



RNTS Media N.V.

Strong programmatic and video business drives growth in 2016 Full Year Trading Update

BERLIN, Germany – 28 April 2017 - RNTS Media N.V. (“RNTS”, the “Company” or the “Group”), a leading mobile advertising technology company, announces strong preliminary financials for the full year 2016, with gross revenue growth of more than 68% compared to 2015. *All presented financials are pro-forma and based on preliminary unaudited figures.*

Financial & Operational Highlights 2016

- Strong programmatic and video business activity resulted in an increase in gross revenues of +68.9% to €218.1m compared to €129.1m in 2015 - outperformed guidance, which was raised twice during the year
- Improved the full year 2016 adjusted EBITDA result by €6.4m to -€5.8m; Q4 adjusted EBITDA close to break-even at -€0.5m
- Completed acquisitions of mobile mediation provider Heyzap and real-time bidding (“RTB”) exchange Inneractive, significantly expanding the Group’s product offering and global reach
- Successfully delivered on the growth strategy set out in 2015
 - Expanded focus of programmatic trading and video advertising
 - Revenues from programmatic trading and real-time bidding grew by almost 300% from 2015, accounting for 59% of the Group’s gross revenues
 - Video revenues increased by almost 280% over 2015, representing 44% of the Company’s total revenues

2016 was focused on further building out the Company’s strong market position on the supply-side by adding technological capabilities and growing the global reach and scale of the platform. RNTS Media’s full stack offering enables publishers and app developers to centrally realize all their advertising monetization strategies by providing a comprehensive set of publisher tools, ad formats, and platform products, reaching more than 1bn monthly active users on a global scale.

The strategic focus for 2017 is on further integrating the acquired assets which will drive value for our partners and realize the identified synergies, bringing the Group to full year profitability on an adjusted EBITDA basis.

Andreas Bodczek, CEO of RNTS Media, commented: “We continued to deliver on our M&A strategy during 2016 while at the same time driving strong growth in the operating business with revenues up 69%. We closed two acquisitions, finished the integration of Fyber RTB, and have begun the integration of Inneractive. These acquisitions continue to transform the business and, as demonstrated by the ongoing increase in video and programmatic revenues, we are confident that the Company’s excellent market positioning will provide further growth and sustainable profitability going forward.”

Strategic Developments

In 2016 RNTS Media made significant progress in executing its strategic vision to build the world's leading neutral mobile-first ad tech company. This was achieved both organically through the development of important technology components as well as inorganically through two additional acquisitions. The Company also successfully sold its final non-ad-tech business component, Big Star Global, in April 2016.

Integration of Fyber RTB (former Falk Realtime)

- Revenues of €52.2m, representing a 362% increase on 2015 (€11.3m)
- Cross-referenced business between Fyber RTB and Fyber enabling revenue synergies; all back office functions are now fully integrated
- EBITDA profitability already achieved, future business continuing to be very promising and further synergy potentials available within the Company - proving the acquisition of Fyber RTB to be a success

Acquisition of Heyzap Inc.

- Added significant reach in the core markets of freemium and gaming apps, making RNTS Media one of the largest neutral mobile Supply Side Platforms ("SSP") available
- Market leading position for the provision of Mediation services
- Economies of scale through transferring the acquired business onto the Fyber platform; Heyzap will be fully integrated into Fyber by year-end 2017

RNTS Media acquired Heyzap in January 2016 for an initial purchase price of \$20m and additional earn-out and retention payments of up to \$25m. The earn-out criteria were only partially achieved and negotiations with the sellers with regards to the final payment are ongoing.

Acquisition of Inneractive Ltd.

- Significant growth throughout 2016 increasing revenues to €83.4m in 2016 (€38.9m in 2015)
- Further accelerates the move to programmatic and RTB by adding Inneractive's strong mobile ad exchange, building out the Company's cross-platform offering
- Significantly expands the Company's addressable market, as Inneractive's business is 100% outside the gaming vertical

The acquisition, for an initial purchase price of \$46m and performance-based earn-out payments of up to \$26m, was closed in July 2016. The earn-out criteria have been exceeded and it is planned that RNTS will advance contractual payments, originally scheduled to be paid annually until 2019, to 2017 in order to accelerate the integration of platforms and realization of synergies locked today.

Business Developments

While RNTS Media's management anticipated the importance of programmatic and real-time bidding technology early - as witnessed by the acquisition of Falk Realtime in May 2015 and

Inneractive in July 2016 - the explosive growth realized subsequently exceeded expectations. Consequently, for 2016 and the coming years, the investment focus will be in this high growth area to further capitalize on the opportunity.

Business & Product Highlights

- By means of expanding the effort to build solutions for premium publishers, Inneractive signed an exclusive agreement with Axel Springer to help monetize its new app Upday
- China office launched in April 2016 with the Beijing team closing deals with the biggest publishers in China such as Baidu and Cheetah Mobile, soon after
- Released the Fyber Publisher Adserver as part of the integration of Fyber RTB services into Fyber, making it available to Fyber publishers in order to handle their Direct Sold campaigns
- Released Banner ads as additional ad format, including support for key demand partners such as Google AdMob and Facebook Audience Network
- Inneractive launched Story, an innovative in-feed native video format and subsequently managed to secure an early beta tester, Huffington Post/AOL, as a regular client
- Strong focus on efficiency and performance at Fyber RTB: reworked aggregation pipeline in order to scale properly with the enormous traffic, separated web server components, optimized bid and ad requests, resulting in lower server cost and increased performance

Financial Results, Segmental Performance, Statutory Results

As the various acquisitions have occurred at different times, all financial data is adjusted to include them as of 1 January 2015. On this pro-forma basis, 2016 revenues increased by 68.9% from €129.1m to €218.1m.

	PF Gross Revenue	Gross Margin (%)
Fyber (incl. Heyzap)	€79.9m (+6.0%)	31.1% (-1.1%pts)
Fyber RTB	€52.3m (+362.1%)	19.3% (+14.1%pts)
Inneractive	€83.4m (+114.1%)	31.4% (-3.5%pts)

The gross margin (EUR) increased from €40.7m to €62.4m (+53.3%). The average gross margin (%) fell from 31.5% to 28.6% predominantly due to the mix effect with Fyber RTB increasing its share of revenue from 8.8% to 24.0% on a gross margin that is still lower than the Group's average, but has grown from 5.2% in 2015 to 19.3% in 2016.

Operating expenses adjusted for separately disclosed items in line with past reporting have increased by 27.6% to €73.9m, demonstrating good economies of scale against the revenue growth of 68.9%. Personnel expenses only grew by 17.4% to €37.4m.

Adjusted EBITDA was -€5.8m, a €6.4m improvement on 2015.

As the losses from separately disclosed items (2015: -€27.5m) will also be significantly reduced, statutory EBITDA and loss for the year after taxes, which will be disclosed with the full audited financial report in July, are also expected to be much improved against 2015. The late publication is due to an unexpected change of auditors late in 2016 and the scarcity of audit capacities for more timely reporting earlier in the year.

Financing

RNTS Media successfully placed €150m of convertible bonds (“Bonds”) in two tranches in 2015 and 2016, with a coupon of 5% p.a. and a conversion price of €4.20, executable at any time during the Bonds’ duration until 27 July 2020. The funds raised were used to repay previous shareholder loans and to finance acquisitions and ongoing business.

A Bondholder Meeting held in April 2017 approved a number of changes to the terms of the Bonds. The changes improve the cash flow during the critical period until break-even and reduce the refinancing risk in 2020 by making a future conversion much more likely, significantly adding to the foundations of full financing.

Management is aware that the Company requires further funding before it reaches break-even, and negotiations on a variety of financing options are ongoing, though not yet closed. On the basis of the business performance, the continued support of its shareholders and bondholders and constructive negotiations with financing partners at different levels, management is confident that the Group is a going concern.

Further subsequent events

- Continuous strong growth in operating business
- On 13 February Mr Yaron Valler joined the supervisory board; On 5 April Mr Thorsten Grenz announced to step down as member and Vice-chairman from the supervisory board with immediate effect
- Concluded an extraordinary general meeting on 11 April, at which all proposed resolutions have been approved

Outlook

In 2017, RNTS Media expects to continue the growth achieved in 2016 by fully integrating Fyber, Fyber RTB, Heyzap and Inneractive into a single strong operating company that will provide significant opportunities for further efficiencies and scalability. This is expected to deliver in excess of €280m in revenues and adjusted EBITDA in excess of €3m.

RNTS expects to be able to secure the financing needed to execute this further growth via a number of facilities and will update the market with developments in due course.

Disclaimer: All presented financials are based on unaudited preliminary financial statements 2016 which are currently being audited. The audited annual results may be materially different to these unaudited numbers. Due to a change in external auditors for reasons outside of the Company’s control at the end of last year, a timely conclusion of the audit was not possible for the newly appointed auditors and the Company will consequently publish its audited Annual Report 2016 in July 2017. All presented financials are pro-forma numbers as if Heyzap and Inneractive had been acquired on 1 January 2015.



About RNTS Media

RNTS Media 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. Through its core assets, Fyber and Inneractive, the Company's technology infrastructure reaches more than one billion monthly active users. RNTS technology is channel-neutral and provides an open-access platform for advertisers and publishers. Its platforms enable cross-device advertising with a global reach and a strong focus on video. RNTS Media was founded in 2010 and is headquartered in Berlin, Germany. The Company employs more than 380 people globally and is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'RNM.' In 2016, the fast-growing company won a number of awards including: Deloitte Technology Fast 500™ 2016 EMEA company; placed in Gruenderszene's Top 50 growth ranking 2016; and won the Golden Bridge Gold Award 2016. For more information visit www.rntsmmedia.com.

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