Fyber N.V.

Fyber N.V. publishes Annual Report 2018 and initial results for Q1 2019

38 percent growth of programmatic core business in Q4 2018 year-over-year and 17 percent in Q1 2019 year-over-year

Key Facts

- Gross revenue of €128.5 million and adjusted EBITDA of €-7.2 million in 2018
- Positive adjusted EBITDA in Q4 2018
- €74.2 million convertible bonds conversion into equity underway, enhancing the Company's capital structure
- Product and business development set stable foundation for future growth, but 2018 financials still burdened by one-off effects and strategic decisions
- Successful product launches and important contracts concluded with industry leaders
- Optimistic outlook for full year 2019 with an expected revenue growth above 20 percent

Berlin, 30 April 2019 - Fyber N.V. ("Fyber" or the "Company", FSE:FBEN), a leading advertising technology company, today published its financial results 2018. The revenue development for the year was impacted by one-effects related to Fyber's 'Keeping it Clean' initiative and Google's ban of charging screen ads - both external factors, that affected not only Fyber, but the wider market. Fyber's core business outside of these effects was influenced by resources spent on the integration of former group companies, the roll-out of new products and platform features including Fyber FairBid, and the technical integration of new major demand partners, with whom the Company successfully entered into important strategic partnership during the year.

For the full year 2018, the Company generated gross revenue of €128.5 million (2017: €229.8 million), net revenue of €46.1 million (2017: €69.9 million) and an adjusted EBITDA of €-7.2 million (2017: €-1.2 million). During Q4 2018 the gross revenue amounted to €38.6 million (Q4 2017: €52.6 million) and a positive adjusted EBITDA of €0.6 million (Q4 2017: €2.0 million) - fully based on the core business already, as the one-off effects were concluded before the start of the quarter.

Programmatic core business unaffected by one-off effects and growing

The Company restructured its income base in an effort to maximize transparency and ad quality. While this incurred forgoing almost €80 million of gross revenue in 2018 compared to the previous year, Fyber managed to conclude the one-off effects, build a strong product portfolio entirely focused on the areas of fastest market growth, increase the net revenue margin and achieve year-over-year growth of 38 percent for the programmatic core business.

The operational cost base for 2018 was reduced by 25 percent compared to 2017, largely based on the efforts to integrate the former group companies and realizing related synergies. This enabled the Company to achieve a positive adjusted EBITDA in the last quarter of 2018 despite lower revenues.

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	**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%

Important technology milestones reached

One of the highlights was the successful first-to-market launch of Fyber's new and innovative in-app header bidding technology Fyber FairBid making possible a truly parallel bidding process of all connected demand sources based on actual, real-time prices. The new bidding technology was well received in the market and some of the world's leading mobile advertising networks such as Facebook Audience Network, AdColony and Tapjoy already partnered with Fyber and the initial results of increased yield for publishers are very promising. Another success was the redesign of Offer Wall Edge, one of Fyber's key ad formats.

Furthermore, in the course of its 'Keeping it Clean' initiative the Company decided to focus on core products, advertising quality and brand safety, including the proactive discontinuation of non-core parts of the business, namely web and aggregator-based traffic. Fyber is now focused on in-app ads based on direct integrations with publishers and highest standards of viewability, trackability and brand safety.

€74.2 million debt-to-equity swap

Fyber succeeded in reducing its debt burden by carrying out a partial debt restructuring. In December 2018, an agreement was reached with the holders of its €149.9 million convertible bonds to delay all coming interest payments to the final maturity date of the bonds in July 2020.

Additionally, the Company initiated a voluntary debt-to-equity swap of bonds at a swap price of €0.30 per new share. At the end of the offer period, €74.2 million worth of bonds had been contributed to the swap. The conversion into new shares will follow in due course, generating 247.3 million new shares and positive equity for 2019. Fyber plans to complete prolongation of the remaining €75.7 million bonds ahead of maturity or alternatively look for other financing alternatives including a further debt-to-equity swap.

Preliminary results for the first quarter 2019 and outlook

Based on the promising current business development, Fyber gives an optimistic outlook for the full year 2019: Having concluded the restructuring process, Fyber expects to monetize on its unified product with gross revenue between €155 and €175 million and an adjusted EBITDA between break-even and €5 million. This growth will be based on existing products, the roll-out of new products to a wider group of partners and the onboarding of new partners. Already in Q4 2018, more than 30 percent of Fyber's gross revenue was achieved with new publishers – a strong indicator for future growth opportunities.

Initial preliminary results for Q1 2019 support the stated guidance and show a continuation of the growth trend in Fyber's programmatic business, which grew by 17 percent to €14.5 million in gross revenue, out of the total gross revenue of €27.5 million (Q1 2018: €29.3 million). Further savings in the operating cost led to a 55 percent improvement in adjusted EBITDA to €-1.8 million.

Fyber CEO Ziv Elul, commented: “Having completed our restructuring process, we are now well positioned for the coming years with a strong client base, a valued product portfolio and a close-knit team of ad tech experts. Thus, we are very confident that we will return to our growth path in 2019 and expect to deliver positive adjusted EBITDA for the full year.”

The complete annual report 2018 is available on the Fyber website under: https://investors.fyber.com/reports-presentations

Key Figures

	Full year			Q4		
In € million	**2018**	**2017**	**Change YoY**	**2018**	**2017**	**Change YoY**
Gross revenue	128.5	229.8	-44%	38.6	52.6	-27%
Net revenue	46.1	69.9	-34%	13.5	17.7	-24%
Net revenue margin	35.9%	30.4%	+5.5pp	35.0%	33.6%	+1.4pp
EBITDA*	(7.2)	(1.2)	-83%	0.6	2.0	-70%

*Note: Unaudited, adjusted EBITDA excluding one-off impacts, not a measure calculated in accordance with IFRS. For further details please refer to the Annual Report 2018.

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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. Our mission is to fuel the creation of quality content by empowering digital publishers and app developers to unlock the true value of their advertising properties through advanced technologies, innovative ad formats and data-driven decision-making. Fyber’s technology platform provides an open-access platform for both digital advertisers and publishers with a global reach of more than 1.2 billion monthly unique users. Fyber has offices in Berlin, Tel Aviv, New York, San Francisco, London, Beijing and Seoul. The Company employs more than 270 people globally and is listed on the Prime Standard of the Frankfurt Stock Exchange under the symbol ‘FBEN’ and the ISIN NL0012377394.

Investor Contact
Sabrina Kassmannhuber
ir@fyber.com
+49 30 609 855 555

Media Contact
Anja Ben Lekhal
anja.benlekhal@kirchhoff.de
+49 40 609 186 55

Fyber N.V.
Official seat: Amsterdam, the Netherlands
Office address Johannisstrasse 20, D-10117 Berlin, Germany
Amsterdam Commercial register number 54747805 | VAT Nr. DE283688947 | LEI Nr. 894500D5B6A8E1W0VL50
Managing Directors: Ziv Elul, Dani Sztern, Yaron Zaltsman
Chairman of the Supervisory Board: Yair Safrai