor. The Audit & Corporate Governance Committee shall determine whether, and if so, how the external auditor should be involved in the content and publication of financial reports of the Company other than the annual financial statements. Upon approval by the Supervisory Board, the accounts are signed by all members of the Management Board and are published together with the opinion of the external auditor. The Management Board is responsible, under the supervision of the Supervisory Board, for the quality and completeness of such publicly disclosed financial reports. The annual financial statements are presented for discussion and adoption to the Annual General Meeting of shareholders to be convened subsequently.

Compliance with the Dutch Corporate Governance Code

Internal audit function

In accordance with best practice provision 1.3.6 of the Code, the Supervisory Board, with the advice of the external auditor, periodically considers the need to establish an internal audit function and following these discussions makes a recommendation to the Management Board. Considering the current size of the operations of Fyber and taking into account its risk profile the Supervisory Board advised to the Management Board that it does not yet deem it necessary to create an internal audit function.

Compliance with the Dutch Corporate Governance Code

The Management Board and Supervisory Board recognize the importance of good corporate governance and are committed to complying with the best practice provisions of the Code. With the exception of the following provisions, the Company applied the Code since it came to fall within its scope. The nature and reason for these deviations are explained below:

- **Best practice provision 2.1.7** (Independence of the Supervisory Board): Fyber does not comply with best practice provision 2.1.7 as the criteria (i) and (ii) for the composition of the Supervisory Board in order to safeguard its independence are not met. For further description please refer to 'Independence of Supervisory Board members' above.members' above.

- **Best practice provision 2.1.9** (Independence of the chairman of the Supervisory Board): Fyber does not comply with best practice provision 2.1.9 as the chairman was not considered to be independent in the meaning of the best practice provision 2.1.8. For further description please refer to 'Independence of Supervisory Board members' above.

- **Best practice provision 2.3.4** (Composition of the committees): Fyber does not comply with best practice provision 2.3.4 as the chairman of the Supervisory Board chaired the Audit & Corporate Governance Committee at the end of 2018 and more than half of the members of the Audit & Corporate Governance Committees cannot be considered to be independent within the meaning of best practice provision 2.1.8. For further description please refer to the sections 'Committees' and 'Independence of Supervisory Board members' above.

- **Best practice provision 2.3.5** (Committee reports): Due to the size of the Company, and the integrated composition of the Supervisory Board and its committees, there was no need for written reports from the Supervisory Board committees.

- **Best practice provision 2.3.10 (Corporate secretary):** Due to the size of the Company, there is no need for a corporate secretary. Functions that could be exercised by a corporate secretary are conducted by the company's governance department.

- **Best practice provisions 3.1.2 vii provisions:** (Remuneration of Management Board Members): As Fyber recruits its staff and management in a competitive international environment, the Stock Option Plan also allows options to be granted without predetermined performance criteria (the option grant and the vesting schedule is time based) and stipulates that options are exercisable within three years from the year the options were granted. The number of options which may be granted to the members of the Management Board can but does not need to be dependent on the achievement of targets specified beforehand.

- **Other provisions:** The Company is not profitable yet and therefore not in a position to pay dividends. Consequently, it has not included any agenda items to discuss the dividend policy and to propose a dividend payment on the agenda of the 2018 annual General Meeting of shareholders (best practice provisions 4.1.3 iii. And 4.1.3 iv.). The Company has not taken any protective measures to defend against an acquisition (Provision 4.2.6). As the Company has a two-tier governance structure, Chapter 5. of the Code does not apply.

Corporate Governance Statement

Fyber N.V. is required to make a statement concerning corporate governance as referred to in article 2a of the Dutch decree on additional requirements for annual reports (Vaststellingsbesluit nadere voorschriften inhoud jaarverslag) with effect from 1 January 2010 (the 'Decree').

The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree can be found in the following sections of this Annual Report and is deemed to be included and repeated in this statement:

- The information concerning compliance with the principles and best practices of the Corporate Governance Code, including conscious deviation from the compliance of the Corporate Governance Code, can be found in this Annual Report within the relevant sections in the 'Corporate Governance Report';
- The information concerning the main features of the Company's internal control and risk management systems in relation to the financial reporting process of Fyber and its group companies will be published in the 'Risk Management' section of the Report of the Management Board;
- The information regarding the operating of the General Meeting of shareholders and the authority and rights of the shareholders and holders of certificates of shares and how they can be exercised, can be found within the relevant sections in the 'Corporate Governance Report';
- The information regarding the composition, diversity and operating of the Management Board, the Supervisory Board and its committees can be found within the relevant sections in the 'Corporate Governance Report';
- The information concerning the inclusion of the information required by the decree Article 10 European Takeover Directive, as required by article 3b of the Decree, can be found within the relevant sections in the 'Notes to the Consolidated Financial Statements'.

Consolidated Financial Statements 2018

Consolidated Income (Loss) Statement

	Notes	Year ended 31 December 2018	2017
		in € thousands	
Gross revenue	5	**128,544**	**229,832**
Revenue share to third parties	6	(82,458)	(159,935)
Net revenue		**46,086**	**69,897**
Other cost of revenue	6	(23,114)	(27,162)
Gross profit		**22,972**	**42,735**
Other operating income	7	-	2,603
Research and development	8	(13,962)	(19,600)
Sales and marketing	9	(20,196)	(24,560)
General and administrative	10	(10,398)	(15,709)
Other operating expenses	11	-	(82,678)
Earnings before interest and tax (EBIT)		**(21,584)**	**(97,209)**
Net finance costs	12	(14,066)	(9,900)
Profit (loss) before tax		**(35,650)**	**(107,109)**
Income tax gain (expense)	13	230	5,098
Profit (loss) for the year after tax		**(35,420)**	**(102,011)**
Profit (loss) attributable to			
Shareholders of Fyber N.V.		**(35,420)**	**(102,011)**
Non-controlling interest		**-**	**-**
Earnings per share	15		
From total operations			
Basic profit (loss) per share (€)		(0.31)	(0.91)
Diluted profit (loss) per share (€)		(0.31)	(0.87)

Consolidated Statement of other Comprehensive Income (Loss)

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Profit (loss) for the year after tax		(35,420)	(102,011)
To be reclassified to profit and loss in subsequent periods			
Exchange differences on currency translation		5,915	(11,706)
Income tax effect	14	-	-
Other comprehensive income (loss) for the year, net of tax		5,915	(11,706)
Total comprehensive income (loss) for the year		**(29,505)**	**(113,717)**
Comprehensive income (loss) attributable to			
Shareholders of Fyber N.V.		**(29,505)**	**(113,717)**
Non-controlling interest		**-**	**-**

Consolidated Statement of Financial Position

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Non-current assets			
Intangibale assets			
Goodwill	16	133,321	128,140
Other intangible assets	17	22,318	29,465
Property and equipment	18	1,172	1,116
Non-current financial assets	19	765	1,110
Total non-current assets		**157,576**	**159,831**
Current assets			
Inventories	20	103	128
Trade and other receivables	21	32,207	42,642
Other current financial assets	22	6,475	10,319
Other current assets	23	1,030	928
Cash and cash equivalents	25	12,276	17,595
Total current assets		**52,091**	**71,612**
Total assets		**209,667**	**231,443**

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Consolidated Statement of Financial Position

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Equity			
Issued capital	26.1	11,453	11,453
Share premium	26.1	184,812	184,812
Treasury shares	26.2	(4,745)	(4,745)
Other capital reserves	26.3	25,313	23,711
Legal reserve	26.4	7,272	6,225
Accumulated deficit	26.5	(237,416)	(200,070)
Foreign currency translation reserve	26.6	(2,247)	(8,162)
Equity attributable to shareholders of the Company		**(15,558)**	**13,224**
Non-controlling interests		**-**	**-**
Total equity		**(15,558)**	**13,224**
Non-current liabilities			
Long-term employee benefits liabilities	27	217	357
Long-term borrowings	28	154,146	132,995
Deferred tax liabilities	24	964	1,763
Other non-current liabilities	29	3,709	5,136
Total non-current liabilities		**159,036**	**140,251**
Current liabilities			
Trade and other payables	30	38,418	48,881
Short-term employee benefits liabilities	27	8,039	13,535
Short-term borrowings	31	18,824	15,013
Income tax payables		908	539
Total current liabilities		**66,189**	**77,968**
Total liabilities		**225,225**	**218,219**
Total equity and liabilities		**209,667**	**231,443**

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Consolidated Statement of Cash Flows

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Profit (loss) for the year before tax		**(35,650)**	**(107,109)**
Depreciation, amortization and impairment		12,540	92,626
Net finance costs before currency effect	12	13,684	9,764
Other non-cash effects		1,602	1,596
Changes in provisions, employee benefit obligations		(5,636)	(634)
Changes in working capital		3,183	(14,803)
Cash generated from operations		**(10,277)**	**(18,560)**
Interest received		-	10
Interest paid		(6,228)	(2,339)
Income tax paid		(200)	(432)
Net cash flow from operating activities		**(16,705)**	**(21,321)**
Purchases of property and equipment		(682)	(218)
Purchases, capitalization of intangible assets		(3,778)	(4,099)
Change in investments and financial assets, net		345	5,367
Net cash flow from investing activities		**(4,115)**	**1,050**
Proceeds from long-term borrowings		12,000	-
Transaction costs on the issue/restructuring of convertible bonds		-	(422)
Proceeds (repayment) from short-term borrowings		3,179	13,584
Net cash flow from financing activities		**15,179**	**13,162**
Net changes in cash		**(5,641)**	**(7,109)**
Cash at beginning of period		**17,595**	**24,982**
Net foreign exchange difference		322	(278)
Net changes in cash		(5,641)	(7,109)
Cash and cash equivalents at end of period		**12,276**	**17,595**

Consolidated Statement of Change in Equity

in € thousands	Notes	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity
31 December 2017		**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,070)**	**(8,162)**	**13,224**
Effect of adoption of new accounting standards, net of tax		-	-	-	-		(879)	-	(879)
01 January 2018		**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,949)**	**(8,162)**	**12,345**
Loss for the year after tax		-	-	-	-	1,047	(36,467)	-	(35,420)
Other comprehensive income (loss) for the period, net of tax		-	-	-	-	-	-	5,915	5,915
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**-**	**1,047**	**(36,467)**	**5,915**	**(29,505)**
Share-based payments		-	-	-	1,602	-	-	-	1,602
Acquisition of treasury shares		-	-	-	-	-	-	-	-
Equity component of the convertible bonds, net of tax		-	-	-		-		-	
Transactions with owners		**-**	**-**	**-**	**1,602**	**-**	**-**	**-**	**1,602**
31 December 2018		11,453	184,812	(4,745)	25,313	7,272	(237,416)	(2,247)	(15,558)

Consolidated Statement of Change in Equity

in € thousands	Notes	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Legal reserve	Accumulated deficit	Foreign currency translation reserve	Total equity
01 Jan 2017		**11,453**	**184,812**	**(5,049)**	**17,518**	**4,259**	**(96,093)**	**3,544**	**120,444**
Loss for the year after tax		-	-	-	-	1,966	(103,977)	-	(102,011)
Other comprehensive income (loss) for the period, net of tax		-	-	-	-	-	-	(11,706)	(11,706)
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**-**	**1,966**	**(103,977)**	**(11,706)**	**(113,717)**
Share-based payments		-	-	-	1,124	-	-	-	1,124
Acquisition of treasury shares		-	-	304	-	-	-	-	304
Equity component of the convertible bonds, net of tax		-	-	-	5,069	-	-	-	5,069
Transactions with owners		**-**	**-**	**304**	**6,193**	**-**	**-**	**-**	**6,497**
31 December 2017		11,456	184,812	(4,745)	23,711	6,225	(200,070)	(8,162)	13,224

Notes to the Consolidated Financial Statements

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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 active users, providing a channel-neutral open-access platform for advertisers and publishers. It enables cross-device advertising with a global reach and a strong focus on video.

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

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code at the balance sheet date.

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

The consolidated financial statements have been prepared on a historical cost basis, except for specific financial assets and liabilities, that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in Euro which is also the functional currency of the parent and unless otherwise indicated all values are rounded to the nearest thousand Euro which may cause rounding differences. The Groups financial year corresponds to the calendar year. Tables that are labelled '2018' or '2017' comprise information about the full year 2018 and 2017 respectively.

2.2. Going concern considerations

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 thousand as of 31 December 2017.

As the Group continued in 2018, to operate with losses, the Group showed a total equity deficit of € 15,558 thousand 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 for the full year 2018 negatively impacted the ability to serve the interest payments of the €150 million 3.00 per cent convertible bonds facility, which were 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. On December 20, 2018 the Company therefore together with bondholders agreed on a delay in interest payments until July 2020. Please refer to note 4 for further details.

On 31 December 2018, the Group showed €12,276 thousand in cash and cash equivalents. For 2019, management expects operating cash flow for the full year to be break even and already obtained funding of up to €3,000 thousand from Sapinda Holding B.V. This funding added to the €12,000 thousand of the existing credit facility from the same source. Please refer to notes 28.2 and 43.1 for further details.

Despite the losses in the past, the management board, together with the supervisory board, has faith in the strategic decisions taken and the plans to make the company profitable and cash generating in the future. Although, there is a material uncertainty with respect to going concern. The board used the going concern assumption in preparing the financial statements because it assesses the prepared plans as reasonable and realistic. The financial statements and the auditor's report, as enclosed later in this report, cover a period of 12 months after the date of the auditor's report and within that period no significant repayment obligation towards financial institutions, shareholders or bondholders exists.

As per June and July 2020 respectively, a significant repayment obligation applies with respect to the € 15,000 thousand facility of Sapinda Holding B.V. and the remaining bondholders. At this moment the company is not able to repay these debts. The management is currently exploring options how to respond to that situation which occurs in July 2020.

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of Fyber N.V. and its subsidiaries as at 31 December 2018. Subsidiaries are entities that are controlled, directly or indirectly, by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of the subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date it ceases to control the subsidiary.

The financial statements of the consolidated subsidiaries were prepared as at 31 December 2018, the same balance sheet date as the Company. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

Total comprehensive income within a subsidiary is attributed to the equity holders of the Group and to the non-controlling interests, even if that results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

For all of its subsidiaries Fyber N.V. has control over all voting rights as of 31 December 2018. However, for up to 50% of the voting rights in Fyber GmbH there was a “fall back right” in favor of the former shareholder of Fyber GmbH. In January 2018 all claims from the former shareholders of Fyber GmbH against the Company have been settled leaving the Company with a full ownership of Fyber GmbH and its subsidiaries.

2.4. Summary of significant accounting policies

The following significant accounting and valuation principles were applied uniformly across the Group to prepare the financial statements.

2.4.1. 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.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

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.

2.4.2. Foreign currencies

The functional currency of the parent of the Group is Euro, which is also the currency in which the Group prepares its financial reports. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

2.4.3. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates of exchange at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

2.4.4. Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Euro at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. The exchange rates of foreign currencies to Euro, that are significant for the Group, were subject to the following changes:

	Exchange rate at the balance sheet		Average exchange rate	
per €	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
US Dollar	1.14	1.20	1.18	1.13

2.4.5. Recognition of income and expenses

Revenue from contracts with customers is recognized when control of services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. 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. 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.

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 2018 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. Gains and losses from foreign currency transactions and revaluations are presented together in net finance costs.

2.4.6. Personnel costs

2.4.6.1. Short-term personnel costs

Short-term personnel costs are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service by the employee and the obligation can be estimated reliably.

2.4.6.2. Share-appreciation rights (SARs)

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in profit or loss. Fyber GmbH issued SAR's in the past. The underlying program has been closed, triggered by the acquisition of Fyber GmbH through Fyber N.V. in 2014. The purchase price of this acquisition was the last measurement value for the program and determined the liability rising from the SARs taken into account in 2014. In 2018, only payments on the liabilities occurred and there were no effects on profit or loss.

2.4.6.3. Stock option program

The fair value of stock options which are granted to employees and which are settled in shares in Fyber N.V., is recognized as an expense with a corresponding increase in capital reserves. The expenses are recorded over the vesting period, the time in which the employees become unconditionally entitled to the right to acquire shares in the parent company at a fixed price. The fair value of the options is not re-measured but changes in the employees' structure during the vesting period are recognized in profit or loss. A forfeiture of options after they have vested has no effect on the Group accounts.

2.4.6.4. Defined contribution plan

The Group periodically contributes to pension plans operated by governmental or private companies and recognizes related expenses while the employees are employed. The contribution made by the Company in excess of the required funding amount is recorded as pension asset whereas the contribution amount that falls short of the required funding amount is recorded as pension liabilities.

2.4.7. Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

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2.4.7.1. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes are recognized to account for the future tax effects of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, and for tax loss carry-forwards, using the liability method. Deferred taxes are measured on the basis of the tax laws already enacted or substantially enacted for those fiscal years in which it is probable that the differences will reverse or the tax loss carry-forwards can be utilized. Deferred tax assets are recognized for temporary differences or tax loss carry-forwards only when the ability to utilize them in the near future appears to be reasonably certain. Deferred taxes are also recognized for temporary differences resulting from the fair value measurement of assets and liabilities obtained through business combinations. Deferred taxes relating to goodwill are recognized for temporary differences only when the goodwill can be utilized for tax purposes. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority.

2.4.8. Intangible assets

Purchased intangible assets are measured at cost. Intangible assets that have a determinable useful life are amortized over their expected useful lives using the straight-line method, starting from the time when they become available for use by the Group. Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses. Borrowing costs which are directly associated with the development of software that takes a substantial period of time (qualifying assets) are included in the cost of production until the assets in question are ready for their intended use. The details of amortization are as follows:

	Useful life in years	Amortization method used	Internally generated or acquired
Software	3 - 5	Straight line	Acquired
Customer contracts	Contract period	Straight line	Acquired
Digital content	3	Straight line	Acquired
Development costs	6	Straight line	Acquired
Development costs	3	Straight line	Internally generated
Others	3 - 6	Straight line	Acquired
Goodwill	-	Impairment test	Acquired

Intangible assets with an indefinite useful life such as goodwill are not amortized. At the reporting date, the use of these assets by the Group is not limited by any economic or legal restrictions. An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) are recognized in the income statement.

2.4.9. Property and equipment

Property and equipment are measured at cost and are depreciated over their expected useful lives using the straight-line method. For purposes of depreciation, the following useful lives are applied:

	Useful life in years	Amortization method used
Leaseholds improvements	2 - 3	Straight line
Other operational and office equipment	3 - 13	Straight line

Property and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on the disposal of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) are recognized in the income statement.

2.4.10. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. The Group classifies and accounts for leases as either a finance or operating lease, depending on the terms. Leases where the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases. Lease obligations under operating leases are recognized as an expense on a straight-line basis over the term of the lease. Contingent rents are charged as expenses in the periods in which they are incurred. As per the reporting date, the Group has not entered into lease contracts that qualify as finance lease.

2.4.11. 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.

2.4.12. Financial assets and liabilities

The Group's financial assets are mainly composed of cash and cash equivalents, trade and other receivables and other financial assets and financial liabilities are mainly composed of trade and other payables and loans and borrowings.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorized as FVOCI.

The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets are subsequently measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset have expired or have been transferred to third parties, or when the Group has assumed a contractual obligation to pay the received cash flows immediately to a third party, under which substantially all the risks and rewards or the power of control were transferred. A financial liability is derecognized when the obligation underlying the liability is discharged or cancelled or has expired.

2.4.12.1. Cash and cash equivalents

The cash and cash equivalents in the statement of financial position consist of cash in banks and cash on hand and short-term deposits with an original maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

2.4.12.2. Loans, receivables and other financial assets

Upon initial recognition, loans, receivables, and other financial assets are measured at fair value plus transaction costs. Subsequently, they are measured at amortized cost, after deduction of any write-downs, using the effective interest method. A write-down is taken when objective indications suggest that the receivable may not be fully collectible. Such an indication might be the insolvency or other considerable financial problems of the debtor. The amount of the write-down is measured as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows from this receivable, discounted by using the original effective interest rate. Write-downs are charged against income both in the form of an account for allowances on doubtful accounts and by means of direct write-downs. The account for allowances on doubtful accounts is used for allowances on doubtful trade receivables. If, in subsequent periods, the fair value has objectively risen, the write-downs are reversed and recognized in income in the appropriate amounts.

2.4.12.3. Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Please refer to note 2.5.1 for further detail on changing the accounting policies and disclosures in respect to the impairment of financial assets.

2.4.12.4. Borrowings and other financial liabilities

Borrowings and other non-derivative financial liabilities are measured at amortized cost by application of the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.

Compound financial instruments like convertible bonds low interest shareholder loans, which include a liability as well as an equity component, are recognized separately with each component. The equity is the remainder of the fair value of the whole instrument at issue date less the fair value of the liability component determined by applying market interest rate for comparable debt without any equity component. Transaction costs on the issue of such financial instruments are allocated on a pro rata basis to each of the components and respectively deducted.

2.5. Changes in accounting policies and disclosures

The Group applied IFRS 15 and IFRS 9 for the first time in 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.5.1. IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognized directly in retained earnings and other components of equity.

The effect of adopting IFRS 9 as at 1 January 2018 was, as follows:

in € thousands	01 Jan 2018
Assets	
Trade receivables	(933)
Deferred tax assets	54
Total adjustment on equity	
Retained earnings, net of tax	(879)

2.5.2. 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. No impact on the consolidated financial statement of the Group has been recognized due to the fact, that the Groups only revenue stream is a point of time stream and therefore no changes in the revenue recognition method were necessary.

2.6. 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.

2.6.1. Measurement of fair values

A number of accounting policies and disclosures require the determination of the fair value of the Group for financial and non-financial assets and liabilities. To determine the fair value of assets and liabilities, the Group uses observable market data as far as possible. If such inputs are not available, the management defines appropriate valuation methods and input parameters. Based on the inputs used in the valuation techniques, the fair values are classified in different levels in the fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes reclassifications in different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

2.6.2. Revenue recognition

The company has one data driven revenue stream. The recognition of the revenue is done at one point in time, which happens primarily by the end of a month when invoices for the services provided during the month are issued and unbilled receivables are accrued. Generally, the service of the Company is billed based on transactions tracked by Fyber with no significant estimation involved. In some cases, the company is charging its services based on the tracking of external third party tracking service provider or the customer's data. Revenues is this respect are accrued every month based on estimates taking into account Fyber's own tracking and historical variances to the relevant tracking. However, these external reports are normally received by the Company in the following month, verified with Fyber's own tracking and revenue amended where necessary.

2.6.3. Intangible assets other than goodwill

Management uses assumptions to assess the technical and commercial feasibility and the future economic benefit of internally generated software and digital content. Further estimates were applied by measuring the related development costs and determining the useful lives. In case that an impairment test might be required in accordance with the accounting policies, management uses significant assumptions on which the recoverable amount is based.

2.6.4. Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. Management judgment is required to determine the amount of deferred taxes that can be recognized and with respect to changes in tax laws and the amount and timing of future taxable income. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred taxes recognized and the amount of other tax losses and temporary differences not yet recognized. Under such circumstances the carrying amount of recognized deferred taxes may require adjustment.

2.6.5. Impairment of goodwill

The Group tests annually if goodwill has suffered any impairment in accordance with the accounting policies. Please refer to note 16. for detailed information on estimates and key assumptions used to determine the necessity of an impairment, including a sensitivity analysis.

2.6.6. Measurement of receivables and necessary impairments

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults by debtors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 21 and Note 2.5.1.

2.6.7. Measurement of compound financial instruments

The equity component of any convertible loan is determined by deducting the fair value of the financial liability from the fair value of the instrument as a whole. Management judgement is required to assess market interest rate for comparable financial instruments. Management assume, that the comparable, non-convertible loan would bear an interest of 7.8%. This assumption is the same as in the prior year.

2.7. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

2.7.1. IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2018, the Group continued to assess the effect of IFRS 16 on its consolidated financial statements. The Group expect an impact on its statement of financial position as at 31 December 2018 of about €18,680 thousand in assets side as well as liabilities.

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3. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

The scope of consolidation, including Fyber N.V. as parent Company, comprises sixteen fully consolidated companies. The subsidiaries and participations are as follows:

	Country of incorporation	% equity interest
Fyber N.V.	The Netherlands	
Advertile Mobile GmbH[1]	Germany	100.00
AppMarie UG	Germany	100.00
Falk Realtime Ltd.[2]	UK	100.00
Fyber GmbH[1]	Germany	100.00
Fyber Inc.	USA	100.00
Fyber Media GmbH[1]	Germany	100.00
Fyber RTB GmbH[1]	Germany	100.00
Heyzap Inc.	USA	100.00
Fyber Monetization Ltd.	Israel	100.00
Fyber Digital UK Ltd.	UK	100.00
Inneractive USA Inc.	USA	100.00
RNTS Germany Holding GmbH	Germany	100.00
RNTS Media Deutschland GmbH	Germany	100.00
SponsorPay K.K.[3]	Japan	100.00

[1] Companies use the exemption of section 264 (3) HGB (German Commercial Code). Therefore, the companies do not publish separate financial statements or have these audited.

[2] Fyber N.V. has provided a parental guarantee under section 479C of the Companies Act in respect of its subsidiary undertaking Falk Realtime Limited. Falk Realtime Limited is exempt from having its individual accounts audited by virtue of section 479A of the Companies Act.

[3] SponsorPay K.K. was liquidated in August 2018.

As previously reported in the prospectus for the listing in Frankfurt and the 2015 annual report, the acquisition of Fyber GmbH in 2014 was mostly paid in shares of Fyber N.V. (46,000,000 shares representing €138,000 thousand out of a total of €150,000 thousand). Sapinda Asia Ltd. granted the sellers of Fyber GmbH a total of 4 put options against these shares, of which 3 have been honored but 1 for 23,000,000 shares due and exercised in February 2016 was not fulfilled. In January 2018, all claims from the former shareholders of Fyber GmbH against the Company are fully settled and 100% ownership of the subsidiary Fyber GmbH is secured.

4. RESTRUCTURING OF CONVERTIBLE BOND AND NET DEBT

On 19 December 2018, the holders of the Convertible Bonds agreed to a change of the Bond's terms proposed by the Group's management. Most notably these were:

- Increase of the fixed interest rate from 3.0% p.a. to 3.5% p.a.
- Delay of further coupons payment to July 2020.

The resolutions included amending the interest schedule of the Bonds to reflect that all further pending coupon payments will be delayed until the final redemption date and will become due together with the principal repayment in July 2020. In return, the fixed interest rate payable on the Bonds has been increased from 3.0%. p.a. to 3.5% p.a.

The effect on the fair value of the convertible bond was determined with €516 thousand, determined as the difference of the present value of cash flows before and after the restructuring by applying the original effective interest rate. The loss was recognized in net finance costs.

On 20 December 2018, the company determined a swap price of €0.30 per new share, which was offered to bondholders in exchange for their Bonds in March and April 2019. Please refer to note 43. for further details.

In 2018, net debt developed as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Long-term borrowings	154,146	132,995
Short-term borrowings	18,824	15,013
Accrued interest on convertible loans	-	1,934
Cash and cash equivalents	(12,276)	(17,595)
Net debt (cash)	160,694	132,347

Long-term borrowings solely consist of the convertible bond liability while short-term borrowings are withdrawn amounts on the working capital facilities. After the restructuring of the convertible bonds in December 2018, the all interest payments have been deferred to June 2020, the maturity date of the bonds. As of the reporting date, accrued interest are not recorded separately but in long-term borrowings consequently.

5. REVENUE

The revenue shown in the income statement relates solely to the advertising services realized. Revenues represent the money collected from advertisers while net revenue represents these revenues net of payouts to publishers.

6. COST OF REVENUE

The Company's cost of revenue consists of revenue share to third parties as well as other cost of revenue.

Revenue share to third parties relates to payments made to suppliers of ad inventory (commonly referred to as publishers) in a transaction that was settled through one of the Company’s various ad tech platforms.

Other cost of revenue corresponds to other expenses for operating these platforms such as hosting costs, maintenance expense of hardware, amortization of self-developed and acquired software, personnel costs, and facilities-related costs. Personnel costs include salaries, bonuses, stock-based compensation, and employee benefit costs and are primarily attributable to personnel in the Company's network operations Group who support the Company's platform. The Company capitalizes costs associated with software that is developed or obtained for internal use and amortizes the costs associated with its revenue-producing platform in cost of revenue over their estimated useful lives. Amortization also includes expenses associated with acquired intangible assets from the Company's business acquisitions that are related to technology and development functions, customer contracts and brands.

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in € thousands	2018	2017
Revenue share to third parties	82,458	159,935
Platform hosting costs and related costs	10,870	14,684
Depreciation and amortization	11,893	11,618
Personnel and related costs	351	860
Other cost of revenue	23,114	27,162
Total cost of revenue	105,572	187,097

7. OTHER OPERATING INCOME

Throughout the year 2017, the Group recognized €2,603 thousand of other income from to the revaluation of earn-out liabilities due to the exercise of an option to accelerate the earn-out payments in 2017.

8. RESEARCH AND DEVELOPMENT

The Company's technology and development expenses consist primarily of personnel costs, including stock-based compensation and bonuses, professional services associated with the ongoing development and maintenance of the Company's solution and, to a lesser extent, facilities-related costs, depreciation of equipment and amortization of acquired software licenses. Technology and development costs are expensed as incurred, except for costs that are associated with the development of internally used software that qualifies for capitalization. The Company allocates overhead such as rent and occupancy charges based on headcount.

in € thousands	2018	2017
Personnel and related costs	8,897	12,777
Professional services and consulting	3,858	5,132
Rent and utilities	858	703
Depreciation and amortization	303	358
Other	46	630
Total research and development	13,962	19,600

9. SALES AND MARKETING

Sales and marketing expense consists primarily of personnel costs, including salaries, bonuses, stock-based compensation, employee benefits costs and commission costs for the Company's sales and marketing personnel. Sales and marketing expense also includes costs for market development programs, advertising, promotional and other marketing activities, and allocated overhead. The Company allocates overhead such as rent and occupancy charges based on headcount.

in € thousands	2018	2017
Personnel and related costs	15,038	18,412
Professional services and consulting	1,348	1,335
Marketing expenses	2,170	2,951
Rent and utilities	1,067	1,147
Depreciation and amortization	347	290
Other	226	425
Total sales and marketing	20,196	24,560

10. GENERAL AND ADMINISTRATIVE

The Company's general and administrative expenses relates to overhead functions such executive management, finance, legal, compliance, investor relations and human resources and consist primarily of personnel costs, including salaries, bonuses, stock-based compensation, as well as professional service fees for accounting, tax and legal advice and bad debt expense. The Company allocates overhead such as rent and occupancy charges based on headcount.

in € thousands	2018	2017
Personnel and related costs	6,071	8,571
Professional services and consulting	2,834	5,433
Rent and utilities	555	737
Investors relations	211	367
Depreciation and amortization	208	359
Other	519	242
Total general and administrative	10,398	15,709

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11. OTHER OPERATING EXPENSES

Throughout the year 2017, the Group recognized €82,678 thousand of other expenses which relates to an impairment of a goodwill of €80,000 thousand and a loss of €2,678 thousand from the revaluation of the Heyzap earn-out due to ongoing negotiations between Fyber and the sellers of Heyzap. Please refer to note 29. and note 30. For further details on the Heyzap earn-out.

12. NET FINANCE COSTS

The major components of net finance costs are as follows:

in € thousands	2018	2017
Interest expense from Convertible Bonds	10,620	10,735
Loss (gain) on convertible loan restructuring	516	(2,899)
Interest on shareholder loans	575	-
Bank interest and bank fees	1,822	1,928
Other finance expenses	151	-
Net finance costs before currency effect	13,684	9,764
Currency effect, net	382	136
Net finance costs	14,066	9,900

13. INCOME TAX EXPENSE

The major components of income tax expense are as follows:

in € thousands	2018	2017
Breakdown of income tax reported in profit or loss		
Current income tax charge	501	681
Deferred tax		
Relating to the origination and reversal of temporary differences	(731)	(5,779)
Income tax charged to profit or loss	(230)	(5,098)
Breakdown of income tax reported in OCI		
Income tax charged to OCI	-	-

Reconciliation of accounting loss to income tax expense / gain:

	2018	2017
Accounting loss before tax	(35,650)	(107,109)
Applicable tax rate	30,175%	30.175%
Income tax at applicable tax rate	(10,757)	(32,320)
Non-deductible expenses for tax purposes		
Goodwill amortization	-	24,140
Stock option expenses	41	339
Other expenses not deductible for tax purposes	5,161	(3,500)
Unrecognized deferred tax assets in fiscal year	5,325	6,484
Use of unrecognized deferred tax assets not yet being recognized	-	-
Others	-	(241)
Income tax (gain) expense reported in the statement of comprehensive income	(230)	(5,098)

Since the acquisition of Fyber GmbH in 2014 the majority of revenues is generated through entities in Germany. Therefore, the tax rate applied in Germany is deemed to be valid as Group tax rate from 2014 onwards. The tax rate of 30.175% contains corporate income tax of 15.825%, including solidarity surcharge, as well as trade tax of 14.35%.

Reconciliation of income tax gain and expense from the origination and reversal of temporary differences and tax loss carried forward:

	2018	2017
Changes in deferred tax assets recognized through P&L	(6,000)	6,283
Changes in deferred tax liabilities recognized through P&L	6,731	(504)
Income tax (gain) expense from the origination and reversal of temporary differences and tax loss carried forward	731	5,779

14. OTHER COMPREHENSIVE INCOME

An income tax effect in relation to the exchange differences on currency translation was not recognized. In case that taxable temporary differences may arise in this respect, the parent is able to control the timing of the reversal of such temporary differences and it is probable that those differences will not reverse in the foreseeable future.

15. EARNING PER SHARE

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

	Unit	31 Dec 2018	31 Dec 2017
Profit (loss) attributable to shareholders of Fyber N.V.	in € thousands	(35,420)	(102,011)
Weighted average shares outstanding, basic	in pcs. thousands	112,567	112,556
Weighted average shares outstanding, diluted	in pcs. thousands	112,583	117,747
Basic loss per share	in €	(0.31)	(0.91)
Diluted loss per share	in €	(0.31)	(0.87)

16. GOODWILL

In 2018, the goodwill recognized through various acquisitions in prior years, developed as follows:

in € thousands	31 Dec 2017	Allocation to one CGU	Currency effect	31 Dec 2018
Fyber Platform	67,122	-	-	-
Fyber RTB	17,998	-	-	-
Inneractive	41,148	-	-	-
Others	1,872	-	-	-
Fyber FairBid	-	128,140	5,181	133,321
Goodwill	128,140	128,140	5,181	133,321

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 this 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. As there is no cash inflow expected that would be independent from the unified platform activities, Goodwill is tested on one cash generating unit (CGU) only. Until end of 2017 the goodwill was allocated to the four CGU's. See note 33 for further details.

In 2017 an impairment of €80 million was recognized on the Fyber RTB CGU following the strategic decision to forego some short-term revenue growth in order to promote the long-term value and defensible market position of the Group. In this context, the Group vastly reduced its dependency on aggregated supply and focused primarily on direct integrations. The implementation of this decision was already started in 2017 with an adverse impact on revenue particularly of Fyber RTB. The goodwill was tested based on the recoverable amount being the higher of the value in use and the fair value less cost of disposal. The fair value less cost of disposal was determined using possible selling negotiations into account and the value in use was based on cash flow projections that were derived from financial budgets approved by senior management covering a period of thirteen years, of which the first five years are based on a detailed budget and the additional ten years on a high-level cash flow forecast.

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 FairBid
CAGR on gross revenue during the detailed forecast period of 5 years	18,73%
CAGR on the free cash flow during the high-level forecast period for the next 7 years	15,79%
CAGR on the free cash flow beyond the forecasted period	1.00%
CAGR on total expenses during the detailed forecast period of 5 years	11,34%
Post-tax discount rate	10.15%

In 2018 there was a significant revenue decline for the Group overall. This development mostly results from the strategic decision to forego some short-term revenue growth in order to promote the long-term value and defensible market position of the Group. In this context, the Group vastly reduced its dependency on aggregated supply and focused primarily on direct integrations. Nevertheless the core business of Fyber show an increase in revenue in 2018 compared to 2017 which results from a significant number of new clients and an increase on the Non-Aggregator clients as well. The business plan which is underlying the impairment test assumes, that this revenue development in the core business continues in 2019 and slowing down over the detailed planning period.

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 7 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 assessment 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 FairBid
10% reduction on gross revenue CAGR during detailed forecast period	No
Increase of post-tax discount rate by 1%point	No

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

17. OTHER INTANGIBLE ASSETS

Other intangible assets developed as follows:

in € thousands	Customer contracts	Development	Technology	Others	Total
Acquisition or production cost					
1 Jan 2017	23,425	12,161	18,067	5,409	59,062
Additions	-	4,232	-	54	4,286
Currency effects	(2,230)	-	(1,193)	(428)	(3,851)
31 Dec 2017	21,195	16,393	16,874	5,035	59,497
Additions	-	3,770	-	-	3,770
Disposal	-	-	-	(44)	(44)
Currency effects	785	142	414	100	1,441
31 Dec 2018	21,980	20,305	17,288	5,091	64,664
Amortization and impairments					
1 Jan 2017	4,608	7,903	3,950	2,562	19,023
Additions	5,126	2,266	2,774	1,337	11,503
Currency effects	(272)	-	(168)	(54)	(494)
31 Dec 2017	9,462	10,169	6,556	3,845	30,032
Additions	5,270	2,833	2,881	925	11,909
Disposal	-	-	-	(125)	(125)
Currency effects	276	31	111	112	530
31 Dec 2018	15,008	13,033	9,548	4,757	42,346
Carrying amounts					
1 Jan 2017	18,817	4,258	14,117	2,847	40,039
31 Dec 2017	11,733	6,224	10,318	1,190	29,465
31 Dec 2018	6,972	7,272	7,740	333	22,318

Others include mainly the various brands (Fyber, Heyzap and Inneractive) initially recognized through business combinations, as well as acquired software licenses. Management observes whether there are any indications, either from external sources (i.e. current market trends, market capitalization of the Group) or from internal sources of information (i.e. internal reports to economical and technical performance, impairment test of GGU) that an asset or a Group of assets might be impaired. In the first quarter of 2018, the Group launched a unified rebranding, therefore the group accelerated the amortization of the Heyzap and Inneractive brands initially recognized through the business combinations. The remaining amortization periods for other intangible assets that are material to the financial statements are as follows:

	Carrying amount in € thousands	Remaining amortization period in years
Customer contracts	6,972	2
Development	7,272	2-3
Technology	7,740	4

18. PROPERTY AND EQUIPMENT

The following table shows the development of property and equipment:

in € thousands	Other operational & office equipment	Fixtures	Total
Acquisition or production cost			
1 Jan 2017	3,340	401	3,741
Additions	52	6	58
Currency effects	111	28	139
31 Dec 2017	3,503	435	3,938
Additions	138	544	682
Disposal	(40)	(220)	(260)
Currency effects	44	15	59
31 Dec 2018	3,645	774	4,419
Amortization and impairments			
1 Jan 2017	1,582	219	1,801
Additions	945	4	949
Currency effects	70	2	72
31 Dec 2017	2,597	225	2,822
Additions	449	207	656
Disposal	(37)	(220)	(257)
Currency effects	26	-	26
31 Dec 2018	3,035	212	3,247
Carrying amounts			
1 Jan 2017	1,758	182	1,940
31 Dec 2017	906	210	1,116
31 Dec 2018	610	562	1,172

Fixtures relate to the Group's offices in Berlin, Tel Aviv and San Francisco.

19. NON-CURRENT FINANCIAL ASSETS

The non-current financial assets breakdown as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Leasehold deposits	765	1,004
Other deposits	-	106
Non-current financial assets	765	1,110

Leasehold deposits are cash deposits provided as security to the landlord. The deposits are not interest bearing and will be refunded upon the termination of the respective contract. Other deposits primarily consist of severance provisions mandatory under Israeli law.

20. INVENTORIES

The amount of €103 thousand (2017: €128 thousand) relates to gift cards from third parties like Amazon, Sony PlayStation or Microsoft X-Box that are used as rewards in user acquisition campaigns.

21. TRADE AND OTHER RECEIVABLES

Trade and other receivables break down as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Trade receivables	30,628	41,406
VAT receivables	1,446	936
Prepayments	-	163
Others	133	137
Trade and other receivables	32,207	42,642

The trade receivables of €30,628 thousand are net of an allowance for bad debts of €1,811 thousand (2017: €1,989 thousand), which had developed as follows:

	1 Jan	Retained earnings *	Charge for the year	Utilized	Unused amounts reversed	31 Dec
2018	1,989	879	1,424	(1,343)	(1,138)	1,811
2017	1,808	-	1,015	(548)	(286)	1,989

* Effect of adopting IFRS 9, net of tax Please refer to note 2.5.1 IFRS 9 Financial instruments

As at 31 December 2018 and 2017, the aging of trade receivables is as follows:

	Total	Current	Past due but not impaired				
			< 30 days	30 - 60 days	61 - 90 days	91- 180 days	> 180 days
2018	30,628	19,433	6,618	1,949	983	606	1,039
2017	41,406	13,961	20,123	4,587	1,023	1,038	674

Trade receivables are non-interest bearing and are generally settled on 30 - 90 day-terms. Please refer to note 37.2. for further information.

22. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets break down as follows:

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in € thousands	31 Dec 2018	31 Dec 2017
Indemnification claim in respect to Fyber SAR (short term)	5,171	9,470
Deposit for credit card and rent	1,304	-
Others	-	849
Other current financial assets	6,475	10,319

The indemnification claim relates to reimbursement of Fyber for any payments that have to be made in connection with the stock appreciation rights that have been triggered by the acquisition of Fyber GmbH.

23. OTHER CURRENT ASSETS

Other current assets relate mainly to prepaid expenses.

24. DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets (DTA) developed during the reporting period as follows:

in € thousands	Employee benefit liability	Tax loss carry-forward	Other	Total	Thereof through P&L
1 Jan 2017	-	-	-	-	(2,692)
Offsetting with deferred liabilities as of 1 Jan 2017	85	7,391	-	7,476	-
Employee benefits	45	-	-	45	45
Increase of tax loss carried forward to be utilized	-	15,333	-	15,333	5,691
Allowance on tax loss carried forward to be utilized	-	(11,414)	-	(11,414)	-
Offsetting with deferred tax liabilities	(130)	(11,310)	-	(11,440)	-
31 Dec 2017	-	-	-	-	5,736
Offsetting with deferred liabilities as of 1 Jan 2018	130	11,310	-	11,440	-
Employee benefits	30	-	-	30	30

Increase of tax loss carried forward to be utilized	-	728	-	728	660
Allowance on tax loss carried forward to be utilized	-	(6,598)	-	(6,598)	(6,598)
Other	-	-	161	-	161
Offsetting with deferred tax liabilities	(160)	(5,440)	(161)	(5,761)	-
31 Dec 2018	-	-	-	-	(5,747)

The deferred tax liabilities (DTL) developed during the reporting period as follows:

in € thousands	Intangible assets	Equity component convertible bonds	Total	Thereof through P&L
1 Jan 2017	4,053	-	4,053	(1,740)
Offsetting with deferred tax assets	4,110	3,367	7,477	-
Increase of self-generated intangible assets	(41)		(41)	(41)
Issue of convertible bonds		1,714	1,714	
Offsetting with deferred tax assets	(6,359)	(5,081)	(11,440)	
31 Dec 2017	1,763	-	1,763	(41)
Offsetting with deferred assets as of	6.359	5,081	11,440	-
Increase of self-generated intangible assets	(3,905)	-	(3,905)	(3,905)
Issue of convertible bonds	-	(2,573)	(2,573)	(2,573)
Offsetting with deferred tax assets	(3,253)	(2,508)	(5,761)	-
31 Dec 2018	964	-	964	6.478

The Group recognizes deferred tax assets when deductible temporary differences are realizable. There is uncertainty regarding the realization of deductible temporary differences in the future for all Group entities. Therefore, the Group recognizes deferred tax assets arising from temporary differences and tax loss carry forwards for those entities for the time being only to the extent that respective deferred tax liabilities are recognized and which have the similar expectation to be realized as deferred tax assets. For this purpose, only deferred tax liabilities were qualified which relate to the same tax entity and which have the similar expectation to be realized than the deferred tax assets. The Group did not recognize deferred tax assets arising from temporary differences and tax loss carry forwards on the amount of €27,842 thousand.

25. CASH AND CASH EQUIVALENT

Cash and cash equivalents consist of the following items, all freely available:

in € thousands	31 Dec 2018	31 Dec 2017
Cash at banks	12,263	17,359
Call deposits	-	229
Cash in hand	13	7
Cash and cash equivalents	12,276	17,595

26. EQUITY

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

26.1. Issued capital and share premium

The issued capital of Fyber N.V. amounting to €11,453 thousand is divided into 114,533,333 common shares, with a nominal value of €0.10 each. The issued capital as of 31 December 2018 consisted entirely of fully paid-up ordinary shares. At the reporting date the shares were publicly traded. The Company is listed on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

The authorized capital amounts to €40,000 thousand and is divided into 400,000,000 shares, with a nominal value of €0.10 each.

On 24 April 2019, the conversion period ended with convertible bonds with a nominal amount of €74.2 million contributed to be converted into 247 million new shares. Please refer to note 43.2 for further details.

26.2. Treasury shares

As of 31 December 2017, there is an amount of 1,966,667 outstanding treasury shares which had been acquired in the process of the divestment of Big Star Global by Fyber in 2016. Out of this amount 686,193 shares which had been tendered to the company in 2017 by exercising a put option for a price of €1.80 per share, are still held by Mr Hyunghoon Han. In return, the consideration for the shares has not been paid by the company yet, please refer to note 38.1 for further details.

In the year 2017, €100 thousand of the convertible loan were converted in to 33,333 shares. The shares for this transaction were transferred out of the treasury shares available to the Company.

26.3. Other capital reserves

Other capital reserves in 2018 corresponds to €25,313 thousand (2017: €23,711 thousand). The increase in 2018 was caused by the vesting of stock options granted to employees in amount of €1,602 thousand (2017: €1,124 thousand)

Initially introduced in 2015, the Company is running a stock option program implemented for senior management and employees of the Group. During the year 2018, 9.2 million options were granted and 3.0 million were forfeited due to the employees leaving (in 2017, 5.3 million and 8.1 million, respectively). As of 31 December, 2018, a total of 13.7 million options were outstanding to employees, including 6.3 million granted to the management board, with a weighted average strike price of €1.95 (2017: 7.5 million outstanding option with a weighted average of €1.62). Of the outstanding options, 9.6 million were exercisable (2017: 2.1 million).

Throughout the year 2017 the management board decided to restrike the stock options previously issued to employees to €1.50, except for management employees, which kept strike price agreed upon in the original grant. In 2019, the stock option program was further amended. Please refer to note 43.3 for further detail.

The total fair value of the options has been determined using the Black Scholes model amounting to € 7,305 thousand based on the following assumptions:

	Assumptions	
	2018	2017
Share price	€0.15-3.75	€1.50-€2.64
Dividend yield	0% p.a.	0% p.a.
Term of the option	2.875 years	2.875 years
Risk free interest rate	(0.11%) - (0.96%) p.a.	(0.65%) - (0.72%) p.a.
Historical volatility	54%	36%
Fluctuation	20% p.a.	20% p.a.

The options were granted to employees in 8 tranches in 2018, depending on when the employees have started. The term of the options was assumed taking into account a maximum exercise period of five years following the start date as well as the expected exercise behavior. As risk-free rate, ECB AAA yields adequate to the relevant term were used.

As the options are settled in shares, the value of the options is locked and not subject to revaluation and is accrued over the vesting period and recognized in personnel costs. Concerning IFRS 2.20 the fluctuation rate is adjusted quarterly and in consequence the number of shares exercisable and the expenses recognized are adjusted.

For 2018, the Group recognized personnel costs in connection with the stock option plan in an amount of €1,613 thousand (2017: €1,124 thousand). Due to the specific vesting conditions of the stock option plan, expenses are incurred over-proportionately in the first year after the grant with decreasing amounts to be recognized in the following future periods.

26.4. Legal reserve

As of 31 December 2018, the legal reserve contained an amount of €7,272 thousand (2017: €6,225 thousand) for self-developed intangible assets.

26.5. Accumulated deficit

The accumulated deficit includes the income of the companies included in the consolidated financial statements plus actuarial gains that will not be reclassified to profit or loss in subsequent periods.

26.6. Foreign currency translation reserve

The foreign currency translation results from the translation of the accounts of the foreign subsidiaries from local currencies, which are the functional currencies of these subsidiaries, into Euro which is the functional currency of the parent Company and the reporting currency of the Group.

in € thousands	Total
1 Jan 2017	3,544
Translation of goodwill	(8,811)
Translation of intangible assets identified at acquisitions in excess to other net assets	(3,121)
Additional currency effects arising from the translation of subsidiaries	
Fyber FairBid	(396)
Other	622
Foreign currency translation reserve 1 Jan - 31 Dec 2017	(11,706)
31 Dec 2017	(8,162)
Translation of goodwill	
Translation of intangible assets identified at acquisitions in excess to other net assets	
Additional currency effects arising from the translation of subsidiaries	
Fyber FairBid	
Foreign currency translation reserve 1 Jan - 31 Dec 2018	5,915
31 Dec 2018	(2,247)

27. EMPLOYEE BENEFITS LIABILITIES

The employee benefits liabilities relate to the remaining obligation from the share appreciation rights (SARs) assumed by Fyber through the 2014 acquisition of Fyber GmbH amounting to €4,854 thousand as of the balance sheet date (2017: €9,470 thousand).

For further details on share appreciation rights, please refer to note 22.

The disbursement schedule on the employee benefit liability is as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Maturity in 1 year	8,039	13,535
Maturity in 2-5 years	217	357
Maturity in 5-10 years	-	-
Maturity in 10 years and more	-	-
Total employee benefits liabilities	8,256	13,892

The short-term employee benefits liabilities consist of the following:

in € thousands	31 Dec 2018	31 Dec 2017
Unsettled from Fyber SAR	4,854	9,470
Unpaid variable compensation	2,188	3,092

Vacation accrual	911	973
Other	86	-
Short-term employee benefits liabilities	8,039	13,535

28. LONG-TERM BORROWINGS

Long-term borrowings developed during the reporting period as follows:

	2018			2017		
	Convertible Bond	Shareholder loans	Total	Convertible Bond	Shareholder loans	Total
1 Jan	132,995	-	132,995	136,642	-	136,642
Loan disbursement	-	12,000	12,000	-	-	-
Amortization of discount	8,076	559	8,635	6,672	-	6,672
Restructuring	516	-	516	-10,319	-	-10,319
31 Dec	141,587	12,559	154,146	132,995	-	132,995

As of 31 December, 2018, the carrying amount of the liability component of the convertible bonds amounts to €141,587 thousand (2017: €132,995 thousand). For more information regarding the convertible bonds please refer to note 4.

In 2018, the Company received two loans from Sapinda Holding B.V. for a total of €12,000 thousand. An additional loan agreement was signed in December 2018 for up to €3,000 thousand. The loan included two instalments. The first instalment in the amount of €2,000 thousand was drawn in January 2019 and the rest was drawn on April 2019. All loans bear interest of 8% p.a. and shall be due and payable in June 2020.

29. OTHER NON-CURRENT LIABILITIES

The other non-current liabilities break down as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Inneractive earn-out due after 1 year	-	1,594
Heyzap earn-out due after 1 year	3,709	3,542
Other non-current liabilities	3,709	5,136

The Inneractive earn-out relates to the outstanding contingent consideration from the acquisitions of Inneractive and Heyzap. The current portion of the earn-outs is carried in trade and other payables (note 30.).

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30. TRADE AND OTHER PAYABLES

The trade and other payables break down as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Publisher payouts	21,659	34,782
Other trade payables	4,978	1,281
Inneractive earn-out due within 1 year	2,406	1,640
Accruals	4,115	3,949
Heyzap earn-out due within 1 year	3,030	2,894
Accrued interest on convertible bond	-	1,934
Liabilities from the purchase of treasury shares	1,237	1,237
Social security	231	526
Others	762	638
Trade and other payables	38,418	48,881

Accruals relates to services that have been received but not yet invoiced as of the reporting date as well as amounts accrued for the audit of the financial statements and the preparation of tax returns.

As of the reporting date, the Group carried liabilities resulting from transactions with treasury shares of €1,237 thousand. From this amount, €1,237 thousand were recognized from the outstanding put-option granted by the Group in the course of the sale of Big Star Global, valued at €2.10 per share. This option was exercised in April 2017 at a share price of €1.80 resulting in an adjustment of the treasury shares share reserve (see note 26.2.).

31. SHORT-TERM BORROWINGS

As of 31 December 2018, short-term borrowings amount to €18,824 thousand (2017: €15,013 thousand) and consist of two revolving credit facilities from obtained through Fyber GmbH and Fyber Monetization Ltd.

In May 2017 Fyber GmbH secured and prolonged in 2018 a credit line of €7,500 thousand working capital facility from BillFront to finance the operating business, with an interest rate of 10.2%-10.8% p.a. As of the reporting date €5,708 thousand have been withdrawn (31 December 2017: €4,860 thousand).

In June 2017, Fyber Monetization Ltd. signed a revolving credit line with Bank Leumi, Israel, which was prolonged in December2018 for $15,000 thousand. This facility is used to finance the cash needs of the overall Group, both for earn-out and operating needs. As of the reporting date credit lines have been fully withdrawn amounting to €13,116 thousand (31 December 2017: €15,013 thousand).

32. CASH FLOW

The cash flow statement was prepared using the indirect method for presentation of operating activities.

Liabilities arising from financing activities developed as follows:

in € thousands	1 Jan 2018	Cash flows	Non-cash changes		31 Dec 2018
			Restructuring of convertible bonds & amortization of discount, net effect	Foreign exchange movement	
Long-term borrowings	132,995	12,000	9,151	-	154.146
Short-term borrowings	15,013	3,179	-	632	18,824
Total liabilities from financing activities	148,008	15,179	9,151	632	172,970

in € thousands	1 Jan 2017	Cash flows	Non-cash changes		31 Dec 2017
			Restructuring of convertible bonds & amortization of discount, net effect	Foreign exchange movement	
Long-term borrowings	136,642	(422)	(3,225)	-	132,995
Short-term borrowings	1,429	13,584	-	-	15,013
Total liabilities from financing activities	138,071	13,162	(3,225)	-	148,008

33. 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.

	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.

The financial performance for the years ended 31 December 2018 and the reference year ended 31 December 2017 are as follows:

in € thousands	2018		2017	
	Gross revenue	EBITDA	Gross revenue	EBITDA
Fyber FairBid	128,544	(8,833)	229,832	(4,583)

Gross 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.

34. GEOGRAPHIC INFORMATION

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

in € thousands	2018	2017
	Gross revenue	Gross revenue
United states	67,299	121,222
Europe, Middle east and Africa	47,248	90,473
Asia-Pasific	11,441	15,684
Rest of the world	2,556	2,453
Total	128,544	229,832

35. MAJOR CUSTOMER'S INFORMATION

The Group places its cash with creditworthy financial institutions and performs ongoing credit evaluation of its customers' financial conditions.

The Group provides services only for creditworthy clients and the receivable balances are monitored on an ongoing basis.

For the year ended 31 December 2018. The breakdown of the top three customers by gross revenue for the year ended 31 December 2018 is as follows:

in € thousands	Gross revenue	% gross revenue from Group's gross revenue
IGG Singapore Pte. Ltd.	8,264	6.43%
Adcolony Inc.	8,229	6.40%
OpenX Limited	5,694	4.43%
Total revenue for 3 top clients	22,187	17.26%

36. CAPITAL MANAGEMENT

Capital includes equity attributable to shareholders of the parent. An analysis of the Group's net debt is shown in note 4.

As of the reporting date, equity ratio was as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Equity attributable to shareholders of Fyber N.V.	(15,558)	13,224
Total capital	209,668	231,443
Equity ratio	(7.4%)	5.7%

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The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure to support its current business and future growth and therefore maximize shareholders value.

37. FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks which arise out of its business activities. Main risks identified include financial market risks such as currency and interest rate risks, as well as liquidity risks and credit risks. The Group manages these risks in accordance to its risk strategy to mitigate any negative effects on the financial performance and to secure the financial position of the Group.

37.1. Financial market risks

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as foreign exchange rates and interest rates.

37.1.1. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's reporting currency is Euro. The Group is exposed to exchange rate risks in several ways, particularly with respect to transactions in foreign currencies and foreign exchange translation effects, arising mainly from the relative value of the Euro compared to the value of the US dollars (USD). Due to the international nature of the Group's business, the Group currently has foreign sales and accounts receivable denominated in currencies other than the Euro. In addition, the Group purchases advertising in local currencies and incurs a portion of its operating expenses in other currencies than Euro. The Group faces exposure to adverse movements in currency exchange rates, which may cause its revenue and operating results to differ materially from expectations. The Group's operating results could be negatively impacted depending on the amount of revenue or operating expenses that are denominated in foreign currencies.

As exchange rates vary, revenue, operating expenses and other operating results, when translated, may differ materially from expectations. In addition, the Group's revenue and operating results are subject to fluctuation if the mix of US and foreign currency denominated transactions or expenses changes in the future because the Group does not currently hedge its foreign currency exposure. Thereof, a currency hedging will be considered in the future by the Group.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate of USD, with all other variables held constant.

	Change in $ rate	Maximum/ minimum level	Effect on loss before tax	Effect on equity
			in € thousands	in € thousands
2018	+ 5.00%	1.32	139	(4,296)
	- 5.00%	0.98	(154)	4,748
2017	+ 5.00%	1.29	(156)	(4,440)
	- 5.00%	0.94	173	4,908

37.1.2. Interest rate risk

As of the reporting date, the Group is funded through borrowings which bears interest based on fixed and floating interest rates as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Long-term borrowings		
Fixed interest rate	154,146	132,995
Float interest rate	-	-
Total long-term borrowings	**154,146**	**132,995**
Short-term borrowings		
Fixed interest rate	5,708	4,646
Float interest rate	13,116	10,367
Total short-term borrowings	**18,824**	**15,013**

Interest risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. As at 31 December 2018, the Group holds a revolving credit facility in the amount of €18,824 thousand, €13,116 thousand with a floating interest rate linked to the LIBOR rate, while the rest in with fix interest rate. Therefore, interest rate charges in the future will have an impact on cash flows. Please refer to note 31. for further details on the loans.

	Change in interest rate in basis points	Effect on loss after tax in € thousands
2018	+ 10	13
	(10)	(13)
2017	+ 10	10
	(10)	(10)

As the Company does not have financial instruments measured at fair value, changes in the interest rate will have no impact on equity.

37.2. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of trade and other receivables as well as from cash and cash equivalents represent the Group's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk.

The Group places its cash with creditworthy financial institutions and performs ongoing credit evaluation of its customers' financial conditions.

The Group provides services only for creditworthy clients and the receivable balances are monitored on an ongoing basis. The Group has no significant exposure to any customer nor does it have any major concentration of credit risk.

Aging analysis of non-derivative financial instruments as of 31 December 2018 is as follows:

in € thousands	Total	Current	Past due			
			< 30 days	30 - 60 days	61 - 90 days	> 90 days
Non-current financial assets	765	765				
Trade and other receivables	32,207	21,012	6,618	1,949	983	1,645
Other current financial assets	6,475	6,475				
Cash and cash equivalents	12,276	12,276				
Non-derivative financial instruments	**51,723**	**40,528**	**6,618**	**1,949**	**983**	**1,645**

Aging analysis of non-derivative financial instruments as of 31 December 2017 is as follows:

in € thousands	Total	Neither past due nor impairment	Past due but not impaired			
			< 30 days	30 - 60 days	61 - 90 days	> 90 days
Non-current financial assets	1,110	1,110	-	-	-	-
Trade and other receivables	42,642	15,197	20,123	4,587	1,023	1,712
Other current financial assets	10,319	10,319	-	-	-	-
Cash and cash equivalents	17,595	17,595	-	-	-	-
Non-derivative financial instruments	**71,666**	**44,221**	**20,123**	**4,587**	**1,023**	**1,712**

37.3. Liquidity risk

Liquidity risk arises from the possibility that the Group may not be able to meet its financial obligations as they fall due. The Group establishes short and long-term capital management plans and analyses and reviews cash flow budgets with actual cash outflows in order to match the maturity of financial liabilities and financial assets. In order to secure and maintain the liquidity, the Group entered into two additional financing facilities in 2018. Please refer to note 2.2. and note 43.1. for further detail.

The aggregate maturities of financial assets and financial liabilities outstanding, based on contractual undiscounted payments, as of 31 December 2018 are as follows:

in € thousands	Total	Within 1 year	1 year to 5 years	> 5 years
Non-current financial assets	765	-	765	-
Trade and other receivables	32,207	32,207	-	-
Other current financial assets	6,475	6,475	-	-
Cash and cash equivalents	12,276	12,276	-	-
Financial assets	51,723	50,958	765	-
Long-term employee benefit liabilities	(217)	-	(217)	-
Long-term borrowings	(164,393)	-	(164,393)	-
Other non-current liabilities	(3,709)	-	3,709	-
Trade and other payables	(38,418)	(38,418)	-	-
Short-term employee benefit liabilities	(8,039)	(8,039)	-	-
Short-term borrowings	(18,824)	(18,824)	-	-
Income tax liabilities	(908)	(908)	-	-
Financial liabilities	(234,508)	(66,189)	(168,319)	-
Total net financial liabilities	(182,785)	(15,231)	(167,554)	-

Long-term borrowings include all interest that have been delayed to the maturity of the bond in July 2020. As mentioned in note 2.2, the Group is currently not be able to repay the convertible bond and the loans from Sapinda Holding B.V. which will fall due in June 2020. The management is currently exploring options to respond to the situation which occurs in June and July 2020.

The aggregate maturities of financial assets and financial liabilities outstanding, based on contractual undiscounted payments, as of 31 December 2017 are as follows:

in € thousands	Total	Within 1 year	1 year to 5 years	> 5 years
Non-current financial assets	1,110	-	1,110	-
Trade and other receivables	42,642	42,642	-	-
Other current financial assets	10,319	10,319	-	-
Cash and cash equivalents	17,595	17,595	-	-
Financial assets	71,666	70,556	1,110	-
Long-term employee benefit liabilities	(357)	-	(357)	-
Long-term borrowings	(149,900)	-	(149,900)	-
Other non-current liabilities	(5,136)	-	(5,136)	-
Trade and other payables	(48,881)	(48,881)	-	-
Short-term employee benefit liabilities	(13,535)	(13,535)	-	-
Short-term borrowings	(15,013)	(15,013)	-	-
Income tax liabilities	(539)	(539)	-	-
Financial liabilities	(233,361)	(77,968)	(155,393)	-
Total net financial liabilities	(161,695)	(7,412)	(154,283)	-

As of the balance sheet date the Group has not met the covenants' terms with respect to the loan obtained from Bank Leumi, however in April 2019, Bank Leumi agreed to defer exercising the right to declare the loan as immediately due.

38. FINANCIAL ASSETS AND LIABILITIES

38.1. Categories of financial assets and liabilities

The carrying values of financial assets per category are as follows:

in € thousands	31 Dec 2018			31 Dec 2017		
	Total	Measured at fair value through profit or loss	Measured at amortized costs	Total	Measured at fair value through profit or loss)	Measured at amortized costs
Other non-current financial assets	765	765	-	1,110	1,110	-
Trade and other receivables	32,207	-	32,207	42,642	-	42,642
Other current financial assets	6,475	6,475	-	10,319	10,319	-
Cash and cash equivalents	12,276	-	12,276	17,595	-	17,595
Total financial assets	51,723	7,240	44,483	71,666	11,429	60,237

The carrying values of financial liabilities per category are as follows:

in € thousands	31 Dec 2018		31 Dec 2017	
	Total	Measured at amortized costs	Total	Measured at amortized costs
Long-term employee benefits liabilities	217	217	357	357
Long-term borrowings	154,146	154,146	132,995	132,995
Other non-current financial liabilities	3,709	3,709	5,136	5,136
Trade and other payables	38,418	38,418	48,881	48,881
Short-term employee benefits liabilities	8,039	8,039	13,535	13,535
Short-term borrowing	18,824	18,824	15,013	15,013
Total financial liabilities	223,353	223,353	215,917	215,917

38.2. Fair value measurement of financial assets and liabilities

Except for the convertible bonds, carrying values are reasonable approximations of the respective fair values.

in € thousands	31 Dec 2018		31 Dec 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings	154,146	82,445	132,995	97,435

The convertible bonds are listed in Frankfurt Stock Exchange under XS1223161651, where the last closing price before 31 December 2018 was set at 55% (65% in 2017).

Except for the convertible bonds that its fair value is classified under level 1, every other financial instruments are classified under level 3.

38.3. Net results by measurement category

in € thousands	1 Jan - 31 Dec 2018					
	Recognized through profit and loss				Recognized in equity	Net results
	From interest	From valuation			From valuation	
		Currency effect	Revaluation	Bad debt	Transition to IFRS 9	
Financial assets						
Amortized costs	-	236	-	(518)	(933)	(1,215)
Financial liabilities						
Measured at amortized costs	(13,684)	(1,212)	(516)	-		(14,896)
Total	(13,684)	(958)	(516)	(518)	(933)	(16,111)

in € thousands	1 Jan - 31 Dec 2017					
	Recognized through profit and loss				Recognized in equity	Net results
	From interest	From valuation			From valuation	
		Currency effect	Revaluation	Bad debt	Transition to IFRS 9	
Financial assets						
Amortized costs	-	577	-	(1,066)	-	(489)
Financial liabilities						

Measured at amortized costs	(15,552)	(1,800)	2,814	-	(14,538)
Total	(15,552)	(1,223)	2,814	(1,066)	(15,027)

In 2018, the restructuring of the convertible bonds mainly encompassing the delay of the interest payments until the maturity date of bonds and in return, the increase of the interest rate from 3% to 3.5% p.a. resulting in loss of €516 thousand. Please refer to note 4. for further detail. The effect from the first-time application of IFRS 9 on the valuation of receivables was recognized directly in retained earnings. Please refer to note 2.5.1. for further detail.

In 2017, a net income from revaluation of €2,814 thousand was recognized resulting from the restructuring of the convertible bonds of €2,889 thousand and the revaluation of the earn-out for Inneractive of €2,603 thousand and Heyzap of €(2,678) thousand.

39. RELATIONSHIPS WITH RELATED PARTIES

39.1. Outstanding balances and transactions

The following table provides the balances with related parties as at 31 Dec 2018 and 2017 as well as the total amount of transactions that have been entered with related parties during 2018 and 2017:

	2018			
in € thousands	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Key management personnel	-	419	-	3,915
Shareholder				
Sapinda Holding B.V.	-	12,559	-	575
Total	-	12,978	-	4,490

	2017			
in € thousands	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Key management personnel	-	-	-	4,317
Shareholder				
Sapinda Invest S.à r.l.	-	-	-	45
Total	-	-	-	4,362

As of 31 December 2018, there are open items of €413 thousand relating to the Inneractive earn-out owed to Ziv Elul (€384) and Dani Sztern (€35k). See note 39.3 for further detail.

The purchases from key management personnel consist of compensation of €3,915 thousand (2017: €4,317 thousand).

39.2. Compensation for key management personnel

Key management personnel include any person that has the authority and responsibility for planning, directing and controlling of the activities of the entities, directly or indirectly.

The Group considers members of either the Management Board or the Supervisory Board of the parent as such key management personnel for which compensation was recognized as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Share-based payments	1,065	183
Short-term employee benefits	1,988	4,018
Termination benefits	650	-
Defined contribution plan	212	116
Total compensation for key management personnel	3,915	4,317

in € thousands	Type	2018	2017
Management Board			
Andreas Bodczek[1]	Short-term employee benefits/share-based payments	-	1,350
Heiner Luntz[1]	Short-term employee benefits/share-based payments	-	960
Ziv Elul[2]	Short-term employee benefits/share-based payments	1,152	666
Daniel Sztern[3]	Short-term employee benefits/share-based payments	705	263
Yaron Zaltsman[3]	Short-term employee benefits/share-based payments	667	218
Crid Yu[4]	Short-term employee and Termination benefits	852	260
Total Management Board		3,376	3,717
Supervisory Board			
Dirk van Daele[5]	Short-term employee benefits	200	200
Guy Dubois[6]	Short-term employee benefits	42	100
Thorsten Grenz[7]	Short-term employee benefits	-	24
Jens Schumann[8]	Short-term employee benefits	71	99
Crid Yu[4]	Short-term employee benefits	-	58
Yaron Valler[9]	Short-term employee benefits	100	95
Karim Sehnaoui[10]	Short-term employee benefits	101	24
Yair Safrai[11]	Short-term employee benefits	25	-
Total Supervisory Board		539	600
Total compensation for key management personnel		3,915	4,317

[1] Member until July 25, 2017
[2] Member since June 15, 2016
[3] Member since July 25, 2017
[4] Member since July 2017 as part of the Management Board and until September 30, 2018
[5] Member until January 1, 2019 Please see note 43.4 for further details.
[6] Member until May 29, 2018
[7] Member until April 5, 2017
[8] Member until September 15, 2018
[9] Member since February 2017 until January 3, 2019. Please see note 43.4 for further details.
[10] Member since October 1, 2017
[11] Member since October 1, 2018

The amounts shown in the table above are those recognized as an expense during the reporting period related to key management personnel.

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In 2018 and 2017, the annual remuneration of the chairman of the Supervisory Board was €200 thousand and that the annual remuneration for all other members of the Supervisory Board was €100 thousand each. Payment of the remuneration shall be made in quarterly installments during the financial year to which the remuneration relates, payable at the start of every quarter. The remuneration can be adjusted downwards at the discretion of the Supervisory Board. On 30 January 2019, the Supervisory Board decided to reduce their annual remuneration down to €80 thousand for the chairman and to €50 thousand for all other members of the Supervisory Board.

39.3. Payments in relation to the acquisition of Inneractive

According to the Inneractive purchase agreement and its amendments, several employees, at the Company's discretion, are entitled to receive certain payments that are related to the acquisition. Until the reporting date, Mr. Ziv Elul received of total €4.4 million and Mr. Daniel Sztern €0.695 million respectively.

As of 31 December 2018, Mr. Ziv Elul is entitled to an amount of €600 thousand million from which he received €216 thousand. He will be earning a further amount of €600 thousand, subject to his continued employment by the Company until 18 July 2019. As of 31 December 2018, Mr. Daniel Sztern is entitled to an amount of €80 thousand from which he received €45 thousand. Subject to his continued employment by the Company until 18 July 2019, he is entitled to another earn-out amounting to €80 thousand.

Due to their specific nature, these earn-outs are unconditional as they are just re-allocated to the remaining beneficiaries in case that employment conditions of beneficiary are not met. Therefore earn-outs were recognized as consideration transferred during the purchase price allocation and they have not been included in the key management compensation presented in note 39.2.

39.4. Relationships with Anoa Capital S.A.

Outstanding balances with Anoa Capital S.A. and purchase are not included in the tables above. Anyhow, a separate disclosure is made as Mr. Dirk van Daele is CEO and controlling shareholder of Anoa Capital S.A. as well as chairman of the Supervisory Board of Fyber N.V. until 1 January 2019.

	Anoa Capital S.A.			
in € thousands	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
2018	-	-	-	-
2017	-	3	-	400

In 2017, the Group purchased Anoa services in connection with the restructuring of the convertible bonds for €200 thousand which was not expensed but directly recognized as transaction cost, being expensed over the remaining term of the bon as part of effective interest expense.

40. OTHER FINANCIAL COMMITMENTS

Future minimum lease payables under non-cancellable operating leases for offices are as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Due within one year	2,847	1,631
Due in one to five years	9,740	8,974
Total	12,587	10,605

Other financial commitments resulting primarily from an office lease in Berlin with a fixed term of 10 years which the Group entered into in 2016. Since then, the Group took some cost saving initiatives and business teams were following are more local approach with building up stronger representation in the relevant markets. As a result, the Group will finally occupy only 30% of the office. The remaining office is going to be subleased. Before the background of a continued high demand for office spaces in Berlin, the Group does not expect to realize any loss from the lease in the future.

41. AVERAGE NUMBER OF EMPLOYEES

During the financial year 2018, the Group, including all fully consolidated companies at the reporting date, had an average of 295 (2017: 346) employees. Personnel expenses in 2018 amounted to €30,357 thousand (2017: €40,619 thousand. A geographic breakdown of the average number of employees as of the reporting period is shown in the following table:

	2018	2017
Germany	128	182
Israel	85	80
USA	60	65
China	11	10
UK	11	9
Total	295	346

The above number breaks down to the functions as follows:

	2018	2017
Cost of revenue	13	24
Research and development	106	124
Sales and marketing	103	122
General and administrative	73	76
Total	295	346

42. AUDITORS FEE

Grant Thornton B.V. was elected to audit the financial statements of the Group for the years 2018 and 2017. The following fees have been recognized in other operating expenses:

	2018	2017
Grant Thornton audit services	461	415
Total	461	415

The above mentioned audit fees relates to the audit of the financial year 2018 and 2017 respectively and do not represent the costs expensed during the year.

43. SUBSEQUENT EVENTS

43.1. Shareholder's loan

In December 2018, the Company signed an additional loan agreement with Sapinda Holding B.V., for up to €3,000 thousand. The loan included two instalments. The first instalment in the amount of €2,000 thousand was drawn in January 2019 and the rest was drawn in April 2019. All loans bear interest of 8% p.a. and shall be due and payable in June 2020.

In addition, the company prolonged all the remaining loans from Sapinda (€12,000 thousand) until June 2020.

43.2. Conversion of convertible bonds

On 14 March 2019, after receiving the approval of the general meeting in 19 February 2019, the company offered the bondholders to exchange their bonds into newly issued shares for a swap price of €0.30 per new share through a voluntary tender period. The tender period ended on 24 April 2019, resulted that convertible bonds in a nominal amount of €74.2 million had been exchanged into 247 million new shares. The new shares will be issued in due course and will be ready for trade admittance following the publication and the approval of a related admittance prospectus, which is planned to be handed to market authorities in H2 2019.

43.3. Restructuring of employee stock option program

On 5 March 2019, the company offered their employees to exchange their stock options, irrespective of already vested or not, into same number of new stock options. The new options have a maturity of 5 years, a new vesting period of two years starting from 31 January 2019 and a strike price of €0.21 each. This offer was made in order re-establish the incentive effect intended.

Employees agreed to exchange 11,983,000 stock options.

43.4. Supervisory Board members' change

In January 2019, Mr Dirk van Daele, the chairman of the Supervisory Board, and Mr Yaron Valler, member of the Supervisory Board, stepped down from their positions effective immediately. Mr Yair Safrai, who has been designated as a temporary member of the Supervisory Board pursuant to section 25.1 of the articles of association in October 2018, was appointment by the extraordinary general meeting of shareholders in February 2019 for a term of four years and subsequently elected as the new chairman. Finally, Mr Arjun Metre joined the Supervisory Board as new interim member at the end of January. His appointment will be suggested for confirmation to the annual general meeting of shareholders in May 2019.

Company Financial Statements

Company Income Statement

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Gross revenue		-	-
Revenue share to third parties		-	-
Net revenue		-	-
Other cost of revenue		-	-
Gross profit		-	-
Other operating income	3	15,672	13,950
Research and development		-	-
Sales and marketing		-	-
General and administrative	4	(17,087)	(10,792)
Other operating expenses	5	(20)	(31,000)
Earnings before interest and tax (EBIT)		**(1,435)**	**(27,842)**
Net finance costs	6	(7,291)	(972)
Profit (loss) before taxes		**(8,726)**	**(28,814)**
Income taxes expense		-	2,409
Profit (loss) for the year after tax and total comprehensive income for the year		**(8,726)**	**(26,405)**
Earnings per share			
Basic profit (loss) per share (€)		(0.08)	(0.23)
Diluted profit (loss) per share (€)		(0.08)	(0.22)

Company Statement of Financial Position

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Non-current assets			
Intangible assets			-
Non-current financial assets			
Investment in subsidiaries	7	201,946	200,413
Other non-current financial aassets	8	81,915	76,190
Deferred tax assets		-	-
Total non-current assets		**283,861**	**276,603**
Current assets			
Trade and other receivables	9	8,148	7,064
Other current financial assets	10	1,808	1,736
Other current assets		229	241
Cash and cash equivalents	11	633	964
Total current assets		**10,818**	**10,005**
Total assets		**294,679**	**286,608**

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Company Statement of Financial Position

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Equity			
Issued capital		11,453	11,453
Share premium		184,812	184,812
Treasury shares		(4,745)	(4,745)
Other capital reserves		25,313	23,711
Accumulated deficit		(92,284)	(83,557)
Total equity	12	**124,549**	**131,674**
Non-current liabilities			
Long-term borrowings	13	154,146	134,730
Deferred tax liabilities		-	-
Other non-current liabilities		-	1,594
Total non-current liabilities		**154,146**	**136,324**
Current liabilities			
Trade and other payables	14	8,421	12,599
Short-term employee benefits liabilities		1,260	621
Short-term borrowings		6,303	5,390
Other current liabilities		-	-
Short term provisions		-	-
Total current liabilities		**15,984**	**18,610**
Total liabilities		**170,130**	**154,934**
Total equity and liabilities		**294,679**	**286,608**

Company Statement of Cash Flows

	Notes	2018	2017
		Year ended 31 December	
		in € thousands	
Profit (loss) for the year before tax		**(8,726)**	(28,814)
Depreciation, amortization and impairment		-	31,006
Financial income and expenses		7,291	3,090
Other non-cash effects		1,601	(597)
Changes in provisions, employee benefit obligations		639	(41)
Changes in working capital		(8,067)	(11,473)
Cash generated from operations		**(7,261)**	**(6,829)**
Interest paid		(4,520)	(83)
Income tax paid		-	(6)
Net cash flow from operating activities		**11,787**	**(6,918)**
Changes in investments and financial assets, net		(1,457)	(3,218)
Net cash flow from investing activities		**(1,457)**	**(3,218)**
Proceeds from long-term borrowings		12,000	1,667
Transaction costs on the issue/restructuring of convertible bonds		-	(422)
Proceeds from short-term borrowings		912	4,195
Net cash flow from financing activities		**12,912**	**5,440**
Net changes in cash		**(331)**	**(4,696)**
Cash at beginning of period		**964**	**5,600**
Net changes in cash		(331)	(4,696)
Cash and cash equivalents at end of period		**633**	**964**

Company Statement of Change in Equity

in € thousands	Notes	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Accumulated deficit	Total equity
01 January 2018		**11,453**	**184,812**	**(4,745)**	**23,711**	**(83,557)**	**131,674**
Profit (loss) for the year after tax from continuing operations and other comprehensive income for the period, net of tax		-	-	-	-	(8,726)	(8,726)
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**-**	**(8,726)**	**(8,726)**
Share-based payments		-	-	-	1,601	-	1,601
Acquisition of treasury shares		-	-	-	-	-	-
Equity component of the convertible bonds, net of tax		-	-	-	-	-	-
31 December 2018		**11,453**	**184,812**	**(4,745)**	**25,312**	**(92,283)**	**124,549**

Company Statement of Change in Equity

in € thousands	Notes	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Accumulated deficit	Total equity
01 Janusary 2017		**11,453**	**184,812**	**(5,049)**	**17,518**	**(57,152)**	**151,582**
Profit (loss) for the year after tax from continuing operations and other comprehensive income for the period, net of tax		-	-	-	-	(26,405)	(26,405)
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**-**	**(26,405)**	**(26,405)**
Share-based payments		-	-	-	1,124	-	1,124
Acquisition of treasury shares		-	-	304	-	-	304
Equity component of the convertible bonds, net of tax		-	-	-	5,069	-	5,069
31 December 2017		**11,453**	**184,812**	**(4,745)**	**23,711**	**(83,557)**	**131,674**

Notes to the Company Financial Statements

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1. FYBER N.V.

Fyber N.V. (hereinafter referred to as ‘Company’) is a global provider for advertising technology.

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

The Company financial statements of Fyber N.V. as at 31 December 2018 were authorized for issue along with the consolidated financial statements of Fyber N.V. as at 31 December 2018.

Please refer to note 1 of the notes to the consolidated financial statements for further details.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The Company financial statements are separate financial statements according to IAS 27.17 and the financial reporting requirements included in part 9 of book 2 of the Dutch Civil Code.

The Company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) at the balance sheet date.

The Company financial statements are presented in Euro which is also the functional currency of the Company and unless otherwise indicated all values are rounded to the nearest thousand Euro which may cause rounding differences.

2.2. Summary of significant accounting policies

The significant accounting and valuation principles for the Company financial statements were applied uniformly as for the Fyber Group. Please refer to note 2.4 of the notes to the consolidated financial statements.

Further to the accounting policies described in the consolidated financial statements, accounting policies we applied specific to Company financial statements. In this respect, investments in affiliated companies were accounted for at cost. If any indication exists, that such an investment may be impaired, a respective impairment test is performed.

In the course of these impairment tests, management is required to make further estimates and assumptions. These assumptions are basically the same as for the valuation of the cash generating units for the purpose of impairment testing of goodwill on group level with a reconciliation of the cash generating units to the respective subsidiaries. Please refer to note 16. of the notes to the consolidated financial statements for further information.

2.3. Changes in accounting policies and disclosures

The Group applied IFRS 15 and IFRS 9 for the first time in 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.3.1. IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. See note 2.5 of the consolidated financial statement for further details.

The Company applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognized directly in retained earnings and other components of equity. No impact on the financial statement of the company.

2.3.2. IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group adopted the new standard on the required effective date using the full retrospective method. No impact on the financial statement of the Company. See note 2.5 of the consolidated financial statement for further details.

3. OTHER OPERATING INCOME

Other operating income breaks down as follows:

in € thousands	2018	2017
Management and shared service charged to subsidiaries	15,610	11,264
Income from reversal of provisions and accruals	47	17
Miscellaneous	15	66
Income from the acceleration of the Inneractive earn-out	-	2,603
Total other operating income	15,672	13,950

4. GENERAL AND ADMINISTRATIVE

in € thousands	2018	2017
Server expenses to be recharged to subsidiaries	8,812	2,518
Personnel costs and related costs	4,915	4,233
Professional services, consulting and other headcount related costs	1,618	2,047
Marketing costs	1,021	430
Rent & utilities	721	1,564
Total general and administrative	17,087	10,792

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5. OTHER OPERATING EXPENSES

Other operating expenses corresponds to impairment charges on the Company's investments. In 2018, shareholder loans to RNTS Media Deutschland GmbH amounting to €20 thousand have been impaired. In 2017, the investment in Fyber GmbH were impaired by €31,000 thousand (see note 7.).

6. NET FINANCE COSTS

in € thousands	2018	2017
Interest from loans granted to subsidiaries, net	(5,275)	(5,313)
Gain from convertible loan restructuring	-	(2,899)
Interest accrued Convertible Bonds	11,136	10,675
Foreign exchange, net	638	(2,118)
Interest on loan from shareholders	575	-
Other	216	627
Total net finance costs	7,291	972

7. INVESTMENT IN SUBSIDIARIES

in € thousands	Fyber GmbH	Inneractive Ltd.	RNTS Germany Holding GmbH	Total
1 Jan 2018	128,571	71,814	28	200,413
Stock option contribution	-10	1,543	-	1,533
Impairment		-	-	-
31 Dec 2018	128,561	73,357	28	201,946
1 Jan 2017	159,004	70,934	28	229,966
Stock option contribution	567	880	-	1,447
Impairment	(31,000)	-	-	(31,000)
31 Dec 2017	128,571	71,814	28	200,413

The stock option program of the Company is applied for employees of the subsidiaries consistently. The subsidiaries are not obligated to reimburse the Company.

8. OTHER NON-CURRENT FINANCIAL ASSETS

in € thousands	Fyber GmbH	RNTS Germany Holding GmbH	Total
1 Jan 2018	55,137	21,053	76,190
Increase	-	-	-
Amortization of loan	-	-	-
Interest accrued	4,304	1,421	5,725
31 Dec 2018	59,441	22,474	81,915
1 Jan 2017	48,100	19,614	67,714
Increase	2,970	-	2,970
Amortization of loan	2,601	-	2,601
Interest accrued	1,466	1,439	2,905
31 Dec 2017	55,137	21,053	76,190

The interest rates of loans to affiliated companies are as follows:

	Interest rate p.a.
Fyber GmbH	2-7.8%
RNTS Germany Holding GmbH	7.8%

9. TRADE AND OTHER RECEIVABLES

in € thousands	31 Dec 2018	31 Dec 2017
Subsidiaries	7,206	6,627
VAT	878	419
Others	64	18
Total trade and other receivables	8,148	7,064

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10. OTHER CURRENT FINANCIAL ASSETS

in € thousands	1 Jan 2018	Increase	Decrease	31 Dec 2018
Fyber GmbH	601	-	-	601
Fyber RTB GmbH	943	40	-	983
Heyzap Inc.	192	32	-	224
Total	1,736	72	-	1,808

in € thousands	1 Jan 2017	Increase	Decrease	31 Dec 2017
Fyber GmbH	-	601	-	601
Fyber RTB GmbH	2,700	-	(1,757)	943
Heyzap Inc.	197	-	(5)	192
ADS Securities LLC	5,544	-	(5,544)	-
Total	8,441	601	(7,306)	1,736

The interest rates of loans to affiliated companies are as follows:

	Interest rate p.a.
Fyber GmbH	7.8%
Fyber RTB GmbH	7.8% - 8.0%
Heyzap Inc.	8.0%
ADS Securities LLC	0.75%

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks that is freely available.

12. EQUITY

For a breakdown and a development of equity please refer to the Company statement of changes of equity.

The consolidated financial statements as of 31 December 2018 report a negative net equity position of €15,558 thousand (2017: €13,224 thousand positive) The Company financial statements as of 31 December 2018 report a positive net equity of €124,549 thousand (2017: €131,674 thousand).

The following table shows the reconciliation of consolidated and Company equity for the year ended 31 December 2018 and 2017:

in € thousands	31 Dec 2018	31 Dec 2017
Total consolidated equity	(15,558)	13,224
Individual subsidiaries	146,022	106,744
Other comprehensive income	(5,915)	11,706
Total company equity	124,549	131,674

Fyber N.V.'s investments in its subsidiaries are accounted for using the cost method. Under the cost method, the investments in the subsidiaries are carried in the Company financial statements at cost. Changes in the net asset value of the subsidiaries are not recognized in the Company financial statement while they do fully affect the equity carried in the consolidated financial statements.

The following table shows the reconciliation of consolidated and Company net income for the year ended 31 December 2018 and 2017:

in € thousands	31 Dec 2018	31 Dec 2017
Total consolidated loss for the year	(35,420)	(102,011)
Individual subsidiaries	14,959	19,954
Eliminations	11,735	55,652
Total company's loss for the year	(8,726)	(26,405)

13. LONG-TERM BORROWINGS

As of the reporting date, the Company were had long-term borrowings carried at values as follows:

in € thousands	31 Dec 2018	% rate	31 Dec 2017	% rate
Convertible bond	141,587	3.5%	132,995	3.0%
Loan from Sapinda	12,559	8.0%	-	-
Loan from Inneractive Ltd.	-	-	1,735	Libor+6.2%
Sum	154,146		134,730	

For further details to the convertible bonds and convertible bond restructuring, please refer to note 4 of the notes to the consolidated financial statements.

In terms of loan from Sapinda, please refer to note 28 long–term borrowings of the notes to the consolidated financial statements.

14. TRADE AND OTHER PAYABLES

The following table shows the elements of the trade and other payables:

in € thousands	31 Dec 2018	31 Dec 2017
Inneractive earn-out due within a year	2,406	1,640
Trade payables	2,329	6,048
Accrued expenses	2,067	1,363
Other	1,619	1,614
Accrued interest convertible loan	-	1,934
Total trade and other payables	8,421	12,599

15. MATURITY ANALYSIS OF FINANCIAL LIABILITIES

in € thousands	Total	Within 1 years	1 years - 5 years	> 5 years
2018				
Long term borrowings	149,900	-	149,900	-
Long term borrowings from Sapinda	12,559	-	12,559	-
Short-term borrowings	6,303	6,303	-	-
Short term employee benefits liabilities	1,260	1,260	-	-
Trade and other payables	8,421	8,421	-	-
Total 2018	178,443	15,984	162,459	-
2017				
Long term borrowings (convertible bonds)	149,900	-	149,900	-

Short-term borrowings	5,390	5,390	-	-
Short term employee benefits liabilities	621	621	-	-
Trade and other payables	12,599	12,599	-	-
Other non-current liabilities	1,594	-	1,594	-
Total 2017	170,104	18,610	151,494	-

16. CAPITAL MANAGEMENT

in € thousands	31 Dec 2018	31 Dec 2017
Long-term borrowings	154,146	134,730
Short-term borrowings	6,303	5,390
Accrued interest on convertible loans	-	1,934
Cash and cash equivalents	(633)	(964)
Net debt (cash)	159,816	141,090

17. FINANCIAL ASSETS AND LIABILITIES

17.1. Categories of financial assets and liabilities

The carrying values of financial assets and liabilities per category are as follows:

in € thousands	31 Dec 2018		31 Dec 2017	
	Total	Measured at amortized costs	Total	Measured at amortized costs
Investment in subsidiaries	201,946	201,946	200,413	200,413
Other non-current financial assets	81,915	81,915	76,190	76,190
Trade and other receivables	8,148	8,148	7,064	7,064
Other current financial assets	1,808	1,808	1,736	1,736
Cash and cash equivalents	633	633	964	964
Total financial assets	294,450	294,450	286,367	286,367

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in € thousands	31 Dec 2018		31 Dec 2017	
	Total	Measured at amortized costs	Total	Measured at amortized costs
Long term borrowings	154,146	154,146	134,730	134,730
Other non-current liabilities	-	-	1,594	1,594
Trade and other payables	8,421	8,421	12,599	12,599
Short-term employee benefit liabilities	1,260	1,260	621	621
Short term borrowings	6,303	6,303	5,390	5,390
Total financial liabilities	170,130	170,130	154,934	154,934

17.2. Fair value measurement of financial assets and liabilities

Except for the convertible bonds, carrying values are reasonable approximations of the respective fair values. Please refer to note 37.3 of the notes to the consolidated financial statements for further information on the convertible bond. and note 38.2 of the notes to the consolidated financial statements for further information regarding the fair value hierarchy.

17.3. Net results by measurement category

in € thousands	1 Jan - 31 Dec 2018				
	Recognized through profit and loss				Net results
	From interest	From valuation			
		Currency effect	Revaluation	Bad debt	
Financial assets					
Measured at amortized costs	5,801	(4)	-	-	5,861
Financial liabilities					
Measured at amortized costs	(12,378)	63	(516)	-	(14,154)
Total	(6,577)	59	(516)	-	(8,293)

in € thousands	1 Jan - 31 Dec 2017				
	Recognized through profit and loss				Net results
	From interest	From valuation			
		Currency effect	Revaluation	Bad debt	
Financial assets					
Measured at amortized costs	5,313	60	(31,000)	-	(25,627)
Financial liabilities					
Measured at amortized costs	(11,302)	(1,260)	5,502	-	(7,060)
Total	(5,989)	(1,200)	(25,498)	-	(32,687)

In 2018, a loss from revaluation was recognized resulting from the restructuring of the convertible bonds (€ 516 thousand, see note 4. of the consolidated financial statements).

18. FINANCIAL RISK MANAGEMENT

Please refer to note 37 of the notes to the consolidated financial statements for further information regarding the financial risk management of the comprehensive Group including the Company.

19. RELATIONSHIPS WITH RELATED PARTIES

19.1. Outstanding balances and transactions

The following table provides the balances with related parties as at 31 Dec 2018 and 2017 as well as the total amount of transactions that have been entered with related parties during 2018 and 2017:

in € thousands	2018			
	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Subsidiaries				
Heyzap Inc.	1,382	-	1,225	827
Fyber Inc.	-	2,084	-	1,103
Inneractive USA Inc.	-	273	-	589

Fyber GmbH	61,994	-	3,515	1,200
Fyber Media GmbH	2,173	-	1,759	-
Advertile Mobile GmbH	189	-	59	-
Falk Realtime Ltd	2	118	-	-
Fyber RTB GmbH	2,655	-	1,931	1,476
RNTS Media Deutschland GmbH	2	-	-	-
RNTS Germany Holding GmbH	22,840	-	-	-
Fyber Monetization Ltd	1,544	7,279	7,121	8,266
Fyber Digital UK Ltd.	-	-	-	33
Key management personnel	-	-	-	3,915
Shareholder				
Sapinda Holding B.V.	-	12,559	-	575
Total	92,781	22,313	15,610	17,984

in € thousands	2017			
	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Subsidiaries				
Heyzap Inc.	570	-	416	-
Fyber Inc.	-	922	-	464
Fyber GmbH	57,202	4,025	2,634	589
Fyber Media GmbH	1,394	1,005	1,747	-
Advertile Mobile GmbH	90	-	86	-
Falk Realtime Ltd	2	119		-
Fyber RTB GmbH	2,761	56	2,420	-
RNTS Media Deutschland GmbH	2	-	-	-
RNTS Germany Holding GmbH	21,400	-	-	-

Inneractive Ltd	1,106	7,865	3,961	914
Key management personnel	-	-	-	3,669
Shareholder				
Sapinda Invest S.à r.l.	-	-	-	45
Total	84,527	13,992	11,264	5,681

Sales from and to subsidiaries include charges for management and shared services.

The purchases from key management personnel consist of compensation of €3,915 thousand (2017: €3,669 thousand).

19.2. Compensation for key management personnel

Compensation for key management personnel for the year ended 31 December 2018 and 2017 are as follows:

in € thousands	31 Dec 2018	31 Dec 2017
Share-based payments	1,065	184
Short-term employee benefits	1,988	3,485
Termination benefits	650	-
Defined contribution plan	212	-
Total	3,915	3,669

The amounts shown in the table above are those recognized as an expense during the reporting period related to key management personnel. Key management personnel include any person that has the authority and responsibility for planning, directing and controlling of the activities of the entities, directly or indirectly. The compensation for members of the management board and supervisory board of the Company are as follows:

in € thousands	Type	2018	2017
Management Board			
Andreas Bodczek[1]	Short-term employee benefits/share-based payments	-	1,350
Heiner Luntz[1]	Short-term employee benefits/share-based payments	-	960
Ziv Elul[2]	Short-term employee benefits	1,152	300
Daniel Sztern[3]	Short-term employee benefits	705	121
Yaron Zaltsman[3]	Short-term employee benefits	667	78
Crid Yu[4]	Short-term employee benefits/share-based payments	852	260
Total Management Board		3,376	3,069
Supervisory Board			
Dirk van Daele[5]	Short-term employee benefits	200	200
Guy Dubois[6]	Short-term employee benefits	42	100
Thorsten Grenz[7]	Short-term employee benefits	-	24
Jens Schumann[8]	Short-term employee benefits	71	99
Crid Yu[4]	Short-term employee benefits	-	58
Yaron Valler[9]	Short-term employee benefits	100	95
Karim Sehnaoui[10]	Short-term employee benefits	101	24
Yair Safrai[11]	Short-term employee benefits	25	-
Total Supervisory Board		539	600
Total		3,915	3,669

[1] Member until July 25, 2017
[2] Member since June 15, 2016
[3] Member since July 25, 2017
[4] Member since July 2017 as part of the Management Board and until September 30, 2018
[5] Member until January 1, 2019. Please see note 43.4 to the consolidated financial statements for further details.
[6] Member until May 29, 2018
[7] Member until Jan 1, 2018
[8] Member until September 15, 2018
[9] Member since February 2017 until January 3, 2019. Please see note 43.4 to the consolidated financial statements for further details.
[10] Member since October 1, 2017
[11] Member since October 1, 2018

19.3. Finance income and expenses with related parties

The following table summarizes the financial income and expenses of the Company from its related parties in 2018 and 2017:

in € thousands	2018		2017	
	Finance income	Finance expense	Finance income	Finance expense
Subsidiaries				
Heyzap Inc.	14	-	14	-
Fyber GmbH	4,304	-	4,067	-
Fyber RTB GmbH	63	-	108	-
RNTS Media Deutschland GmbH	-	20	-	-
RNTS Germany Holding GmbH	1,420	-	1,419	-
Fyber Monetization Ltd.	-	601		295
Total	5,801	621	5,608	295

19.4. Relationships with Anoa Capital S.A.

Outstanding balances with Anoa Capital S.A. and purchase are not included in the tables above. Anyhow, a separate disclosure is made as Mr. Dirk van Daele is CEO and controlling shareholder of Anoa Capital S.A. as well as Chairman of the supervisory board of Fyber N.V. until 1 January 2019.

	Anoa Capital S.A.			
in € thousands	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
2018	-	-	-	7
2017	-	3	-	400

Please refer to note 39.4 of the notes to the consolidated financial statements for further details

20. OTHER FINANCIAL COMMITMENTS

In 2018 Fyber NV entered in to a loan agreement between Billfront Ltd. and Fyber GmbH as a guarantor for Fyber GmbH.

The company guarantees to indemnify outstanding obligations from Fyber GmbH. The entire guarantee amounts up to the entire facility of 7,500 thousand.

21. AUDITORS FEE

The following fees have been recognized in other operating expenses:

	2018	2017
Grant Thornton audit services	100	96
Total	100	96

Audit fee for Grant Thornton is shown, net of recharges to subsidiaries.

22. OTHER INFORMATION

Please refer to note 43. of the notes to the consolidated financial statements for further information on significant events after the balance sheet date.

According to the article 30 of the articles of association as of 14 June 2017 the management board, with the approval of the supervisory board, may decide that part of the profit realized during a financial year be set aside to increase and / or form reserves. The remaining profit will be put at the disposal of the general meeting.

Distributions may be made only insofar as the Company's equity exceed the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or theses articles of association (see article 30.7).

The management propose, regarding to the distribution of the result for the year 2018, to add the losses to the accumulated deficit.

23. REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Please refer to note 39 and 43.3 of the notes to consolidated financial statements for information regarding the remuneration of the management board.

Other Information

Financial Calendar

Q1 2019 Interim Statement
29 May 2019

Annual General Meeting 2019
12 June 2019

H1 2019 Interim Statement
28 August 2019

Q3 2019 Interim Statement
20 November 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 publishers and advertisers with a global reach of more than 1.2 billion unique monthly users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people. The Company is listed on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

Editorial

Fyber N.V. (Naamloze Vennootschap) is a public company with limited liability, incorporated under the laws of the Netherlands.
Corporate Seat: Amsterdam
Kamer van Koophandel, KvK number 54747805

Fyber N.V., Zweigniederlassung Deutschland
Office Address: Johannisstraße 20, 10117 Berlin, Germany
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Management Board
Ziv Elul (CEO), Dani Sztern (Deputy CEO & COO),
Yaron Zaltsman (CFO)

Chairman of the Supervisory Board
Yair Safrai

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Independent Auditor's Opinion

Grant Thornton

To: the annual meeting of shareholders and the supervisory board of Fyber N.V.

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INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 2018

Our opinion

We have audited the financial statements 2018 of Fyber N.V., based in Amsterdam, as set out on pages 82 to 163. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Fyber N.V. as at December 31, 2018, and of its result and its cash flows for 2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;

- the accompanying company financial statements give a true and fair view of the financial position of Fyber N.V. as at December 31, 2018 and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at December 31, 2018;

2. the following statements for 2018: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and

3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at December 31, 2018;

2. the company profit and loss account for 2018; and

3. the notes comprising a summary of the accounting policies and other explanatory information.

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Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Fyber N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern paragraph in the notes on page 93 and 94 of the financial statements which indicates that the company depends on a future positive result and increasing revenues, the willingness of the bondholders to convert bonds into equity and the willingness of an important shareholder and the banks to continue its financing. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 1.400.000. The materiality is based on the benchmark revenue. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of EUR 70.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Fyber N.V. is at the head of a group of entities. The Fyber business, managed from Germany, and the Monetization business, managed from Israel, form the majority of the business and there are relatively smaller operations in other European countries, as well as in the USA and Asia. The financial information of all these entities is included in the consolidated financial statements of Fyber N.V.

Our group audit mainly focused on the more significant group entities, the Fyber business and Monetization business, due to their significance and risk characteristics. For these entities, we used Grant Thornton component auditors in Germany and Israel, who are familiar with local laws and regulations, to perform full scope audit procedures. For other group entities we performed review procedures or specific procedures.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole. The group engagement team has visited the component teams.

The group consolidation, financial disclosures and a number of complex items were audited by the group engagement team, with assistance from the component auditors at the company's head office. We involved Grant Thornton specialists to assist the audit team, including specialists from our tax, valuation and IT audit departments.

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By performing audit procedures at group entities as mentioned above, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter(s) described in the 'Material uncertainty related to going concern' section of our report we selected the following key audit matters.

Key audit matter	Our audit strategy
Going concern Funding of the company is a key focus point of management. The availability of sufficient funds by arranging new- and complying with existing financing agreements is a key assumption for the going concern basis of accounting. These cash flows from financing activities need to be in line with those from investment and operating activities. In order to support the going concern assumption, management has prepared a plan including a cash flow forecast for the coming 12 months. The estimated expected future cash flows from operating activities are largely based on management's expectations and estimates. These future cash flows are uncertain as they are influenced by subjective elements such as forecasted revenues, results and margins from operating activities. As a result we have identified the going concern basis of accounting as a key audit matter. Furthermore we would like to draw the attention to the matter(s) described in the 'Material uncertainty related to going concern' section below and note 2.2 which describes management's going concern considerations.	The audit procedures performed consist of, among others, reviewing the cash flow forecast, which is also used as a basis for the discounted cash flow valuation model in the impairment assessment of goodwill, by evaluating and testing the underlying assumptions, methodologies and data used by the Company. For that purpose, we challenged the by the supervisory board approved budget including management expectations and estimates. We considered projected cash flows from operating activities in combination with these from investing activities, including CAPEX, acquisitions and divestments. We also reviewed the availability of facilities to provide the company with additional funding, in order to conclude on the appropriateness of using the going concern basis of accounting as well as on the notes thereto. No material exceptions were identified based on our procedures. We concur with managements view that using the going concern assumption is reasonable and that a material uncertainty is applicable, which is properly disclosed in the notes to the financial statements.
Revenue recognition We have identified revenue recognition as a key audit matter because of the industry specific risks. The major revenue generating business processes are technology-driven, leading to complexities in assessing the occurrence (including cut-off) and accuracy of the revenue recognized. These risks, in combination with the significance of revenue and accounts receivables are the reason for	Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. Our audit mainly focused, among others, on substantive procedures for the purpose of assessing and testing the occurrence of revenue. As these procedures are predominantly technology-driven, we have used our IT audit specialists to support us. Substantive procedures consisted, among others, of analytical

identifying revenue recognition as a key audit matter.	procedures, cut off testing, price testing, other test of details, review of subsequent cash receipts, ratio analysis and journal entry testing. We performed testing over manual journals posted to revenue to identify unusual or irregular items. We also considered the adequacy of the Group's disclosures (in note 2) in respect of revenue.
Impairment intangible assets: goodwill At December 31, 2018, the goodwill amounts to € 133 million (2017: € 128 million), representing 63,6 % of the group's total assets. Goodwill is allocated to (groups of) Cash Generating Units (CGU's) for which Fyber N.V. is required to test annually the amount of goodwill for the possible existence of impairments or more frequently if there is a trigger event for testing. This annual impairment test is key for our audit, given the significant judgement and complexity of valuation methodologies used to determine whether the carrying value of goodwill is appropriate, which includes the assumptions used within models to support the recoverable amount of goodwill. These assumptions are influenced by anticipated future market developments and economic conditions, revenue growth, margin developments, discount rate and terminal growth rates. In the year 2018 no impairment loss has been recognised. The in 2017 recognised impairment loss was EUR 80 million. The key assumptions and sensitivities are disclosed in note 16 of the consolidated financial statements.	We verified whether the recoverable amount (value-in-use) of goodwill per the discounted cash flow valuation is higher than the book value. Our audit procedures included, among others, obtaining and examining an understanding of the valuation model used as well as the assumptions used, such as the WACC, assessment of the cash generating units, the cash-flow forecasts and the considerations with respect to the use of one cash generating unit (CGU) in the model. We evaluated the assumptions and cashflow forecasts in relation to the five-year-plan approved by management. We challenged management's assumptions used in the forecast period by considering available evidence to support these assumptions. We performed sensitivity analysis by stress testing key assumptions in the model. We included in our team an independent valuation specialists of Grant Thornton to support us in our audit. Based on available evidence we found management's assumptions in relation to the value in use calculations to be reasonable. We also assessed the adequacy of disclosures around goodwill in the financial statements. We found the disclosures in note 16 to be appropriate.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Report on other legal and regulatory requirements

Engagement

We were engaged by the supervisory board in September 2018, and our appointment as auditor of Fyber N.V. was formally confirmed in an extraordinary shareholder meeting on October 10, 2018 in which we were appointed for the financial year 2018. We have operated as statutory auditor since the financial year 2016.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

D. Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out for group entities.

Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, April 26, 2019

Grant Thornton Accountants en Adviseurs B.V.

drs. M.A. Splinter RA

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Fyber N.V.

Annual Report 2018

<u>Annex 4</u>: Unaudited and not reviewed Q1 2019 interim statement

Fyber N.V.

First Quarter 2019 Results Statement

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 open-access for both publishers and digital advertisers with a global reach of more than 1.2 billion unique monthly users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people. The Company is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FBEN'.

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Highlights & Key Figures

Continued growth of programmatic core business

Further cost saving led to significant improvement of adjusted EBITDA

Completed €74 million debt-to-equity exchange of convertible bonds

Entered into strategic partnership with Game of Whales, strengthening our publisher tool offering

Expansion of global partner network on publisher and advertiser side

Key Financials

	For the three months ended		For the year ended
	31 Mar 2019	31 Mar 2018	31 Dec 2018
		in € millions	
Gross revenue	**27.5**	**29.3**	**128.5**
Revenue share to third parties	(17.6)	(19.1)	(82.4)
Net revenue	**9.9**	**10.2**	**46.1**
Net revenue margin	35.8%	34.8%	35.9%
IT cost*	(2.4)	(3.0)	(11.2)
R&D cost*	(3.4)	(3.3)	(13.5)
S&M cost*	(4.3)	(5.6)	(19.6)
G&A cost*	(1.1)	(2.3)	(9.0)
EBITDA*	**(1.3)**	**(4.0)**	**(7.2)**

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

First Quarter 2019 Results Statement

Statement from the CEO

While the first quarter traditionally is not the strongest for Fyber due to the natural seasonality of the advertising market, we continued to see promising growth in our programmatic core business and achieved a 68% improvement of adjusted EBITDA in the first quarter – underlining our expansion strategy which we based on technological innovation and a clear commitment to profitability and efficiency.

Fyber generated nearly stable gross revenues of €27.5 million (Q1 2018: €29.3 million) and net revenues of €9.9 million (Q1 2018: €10.2 million). Adjusted EBITDA showed a very positive development with a year-over-year growth of 68% to €-1.3 million (Q1 2018: €-4.0 million). The slight decline of 6% in total gross revenue, caused by the one-off effects that still contributed to the income during the first half of 2018, was offset by a 17% growth in our programmatic core business.

An important milestone was the bond restructuring: The voluntary debt-to-equity exchange of €74 million into 247 million new shares was completed in May, effectively halving our debt burden from convertible bonds and returning to a positive equity position for the full year 2019. With regard to the conclusion of our cost saving initiatives, the resulting improvement in adjusted EBITDA, and the partial bond restructuring we trust to have set the Company up for a successful start into the year.

As the full technical integration of the former group companies – the last step of the merger – draws nearer, we launched the new branding and packing of our unified product at the end of the quarter, presenting to the market a suite of three powerful mobile monetization products that can help app businesses grow their revenue: Fyber FairBid, which combines our in-app header bidding solution, publisher dashboard and reporting tool set, our ad exchange Fyber Marketplace and our leading rewarded product Offer Wall Edge.

In the first quarter of 2019 we continued our product investment, led by the launch of the latest and improved version of Fyber FairBid, the integrated developer portal, which presents the product documentation from implementation to usage of Fyber FairBid to the publishers in the most accessible way yet, as well as the further rollout of Offer Wall Edge to the majority of our clients.

Moreover, Fyber entered into a strategic partnership with the mobile tools developer Game of Whales, the winner of Pocket Gamer's 2019 award for best tools provider. Game of Whales created a fully automated artificial intelligence system focused on in-app purchases that helps mobile game developers to increase their users' lifetime value. The software tracks user behavior in real-time and programmatically interacts with players to maximize yield and reduce churn.

Combined with Fyber's expertise of in-app advertising – the second major source of income for app developers – this offers a unique solution to publishers. The integration allows them to automatically calculate both in-app purchase and ad revenue value, optimizing user experience and user acquisition budgets by predicting which users will be profitable, so that they can then be targeted in campaigns. This collaboration is a next step in the evolution of smart content monetization, putting the publisher's needs and the user experience first.

April also marked Fyber's 10th anniversary and we are very grateful for all the support and trust we have received over the years from our partners, shareholders and employees. What started out as SponsorPay in 2009, supporting web developers to earn money from ads, evolved into a comprehensive ad tech platform for in-app developers and publishers worldwide, leading with technology and innovation. Our innovative platform reaches more than 10,000 mobile apps and games and has over 1.2 billion unique monthly active users. While we expanded our product offering to accommodate the maturing industry and focused on the areas of fastest market growth during these 10 years, our initial mission remained basically the same: enabling developers to establish stable income sources from meaningful advertising so they can focus on what they do best – creating great content experiences.

We are looking forward to starting into the next Fyber decade with you!

Yours sincerely,

Ziv Elul
Chief Executive Officer
Berlin, May 2019

Report of the Management Board

Business Model

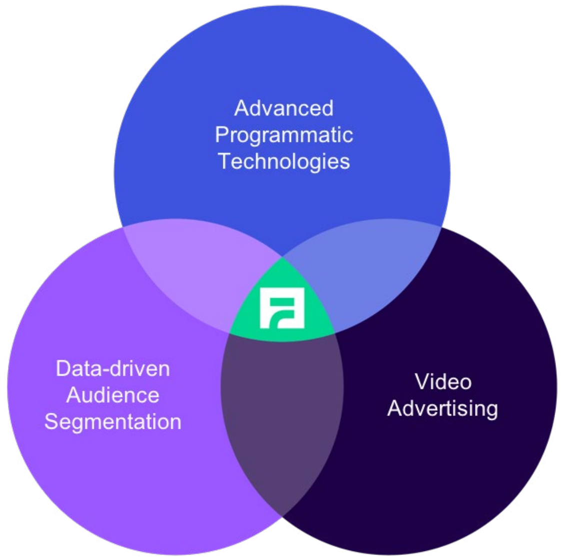
Fyber is a leading advertising technology company. Entirely focused on one of the most inspiring and dynamic markets, Fyber connects app developers with advertisers worldwide, enabling them to generate business-critical revenue streams from digital advertising.

Our vision is to become the primary monetization platform for the in-app environment, providing a powerful platform to publishers that allows them to centrally manage and execute all their monetization strategies across screens, ad formats, industry verticals and geographies.

Fyber's offering includes an ad exchange, ad server, programmatic ad network mediation, in-app header bidding, a publisher data platform and many more publisher tools. Our automated real-time bidding mechanisms ensure the delivery of relevant, high-paying ads, optimizing the yield for publishers with every ad impression. For transactions placed via the Fyber exchanges, the Company retains a share of the ad spend advertisers place via the platform.

Fyber's product focus

Our product focus and investment strategy are centered around continuing to solve these publisher challenges by further optimizing our existing product portfolio and bringing new innovative ad formats and publisher tools to the market.



Advanced Programmatic Technologies
Fyber FairBid, our solution that mends key pain points of current mediation solutions enables all types of buyers to compete simultaneously over each ad impression.

Data-driven Audience Segmentation
Our groundbreaking Audience Vault is bringing data insights and segmentations tools to publishers, enabling them to proactively apply different pricing and auction rules based on the value of their users, and with that upgrading the achievable yield per served advertisement.

Video Advertising
Our video solutions, including leading video standards for in-app and viewability measurement partnerships, are paving the road to unlocking more brand advertising dollars

Our Differentiators

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

One-stop-shop for publisher

We solve many of app developers' key challenges when it comes to monetization by offering the latest technology, a central easy-to-use dashboard, access to all relevant demand sources and guaranteed yield optimization that puts publishers' interests first

Innovative ad formats

Unobtrusive monetization for the different publisher verticals that engages users

Advanced data insights

Actionable audience insights to create highly-desirable user segments & granular real-time reporting to optimize monetization on-the-fly

Expert Guidance

Strategic guidance on yield optimization from Fyber's monetization experts

For investors, our value lies among other factors in our market positioning and the growth prospect stemming from our direct publisher integration – a clear competitive advantage in our field:

- **Fast-growing market dominated by few key players:** Focused on in-app advertising, one of the fastest growing segments of advertising at a CAGR of above 17% between 2018 and 2022 (Source: Fyber estimate based on eMarketer 2019 data), with Fyber being one of the few international independent companies of scale
- **Defensible competitive position:**
  - Deliberate focus on supporting app developers and publishers, as all our technology assets were built specifically for this purpose
  - Less competition than on the advertiser side of the value chain, which is dominated by major providers such as Google and Facebook; Fyber is instead partnering with many of these leading demand companies and captures parts of their advertising budgets, which are processed through the Fyber platform
  - Fyber FairBid is at the forefront of publisher monetization technology with mature, battle-tested capabilities across multiple ad tech disciplines, a combination very few companies in this market possess
  - Significant scale of direct, SDK-based integrations with leading publishers. These integrations are done with each individual app making it difficult for new challengers to achieve equivalent scale
  - Extensive demand relationships with over 180 individual demand partners providing global advertising coverage for our publishers
- **Direct publisher integrations:** The direct SDK-based integrations with leading publishers are among our main assets, positioning Fyber as a trusted source of high-quality in-app inventory at scale. This is decisive especially during a time in which advertisers' appetite for this inventory is rapidly increasing and quality, viewability and brand safety become key selling points
- **Diversified revenue base:** Catering to all publisher verticals with tailored product solutions including gaming, social media, messaging, utility, productivity, entertainment, news
- **Global reach and scale:** Reaching 1.2 billion monthly unique users
- **Commitment to profitability:** Despite the slower top-line development, the Company was able to establish an optimized, largely fixed cost base and expects to reach above break-even adjusted EBITDA for the full year 2019

Business Performance

The first quarter of 2019 confirmed the previously published preliminary figures and showed a continuation of organic growth in the programmatic core business compared to 2018. The following table illustrates Fyber's gross revenue composition:

Gross revenue composition

	Q1 2019	Q1 2018	Change YoY	FY 2018	FY 2017	Change YoY
			In € millions, rounded			
Total one-off effects	-	2.0	n/a	7	85	-92%
Core business	27.5	27.3	1%	122	145	-16%
Thereof programmatic	**14.5**	**12.4**	**17%**	**65**	**59**	**10%**
Thereof non-programmatic	13.0	13.9	-6%	57	86	-34%
Reported gross revenue	**27.5**	**29.3**	**-6%**	**129**	**230**	**-44%**

First Quarter 2019 Results Statement

The revenue from our programmatic core increased by 17% for the first quarter of 2019 in line with our investment strategy and product focus. The slight decline in total gross revenue of 6% compared to the same period last year relates to the fact that we started 2019 from a lower revenue base as Q1 2018 still included aggregators on the publisher side as well as charging screen ads. We expect substantial growth from the programmatic business also for the rest of 2019.

Financial performance

	For the three months ended		For the year ended
	31 Mar 2019	31 Mar 2018	31 Dec 2018
		in € millions	
Gross revenue	**27.5**	**29.3**	**128.5**
Revenue share to third parties	(17.6)	(19.1)	(82.4)
Net revenue	**9.9**	**10.2**	**46.1**
Net revenue margin	35.8%	34.8%	35.9%
Other cost of revenue	(5.0)	(6.1)	(23.1)
Gross profit	**4.9**	**4.1**	**23.0**
Research & development	(3.4)	(3.4)	(14.0)
Sales & marketing	(4.3)	(5.7)	(20.2)
General & administrative	(1.6)	(2.6)	(10.4)
Depreciation & amortization	3.0	3.3	12.8
Stock option plan	0.1	0.2	1.6
EBITDA*	**(1.3)**	**(4.0)**	**(7.2)**
EBITDA margin (%)*	-4.7%	-13.7%	-5.6%

*Note: Adjusted to eliminate one-off impacts such as acquisition-related costs and option plans.

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.

Net revenue remained flat compared to the previous year, with an increased net revenue margin of 35.8% compared to 34.8% in Q1 2018.

Other cost of revenue includes IT cost and amortization of technology and customer relationships acquired through business combinations and amounted to €5.0 million compared to €6.1 million last year. IT cost, which includes mainly server cost, accumulated to 8.5% of gross revenue, compared to 10.5% last year.

As reported, we finalized the organizational integration of former group companies during 2018, realizing synergies and lowering operating expenses in the process. Nevertheless, we are expanding our effort in providing best-in-class solutions to our clients, which led to an increase in the share of research & development cost, amounting to €3.4 million for the first quarter of 2019.

Sales & marketing cost accumulated to €4.3 million, a reduction of 25% compared to last year, and general & administrative cost amounted to €1.6 million, a reduction of 39% compared to last year.

The cost reductions allowed us to reduce our adjusted EBITDA loss for the quarter to €1.3 million compared to €3.4 million last year. As we completed the organizational integration of former group companies and do not expect additional major reductions going forward, the forecasted positive EBITDA for 2019 depends on our ability to achieve revenue growth.

Cash flow and going concern considerations

in € millions	1 Jan - 31 Mar 2019	1 Jan - 31 Dec 2018
Net cash flow from operating activities	(2.8)	(16.7)
Net cash flow from investing activities	(1.3)	(4.1)
Net cash flow from financing activities	0.6	15.2
Net change in cash and cash equivalents	**(3.5)**	**(5.6)**
Net foreign exchange difference	0.8	0.3
Opening balance cash and cash equivalents	12.3	17.6
Closing balance cash and cash equivalents and cash deposits	**9.6**	**12.3**

The one-off effects as described in the Annual Reports 2018 impacted the revenue development outside of Fyber's core business and resulted in high negative operating results, which were financed mainly by debt facilities provided by Sapinda Holding B.V. ("Sapinda"), including a loan of €3 million which was paid out during the first four months of 2019.

As the Company's operating cash flow for the full year 2019 is expected to be around breakeven the Company was seeking additional funding to support its working capital needs and accelerate its growth. Please refer to the 'Subsequent Events' section below for details.

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. For more details on the underlying going concern considerations related to the outstanding debt and the risk factors influencing the Company's business, please refer to the 'Financial and asset position' and 'Risk management' sections below.

First Quarter 2019 Results Statement

Financial and asset position

in € millions	31 Mar 2019 PF*	31 Mar 2019	31 Dec 2018
Intangible assets	155.9	155.9	155.6
Other assets	19.3	19.3	2.3
Cash and cash deposits	9.6	9.6	12.3
Trade and other receivables	28.6	28.6	31.2
Other financial assets	5.3	5.3	8.3
Total assets	**218.7**	**218.7**	**209.7**
Interest bearing loans	107.1	176.9	173.0
Trade and other payables	35.3	35.3	38.4
Employee benefits liabilities	6.8	6.8	8.3
Other liabilities	20.6	20.6	4.6
Deferred tax liabilities	1.0	1.0	1.0
Total liabilities	**170.8**	**240.6**	**225.3**
Total equity	**47.9**	**(21.9)**	**(15.6)**

*Preliminary pro-forma figures including the recent debt-to-equity swap of €74.2 million worth of convertible bonds

The increase in other assets and other liabilities is due to the first implementation of IFRS16.

Following the recent partial conversion of €74.2 million worth of outstanding Convertible Bonds (the "Bonds", €150 million original principal, 07/2020, ISIN XS1223161651), the Company is mainly financed through the remaining outstanding amount of Bonds of €75.7 million as well as a shareholder loan from Sapinda in the aggregate amount of €15 million maturing in June 2020.

The Company is aware of the refinancing risk of the remaining debt facilities and the substantial impact on the Company's ability to proceed under a going concern assumption. Management expects to be able to prolong the remaining debt ahead of maturity or to complete other financing alternatives including a further debt-to-equity swap.

Subsequent Events

Convertible bonds debt-to-equity exchange
After the end of the reporting period, the Company completed the settlement of the voluntary debt-to-equity exchange of 742 convertible bonds worth €74.2 million at an exchange price of €0.30 per share, resulting in 333,333 shares per tendered bond. The Company issued 247,333,086 new shares, bringing the ordinary issued capital of Fyber to €36,186,642.

Takeover bid by Advert Finance B.V.
On 10 May 2019, Amsterdam-based Advert Finance B.V., a subsidiary of Tennor Holding B.V. (formerly Sapinda Holding B.V.), published that it gained control of Fyber N.V. following their participation in the recent voluntary debt-to-equity swap. With approximately 158 million shares, they are holding 44% of the 362 million outstanding shares following the capital increase. Advert Finance B.V. announced the publication of a mandatory takeover bid to all shareholders in due course.

Enterprise chamber petition filing
In May 2019, Guy Dubois, a former member of Fyber's Supervisory Board, and Tetra-House Pte. Ltd., for which Mr Dubois acts as chairman, who together hold less than 1% of the Company's share capital following the recent capital increase, filed a request to the Enterprise Chamber Amsterdam to order an investigation into the policies and course of events mainly in relation to the Company's recent voluntary debt-to-equity exchange and (ii) to temporarily appoint an independent supervisory director with a decisive vote. Fyber is of the opinion that there is no reason to doubt its policies and will defend itself against the request for an investigation and a court-appointed supervisory director.

Additional loan facility with Tennor Holding B.V.
In May 2019, the Company entered into a €5 million loan agreement with Tennor Holding B.V. (formerly Sapinda Holding B.V.) maturing in June 2022, to support its operating needs in line with the forecast for the full year 2019 and accelerate its growth, especially with regards to product investments and client acquisition. This facility includes a possible expansion of additional €10 million, subject to business needs and Tennor's approval.

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 2018.

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 2018

Publishers as well as ad tech providers like Fyber face the risk of revenue loss, due to a ban of certain ad formats by the app distribution providers.
App developers publishing their apps through Apple's App Store have encountered a change in policy by Apple, not allowing the use of certain ad campaigns within an Offer Wall. Fyber is one of the leading Offer Wall providers, which is an ad unit that lists various offers by advertisers, ranging from watching a video, completing a survey or installing another game, that users can complete in order to receive a reward within the app they are using. This last category of ads, encouraging users to download other apps, has been banned by Apple, based on their guidelines that are not allowing for "an interface for displaying third-party apps, extensions, or plug-ins similar to the App Store", apparently in an effort to prevent any manipulation of the app charts.

Risk response

- Constant monitoring of changing market environments, ensuring our product offering adheres to all significant standards
- Keep close contact with all major providers, including Apple, to proactively understand the motivation of policy changes and react accordingly to avoid or minimize revenue impact
- Ongoing investment since establishment of our Offer Wall product to diversify ad campaign types
- In this immediate case, Fyber disabled all ad campaigns within its Offer Wall, that use incentivized installs of apps to fully comply with Apple's standards and protect its publishers from their app or any app updates being rejected by Apple
- Ensure diversified revenue base to minimize impact from changing market environments:
  - Fyber's revenue is well diversified across different ad formats (Offer Wall, Video, Interstitials and Banners).
  - Within the Offer Wall vertical, the income is stemming from different app stores including the Google PlayStore, which do not ban incentivized app installs, and different ad campaigns that are unaffected (surveys, registrations and other compliant ads)

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. As of 31 March 2019, the issued capital of Fyber N.V. amounted to €11.453 million, divided into 114,533,333 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 amounted to €40.0m and is divided into 400,000,000 shares with a nominal value of €0.10 each. Please refer to the 'Subsequent Events' section above for details on the changes in share capital following the recent voluntary debt-to-equity-exchange of Bonds.

Key share data as of May 2019

Issuer	Fyber N.V.
Ticker Symbol	FBEN
ISIN	NL0012377394
Market	Frankfurt Stock Exchange, Prime Standard
Currency	Euro
Number of shares	361,866,419
52 weeks high / -low*	0.70 / 0.08

*As of 14 May 2019

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.	43.7%
Sapinda Holding B.V.	14.9%
Chain Finance B.V.	6.5%
Duet Emerging Macro Master Fund Limited	5.5%
Abu Dhabi Securities LLC	4.9%

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.

Interim Financial Statements

Consolidated Income Statement

	3 months ended 31 March	
	2019	2018
	Unaudited	
	in € thousands	
Revenue	**27,480**	**29,293**
Revenue share to third parties	(17,621)	(19,088)
Net revenue	**9,859**	**10,205**
Other cost of revenue	(4,921)	(6,062)
Gross profit	**4,938**	**4,413**
Research and development	(3,418)	(3,377)
Sales and marketing	(4,322)	(5,719)
General and administrative	(1,605)	(2,552)
Earnings before interest and tax (EBIT)	**(4,407)**	**(7,505)**
Net finance costs	(4,091)	(2,786)
Profit (loss) before tax	**(8,498)**	**(10,291)**
Income tax gain (expense)	(274)	67
Profit (loss) for the year after tax	**(8,772)**	**(10,224)**
Profit (loss) attributable to		
Shareholders of Fyber N.V.	(8,772)	(10,224)
Non-controlling interest	-	-
Earnings per share		
Basic profit (loss) per share (€)	(0.08)	(0.09)
Diluted profit (loss) per share (€)	(0.08)	(0.09)

First Quarter 2019 Results Statement

Consolidated Statement of other Comprehensive Income

	3 months ended 31 March	
	2019	2018
	Unaudited	
	in € thousands	
Profit (loss) for the year after tax	**(8,772)**	**(10,224)**
To be reclassified to profit and loss in subsequent periods		
Exchange differences on currency translation	2,439	(2,479)
Income tax effect	-	-
Other comprehensive income (loss) for the year, net of tax	2,439	(2,479)
Total comprehensive income (loss) for the year	**(6,333)**	**(12,703)**
Profit (loss) attributable to		
Shareholders of Fyber N.V.	(6,333)	(12,703)
Non-controlling interest	-	-

Consolidated Statement of Financial Position

	31 March 2019 Unaudited	31 December 2018 Audited
	in € thousands	
Non-current assets		
Intangibale assets		
Goodwill	134,643	133,321
Other intangible assets	21,233	22,318
Property and equipment	18,364	1,172
Non-current financial assets	805	765
Total non-current assets	**175,045**	**157,576**
Current assets		
Inventories	102	103
Trade and other receivables	28,601	32,207
Other current financial assets	4,509	6,475
Other current assets	907	1,030
Cash and cash equivalents	9,625	12,276
Total current assets	**43,744**	**52,091**
Total assets	**218,789**	**209,667**

Consolidated Statement of Financial Position

	31 March 2019 Unaudited	31 December 2018 Audited
	in € thousands	
Equity (Deficit)		
Issued capital	11,453	11,453
Share premium	184,812	184,812
Treasury shares	(4,745)	(4,745)
Other capital reserves	25,407	25,313
Legal reserve	7,648	7,272
Accumulated deficit	(246,640)	(237,416)
Foreign currency translation reserve	192	(2,247)
Equity attributable to shareholders of the Company	(21,873)	(15,558)
Non-controlling interests	-	-
Total equity (deficit)	**(21,873)**	**(15,558)**
Non-current liabilities		
Long-term employee benefits liabilities	224	217
Long-term borrowings	159,233	154,146
Deferred tax liabilities	964	964
Other non-current liabilities	19,715	3,709
Total non-current liabilities	**180,136**	**159,036**
Current liabilities		
Trade and other payables	35,261	38,418
Short-term employee benefits liabilities	6,585	8,039
Short-term borrowings	17,714	18,824
Income tax payables	966	908
Total current liabilities	**60,526**	**66,189**
Total liabilities	**240,662**	**225,225**
Total equity (deficit) and liabilities	**218,789**	**209,667**

Consolidated Statement of Cash Flows

	2019	2018
	3 months ended 31 March	
	Unaudited	
	in € thousands	
Loss for the year before tax	**(8,498)**	**(10,291)**
Depreciation, amortization and impairment	3,027	3,291
Financial expenses, net	3,822	3,104
Other non-cash effects	94	183
Changes in provisions, employee benefit obligations	(1,447)	(899)
Changes in working capital	1,050	(1,544)
Cash generated from operations	**(1,952)**	**(3,068)**
Interest received	-	-
Interest paid	(664)	(2,748)
Income tax paid	(216)	71
Net cash flow from operating activities	**(2,832)**	**(1,525)**
Purchases of property and equipment	(16)	(533)
Purchases, capitalization of intangible assets	(1,202)	(992)
Change in investments and financial assets, net	(40)	0
Net cash flow from investing activities	**(1,258)**	**1,525**
Proceeds from long-term borrowings	2,000	5,000
Proceeds (repayment) from short-term borrowings	(1,366)	(1,879)
Net cash flow from financing activities	**634**	**3,121**
Net changes in cash	**(3,456)**	**(4,149)**
Cash at beginning of period	**12,276**	**17,595**
Net foreign exchange difference	805	(650)
Net changes in cash	(3,456)	(4,149)
Cash and cash equivalents at end of period	**9,625**	**12,796**

First Quarter 2019 Results Statement

Consolidated Statement of Change in Equity (Deficit)

	Unaudited							
in € thousands	**Ordinary shares**	**Share premium**	**Treasury shares**	**Other capital reserves**	**Legal reserve**	**Accumulated deficit**	**Foreign currency translation reserve**	**Total equity (deficit)**
31 Dec 2018	**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,416)**	**(2,247)**	**(15,558)**
Effect of adopting new accounting standards, net of tax	-	-	-	-	-	(76)	-	(76)
Total comprehensive income (loss) for the year	**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,492)**	**(2,247)**	**(15,634)**
01 Jan 2019	**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,517)**	**(2,247)**	**(15,659)**
Loss for the year after tax	-	-	-	-	376	(9,148)	-	(8,772)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	2,439	2,439
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**376**	**(9,148)**	**2,439**	**(6,333)**
Share-based payments	-	-	-	94	-	-	-	94
Transactions with owners	**-**	**-**	**-**	**94**	**-**	**-**	**-**	**94**
31 Mar 2019	11,453	184,812	(4,745)	(25,407)	7,648	(246,640)	192	(21,873)

Consolidated Statement of Change in Equity (Deficit)

	Unaudited							
in € thousands	**Ordinary shares**	**Share premium**	**Treasury shares**	**Other capital reserves**	**Legal reserve**	**Accumulated deficit**	**Foreign currency translation reserve**	**Total equity (deficit)**
31 Dec 2017	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,071)**	**(8,162)**	**13,224**
Effect of adopting new accounting standards, net of tax	-	-	-	-	-	(878)	-	(878)
01 Jan 2018	**11,453**	**184,812**	**(4,745)**	**23,711**	**6,225**	**(200,949)**	**(8,162)**	**12,346**
Loss for the year after tax	-	-	-	-	358	(10,582)	-	(10,224)
Other comprehensive income (loss) for the period, net of tax	-	-	-	-	-	-	(2,480)	(2,480)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**358**	**(10,582)**	**(2,480)**	**(12,704)**
Share-based payments	-	-	-	183	-	-	-	183
Transactions with owners	**-**	**-**	**-**	**183**	**-**	**-**	**-**	**183**
31 Mar 2018	11,453	184,812	(4,745)	23,894	6,583	(210,625)	(10,642)	703

Notes to the Interim 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 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 of more than 1.2 billion unique monthly users.

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements for the Three-month period ended 31 March 2019 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 2018. 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 2018 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 is amounting to a deficit of €21,873 thousand as of 31 March 2019. At the same date, the Group showed €9,625 thousand in cash and cash equivalents, including a €2,000 thousand funding from Sapinda Holding B.V. obtained in January 2019. A further amount of €1,000 thousand has been received beginning of April 2019. In May 2019 an additional loan facility of €5,000 thousand has been granted by Tennor Holding B.V. (please refer to note 6.4).

For the full year 2019, Management expects operating cash flow to be around break even.

As described in the Group's consolidated financial statements for the year ended 31 December 2018, management has faith in the strategic decisions taken and the plans to make the Group profitable and cash generating in the future. Although, there is a material uncertainty with respect to going concern. As per June and July 2020 respectively, a significant repayment obligation applies to the €15,000 thousand facility of Sapinda Holding B.V. and €75,700 thousand of remaining convertible bonds. At this moment, the Group is not able to repay these debts. The management is currently exploring options how to respond to that situation which occurs in June and July 2020.

2.3. Changes in accounting policies and disclosures

2.3.1. Leases IFRS 16

The Group has adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group as a lessee, has recognized right-of use assets representing its rights to sue the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in accumulated deficit at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated but remains as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

2.3.1.1. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4. The Group now assess whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not re-assessed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As lessee of property and IT-equipment, the Group previously classified leases as operating for finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities only for offices with a remaining term upon the transition or any later commencement date of more than 12 months. Leases of shared offices can all be terminated within 12 months. Lease payments of such short-term leases as well as for low-value assets (i.e. IT-equipment) are recognized as an expense on a straight-line basis over the term of the lease.

The Group presents right-of-use assets in property and equipment, the same line item as it would present underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as below:

	2019	
in € thousands	31 Mar	1 Jan
Property and equipment	17,247	**4,515**

The Group presents lease liabilities in 'other non-current liabilities' as well as 'trade and other receivables' in the statement of financial position.

2.3.1.2. Recognition of a lease

The Group recognizes a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property and subsequently measured at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Groups incremental borrowing rate. Generally, the Groups uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain or be exercised or a termination option is reasonably certain to be exercised.

Management as applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

2.3.1.3. Transition

Previously, the Group classified all office leases as operating leases under IAS 17. The term of those lease varies from leases with a three-month termination period up to a fixed period of 10 years. Some leases include an option to renew the lease for an additional three to five years after the end of the non-cancellable period. Some leases provide for additional rent payments that are based on changes in local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining leasing payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining after 1 January 2019.
- Used hindsight when determining the lease term of the contract contains options to. extend or terminate the lease

On transition to IFRS 16, the Group recognized right-of-use assets and lease liabilities, recognizing the difference in accumulated deficit. The impact on transition is summarized below.

in € thousands	1 Jan 2019
Right-of-use asset presented in property and equipment	4,515
Lease liabilities presented in other non-current liabilities	3,771
Lease liabilities presented in trade and other liabilities	820
Accumulated deficit	(76)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 4.5% p.a.

2.3.1.4. Effect for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognized €4,322 thousand of right of used assets and €4,578 of lease liabilities as at 31 March 2019. During the three months ended 31 March 2019, the Group started a 10 years office lease in Berlin resulting in a right-of-use asset of €12,925 thousand and a lease liability of €13,196 as at 31 March 2019.

Also, in relation to those leases under IFRS 16, the Group has recognized depreciation and interest cost, instead of operating lease expense. During the three months ended 31 March 2019. the Group recognized €492 thousand depreciation charges and €103 thousand of interest costs from these leases.

2.4. Business combinations and goodwill

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

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

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

2.5. Recognition of income and expenses

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

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

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

Interest income and expense is recorded using the effective interest method with exception of borrowing costs capitalized according to IAS 23. In 2019 there were no qualifying assets, so that all interest expenses were recorded in profit and loss. Income and expenses are not offset unless gains and losses arise from a Group of similar transactions unless they are material.

2.6. Impairment of intangible assets and property and equipment

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

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

2.7. Accounting estimates and assumptions

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

3. LOAN FROM SHAREHOLDERS

In January 2019, the Company received €2,000 thousand from Sapinda Holding B.V. Another €1,000 thousand were drawn in April 2019. These loans adding up to an overall credit facility provided by Sapinda Holding B.V. amounting to €15,000 thousand. All loans bear interest of 8% p.a. and shall be due and payable in June 2020.

Notes to the Consolidated Financial Statements Q1 2019

4. OPERATING SEGMENTS

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

As described extensively in the previous in financial communication including the Group's consolidated financial statements for the year ended 31 December 2018, the Group maintains on operating segment Fyber FairBid (in previous communication sometimes referred to as Fyber Unified Platform).

	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.

in € thousands	Three months ended 31 March			
	2019		**2018**	
	Gross revenue	**EBITDA**	**Gross revenue**	**EBITDA**
Fyber FairBid	**27,480**	**(1,380)**	**29,293**	**(4,214)**

5. GEOGRAPHIC INFORMATION

Breakdown of gross revenue according to customers' location:

in € thousands	Three months ended 31 March	
	2019	**2018**
	Gross revenue	
United states	13,546	14,928
Europe, Middle East and Africa	11,625	11,251
Asia-Pacific	1,887	2,498
Rest of the world	422	616
Total	**27,480**	**29,293**

6. SUBSEQUENT EVENTS

6.1. Convertible bonds debt-to-equity exchange

After the end of the reporting period, the Company completed the settlement of the voluntary debt-to-equity exchange of 742 convertible bonds worth €74.2 million at an exchange price of €0.30 per share, resulting in 333,333 shares per tendered bond. The Company issued 247,333,086 new shares, bringing the ordinary issued capital of Fyber to €36,186,642.

6.2. Takeover bid by Advert Finance B.V.

On 10 May 2019, Amsterdam-based Advert Finance B.V., a subsidiary of Sapinda Holding B.V., published that it gained control of Fyber N.V. following their participation in the recent voluntary debt-to-equity swap. With approximately 158 million shares, they are holding 44% of the 362 million outstanding shares following the capital increase. Advert Finance B.V. announced the publication of a mandatory takeover bid to all shareholders in due course.

6.3. Enterprise chamber petition filing

In May 2019, Guy Dubois, a former member of Fyber's Supervisory Board, and Tetra-House Pte. Ltd., for which Mr Dubois acts as chairman, who together hold less than 1% of the Company's share capital following the recent capital increase, filed a request to the Enterprise Chamber Amsterdam to order an investigation into the policies and course of events mainly in relation to the Company's recent voluntary debt-to-equity exchange and (ii) to temporarily appoint an independent supervisory director with a decisive vote. Fyber is of the opinion that there is no reason to doubt its policies and will defend itself against the request for an investigation and a court-appointed supervisory director.

6.4. Additional loan facility with Tennor Holding B.V.

In May 2019, the Company entered into a €5,000 thousand loan agreement with Tennor Holding B.V. (formerly Sapinda Holding B.V.) maturing in June 2022, to support its operating needs in line with the forecast for the full year 2019 and accelerate its growth. This facility includes a possible expansion of additional €10,000 thousand, subject to business needs and Tennor's approval.

Financial Calendar

Annual General Meeting 2019
12 June 2019

H1 2019 Interim Statement
28 August 2019

Q3 2019 Interim Statement
20 November 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 open access for digital publishers and advertisers with a global reach of more than 1.2 billion unique monthly users. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 270 people. The Company is listed on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

Editorial

Fyber N.V. (Naamloze Vennootschap) is a public company with limited liability, incorporated under the laws of the Netherlands
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Yaron Zaltsman (CFO)

Chairman of the Supervisory Board
Yair Safrai

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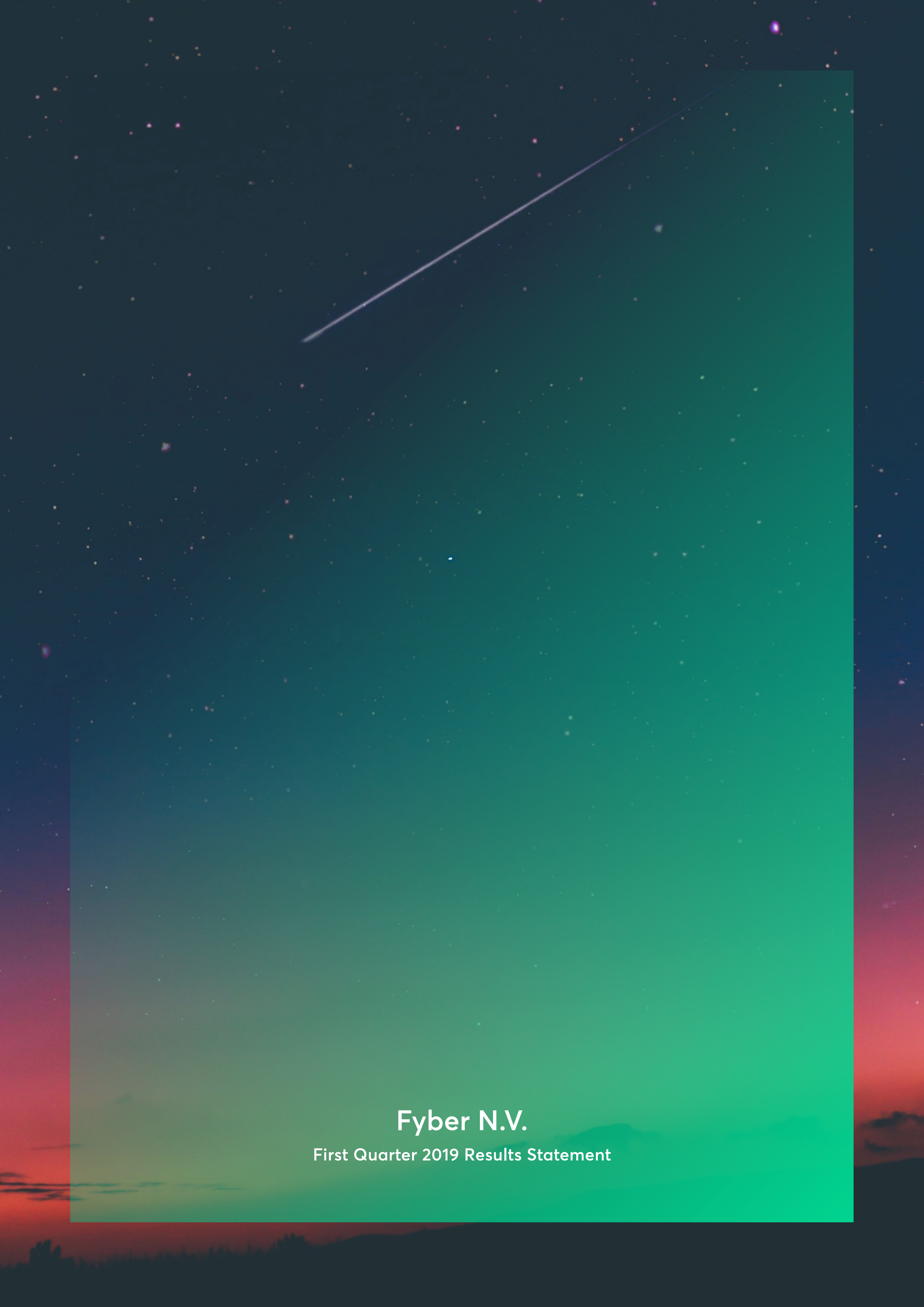

Fyber N.V.

First Quarter 2019 Results Statement