Fyber N.V.

ANNUAL REPORT 2020

Fyber

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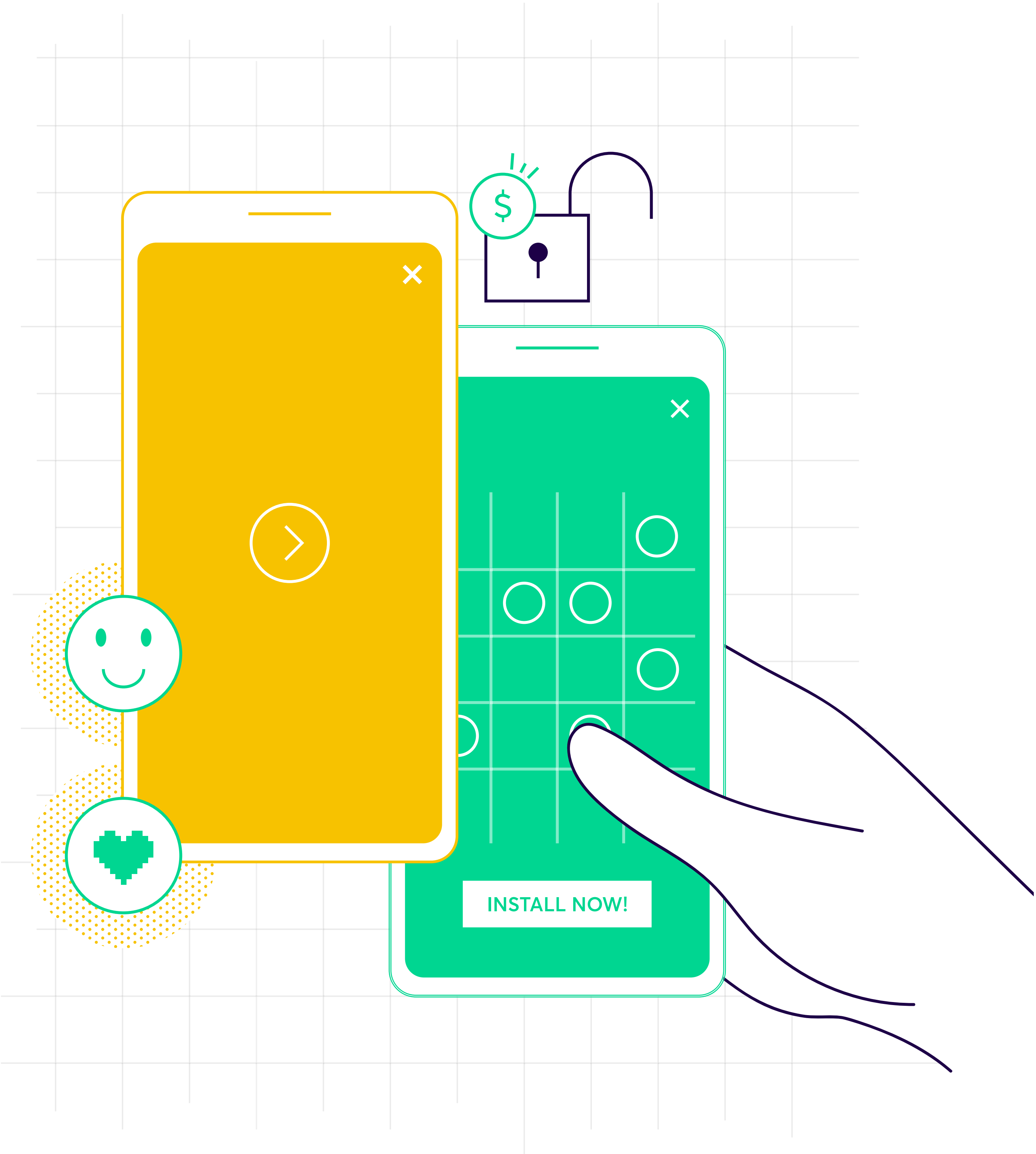
Our Vision

”To be the leading, independent, primary monetization platform for app publishers”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INSTALL NOW!

Highlights & Key Figures

76% revenue growth in 2020 to €210 million

111% year-over-year growth in the programmatic business

Programmatic video accounts for 34% of business & grew more than 800% in 2020

Full year positive adjusted EBITDA of €5.6 million

Digital Turbine to acquire full ownership in Fyber for $600 million, creating a new mobile media power-house offering the largest, independent growth plat-form for app publishers, performance marketers and top global brands

Updated guidance 2021: Expecting revenue between €300 million and €350 million, at an adjusted EBITDA between €15 million and €20 million

Preliminary results for Q1 2021: €86 million revenue (+179% compared to Q1 2020), €7 million adjusted EBITDA (compared to €-0.8 million in Q1 2020)

Financial Performance

	Year Ended 31 December		Three months ended 31 December**	
	2020	2019	2020	2019
	in € millions			
Revenue	209.8	**119.0**	89.1	**36.3**
Cost of sales	(179.3)	(99.5)	(74.7)	(30.6)
Gross profit	30.5	**19.5**	14.3	**5.6**
EBITDA*	5.6	**(2.7)**	5.5	**0.6**

* 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.
** Please note that all quarterly figures in this report are unaudited.

Letter from the CEO

Dear Readers,

2020 was a very successful year for Fyber. Our business is founded on the core idea of connecting people globally through engaging, meaningful digital experiences and supporting app developers in their task of creating and sharing new ways to stay in touch. In a time when face-to-face interactions are burdened or even prohibited to fight a global pandemic, the digital space proved once more its importance and growth potential. During the different lockdown periods due to COVID-19, many people engaged with digital content to connect with family and friends, work out, discover new hobbies, play, stay informed and safe. The digital advertising space proved resilient in a time of economic contraction. Mobile and in-app advertising helped to keep the overall advertising market almost at par with last year's numbers despite the challenges brought on by the pandemic.

As an independent, holistic provider of in-app advertising technology covering a range of app verticals and more than 180 countries, Fyber played an important role in supporting the monetization needs of app and game developers. While we expand our global reach, we are determined to positively impact the industry's offering and together with our partners build the foundation of bringing engaging, diverse, affordable digital content and entertainment to the global community of gamers and app users.

Fyber delivered the strongest Q4 in company history
The Company accelerated its month-over-month growth throughout the last quarter and reported positive and growing adjusted EBITDA each month since July 2020. The results for Q4 2020 alone amounted to €89 million in revenue, an increase of 145% compared to Q4 2019, and a positive adjusted EBITDA of €5.5 million. 40% of the Q4 revenue was generated by video advertising formats.

For the full year 2020, Fyber exceeded all initial plans and delivered 76% revenue growth to €210 million, a net revenue of €45 million at an adjusted EBITDA of €6 million. The growth stems from scaling up Fyber's activity with leading mobile gaming companies, across both existing and newly acquired clients, and the expansion of our video advertising offering, which accounted to more than 30% of the overall revenue.

Strong performance in video advertising paved the way to profitability
In 2020, Fyber's revenue from programmatic advertising increased by more than 111% year-over-year to €170 million. Of that, programmatic video ads made up 42%, amounting to €71 million – an increase of more than 850% compared to 2019.
Going into the year, we clearly set out to make video our main growth driver and through various business and product initiatives we delivered on this promise. The positive market feedback and high engagement rates recorded by our clients give us confidence that we can maintain this trend throughout the year and beyond. We are proud that the effectiveness of our video product also supported our mission to expand Fyber's market share. In Q4 2020, approximately 40% of revenue was generated by new partners, who used the Fyber monetization suite for less than a year.

A year to be proud of
With many uncertainties brought to the global economy and our industry throughout the year, we stayed focused on our game plan and delivered on many of our business and product milestones. We expanded our collaboration with partners on both the supply and demand side and lay special focus on the in-app gaming market.

The revenue from the Fyber Marketplace, our main revenue contributor, grew by 111% compared to 2019. On Offer Wall Edge, we launched a new buy-side platform offering advertisers advanced targeting features. Furthermore, we solidified our programmatic mediation solution, Fyber FairBid, with multi-testing tools and more supported mediated networks. All initiatives jointly prepare the basis for further market penetration in 2021 and growth stemming from gaming, video advertising and the increasing demand for performance advertising and user acquisition.

Most important, we stayed focused on keeping our employees safe by adopting remote work policies for all global offices early on and we still encourage our teams to work remotely wherever this is advised by health officials. Fyber is a lean, agile company that built up an effective team of industry experts and diverse talent over the years. During the past year, we updated and sharpened our company values to reflect our organization and purpose.

Proactiveness, courage, commitment and accountability brought us to where we are today. Our resilience enables us to win in a dynamic, fast-paced market as we put our customers and their needs at the heart of everything we do. We strive to maintain a safe and inclusive workplace for everyone and set the goal for 2021 to align our organization even closer with our business purpose and will invest into gaming-focused culture.
In 2020, the Company was named in Comparably's list of best small to mid sized companies in North America in the categories 'Best Company Culture', 'Best Company for Women' and 'Best Company for Diversity'. Fyber also made rank 18 in Dun's list of the best high tech companies to work for in Israel.

A strong start to the year with video outpacing display formats for the first time
According to preliminary calculations, Fyber delivered €86 million in revenue in the first quarter of 2021 - a plus of 179% compared to Q1 2020. More than half of this was generated from video advertising, proving our investment strategy and business efforts centered around engaging full-screen formats pay off. The net revenue margin, temporarily affected by the changed market conditions during Q1 2020, came back strong in Q1 2021, with the net revenue amounting to €17 million. This paved the way for a strong month-over-month growth in Fyber's adjusted EBITDA, which amounted to €7 million in the first three months of the year.

Targeting above-market growth in 2021
During this year, we seek to further increase our revenue from the gaming segment based on the growth with existing clients but also adding new prospects to the network. Two factors stand out in setting us up for the task: our premium video offering and the recent enhancements in our support of playable ads meet the clients' demands of balancing their monetization goals with a strong user experience. Secondly, Fyber differentiates itself by offering an unbiased and independent alternative to mobile game companies.

We continue our focus on growing profitability and plan to use a small investment into operating cost to translate it into almost doubling our adjusted EBITDA this year.
The Company expects a revenue between €300 million and €350 million at an adjusted EBITDA above €15 million for the full year 2021.

As reported, the timing and impact of Apple's anticipated privacy changes remain uncertain. Fyber continues its product and business initiatives to minimize any impact and, in the process, became a thought leader in the industry on how to ensure effective privacy-aware advertising and user acquisition under the new policy on behalf of our customers.

Fyber to be acquired by NASDAQ-listed Digital Turbine
In March 2021, we announced that US-based Digital Turbine, global on-device mobile platform company, has signed a definitive agreement to acquire full ownership in Fyber for $600 million.

Digital Turbine is a leader and disruptor in the mobile ad tech space through a delivery platform that makes it easier than ever for people to frictionlessly discover new apps, for operators and OEMs to build new revenue streams, and for advertisers to reach users at scale.

Joining forces with Digital Turbine will allow Fyber to accelerate our already strong growth, add complementary offerings to our existing customer base and allow us to develop new features and products that attract new customers. The Company will also benefit from Digital Turbine's recent complementary acquisitions of AdColony

"Fyber expanded its focus on the booming gaming market and entered into many new collaborations with leading app developers."

and Appreciate, as well as its strategic relationships with mobile carriers and equipment manufacturers. This is the next major step in Fyber's growth story and we are thrilled to complete the Company's turn-around on this incredible high note.
Not only will the combined group form the most comprehensive and fastest-growing mobile monetization platform on the market, but we can already attest to the great cultural fit of the teams and the management, which will greatly support a successful integration.

We wish all our employees, partners, and investors best of health and thank them for their support and trust!

Yours sincerely,

Ziv Elul
Chief Executive Officer
Berlin, April 2021

Letter from the Supervisory Board

Dear Readers,

2020 brought numerous challenges to the global community and economy. The spread of the COVID-19 pandemic meant restrictions on many businesses, events, travel, and our day-to-day interactions in general. Fyber adapted swiftly to the new reality by launching work-from-home policies for all global offices, restricting business travel, and adhering to all guidelines of local governments and public health authorities. The transition was possible at minimal extra cost, as the Company's operations, delivering digital products and services. were already set up to support its global structure – connecting employees and clients across time zones and continents.
In-app advertising technology proved to be one of the few industries remaining steady and growing throughout this exceptional time. Fyber saw many of its clients thrive and added major names to its platform, who benefited from the increased time spent online and within apps.

Translating past investments into current growth
The Company made big strides in 2020 on its way to becoming the leading independent provider for publisher-facing in-app advertising technology – meeting both strategic and operational milestones. At the beginning of the year, Fyber set out to underline its focus on video advertising and expanding the exposure to the gaming sector. The Company invested into the functionality of the video product and onboarded leading demand-side platforms to enable further growth both from rewarded and traditional video advertising. Throughout the year, client feedback confirmed Fyber's high fill rates and competitive pricing for the various full screen ad units. A dedicated new sales structure was successfully implemented to further foster the close ties with the Company's partners and achieve optimal monetization results together.

With a year-over-year revenue growth of more than 76% to €210 million in 2020, the Company validated the investment and go-to-market strategy. 34% of the overall revenue was generated from programmatic video advertising and the share is set to grow further. Fyber worked with many of the world's leading game developers and advanced to be a main source of advertising yield for many clients. The Supervisory Board congratulates the Company and the Management Board for overachieving the set goals and increasing the guidance for 2021.

Keeping the focus on profitability
The short term impact on the advertising spend attributable to COVID-19 was compensated already in the second half of the year, bringing the net revenue back to and above pre-crisis levels. Combined with close cost management, this enabled a positive adjusted EBITDA of €6 million for the full year.
Given the strong market position in this expanding industry, Fyber assumes to maintain double digit growth rates and more than double of the adjusted EBITDA profit in 2021.

The Supervisory Board's work in 2020
In its capacity as an advisory and oversight body, the Supervisory Board maintained an active dialogue with the Management Board throughout the year and was involved in many decisions regarding the Company's general state, the product and business road map, the strategic alignment, and measures to tackle the specific challenges and the changed market environment brought on by the COVID-19 outbreak. As part of the work in the different Supervisory Board committees (remuneration & organization, audit & corporate governance, selection & appointment), the Board, among others, handled the reappointment of all current Management Board members for another 4-year term, contributed on and approved the financial statements 2019 and finalized the new remuneration policy for Fyber's executive management. Furthermore, new charters for all three committees have been adopted and published.

Digital Turbine's announcement to acquire full ownership in Fyber
After the end of the reporting period, the Company reported the signing of definitive agreements between Austin-based technology company Digital Turbine and Fyber's current majority shareholders to acquire their shareholdings in the Company. In a next step, Digital Turbine intends to acquire full ownership of Fyber at a total valuation of $600 million net of the Company's debt.
The members of the Supervisory Board, as well as Fyber's Management Board, have each concluded that providing support to the transaction is in the best interest of the Company and its stakeholders. Fyber has also entered into

a separate support agreement with Digital Turbine providing for among other things Digital Turbine's commitment to the employees and the strategy of the Company.

The members of the Supervisory Board extend their heartfelt thanks to everyone who offered their support and commitment to the Company in 2020. We thank the employees for their dedication and the members of the Management Board for the constructive collaboration and their driven, ambitious management, leading Fyber into a new phase of growth and profitability.

With best regards,

The Supervisory Board
Berlin, April 2021

"Fyber achieved the strongest fourth quarter in company history this past year and delivered full year profitability* – onwards and upwards!"

*on adjusted EBITDA basis

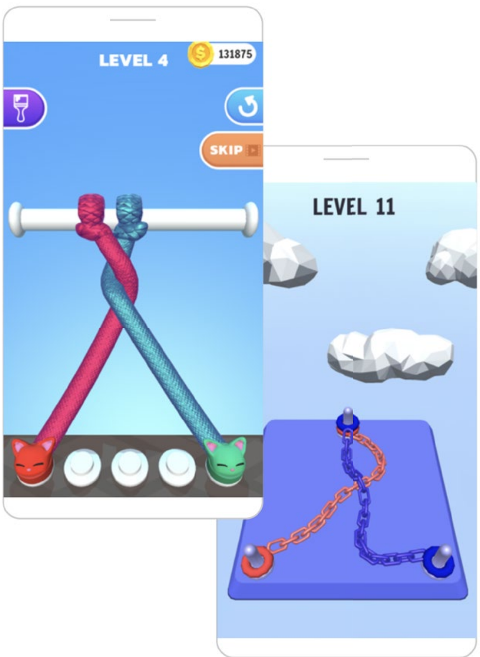
Powering Digital Advertising

Fyber (Fyber N.V. and its subsidiaries, "Fyber", the "Company" or the "Group") is a global technology company, developing a next-generation monetization platform for mobile publishers. Fyber combines proprietary technologies and expertise in mediation, real-time bidding, video advertising, and audience segmentation to create holistic solutions that empower app developers and mobile publishers to unlock the true value of their properties. Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul employs more than 250 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 2019, which illustrate the positive impact that Fyber's offering has had on its clients' monetization strategies.

Rollic drives growth & efficiency with Fyber Marketplace

Rollic integrates Fyber Marketplace as a default monetization partner for all games across rewarded video, interstitials, and banners



- Founded in January 2019 in Istanbul, Turkey, Rollic has been a bright star in the sky of hypercasual gaming, publishing 12 games by Turkish developers in its first year of activity, drawing global attention to the talent filled Turkish gaming scene. Since then, Rollic grew the team to 33 employees and is continuously releasing chart-topping hypercasual games, including massive hits such as:


Tangle Master 3D


Repair Master 3D


Wood Shop


Go Knots 3D


Wheel Smash


Touchdrawn

The challenge

Rollic was looking for an ad monetization partner that:

- Drives revenue growth across all ad formats while keeping Rollic's ad stack efficient
- Takes initiative, extending Rollic's collaborative DNA from game development to ad monetization by providing proactive, consultative service

The solution

Fyber marketplace was tested in late 2019, monetizing rewarded video and interstitial inventory on a single app.

Promising results led to the addition of banners to the integration, and Fyber quickly became a top revenue contributor across all ad formats, with 90% of Fyber's revenue contribution coming from rewarded video and interstitials.

"Fyber stood out in how easy it was to scale our partnership. The integration process was smooth and Fyber's tech team has been responsive and quick to resolve any issue, while our Account Manager proactively provides optimization recommendations on a regular basis, driving strong performance across all ad formats."

- **NIHAT ALBAYRAK,** Director of Growth

The results

Fyber Marketplace

Included in default ad stack across all titles

3x

Growth from Q1 to Q2 2020

90%

Of growth driven by rewarded video and interstitials

"Rollic has dedicated Growth teams that lead our monetization activity, but we expect our partners to share the responsibility for driving growth through their service and technology. It helps us keep the monetization side of our business very efficient and invest most of our resources towards coaching our developers in the game design process."

- **NIHAT ALBAYRAK,** Director of Growth

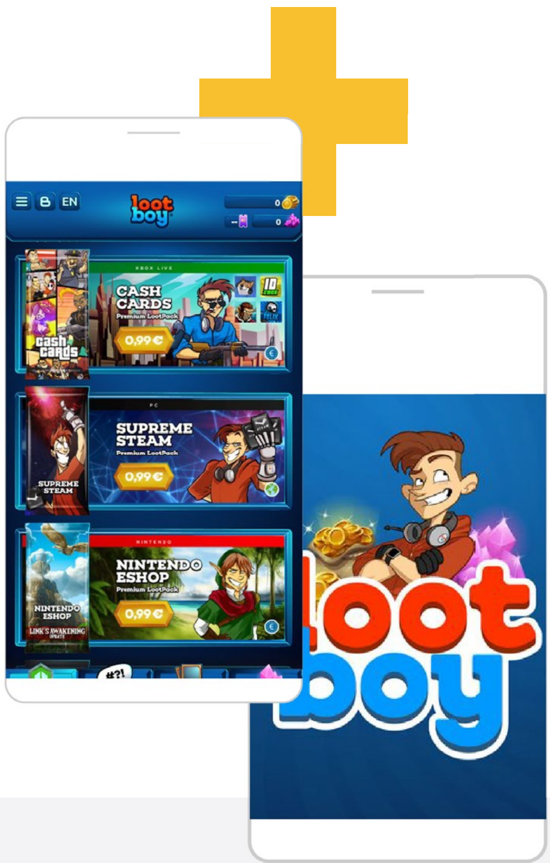
Mothership boosts Lootboy's revenue by 62% with Offer Wall Edge while reducing overhead costs

Replacing multiple offer and survey wall providers exclusively with Fyber's Offer Wall Edge simplified operations while growing user engagement rate, ARPDAU and overall revenue

- Founded in 2013, Mothership Marketing GmbH is Europe's leading full-service marketing agency, covering the full range of integrated digital marketing for digital products. It provides data-based insights and strategic consultation to enable its clients to reach new audiences and monetize users efficiently and at scale.

- Founded in 2018, LootBoy is the developer of an innovative digital marketing platform for the gaming industry with over 6M registered users. LootBoy's platform promotes gaming products and brands in an entertaining and playful way, enabling over 250 partners to gain access to millions of active and loyal users who use Lootboy to access exclusive gaming content.

- Lootboy chose to partner with Mothership upon realizing that its small team needed expert support in dealing with the operational overhead of optimizing their monetization strategy.



"The impact of switching to working exclusively with Fyber's Offer Wall Edge has been tremendous. We are able to generate superior results while significantly streamlining our operations by working with a single platform that covers our needs across monetization, reporting, and user support."

- CHRISTIAN HOFBAUER, Mothership's Managing Director

The challenge

In Q1 2020, Lootboy was running five different offer and survey walls in parallel, assuming that providing users with this variety would improve engagement and revenue. However, Mothership found that managing multiple partners required enormous resources and created substantial overhead when it came to optimization, billing, and especially in dealing with user inquiries regarding the status of their completed offers and earned Diamonds. The challenge of handling user inquiries had a negative impact on user experience and seemed to outweigh the benefits of working with multiple vendors. LootBoy was in need of streamlining their offer wall operations without sacrificing revenue.

Offer Wall Edge

The solution

LootBoy integrated Fyber's Offer Wall Edge in January 2020 integrating it alongside the 5 other vendors. Throughout Q1 2020, Fyber's Offer Wall generated 15% higher revenues compared to the five other providers combined. Upon observing Fyber's impressive performance, Mothership decided during Q2 2020 to work exclusively with Offer Wall Edge. This switch streamlined the operational overhead related to user inquiries, reducing user ticket count by 65% while also generating higher revenue. Working with Fyber as the sole Offer Wall provider, Lootboy's revenue grew by over 62% between Q1 2020 (Fyber running alongside 5 other vendors) and Q3 2020 (Fyber as the exclusive provider).

"We couldn't be happier with Mothership's decision to switch to Fyber's Offer Wall Edge. The new setup generated strong performance from day one and continued to improve over time, driving 62% higher total revenue than we had when our in-house team was working with multiple vendors. Fyber and Mothership also helped us streamline the user experience and reduce customer support overhead, which made a big impact on our daily operations."

- ANDRE KUSCHEL,
LootBoy CEO

The results

In Q1 2020 Fyber outperformed the five offer and survey walls combined

15%
Higher revenue

2.4x
Engagement rates

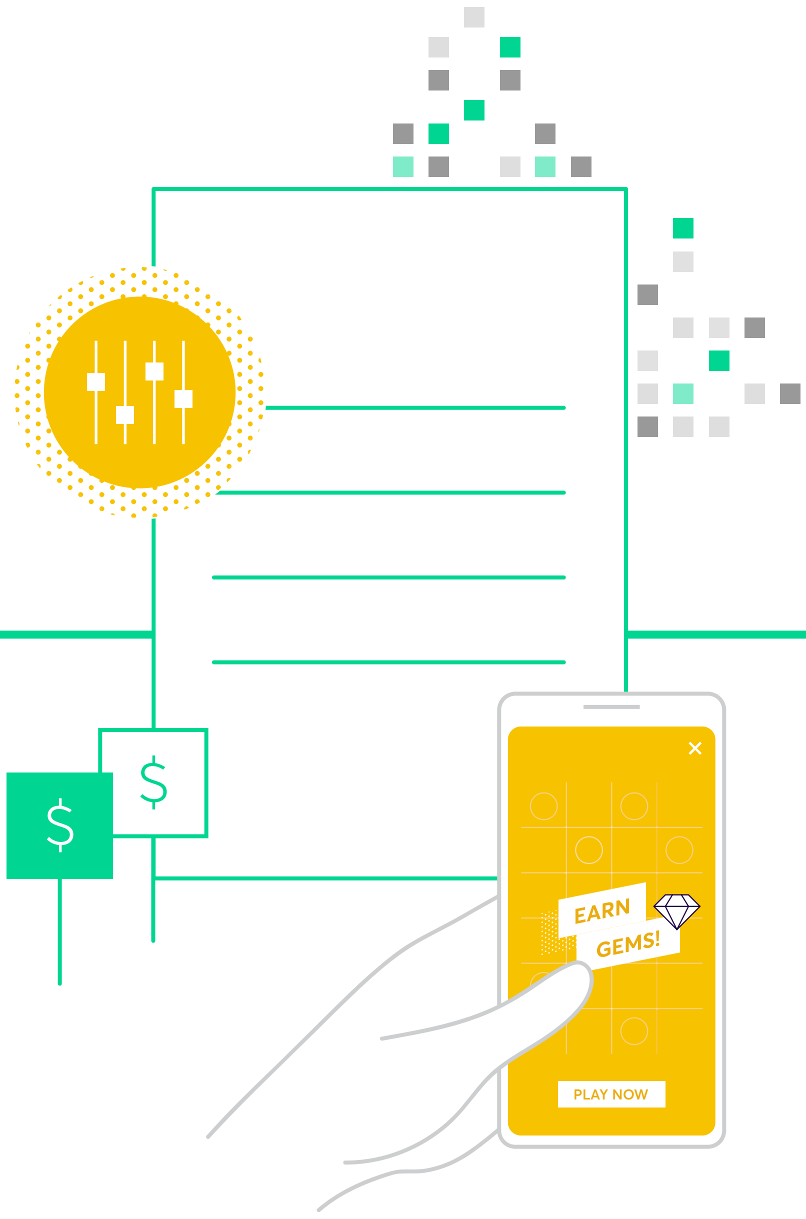
9x
ARPDAU

Performance continued to improve throughout the year (Q3 vs Q1)

62%
Higher revenue

30%
Higher eCPM

Report of the Management Board



Business Model

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

Fyber specializes in software-based automated ('programmatic') trading of advertisements ('ads') and aims to enable mobile app publishers to monetize their digital contents through the placement of targeted, high-quality ads within their apps. The Company connects app developers and their users with advertisers worldwide, who bid on the ad space within the apps (predefined spaces and instances within apps, where ads can be displayed at certain points of time during a session of a user engaging with the app).
Fyber applies data-driven processes in real-time to ensure that only relevant and lucrative ads are delivered and displayed. As such, Fyber supports app developers in establishing sustainable sources of income and acquiring new users while maintaining the crucial balance between yield optimization and a positive user experience. Depending on the publisher's requirements, all or selected aspects of the comprehensive technology platform listed below are accessible through online dashboards provided by Fyber.

The Company's offering comprises

- Ad exchange: the Fyber Marketplace is a programmatic ad exchange for the in-app environment, offering strong demand across video and display ad formats. It brings together thousands of app developers and their global audiences with more than 180 local and global advertising partners that offer ad campaigns and bid on the app's ad spaces.

- Ad mediation: a technology platform providing app developers with the infrastructure to configure ad placements within their apps, connect, manage, and optimize a variety of ad networks through a single integration and interface.

- App bidding (also referred to as "in-app header bidding"): technology that uses a real-time auction protocol to unify all connected demand sources, regardless of the type of technical integration they use, into a single competitive bidding process for every single ad opportunity. The winner of the auction is determined based on the highest price.
  Fyber's comprehensive app monetization platform, Fyber FairBid, brings together programmatic mediation, traditional mediation, app bidding and a variety of global demand sources integrations in one publisher dashboard. It addresses deficiencies of current mediation solutions by enabling all types of buyers to compete simultaneously over each ad impression in real-time. This maximizes the competition among demand sources, leads to yield optimization for app developers and minimizes missed revenue and advertising opportunities for both the supply and the demand side. The product combines the Company's expertise of mediation and real-time bidding and brings additional demand to publishers.

- Offer Wall Edge: Offer wall is an opt-in, value-exchange ad format, primarily used within gaming apps. It provides users with a list of offers from various advertisers, ranging from watching a video or completing a survey to trying out another game. Each offer is assigned a specific value in the virtual currency used in the app, and users can choose to complete these offers and collect virtual currency rewards that can be used to make progress in the game that they are using.

- Data services: including data analytics tools for app developers which provide a better understanding of their own user base, enabling them to form user segments following specific criteria; helps to achieve higher yield from advertisers, who seek to place targeted ads.

- Publisher tools: including features such as ad placements and ad instances that enable publishers to fine-tune their monetization strategies; online dashboards that allow for app developers to conveniently manage their ad monetization.

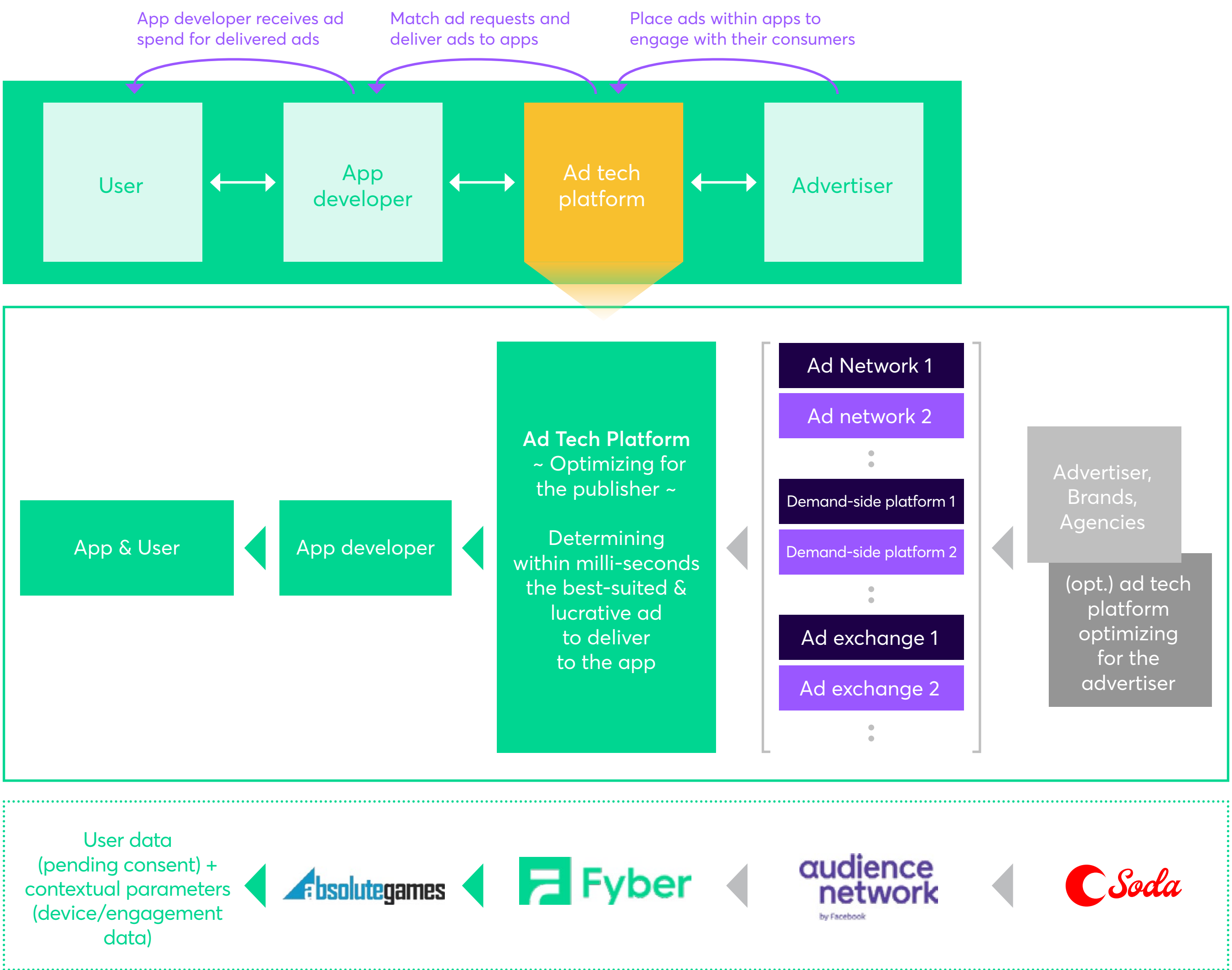
For transactions placed via the ad exchange Fyber Marketplace the Company retains a share of the ad spend ad-vertisers place via the platform, which is the main source of income and basis of the business model. The majority of the generated yield is paid out to the connected app developers. As such,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

Enable publishers to establish sustainable business models

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

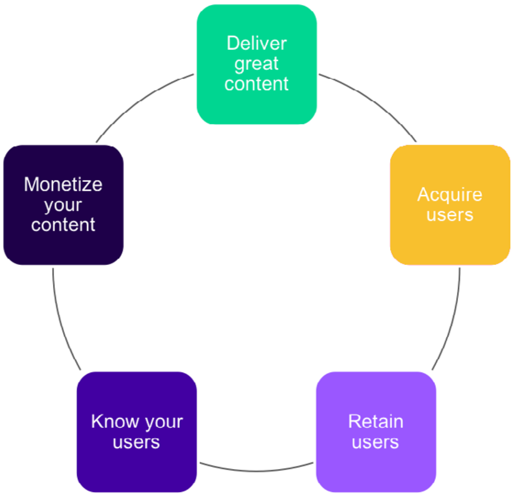
The vast number of available apps and the download numbers make it evident how important it is for app developers to navigate the fragmented market efficiently and invest into user experience, user acquisition and monetization.

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



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

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



Some of publishers' key challenges and goals

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!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.

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

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

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

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

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.

Recent developments in Fyber's product and technology offering

Our product focus and investment strategy are centered around solving the above-mentioned challenges app developers are facing and supporting them in key aspects of their value creation. Despite the many challenges the year 2020 brought, Fyber delivered on all its product goals and set the Company up for future growth by proactively adapting to the evolving market circumstances.

To name a few highlights, Fyber established industry-best ad rendering solutions for the **Fyber Marketplace,** launched the support of the new innovative and interactive ad format "Playables" and pioneered a mitigation plan for the app industry on Apple's new privacy policies to be released in iOS 14. In an effort to ensure that demand-side platforms will still have a relevant, diverse data set available as a basis for their bidding decisions, which drives campaign performance and return on advertising spend, Fyber launched **contextual in-app targeting.** In an era without access to the previously used ID for advertising ("IDFA"), this provides advertisers with context that is generated from a mix of privacy-friendly data points coming from the user's device, the underlying technology, and session-level behavioral information. Fyber worked with the leading demand companies of the industry and other ad tech companies to compile clear specifications around contextual targeting and establish a new standard. The Company continuously expands the catalogue of privacy-aware parameters that hold valuable information for the purpose of campaign targeting and optimization. Fyber's product suite also supports Apple's SKAdNetwork, a method for validating advertiser app installations in the context of programmatic ad trading without using IDFA to identify the user. For the first time, Fyber co-authored the technical specifications published by the IAB Tech Lab (Interactive Advertising Bureau, a leading trade group for digital advertising), setting the industry standard on how to adopt SKAdNetwork.

On the publisher monetization platform **Fyber FairBid** the Company added unique multi-testing tools for publishers and significantly increased the amount of supported mediated networks. This helped to grow the platform's reach and increased the average revenue per daily active user generated for the connected app developers using this comprehensive mediation solution.

For the Company's leading rewarded ad format **Offer Wall Edge,** the focus was on launching the new buy-side platform for advertisers, ACP Edge, offering advanced 'micro bidding' targeting features. Initial tests clearly showed an uptick in click-through and conversion rates. Furthermore, several new layers have been added to the format's optimization algorithms that prioritize the best 'offers' available at any given point in time.

Fyber's differentiators & growth strategy

During the 10-year history, Fyber accomplished a defensible competitive position, based on the proprietary technology, the Company's market focus and the direct integrations with its partners. Our differentiators include:

- Technology & innovation: first-to-market with a true app bidding solution with Fyber FairBid; advanced from a leading provider of display advertising to becoming a top contributor to many of our clients' income from video advertising;
- Direct technical integrations with app developers: The direct technology-based integrations Fyber maintains with leading app developers are among our main assets. They position the Company as a trusted source of high-quality in-app inventory at scale. As leading advertisers continue to shift their attention to in-app, quality, viewability and brand safety become key selling points in the industry.
- Offering independent publisher-centric monetization solutions fully focused on their needs: We set a deliberate focus on supporting app developers and built our technology assets specifically for this purpose. Fyber is not offering products that compete with the app developers' business but aligns its business goals with its publisher partners.
  The market's supply side is less competitive than on the advertiser side, which is dominated by major providers such as Google and Facebook. Moreover, Fyber is partnering with many of the leading demand companies and captures parts of their advertising budgets, which are processed through the Fyber platform.
- One-stop-shop for publisher, covering all aspects of their in-app advertising optimization needs
- Expert guidance for publishers by our monetization experts
- Diversified revenue base by geography and product; covering rewarded and non-rewarded ad formats
- Fully focused on the fastest growing subsegment of the mobile advertising market – in-app, video, and gaming – a market with many complexities and high barriers of entry

The Company will continue to invest into technology to fulfill the growth strategy laid out for 2021 (please refer to the 'Forecast Report' below for details). This includes completing the transition to a video-first company with expanding the product offering and integrating further dedicated demand partners. The Company looks to increase the market penetration of its holistic ad monetization solution consisting of mediation, programmatic demand, and Offer Wall. One of the areas of focus for this project is to further expand growth from brand demand in line with the market development and develop reach in new geographies, albeit with the existing sales teams and office locations.

Market Update

Fyber was active in almost 180 countries during 2020, offering comprehensive technology and superior service to mobile app developers and publishers. The Company benefits from various global growth trends in the field of in app advertising and online consumer behavior such as the growing advertising spend allocated to mobile devices, the increase in the time users spend on their smart connected devices using apps and their engagement with digital content.

While 2020 was a challenging year for economies worldwide due to COVID-19 counter measures such as business closures and stay-at-home orders, the digital advertising space proved to be resilient and recovered swiftly from short-term impacts recorded in the second quarter of the year. Fyber's core market, the mobile in-app advertising market, contributed significantly to the growth of the digital ad space even in this year of crisis.

Market overview

During 2020, the global number of smartphone users reached 3.5 billion (Source: Statista, January 2021). There were more than 4.4 million apps available to download on the two major app stores Google's 'Google Play' and Apple's 'App Store' alone, offering a vast amount of new products in all app categories. (Source: Business of apps, October 2020)

Most app categories saw an increase in the number of downloads, many influenced by the COVID-19 pandemic and the changes to the day-to-day life and business settings. The biggest growth was reported in the verticals Business (+134% compared to 2019), Medical (+66%), Education (+41%) and Games (+33%). Only Travel and Navigation apps saw a decline in the number of downloads during 2020. (Source: SensorTower, January 2021)

App analytics company App Annie reported a 7% YoY increase in the number of downloaded apps, totaling more than 218 billion downloaded apps in 2020. The average time users spend on their mobile devices increased by 20% to more than 4 hours per day. This makes mobile – led by in-app – to the media channel with the highest reach and depth of engagement.

Based on the download numbers for the second quarter of 2020, which broke records in terms of quantity, time spent and consumer spend, gaming accounted for roughly 45% of all downloads on Android and more than 30% on iOS. However, when it comes to user spend, the gaming segment picked up the greater part of the spend across both stores, with 85% on Google Play and 65% on the App Store. The segments games, tools, and entertainment led the download charts on Google Play. On iOS, games, photo, video, and entertainment remained the biggest segments by the number of downloads throughout 2020. (Source: App Annie, January 2021)

Given the vast amount of available apps and the common user behavior of frequently downloading and trying new apps, app discovery and user acquisition remain key challenges for app developers. (Source: App Annie, January 2021)

App Annie confirmed their previous estimation for the global mobile advertising spend with $240 billion for 2020 and assumes at least 20% growth for this year, representing an expected $290 billion to be spent on mobile channels in 2021. Interstitials and video ad format remain the most used ad formats. (Source: App Annie, January 2021)

Statista estimates the global advertising spend in 2020 to amount to $517 billion (Source: Statista, July 2020), which would bring the share of mobile advertising to above 45% – making it the single biggest channel in advertising. Advertisers continue to shift their budgets to mobile, following their customers and engaging with them via the media channels they use the most.
US consumers are expected to spend more than 55% of their media usage with digital channels, followed by 28% with TV, 12% with Radio and just 2% with print media. (Source: eMarketer, April 2020)

Factors that indicate continued, sustainable market growth, as reported by market researchers, and based on the Company's own experience and market insights, include:

- Continued growth in the number of mobile connected devices, including from emerging markets

- Evolving devices with larger screens and higher resolutions; increased network performance through evolved 4G deployments; 5G subscriptions expected to reach 190 million by the end of 2020 and 2.8 billion by 2025 (Source: Ericsson, June 2020), set to provide a boost to performance and user experience, providing app developers with new opportunities for their products

- Continued shift of marketing budgets to mobile and in-app; brand advertising spend on in-app is still in its early days, offering significant up-sell potentials to players like Fyber, who offer dedicated in-app solutions and years-long track record of technological leadership

- New generation of mobile-first and partly mobile-only users forming a key audience for marketers; e.g. 75% of digital users consume all their social media, lifestyle, travel, news, and utility content using mobile apps (Source: ComScore, June 2019)

- Strong return on investment possibility for marketers: digital advertising allows for close performance tracking and is favored over traditional media, as tools to programmatically increase the return on advertising spend will evolve further

- New in-app advertising formats to drive user engagement and add to the market growth, e.g. playable ads

Gaming ecosystem

Smartphone users have on average about 40 apps installed on their devices, but frequently use only half of them. Gaming comes in second in terms of the time users engage with their favorite apps, outpaced only by social media apps. Users engage with apps all throughout the day, while at home, at work, during their commute time, waiting for appointments, during shopping etc. (Source: Simform, January 2020), which makes it a particularly interesting and versatile channel for marketers and brands to engage with their key audiences in a targeted way.

Looking only at the Top 5 app verticals, games made up more than 53% of all downloads on iOS and almost 70% on Android. Notably, the volume of downloads on Android is now more than triple that of Apple's offering (Source: SensorTower, January 2021), in line with the fact that Android accounted for more than 70% mobile operating system market share worldwide by August 2020. (Source: Statcounter, December 2020)

The global mobile gaming market reached a new high in 2020 also in terms of user spending – exceeding $79 billion, a plus of 26% compared to 2019. While the pandemic added to that growth especially in the second quarter, the baseline growth remained strong at around 15% YoY. The quarterly spending numbers peaked in Q4 2020 at $21 billion (Source: SensorTower, January 2021), which is after many markets already tuned down lockdown measurements, indicating that the accelerated growth is likely to persist following the pandemic.

For the full year 2020, consumer spend on mobile gaming apps are expected to outpace both the spend on desktop and on console games by 3x. (Source: App Annie, January 2021)

Digital advertising markets proved resilience in times of COVID-19

Media intelligence company 'Magna Global' estimated in June 2020, that the global advertising revenue might decline by 7% in 2020 YoY, as the COVID-19 crisis caused an economic recession, a contraction of GDP across the largest markets of up to 12% and with that a significant decline in traditional, linear advertising such as TV, print, out-of-home advertising, and cinema. The impact was to be offset by the resilience of digital and especially mobile advertising. In December, these estimates had been confirmed and substantiated. Digital media turned out to be even more robust than anticipated, with the US digital ad spend growing by more than 10% in the crisis-ridden year of 2020, the global digital ad spend is expected to come in at 8%

growth compared to 2019 – limiting the contraction of the overall advertising market to about 4% YoY.

'Magna Global' asserts that part of the growth in digital advertising is directly attributable to the pandemic, which led to increased supply (growing number of users, increase in the time users spend with digital media etc.) and demand (brands increasing the spend on sought-after channels, smaller businesses turning to digital marketing for the first time etc.). At the same time, they do not expect a "return to normal" in the split of available ad budgets but believe that the recent events shifted the long-term direction of the advertising market even more towards the digital ecosystem in a sustained way. This is in line with App Annie's assertion that user habits (Q2 2020 saw a peak in app downloads led by games and a monthly all-time high of time spent within apps in April 2020) will carry over into the times following the lift of pandemic restrictions.

For 2021, the market researcher refers to the IMF's October 2020 prediction of 5.2% expected global GDP growth for this year. They assert that with the successful execution of large scale vaccination campaigns the global economy should recover swiftly, with major events such as the Olympic Games or the UEFA Football Championship adding to the growth in advertising activity, with digital advertising returning to double-digit growth in 2021.

Video advertising fueling overall market growth

Marketers' spend on mobile video advertising grew by more than 7.5x between 2015 and 2020. The generally higher cost per ad placement is paid off by significantly higher click-through rates attributed to video ads in comparison to static ad formats such as banners. Generally known to deliver the highest level of engagement and blending in well with the user experience of the app, video ads are particularly popular within gaming apps. A market study by InMobi completed in September 2020 found that 36% of the video ad spending was directed towards the gaming vertical. (Source: InMobi, September 2020)

Video is particularly important when it comes to the app publishers' efforts of generating new users for their titles. A market study by AdColony found that 42% of user acquisition budgets are spent on video, with 27% of marketers planning to shift further budgets to video in the future. 55% of advertisers state that video advertising is effective, the highest percentage for all reviewed formats. (Source: AdColony, June 2020)

Programmatic trading is the go-to advertising trading mechanism

Programmatic trading accounts for the vast majority of all advertising budgets spent on digital display channels. eMarketer estimates that more than 84% of the US digital display advertising will be transacted programmatically in 2020, with mobile and video advertising on non-social media channels driving most of the growth. (Source: eMarketer, August 2020)

Fyber's business and product focus was set to significantly benefit from the described market trends. By design, the Company offers premium solutions to the leading gaming publishers, focusing on programmatic advertising technology and innovative video and interactive ad formats.

Business Performance

The below business performance reviews Fyber's key financial indicators 2020 compared to the previous period. The reporting period's focus was on leveraging the past investments into Fyber's video advertising capabilities and the main revenue contributor, the Fyber Marketplace. The Company furthermore benefited from the lean cost base established over the last years, which allowed the business to scale while increasing profitability.

The revenue stemming from programmatic trading, transacted through the Fyber Marketplace, more than doubled to €170.4 million compared to 2019. Of that, video in particular added to the growth. Programmatic video advertising made up 40% of the overall revenue in Q4 2020, delivering 13x growth compared to the last quarter of 2019, and 34% in the full year 2020, growing 9x to €70.8 million.

In line with our planning, revenue growth from the non-programmatic Offer Wall Edge ad format remained flat.

Revenue composition

	FY 2020	FY 2019	Change YoY	Q4 2020*	Q4 2019*	Change YoY
	in € millions, rounded					
Programmatic video advertising	71	**7**	**857%**	36	**3**	**1,266%**
Programmatic display advertising	100	73	36%	45	25	81%
Total programmatic business	170	81	111%	81	27	193%
Non-programmatic business	39	38	3%	9	9	-2%
One-off effects	0	1	n/a	0	0	n/a
Reported revenue	210	**119**	**76%**	89	**36**	**145%**

* Please note that all quarterly figures in this report are unaudited.

The organic growth in Fyber's **programmatic** business accelerated compared to the already positive development of 2019, and more than doubled in 2020 to €170.4 million, making up more than 80% of the overall revenue. The growth stems from scaling up Fyber's activity with leading mobile gaming companies, across both existing and newly acquired clients.

Development of revenue share paid to third parties

	Year ended 31 December		Three months ended 31 December**	
	2020	2019	2020	2019
	in € millions, rounded			
Revenue	**209.8**	**119.0**	**89.1**	**36.3**
Revenue share to third parties	(164.4)	(78.7)	(71.5)	(27.4)
Net revenue*	45.4	40.3	17.6	8.9
Net revenue margin*	21.6%	34%	19.7%	24.5%
Other cost of sales	(14.9)	(20.8)	(3.4)	(3.3)
Gross profit	**30.5**	**19.5**	**14.2**	**5.6**

* Net revenue: not a measure calculated in accordance with IFRS, but often referred to as a term of analysis in the industry, describing the revenue less the share paid out to connected publishers and app developers as their monetization yield.
** Please note that all quarterly figures in this report are unaudited.

The Company's net revenue increased by 13% to €45.4 million in 2020. Q4 2020 saw 98% year-over-year ("YoY") growth to €17.6 million (Q4 2019: €8.9 million). The growth is led by the positive development of Fyber's video ad business, which is expected to continue and accelerate in 2021.

The strong growth stemming from the programmatic business led to a changed revenue mix and with that a decrease in net revenue margin, as the average net revenue margin for the programmatic business is lower than the non-programmatic business.

Consolidated income statement – Highlights

	Year ended 31 December		Three months ended 31 December**	
	2020	2019	2020	2019
	in € millions			
Revenue	**209.8**	**119.0**	**89.1**	**36.3**
Cost of sales	(179.3)	(99.5)	(74.7)	(30.6)
Gross profit	**30.5**	**19.5**	**14.3**	**5.6**
Research & development	(12.1)	(12.8)	(3.3)	(3.1)
Sales & marketing	(15.0)	(15.9)	(3.9)	(3.7)
General & administrative	(7.7)	(8.8)	(2.7)	(2.5)
Depreciation & amortization	8.9	17.3	1.6	7.0
Stock option plan	1.0	0.9	(0.5)	(0.5)
Other adjustments	0	(2.9)	0	(2.2)
Adj. EBITDA*	**5.6**	**(2.7)**	**5.5**	**0.6**
Adj. EBITDA margin from net revenue (%)*	12.4%	-6.8%	31.8%	5.2%
Earnings before interest and tax	**(4.8)**	**(20.5)**	**3.9**	**(6.4)**
Profit for the year after tax	(15.5)	(48.8)	2.8	(2.7)

* We define adjusted EBITDA as our consolidated earnings before financial income (expense), income taxes, depreciation and amortization, adjusted to eliminate one-off impacts such as impairment of goodwill, acquisition related costs 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.
** Please note that all quarterly figures in this report are unaudited.

The overall **revenue** increased by 76% year-over-year ("YoY") to €209.8 million. Fyber further expanded their focus on video advertising as planned and turned both the product enhancements and the targeted expansion of the Company's partner networks both on the publisher and advertiser side into strong revenue growth.

Cost of sales mainly consists of the revenue share paid to third parties, i.e. the yield Fyber generates for app developers and pays out to them, amounting to €164.4 million in 2020. Other components include IT cost, amortization of technology and customer relationships acquired through business combinations and amounted to €14.9 million compared to €20.8 million last year. The decrease is attributable to the amortization of technology and customer relationships. The total cost of sales amounted to 85% of revenue, compared to 84% in 2019.
We stabilized the operational cost, proving the scalability of the business. Despite the 76% growth in revenue, the operational cost for sales & marketing, research & development as well as general & administration was reduced to €34.8 million, compared to €37.5 million in 2019.

Profitability detail

	Year ended 31 December	
in € millions	2020	2019
Earnings before interest and tax	**(4.8)**	**(20.5)**
Total adjustments	10.4	17.8
Thereof depreciation, amortization & impairment	9.4	17.3
Thereof 'Stock Options Program'	1.0	0.9
Thereof other adjustments in general & administrative/ other income	0	(0.4)
Adjusted EBITDA	**5.6**	**(2.7)**

Fyber achieved positive adjusted EBITDA for the full year 2020, amounting to €5.6 million, mainly driven by the revenue growth in Q4 2020. Combined with the close cost management the Company applied throughout the year this enabled to turn the significant revenue growth into full-year profitability on an adjusted EBITDA basis.

The Company achieved positive cash flow from operating activities on the full year basis for the first time, amounting to €10.4 million. The cash balance increased substantially to €26.0 million at year-end 2020.

Based on our estimation of continued growth in the programmatic business and a stable non-programmatic business, the Company's working capital is sufficient to meet existing payment obligations becoming due within the next 12 months. The preliminary results of the first three months of 2021 support this assessment. The estimated expected future cash flows from operating activities are largely based on management's expectations and estimates. These are uncertain as they are influenced by subjective elements such as forecasted results, margins from operating activities and the ability to maintain existing bank loan facilities.

Cash flow and going concern considerations

	Year ended 31 December	
in € millions	2020	2019
Net cash flow from operating activities	10.4	(9.2)
Net cash flow from investing activities	(3.3)	(5.5)
Net cash flow from financing activities	6.1	14.9
Net change in cash and cash equivalents	**13.3**	**0.2**
Net foreign exchange difference	(0.2)	0.4
Opening balance cash and cash equivalents	12.9	12.3
Closing balance cash and cash equivalents and cash deposits	**26.0**	**12.9**

As of 31 December 2020, the Group reported a loss and as a result of €15,500 thousand negatively impacting equity of €14,862 thousand (31 December 2019: €33,076 thousand). While both operating and total cash flow were positive as such cash and cash equivalents amounted to €25,972 thousand (31 December 2019: €12,876 thousand) the consolidated working capital showed a deficit of €11,007 thousand (31 December 2019: €12,540 thousand).

At the balance sheet date, the Group had shareholder loans with Tennor Holding B.V. amounting to €32,000 thousand (31 December 2019: €30,000) plus accrued interest of €4,788 thousand (31 December 2019: €2,237 thousand) which mature in June 2022. Note that subsequent to the balance sheet date an amount of €15,000 thousand has been extended to June 2023, refer to note 44 subsequent events.

Furthermore, the Group has revolving credit facilities from banks amounting to €25,821 thousand of which €21,379 thousand had been drawn (31 December 2019: €17,949 thousand). These credit facilities are due within the next 12 months following the reporting date and considered current financing.

Finally the Group has a convertible loan amounting to €73.4 million as per 31 December 2020 with a maturity date of July 2022; the company is dependent on the successful conversion of the loans into equity since this is one of the conditions in order to finalize the acquisition by Digital Turbine.

Based on the current cash flow projections and liquidity analysis the Group is not able to repay these credit facilities within the next 12 months if needed. Therefore, the Group depends on the willingness of the banks, bondholders and the shareholder to prolong its financing.

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

Effect from Covid-19

As in 2020 almost everything was to some extent affected by COVID-19 and the several countermeasures taken by many countries around the world, also the Group experienced a short term decline in available advertising budgets at the end of Q1 and Q2. In view of the uncertainties connected to COVID-19, management has taken comprehensive measures which included a temporarily global closure of the Group's offices and implementing a sustainable working from home policy for all its employees. Further, ongoing projects were reassessed before the background of the current situation and some were put on hold enabling the Group to temporarily reduce the working capacity by more than 20% and personnel expenses accordingly in Q2 2020. The rapid recovery including the return and even expansion of brand advertising budgets which started April 2020 underlined the resilience of digital advertising to the current pandemic but also management's focus keeping up investing in growth areas.

However, management continues to observe the current development around COVID-19. While on the one hand there are promising news around the progress of people getting vaccinated in some countries, other countries lag behind the plan and report rising numbers of infections and mutations of the virus, creating additional pressure on policymakers to keep lockdown measures in place or even tighten them, which has a continuing effect on the global economy.

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

However, management is confident that the Group will continue the positive trend established in 2020 despite any impact of the pandemic that the Group and in its ability to prolong the credit facilities before repayment will become due in December 2021.

Consolidated statement of financial position – Highlights

	Per 31 December	
	2020	2019
	in € millions	
Intangible assets	137.4	148.3
Other assets	9.9	10.0
Cash and cash deposits	26.0	12.9
Trade and other receivables	65.0	29.5
Other financial assets	5.7	8.2
Total assets	**244.0**	**208.9**
Interest bearing loans	132.6	120.7
Trade and other payables	78.3	36.7
Employee benefits liabilities	5.2	5.8
Other liabilities	12.7	12.7
Deferred tax liabilities	0	0
Total liabilities	**229.1**	**175.8**
Total equity	**14.9**	**33.1**

Following several smaller conversion of the outstanding convertible bonds (the "Bonds", €150 million original principal, 07/2020, ISIN XS1223161651) into shares, the Company is mainly financed through the remaining Bonds of €72.7 million maturing in July 2022, as well as shareholder loans from Tennor Holding B.V. ("Tennor").

- Shareholder loans: As per 31 December 2020, €36.8 million including accrued interest were outstanding under the shareholder loans with Tennor. After the end of the reporting period, the loans were assigned to Meridian Capital International Fund and prolonged to June 2022 and March 2023 respectively. Please refer to the 'Subsequent events' section of this report for details.

- Convertible bonds: As per 31 December 2020, €72.7 million in bonds were outstanding. After the end of the reporting period, further €53.7 million in bonds had been converted, bringing the newly outstanding amount to €19.0 million. Please refer to the 'Subsequent events' section of this report for details.

- Bank loans: As per 31 December 2020, the Company had revolving credit facilities from banks of $22.5 million and €7.5 million respectively, which were previously due in December 2020 and were extended by one year to November 2021 and December 2021 as per usual. The facilities are considered current financing. The Company does not see a risk that these facilities will not get extended.

Forecast Report

The Company experienced strong growth during the year 2020, despite the challenges and uncertainties brought to the global economy by COVID-19. Many countries Fyber is operating in took measures designated to limit the spread of the pandemic, including workplace closures and travel restrictions. Fyber was an early adopter of working from home policies for all global offices, restricting business travel and adhering to all guidelines of local governments and public health authorities. As a technology company delivering digital products and services we were less affected in our operations by the changes and had all tools and systems already available to work remotely for an extended period of time. As such, no unplanned investments were necessary to transition our operations to match the new requirements. As such, Fyber was able to deliver on the product and business roadmap for 2020 as planned.

The digital advertising industries, driven by the mobile and in-app sector, proved to be resilient and delivered growth based on the users' growing engagement and time spent.

Based on a strong start to the year 2021 and a positive outlook for the rest of the year, Fyber expects to continue its double-digit revenue growth trend. The guidance for the full year 2021 was therefore increased in April 2021, to a revenue between €300 million and €350 million, with the net revenue of between €60 million and €70 million, at an adjusted EBITDA between €15 million and €20 million (previous guidance: revenue between €275 million and €300 million, net revenue between €55 million and €60 million, adjusted EBITDA of €10 million).

While the economic effects of COVID-19 remain subject to some degree of uncertainty, Fyber built up a strong pipeline of new client prospects for 2021 and is confident it will report continued growth in its operational and financial results. As the timing and impact of Apple's anticipated privacy changes remain uncertain as of today, this is accounted for in the current guidance only based on estimations and expectations. Fyber continues its product and business initiatives to minimize any impact stemming from these policy changes.

Initial preliminary results for Q1 2021 show an acceleration of the recent growth trend, with the revenue amounting to €85.6 million at an adjusted EBITDA of €7.4 million.

	Q1 2021*	Q1 2020	Change YoY
	In € millions, rounded		
Revenue	86	31	180%
Net revenue	17	9	89%
Total adjusted EBITDA	7	(0.8)	n/a

*Note: all figures preliminary and unaudited

	FY 2021 forecast	FY 2020 reported	Change YoY
	In € millions, rounded		
Revenue	300-350	210	> +43%
Net revenue	60-70	45	> +33%
Adjusted EBITDA	15-20	6	> +150%

Subsequent Events

New share issuance in relation to bond conversion and stock option program

Throughout the first four months of 2021, the Company issued new shares to fulfill convertible bonds conversion requests of 493 bonds as well as the stock options exercised by employees during the fourth quarter of 2020. In total, the Company issued an additional 164.3 million shares in the first four months of 2021. Consequently the new issued capital as of the date of this report amounts to €53,652,262, divided into 536.5 million ordinary shares.

Assignment of shareholder loans to third party and prolongation

With effect from 17 February 2021, Tennor assigned the five promissory notes that together made up the shareholder loans, to Meridian Capital International Fund ("Meridian"). All terms and conditions remain unchanged. Meridian agreed to extend the loans as planned by the Company to June 2022 and March 2023 respectively.

Fyber to be acquired by Digital Turbine

On 22 March 2021, the Company announced that Austin-based Digital Turbine Inc., "Digital Turbine" (Nasdaq: APPS), a global on-device mobile platform company, has signed definitive agreements with the Company's major shareholders to acquire a more than 90% shareholding in the Company at a total valuation of up to $600 million net of the Company's debt for 100% of Fyber's share. This transaction is subject to customary closing conditions and is expected to be closed in Q2 2021. Following the closing, the remaining shares shall be acquired by Digital Turbine in a mandatory takeover offer extended to all outstanding shareholders over the next months.

Fyber fully supports the acquisition and has entered into a separate support agreement with Digital Turbine providing for among other things Digital Turbine's commitment to the employees and the Company's investment and growth strategy.

Optional redemption of Bonds

On 15 April 2021, Fyber gave notice to its bondholders that the Company is exercising its option pursuant to condition (6(b)(i) of the terms and conditions of the Bonds to redeem all of the outstanding Bonds on 17 May 2021 at their principal amount together with accrued and unpaid interest to such date. As an alternative to the redemption of its Bonds, each bondholder may exercise the conversion rights relating to its Bonds until 7 May 2021.

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 to manage, control and mitigate the risks are described below.

Approach to risk management

Senior management 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 relevant 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 our internal controls system are as follows:

- Strong governance standards based on the (1) ultimate responsibility of the Management Board and (2) supervision of the Management Board by 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 risk 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 risk impact is shown 'net', meaning that the risks are described after taking the risk response into consideration.

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 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 the Company or which are currently not deemed to be material.

Risk overview

● low ● medium ● high

Category	Description	Appetite	Impact	Likelihood
Strategic risks	Market risk – Failure to respond to market trends	low	high	medium
	Market risk – Dependence on app stores and exposure to intense competition	low	high	medium
	Market risk – External effects impacting the effectiveness of the Company's product offeringn	low	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 roadmapp	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 and exposure to liquidity risk	low	medium	medium
	Financing risk – Dependence on major creditor	medium	high	medium
	Financing risk – Exposure due to pledging of significant part of assets	medium	medium	medium
	Impairment risk – Failure to meet initial expectations	medium	high	low
	Monitoring risk – Threats to going concern assumption	low	high	medium
	Price risk – Failure to maintain current margin levels	medium	medium	medium
	Capital risk – Volatility of share price and risk of dilution	low	low	medium
Compliance risks	Compliance risk – Failure to comply with relevant laws and regulations	low	medium	medium
	Compliance risk – Potential conflict of interest between major shareholder and others	medium	medium	medium
	Data risk – Failure to comply with increasing data security regulations	low	medium	medium

Description of risk categories

Strategic risks	Risks relating to prospective earnings and capital arising from strategic changes in the business environment and from adverse strategic business decisions.
Operational risks	Risks relating to current operational and financial performance and capital arising from inadequate or failed internal processes, people, systems orexternal events.
Financial risks	Risks 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 the ability to provide an adequate return.
Compliance risks	Risks 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 scope, operations, and product offering. Although the in-app advertising industry has matured over recent months and years in different aspects, the industry is still fast-paced and characterized by innovation, consolidation, and rapid, frequent changes. Therefore, trends can develop or disappear 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. Fyber's product launches and enhancements may result in software products and services which might not fully meet market demand or customer expectations.
Changes in the fundamental dynamics of the ad tech market's value chain and/or 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 ads 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

Market risk – Dependence on app stores and exposure to intense competition

Specific risks	Risk response
Through its clients (app developers and mobile publishers) Fyber is dependent on providers of app ecosystems (e.g. Apple and Google as the providers of their app stores). They may decide to change their policies to ban certain ad formats or other services offered by supply-side companies like Fyber or introduce ad blockers. The Company cannot exclude that specific changes and new market dynamics might seriously obstruct the delivery of ads to users of mobile apps and as a result, substantially harm Fyber's results of operations, and that similar market changes might occur in the future. Moreover, the Company has a minor market share and is exposed to intense competition dominated by players such as Google, Facebook and Twitter, which in many cases have greater financial capacity to execute strategic acquisitions, invest in new technology, offer a broader product portfolio and might compete for customers. If the Company fails to develop a technology platform of significant capacity, grow the partner network and transform into a profitable operation, the competitive position and, as a result, the operating results of the Company might be materially adversely affected.	■ We are keeping close contact with all major providers to be informed early and proactively understand the motivation of possible policy changes and react accordingly to avoid or minimize revenue impact ■ Fyber invested into its technology and product offering and built out a competitive position as an independent platform supporting publishers. We assess this to be a meaningful value proposition and work towards bringing and keeping technological and product capabilities on par with the large competitors and develop market reach and scale necessary to compete more effectively ■ Continuous focus on profitability; Established a stable, largely fixed cost base

Market risk – External effects impacting the effectiveness of the Company's product offering

Specific risks

The group's revenue growth depends on monetizing apps through the placement of lucrative, meaningful advertising while maintaining a positive user experience.

In part, the Company processes personal user data on behalf of the publisher to serve the users with targeted advertising.

Apple announced in 2020, that the new operating system iOS14 launched in Q4 2020 will include a change in user data handling for the purpose of tracking of all sorts starting from H1 2021. To date, the tracking of user data for the purpose of serving personalized ads is enabled by default for all installed apps, generating a user identification for advertising or IDFA. When using iOS14, users will be prompted with a pop-up when using an app for the first time, asking the user to allow tracking for purposes of advertising. After the opt-in, the process of tracking and serving personalized ads remains the same - meaning only the manner in which the user consent is being generated will be changed from a default granting to an active opt-in by the user per app. Depending on opt-in rates, this might impact the Company's ability to serve personalized ads using Apple's IDFA.

Risk response

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

- Formed new specification summarizing contextual data points that can be a viable replacement for IDFA
- Continuous support for demand-side platforms, as they transition into placing their advertising under the new system, enhancing their targeting capabilities through contextual app targeting
- Active testing of advertising targeting without using IDFA ahead of the rollout of Apple's changes
- Engaging in active conversations with clients, industry experts and other ad tech companies, using their input to refine initial specifications on an ongoing basis
- Study Apple's official technical documentation as it becomes available, test the iOS14 beta version including our approach to contextual app targeting with leading demand partners

Refinancing risk – Failure to repay debt facilities

Specific risks

Fyber is presently financed through, amongst other facilities, a debt financing in the form of €72.7 million convertible bonds ("Bonds") and shareholder loans in the aggregate amount of €32 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 existing debt ahead of maturity:

- Concluded voluntary debt-to-equity exchange of €77.3 million worth of Bonds, more than halving the original outstanding amount of €150 million worth of Bonds
- Delayed the maturity of the remaining Bonds including all interest payments until July 2022
- Delayed the maturity date of existing shareholder loans with Tennor to June 2022 and March 2023

Moreover, the Company constantly monitors its financial condition, results of operation and other aspects relevant to covenants included in existing financing agreements to ensure all covenants are met.

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 talent inside and outside of the Company, to develop it to its 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 and comprehensive fringe benefits
- Offering an employee stock option program to all employees
- Creating a positive working environment in outstanding offices
- Offering structured individual development plan
- 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 Company'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. Platform down-time would immediately reduce 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.

As the Company does not have cross-region redundancy, backup or recovery ability (multi-region backup support), the delivery of uninterrupted performance is dependent on stable, global internet availability. Fyber's service availability might be impacted by large scale infrastructure failures, such as DNS ('Domain Name System') provider issues, CDN ('Content Delivery Network') issues or regional AWS ('Amazon Web Services') problems.

Risk response

- Regular backups
- Redundant server structure for specific components
- Deployment infrastructure incl. configuration management, orchestration and back up, allowing for rapid recovery if needed
- Moving to the cloud: the move to the cloud 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

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 to 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.

More generally, as a company operating in digital advertising which provides products online and delivers software solutions via the cloud, Fyber is also exposed to cybersecurity attacks of varying degrees, including virtual attacks, disruption, unauthorized access, theft, destruction, espionage, misuse or abuse of data, disruptions to back-up etc.

Risk response

- A dedicated anti-fraud is tasked with identifying unusual patterns ideally already in the design phase of advertising campaigns or during the initial use after the launch of each campaign
- Use of proprietary and external technology to identify non-human ad inventory and traffic
- Assessing the quality and performance of advertising on publishers' properties
- Constantly improving our processes for assessing, detecting and controlling fraudulent activity
- Completed investment into end-to-end encryption of hardware used by employees to fend off cybersecurity attacks

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

Specific risks

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.

Risk response

Focused on continuous improvement of the Company's product offerings, bringing new innovative technologies to the market and taking advantage of the integrated product offering. In 2019 important product launches and improvements of existing technology included:

- Release of new version of core product Fyber FairBid, Fyber's holistic publisher monetization platform including app bidding capabilities
- Further investments into the video ad capabilities of our programmatic ad exchange Fyber Marketplace

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 source software may bear the risk that certain licenses could be construed in a way that could impose unanticipated conditions or restrictions to the group. In addition, new products and services including third-party technologies, might not comply with local standards and requirements or could contain undetected or detected coding errors or defects or could not be mature enough from the customer's point of view, despite all the due diligence efforts which Fyber dedicates to product quality. 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 portions of its proprietary code generally available. 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 monitored in part by the responsible engineering managers, supported by externals tools ■ 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

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 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 cooperations 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 denominated revenue exceeds USD denominated cost. The timing and extent of currency fluctuations may be difficult to predict. Furthermore, the Company may be adversely affected at a time when the same currency movements benefit some of the Company's competitors.

Risk response

- Management seeks to minimize these risks through natural hedging by increasing its cost base in USD
- Refinancing is partly done in USD, e.g. USD 12 million loan from Bank Leumi and USD 10 million loan from Discount Bank has 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, with the fourth quarter typically being the strongest 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.

Also, uncertainty and fluctuations of revenue streams may cause situations where Fyber identifies the need for additional financing due to revenue decreases only on short notice.

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 30 and 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 late or not at all.

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 paid

Financing risk – Failure to secure financing and exposure to liquidity risk

Specific risks

The Company requires capital to cover its financial liabilities, current operations and planned expansion of business. These cash and cash equivalents are generated partly through ongoing business activity and partly through external financing.

Liquidity risks stemming from the lack of access to capital can occur when credit facility agreements or shareholder loans are called off, cancelled, reduced or not extended, or budgeted revenue growth numbers cannot be met.

While the Company generated positive cash flow from operations for the full year 2020, it accrued significant losses in past periods, and continues to invest in sales, marketing, product and technology development in order to lay the foundation for future intended growth and profitability with expenses made before earning adequate revenue. Therefore, Fyber may need additional capital in the future to pursue its business objectives. This 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.

Risk response

- 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 new capital to either add additional financing if needed, or enhance the existing capital structure
- The general meeting of shareholders has granted authority to the Management Board to issue new shares up to 15% of issued capital in order to ensure continuing flexibility with regard to the financing of the Company and attracting new capital
- Positive cash flow from operating activities generated for the first time for the full year 2020, amounting to €10.4 million

Financing risk – Dependence on major creditor

Specific risks

Tennor is a major creditor and controlling shareholder of the Company. Therefore, Fyber is exposed to Tennor's credit risk and its ability and willingness to fulfil its obligations vis-à-vis the Company. In particular, the Company entered into shareholder loans with Tennor with an aggregated principal amount of €32 million.
If Tennor is not able or willing to fulfil its respective obligations vis-à-vis the Company, this would have a severe adverse effect on the Company's financial condition and may cause insolvency.

Risk response

- The Company maintains a very good, constructive and trustful working relationship with the major shareholder
- Two representatives of the major shareholder are members of the Company's Supervisory Board, ensuring supervision of management and financial processes
- The past track record shows that all obligations vis-à-vis the Company have been fulfilled
- The shareholding position also reflects, that the goal of building and maintaining a stable, profitable operation that caters to long-term value creation is a shared goal between the Company and the major shareholder

Financing risk – Exposure due to pledging of significant part of assets

Specific risks

The Company has pledged significant assets as collateral for financing and operating contracts, namely the Company's shares in all its operating subsidiaries, material parts of their intellectual property, as well as major parts of their existing and future trade receivables.
There is a risk that additional financing measures or the extension of existing financing agreements will not be possible due to a lack of available collateral. This could have a negative impact on the net assets, financial position and results of operations of the Group and the Company.

Risk response

- The Company set up a balanced financing structure consisting of straight debt facilities, shareholder loans and convertible bonds. The attribution of pledge assets was done considerately and diligently
- The Company assumes that current outside financing is sufficient to fulfill present growth plans. Should the need arise to add or restructure financing, a possible reattribution of assets would be considered ahead of time
- For example, in 2020, the Company agreed with Bank Leumi to extend its revolving credit facility until the end of December 2021 and reduce the maximum amount of the facility from $15 million to $12.5 million At the same time, an additional loan facility was secured with Discount Bank amounting to $10 million without the requirement to pledge additional assets.

Impairment risk – Failure to meet initial expectation

Specific risks

The group has considerable financial and non-financial assets, copyrights and other intellectual property. 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 other intangible assets.

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
- Ongoing investments into developing our technology further, updating existing products or releasing new features that meet new or changed market demands

Monitoring risk – Threats to the Company's going concern assumption

Specific risks

The Company may be unable to identify threats to the going concern assumption in a timely manner or at all. Even though risk management systems are in place, it cannot be ruled out that critical risks are only identified at a time when reaction and mending are difficult or impossible.

This is of particular importance as the Company operates in a fast-paced, rapidly evolving industry, with many of the key products still young to the market and being shaped among others by business and client needs as well as regulatory changes and changes in user behavior.

Risk response

- Risk management and monitoring system in place, aiming to identify as early as possible any developments that might jeopardize the going concern of the Company
- Development of appropriate internal organizational, risk monitoring and risk management structures that enable the Company to identify undesirable developments and risks at an early stage

Capital risk – Volatility of share price and risk of dilution

Specific risks	Risk response
The market price of the Company's Shares has been very volatile in the past. It cannot be ruled out that the market price of the Company's Shares will be subject to major fluctuations in the future, which are not necessarily related to the Company's business performance. A 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. Furthermore, the Company may seek to raise capital in the future through equity or hybrid securities. An issuance of additional equity could potentially reduce the market price of the Company's shares and would dilute the economic and voting rights of the Company's existing shareholders.	■ Regular debt-to-equity swaps of the convertible bonds improve the Company's capital structure and increase the liquidity of the stock ■ Ongoing investor contact and outreach to interest potential new investor in Fyber to increase trading liquidity

Management addresses the financial risks mainly through close controlling 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 requires some risk taking and evaluates its risk appetite as medium. The group continues to be dependent on additional liquidity to fund its growth and the risk of not finding these funds is always present. In addition, the Company faces the refinancing risk of its debt (convertible bonds, straight debt bank facilities, shareholder loans), which matures partly in 2021 and partly in 2022. Due to the significant out-standing amounts and the Company's current position of negative operating cash flow, 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.

Compliance risks

Fyber is exposed to non-compliance risk based on 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

The Company operates globally and currently markets its products and services in more than 180 countries worldwide. The international business activities and processes expose the Company to numerous and often conflicting laws and regulations, policies, standards, or other requirements covering a wide variety of subject matters. As the Company expands into new countries and markets or extends its business activities in these markets, including emerging and high-risk markets, these risks could intensify.

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. Non-compliance could result in the imposition of potentially material penalties and/or sanctions against the Company.

Risk response

- 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 the latest developments as regards related laws and regulations, accurately understanding their impact and coming up with the necessary responses to guarantee that the group addresses the risks arising from such changes

Compliance risk – Potential conflict of interest between major shareholder and other shareholders

Specific risks

It cannot be excluded that the interests of the major shareholder may conflict with the interests of other shareholders or the interests of the Company.

Depending on the presence at the general shareholder meeting of the Company, the major Shareholder could block major decisions requiring a three-quarters majority without the consent of other shareholders, including amendments to the articles of association, corporate actions and mergers, liquidation or a squeeze-out of other shareholders. Conflicts of interest between the major shareholder and the Company or its other shareholders may have a material adverse effect on Fyber.

Risk response

- The Company maintains a constructive working relationship with the major shareholder and other shareholders and thereby identifies and undertakes measures to prevent already at an early stage potential conflict of interests between the major shareholder and other shareholders
- It is one of the key principles of the Management Board to adhere to all relevant legal and governance standards to ensure acting in the best interest of the Company and all its shareholders, including minority shareholders

Data risk – Failure to comply with increasing data security regulations

Specific risks

Fyber collects, stores, processes and uses data in the ordinary course of business to provide its services to customers. The correct use of data, ensuring its integrity and security as well as adhering to all data protection laws and regulations applicable to the Company are imperative to the Company's business operations and reputation.
It may not be possible to prevent cases of data leakage or the misuse of data as a result of human error, technological failure or other factors outside of the Company's control.

Furthermore, the Company may be subject to local data protection laws and regulations, taking effect on the Company's products, services and customer data handling, potentially limiting the effectiveness of serving meaningful ads to users and with that the Company's revenue potential.
Specifically, the Company is subject to the EU's General Data Protection Regulation (EU 2016/679) ("GDPR"), which took effect in May 2018 and regulates data protection for users within the European Economic Area (EEA) as well as the California Consumer Privacy Act of 2018 ("CCPA") which took effect in January 2020, regulating privacy and data protection for residents of California.
Any limitations imposed by stricter interpretation of the existing requirements or by future modifications of the data protection laws could have a significant impact on the Company's business operations and the Company's ability to market its products.
Violations of regulations may lead to damage claims, fines and harm to the Company's reputation, thus materially adversely affecting its business activities, net assets, financial position and results of operations.

Risk response

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:

- Investments into product and technology and revision of client contracts to ensure business activities and product features adhere to various data usage regulations currently known
- 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.

Remuneration Report

The 2020 Remuneration Report has been prepared by the remuneration & organization committee of the Supervisory Board of Fyber N.V. (the "Remuneration Committee") in accordance with the Dutch Civil Code (article art 2:135b) and the Dutch Corporate Governance Code (the "Code").

Since this Remuneration Report forms an integrated part of the Annual Report, reference is made to the introductory section above for a summary of the financial year 2020.

The Remuneration Committee has been appointed by the Supervisory Board in its meeting on 30 January 2020. During the first meeting of the Remuneration Committee on 27 February 2020, Yair Safrai was elected chairman of the committee.

The Remuneration Committee is comprised as follows:

Remuneration & Organization Committee
Yair Safrai (chairman)
Tarek Malak
Franklin Rios

The duties of the Remuneration Committee are, among others, to make proposals to the Supervisory Board concerning the remuneration of individual members of the Management Board and Supervisory 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 Remuneration Policy.

The key activities of the Remuneration Committee this year were negotiating the terms of the **reappointment of the Management Board** members and the **review of the remuneration policy** in light of the new requirements under the revised European Shareholder Rights Directive II ('SRD II').

This Remuneration Report contains:

- Activities of the Remuneration Committee in 2020
- Remuneration of the Management Board and implementation of the Remuneration Policy in 2020
- Internal pay ratio and 5-year analysis
- Performance of the Managing Directors in 2020
- Share Options awarded to Management Board
- Remuneration of the Supervisory Board

Further information on the remuneration and on option ownership of members of the Management Board and members of the Supervisory Board is available in Note 41 of the Notes to the Consolidated Financial Statements. The Remuneration Policy and the Charter of the Remuneration Committee are posted on Fyber's website.
The very high level of support (100%) from present shareholders on the revised Remuneration Policy at Fyber's 2020 AGM and the affirmative vote on the 2019 Remuneration Report was taken into account by the Remuneration Committee when drafting this 2020 Remuneration Report. The Committee also took note of the views of the individual Managing Directors on their remuneration.

This 2020 Remuneration Report will be submitted to an advisory vote at the 2021 AGM to render account for the execution of the Remuneration Policy in 2020. The Remuneration Committee will take into account the results of the advisory vote and report on this in next years' remuneration report.

Activities of the Remuneration Committee in 2020

Review of Remuneration Policy

On 1 December 2019, the SRD II was implemented into Dutch law, introducing new rules on director remuneration, which apply to the remuneration of both the Management Board and the Supervisory Board. In order to comply with these new requirements, the Remuneration Committee reviewed the remuneration policy for the Management Board and drew up a remuneration policy for the Supervisory Board (as one combined document, the "Remuneration Policy"). The Remuneration Policy was endorsed by the Supervisory Board on 28 April 2020 and adopted by the annual General Meeting on 11 June 2020. The Remuneration Policy takes (retro-active) effect from 1 January 2020 and remains in place until a new or revised policy has been adopted by the General Meeting of shareholders in accordance with the applicable requirements of the Dutch Civil Code.

Compared to the former remuneration policy, which was adopted at the annual General Meeting on 30 June 2014, there are no significant changes except that the policy is extended to include the disclosure requirements pursuant to the Dutch Act implementing the SRD II, including a remuneration policy for the Supervisory Board.

The objective of Fyber's Remuneration Policy is to attract, motivate and retain the qualified individuals needed to achieve its strategic and operational goals. 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.

Reappointment of Management Board

The term of appointment of all three Management Board members, Ziv Elul, Daniel Sztern and Yaron Zaltsman, was expiring at the end of the annual General Meeting 2020. The Supervisory Board nominated all three directors for reappointment as members of the Management Board under due consideration of the articles of association of the Company and the Dutch Corporate Governance Code, which have been approved by the AGM on 11 June 2020.

The contract renewal of the Managing Directors and their individual remuneration has been negotiated by the Remuneration Committee in accordance with the Remuneration Policy. The Supervisory Board approved the contract amendments of Mr. Daniel Sztern and Mr. Yaron Zaltsman in its meeting on 16 April 2020 upon proposal by the Remuneration Committee. The contract amendments of Mr. Ziv Elul, CEO of the Company, which include an additional incentive bonus structure, were resolved by the Remuneration Committee in its meeting on 3 December 2020 and approved by the Supervisory Board on 7 December 2020. The Supervisory Board acknowledges that Ziv Elul's bonus agreement is subject to the condition precedent that the Company's AGM in June 2021 approves the revision of the Remuneration Policy to the effect that it permits the incentive bonus.

Performance of the Management Board

The Supervisory Board discussed the individual Management Board members' views regarding 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.

The performance of the Management Board as a whole and its individual members were discussed by the Supervisory Board during its meetings held on 30 January 2020 and 16 April 2020, together with the performance appraisal and bonus computation for the preceding year, the performance goals of the Management Board for 2020 as well as the remuneration of the Management Board for 2020.

The Supervisory Board, upon proposal of the Remuneration Committee, 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. Reference is made to the chapter "Performance of the Managing Directors" below.

Peer group analysis

The objectives set by the Supervisory Board for the members of the Management Board are in line with executive remuneration throughout the advertising technology 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 talent, the Supervisory Board identified a peer group of other ad tech companies for remuneration benchmarking purposes in 2020 to align the Management Board's remuneration levels closer to equivalent positions in the market. These peer companies are either business competitors, other technology in the ad tech ecosystem or companies Fyber competes with for executive talent. The peer group predominantly consists of US or Israel-based companies of comparable size, complexity and international scope. Annual changes to the peer group can be made by the Supervisory Board.

Remuneration of the Management Board and implementation of the Remuneration Policy in 2020

The Supervisory Board determines the remuneration of the Management Board members, in accordance with the Remuneration Policy. Pursuant to the policy, Managing Directors are remunerated via customary salary components, set to ensure retention in line with market standards, which account for individual and the Company's performance and may consist of the components described below. The table describes the Management Board's remuneration and how the Remuneration Policy was implemented in 2020.

Remuneration elements
Base salary
Short-term incentive plan
Long-term incentive plan
Pension schemes
Other benefits
Severance payments

Base salary

Purpose and link to strategy	To attract and retain individuals with the requisite level of knowledge, skills and experience.
Operation	Base salary is generally set for the length of the Managing Director's term taking into consideration a variety of factors, for example: ■ The scope of the role, responsibility and seniority of the Managing Director with reference to market practice ■ Performance of the group and the individual ■ Remuneration of the Company's external peer group ■ Internal pay ratios and employment conditions of the employees within the organization The base salary of each Managing Director is a fixed cash compensation paid on a monthly basis and is based on a function-related pay system. The Supervisory Board at its sole discretion will decide if and to what extent the base pay will be amended and the criteria for such amendment.
Implementation of the Remuneration Policy in 2020	The Supervisory Board determined the remuneration of the Management Board members, upon proposal by the Remuneration Committee, in accordance with the Remuneration Policy during its meetings held on 30 January 2020 and 16 April 2020. The base salary and target amount of the annual bonus of the Management Board members were originally set in the Supervisory Board meeting on 7 June 2017 and remained unchanged until the date of this report. The base salary is stipulated in the Managing Director's employment agreements with the local subsidiary and paid on a monthly basis in NIS with a fixed exchange rate.

Short-term incentive plan

Purpose and link to strategy	To incentivize and reward performance against achievement of certain performance indicators set out in the annual business plan.
Operation	The Managing Director's remuneration package includes a significant variable part in the form of an annual bonus incentive, ranging between 40% to 50% of the total annual salary. The incentive is based on the Company's performance against the targets of the respective financial year and is generally paid in cash. Performance measures, weightings and targets for the selected measures are set annually at or before the beginning of the year (and when needed adjusted) by the Supervisory Board to ensure they continue to support Fyber's short-term business strategy. These performance targets include criteria reflecting the Company's financial performance derived from the group's annual business plan and may as well include quantitative and/or qualitative criteria related to the Company's and/or individual performance. Qualitative criteria may include the adherence to the company values the group set out for itself. Fyber defined a set of joined, equally important values that best express its focus on technological leadership through innovation, long-term value creation and establishing a fair, inspiring work environment for all employees. Performance metrics and weights are disclosed retrospectively in the annual remuneration report. Short-term incentives are subject to clawback. Minimum pay-out is 0% of the target bonus. Maximum pay-out is 150% of the target bonus (in the case of above target performance only). The Supervisory Board can, at its discretion and only in the event of special circumstances, decide to adjust the variable remuneration.
Implementation of the Remuneration Policy in 2020	The remuneration package of Managing Directors included a significant variable part in the form of an annual cash bonus. The target bonus remained unchanged after the reappointment in 2020. The performance conditions for members of the Management Board for 2020 have been set in the Supervisory Board meeting on 16 April 2020 and are linked to financial performance parameters of the Company (100% weighting). The maximum opportunity remained at 150% of the target bonus. The annual bonus is stipulated in the Managing Directors individual contract with Fyber. Payment is to be made in two installments: 75% of the bonus is to be paid in the first quarter of 2021, and the remaining 25% after publication of the 2020 annual financial statements. The annual bonus is paid in NIS using the exchange rate on the day of the payment.

Long-term incentive plan

Purpose and link to strategy	To reward the sustainable long-term performance, aligning the directors' interest with those of shareholders.
Operation	The Company uses an employee stock option plan ('SOP') as a long-term incentive for Managing Directors and employees. The SOP has been installed with the intention to drive sustainable performance, to foster alignment of interests of the participants with shareholders and to attract and retain key talent to the Company. 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 was again amended and restated by the Supervisory Board upon recommendation of the Remuneration Committee and approved by the EGM held on 11 April 2017 to facilitate a net exercise of stock options by participants in the SOP, whereby a portion of the shares allotted may be withheld by the Company on behalf of the participant in the SOP in order to cover the participant's cost to exercise the options. Under the SOP, the Managing Directors will be awarded a conditional right to receive shares in the capital of the Company (the 'Shares'). A Managing Director will in principle only receive the awarded Shares after a predetermined vesting period (generally three years) following the date of grant and if certain performance conditions (which may be both financial and non-financial criteria) as determined by the Supervisory Board are met. The target value of awards to be granted under the SOP (i.e. the number of Shares comprising the award) differentiates per role and is determined on an annual basis in individual award letters subject to approval by the Supervisory Board. Any material changes to the SOP regarding the Managing Directors require approval of the General Meeting. Any other amendments require prior approval of the Supervisory Board. In addition, the Supervisory Board has certain discretionary powers under the SOP, including to determine the number of shares that will continue to vest upon termination of employment. Long-term incentives are subject to clawback. The maximum number of options that may be granted to Managing Directors is stipulated in the SOP.
Implementation of the Remuneration Policy in 2020	In the course of the reappointment, the Management Board members were granted further options for the service period 2020 until 2024 by resolution of the Supervisory Board dated 16 April 2020, to underline the focus on Fyber's long-term-value creation. The total of options granted to Managing Directors are outlined in the table "Share options awarded to Managing Directors" below. Additional options shall be granted to the Management Board in case of a conversion of the remaining convertible bonds to compensate for the dilution effect of the capital increase in accordance with article 14 of the SOP. The exercise price shall be set based on the conversion price of the convertible bonds and vest over the remaining period of the Management Board's term (until the AGM 2024). In case of termination without cause, an accelerated vesting shall apply to unvested options. Those shall vest over the next 12 months and the exercise period shall be extended from 90 days until the end of the vesting period, in accordance with article 7.5 (ii) of the SOP. As of 31 December 2020, a total of 25,741,850 subscription rights to the Company's shares (2019: 22,985,139) have been issued to the Company's employees, and additional 25,493,983 (2019: 19,740,000 options) have been issued to the members of the Management Board. The weighted average exercise price as of 31 December 2020 amounted to €0.26 (2019: €0.23). No ordinary shares have been awarded to members of the Management Board.

Pension schemes

Purpose and link to strategy	To provide retirement benefits aligned with local country practice.
Operation	Pension arrangements reflect the relevant market practice and may evolve year-on-year. The Managing Directors may participate in the applicable pension programs available to other executives in the country of employment. Details on the pension arrangements in place are included in the annual remuneration report.
Implementation of the Remuneration Policy in 2020	There are no special pension arrangements for Managing Directors, other than the Israeli specific pension fund mentioned below.

Other benefits

Purpose and link to strategy	To provide a competitive level of benefits and to support recruitment and retention.
Operation	Benefits will be provided in line with local market practice in the country of employment and may evolve year-on-year. Benefits may include for example a company car (or cash equivalent), risk benefits (for example life and disability insurance) and employer contributions to insurance plans (for example medical insurance). Additional benefits and allowances may be offered in certain circumstances such as relocation support, expatriate allowances, temporary living and transportation expenses.
Implementation of the Remuneration Policy in 2020	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, the Management Board members are entitled to car allowances. Ziv Elul is furthermore entitled to full membership of the 'Young Presidents Organization'. For details on other benefits to members of the Management Board please refer to Note 41 of the Notes to the Consolidated Financial Statements.

Severance Payments

Purpose and link to strategy	To compensate for the loss of income in case of termination without cause by the Company.
Operation	Severance payments are payable in accordance with relevant employment laws of each group entity. In line with best-practice provision 3.2.3 of the Code, the maximum severance payment to Managing Directors may amount equal to 100% of annual base salary.
Implementation of the Remuneration Policy in 2020	The arrangements with the current Management Board members contain provisions for severance payments in the event that their agreement is terminated as a result of a merger or takeover. These arrangements do not exceed one year's fixed remuneration.

Furthermore Ziv Elul is entitled to an incentive bonus in the event of certain capital measures and/or in case of a future merger or takeover. This mechanism has been resolved by the Remuneration Committee in its meeting on 3 December 2020 and approved by the Supervisory Board on 7 December 2020. With regard to the long-term value creation of the Company and Ziv Elu's role and responsibilities in this matter, the Supervisory Board sees a legitimate interest of the Company for this decision. The Supervisory Board acknowledges that Ziv Elul's special bonus agreement is subject to the condition precedent that the Company's AGM in June 2021 approves the revision of the Remuneration Policy to the effect that it permits the incentive bonus.

Terms of engagement

Members of the Executive Board are appointed for four years and may then be re-appointed for successive mandates also for a period of four years. All three Management Board members have an employment agreement with the local subsidiary of Fyber N.V. (the "Agreement"). The Agreement may be terminated by either party at any time in writing with a notice period of three months unless termination for cause.

The Supervisory Board has taken appropriate steps to ensure the arrangements of Management Board members are in line with the Remuneration Policy. However, Mr. Ziv Elul will be entitled to an incentive bonus in the event of certain capital measures and/or in case of a future merger or takeover. The Supervisory Board will, upon proposal of the Remuneration Committee, propose to the annual General Meeting of shareholders in 2021 a respective amendment of the Remuneration Policy.

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

Annual remuneration of Management Board members 2020

		Fixed remuneration	Variable remuneration*	Proportion of fixed/variable remuneration*	Total remuneration*
		in € thousands			
Ziv Elul, CEO	2020	300	300	50/50	600
	2019	300	300	50/50	600
Daniel Sztern, Deputy CEO	2020	250	175	59/41	425
	2019	250	175	59/41	425
Yaron Zaltsman, CFO	2020	250	175	59/41	425
	2019	250	175	59/41	425

*Note: in case of achievement of 100% of the performance targets per year

For further details on the Managing Director's actual total remuneration in 2020 please refer to Note 41 of the Notes to the Consolidated Financial Statements.

Pay ratio and five years performance overview

The Code requires Fyber to report on the pay ratio within the Company. The pay ratio used by Fyber reflects the average compensation of the global employee workforce of Fyber on a full-time equivalent ('FTE') basis, relative to the remuneration of the CEO of the Company. The remuneration of the CEO and FTE is calculated using the actual fixed and variable remuneration of the respective year excluding social security cost, any other remuneration components and/or one-off payments. The average remuneration of the FTE is calculated as the total remuneration of all FTEs globally (excluding Managing Directors), divided by the average number of Fyber employees on an FTE basis. For Ziv Elul (who was appointed CEO as of 25 July 2017), the fixed and variable remuneration was annualized for the year 2017 in the table to facilitate comparison.
The ratio between the CEO's remuneration and the average remuneration of employees was 7 to 1 for the full year 2020. The increase in the ratio compared with 2019 is based on higher target achievement for variable remuneration in 2020, with variable pay for managing directors accounting for a larger share than that of the average global workforce.

The following table shows the pay ratio and the Company performance over the last five years based on selected KPIs.

The development of these ratios was affected by acquisitions, integrations, and changes of Managing Directors over the last five years as well as company performance and will be monitored and disclosed going forward.

Performance of the Managing Directors in 2020
The remuneration package of Managing Directors includes a significant variable part in the form of an annual cash bonus. The performance targets 2020 for the bonus evaluation 2020 are based on the Company's performance, have been set in the Supervisory Board meeting on 16 April 2020 and are detailed in the table below.

The three performance criteria, namely revenue, net revenue and adjusted EBITDA have to be achieved in order to be eligible for payout of the annual bonus, whereas minimum payment is 0% of the target bonus and maximum payment is capped at 150% of the target bonus (in the case of overachievement). The bonus amount is calculated based on the performance against the revenue target only, subject to the achievement of all three thresholds.

Pay ratio

	2020	2019	2018	2017	2016
			in € thousands		
Ziv Elul, CEO	750	510	300	600	0
Andreas Bodczek, former CEO	0	0	0	0	353
Average salary FTE	92	84	83	84	91
Internal pay ratio	7 to 1	6 to 1	4 to 1	7 to 1	4 to 1
Revenue	209,722	118,973	128,544	229,832	176,786
Gross profit	30,496	19,395	22,972	42,735	41,325
Adjusted EBITDA*	5,620	(2,717)	(7,247)	(1,154)	(4,285)

* Note: adjusted EBITDA is excluding one-off impacts such as impairment of goodwill, acquisition related costs and option plans and is not a measure calculated in accordance with IFRS. For further details on the adjustment please refer to the 'Business Performance' sections of the respective annual reports.
** Note: this was categorized as net revenue in 2015, as the categorization into gross profit was not available at the time.

Performance criteria applicable to all Managing Directors

	Performance targets		Results 2020
	Minimum threshold	Maximum threshold	Measured performance
	in € thousands		in % | in € thousands
Revenue	125,000	170,000	150% | 209,772
Net revenue*	41,000	n/a	Fulfilled | 45,387
Adjusted EBITDA**	positive	n/a	Fulfilled | 5,620

* Note: For the definition of 'net revenue' please refer to the 'Business Performance' section above.
** Note: 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.

Calculated awards per Managing Director as per target achievement 2020

	Corresponding award		Actual award outcome 2020
	Minimum threshold	Maximum threshold	
	in € thousands		
Ziv Elul, CEO	150	450	450
Dani Sztern, Deputy-CEO & COO	87.5	262.5	262.5
Yaron Zaltsman, CFO	87.5	262.5	262.5

Share options awarded to Managing Directors

	Main conditions of share options awarded to Managing Directors					Information regarding reported financial year				
						Opening balance	During the year			Closing balance
	Options awarded per 31 Dec 2019	Strike price	Grant date	Vesting date	Expiration date	Options awarded per 1 Jan	Options voided	Options awarded	Options vested	Options awarded per 31 Dec
Ziv Elul	3,000,000	€0.21	30 Jan 2019	6 May 2019	30 Jan 2024	3,000,000	0		3,000,000	3,000,000
	6,300,000	€0.21	7 May 2019	1 Jun 2022	7 May 2024	6,300,000	0		3,150,000	6,300,000
	2,876,991	€0.352	7 July 2020	1 July 2024	1 July 2024		0	2,876,991	179,812	2,876,991
Dani Sztern	1,500,000	€0.21	30 Jan 2019	6 May 2019	30 Jan 2024	1,725,000	1,725,000	1,500,000	1,500,000	1,500,000
	3,800,000	€0.21	7 May 2019	1 Jun 2022	7 May 2024		0	3,800,000	1,900,000	3,800,000
Yaron Zaltsman	1,438,496	€0.352	7 July 2020	1 July 2024	1 July 2024		0	1,438,496	89,906	1,438,496
	1,500,000	€0.21	30 Jan 2019	6 May 2019	30 Jan 2024	1,625,000	1,625,000	1,500,000	1,500,000	1,500,000
	3,640,000	€0.21	7 May 2019	1 Jun 2022	7 May 2024		0	3,640,000	1,820,000	3,640,000
	1,438,496	€0.352	7 July 2020	1 July 2024	1 July 2024	1,625,000	0	1,438,496	89,906	1,438,496
Total	**25,493,983**		in % of issued capital: 7%			**19,749,000**	**0**	**5,753,983**	**13,229,624**	**25,493,983**

Remuneration of the Supervisory Board in 2020

Fyber's **Supervisory Board Remuneration Policy** was introduced upon approval by the AGM 2020 and aims at ensuring fair compensation and protecting the independence of the Supervisory Board members. Terms and conditions for the Supervisory Board members are the responsibility of the Remuneration Committee of the Supervisory Board.

The individual remuneration of the Supervisory Directors is determined by the General Meeting of shareholders. The remuneration for Supervisory Directors is set at a level which is considered appropriate to attract individuals with the necessary international experience and ability to make an important contribution to the Company's cause. Furthermore, the level of responsibility of each Supervisory Director, the time and effort necessary to diligently accomplish all tasks and fees paid by other companies of a similar size and complexity has to be taken into account.

The Supervisory Directors receive a fixed remuneration for their service, whereas the Chairman of the Supervisory Board is entitled to a higher compensation. Apart from the fixed annual remuneration, the members of the Supervisory Board are entitled to reimbursement for their travel and business-related expenses incurred in their capacity as a Supervisory Board member.
All fees are fully paid out in cash on a quarterly basis. 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.

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. In 2019 and again in 2020, the Supervisory Board decided to adjust its remuneration downwards because of the financial situation of the Company.

The table below presents the fees that have been paid to Supervisory Board members for their service since the EGM 2017 on an annualized basis:

Annual remuneration of the Supervisory Board

	2020*	2019*	2018	2017
	in € thousands			
Y. Safrai (chairman)	118.8	80	100	0
F. Rios (vice-chairman)	85.5	50	0	0
T. Malak	57	50	0	0
A. Metre	57	50	0	0
K. Sehnaoui	57	50	100	0
D. v. Daele	0	0	200	200
Y. Valler	0	0	100	100
G. Dubois	0	0	100	100
J. Schumann	0	0	100	100
Total	**375.3**	**280**	**700**	**500**

* reduced

None of the Supervisory Board members were given personal loans, guarantees or any similar financial assistance. None of the Supervisory Board members is holding shares of the Company as per the date of the accounts.

For details and pro rata remuneration in 2020 please refer to Note 41 of the Notes to the Consolidated Financial Statements.

Personnel Report

2020 was focused on restructuring our business organization to enable stronger alignment with the overall company strategy and offer even better and more efficient services to our customers. Furthermore, many efforts went into ensuring a smooth transition into the new work-from-home policies for all our employees. Regular digital company-wide update calls and adapting our comprehensive fringe benefits package to the new setting helped to keep up the spirit in these challenging times. Fyber continues to adhere to all local health guidelines and puts the security of employees first.

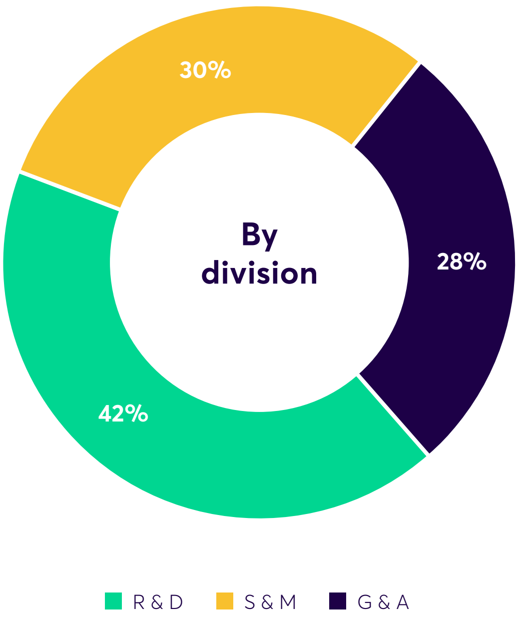
By the end of 2020, the total number of employees, including permanents and working students, was at 220, across the departments research & development ("R&D"), sales & marketing ("S&M") and general & administration ("G&A"). The current structure supports the existing business as well as our budgeted growth plan for 2021.

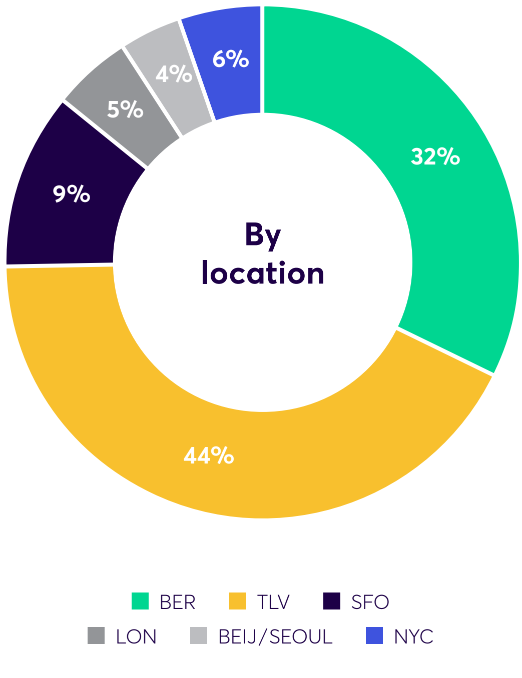
Employees by division & geography

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. 42% of all employees globally are working in R&D. The Company is a technology company, conceptualizing and developing proprietary software solutions in-house and providing them to clients worldwide. As such, R&D is at the heart of Fyber's operations and investment focus, comprising product design and management, software engineering, solution engineering, quality assurance and data science.

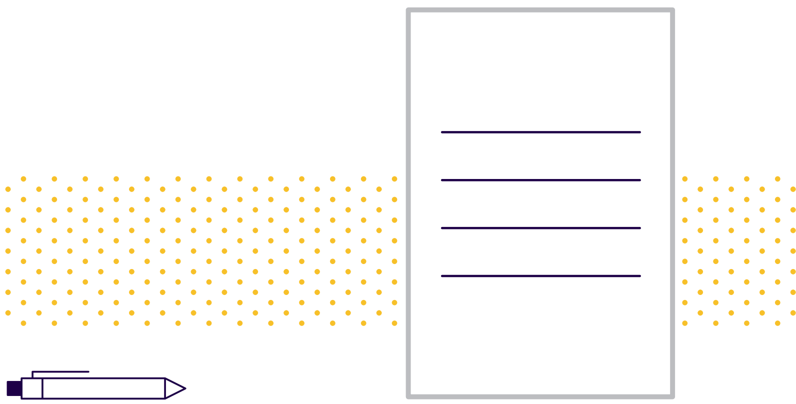
Fyber's personnel structure

Number of employees as of 31 December 2020, including permanent employees and working students/interns





Shaping our company values
Fyber redefined its core values during the year. The set of joined, equally important values best express our focus on technological leadership through innovation, long-term value creation and our drive to establish and maintain a fair, inspiring work environment for all our employees. While adapting some existing values, two more values were added that represent the Company's DNA strongly: resilience and being customer-centric. The Management Board promotes and applies these values thoroughly in all personnel-related processes such as hiring, promotions and the review of employee performance. Despite the additional challenges brought onto the Company by COVID-19, Fyber evolved as an organization and came out stronger than ever. We are proud to have been recognized by Dun & Bradstreet 2020 as the Top 18 company in their 2020 list of "Best High Tech Companies to work for in Israel" - a proof point of Fyber's commitment to creating the best work environment for employees.



Fyber Values

Customer Centric

At Fyber, the entire organization is oriented on solving customer needs. We focus on building positive, strong, and long-term relationships with customers and partners. To accomplish this, we will not rest until our customers are happy and satisfied. We expect our entire team to provide white-glove service, tailored to our customer needs.

Commitment & Care

We believe that our business will thrive in an environment of kindness and concern for others around us. We share a world-view that encourages dedication whether it is to a business goal, a colleague, or a social cause.

Accountability

Taking responsibility is our way to constantly improve. We are seeking to learn from the consequences of our actions - whether through mistakes or through success stories. When deserved, we happily give out credit to those entitled to it.

We aspire to build mutual-trust and partnerships - both internally within our teams and externally with our customers/suppliers.

Resilience

Fyber is a resilient organization thanks to the people behind it. We value individuals who are adaptable, able to endure turbulent periods, and are consistently persistent in their attempts to solve problems rationally - that's Fyber's recipe to outlasting the competition.

Diversity & Inclusion

We celebrate our differences and draw our strength from them. We build products for a global community and believe in building diverse teams to support innovation & creativity. We are committed to creating an inclusive workplace for our employees - accepting all cultures, personalities, and opinions.

Proactiveness & Courage

Our "can-do" attitude is essential to succeed in our fast-pacing industry. We have the bravery to take educated risks. We are driven by a sense of urgency to solve problems before they arise and create impact.

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 2020 to 46%. The Company is mindful of all aspects of diversity and seeks to create a safe and welcoming work environment to all.

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. In the US, compensation and company culture data provider "Comparably" awarded Fyber with place 9 in their ranking of "best small and midsize companies for women in 2020" and place 5 in the category "best small and midsize companies for diversity in 2020". That is a major success and shows that our efforts of creating a fair and equal work environment for everybody pay off.

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 €37.218 million divided into 372,189,292 common bearer shares with a nominal value of €0.10 each. The issued capital as of 31 December 2020 consisted entirely of fully paid-up ordinary shares. The authorized capital amounts to €120.0m and is divided into 1.2 billion shares with a nominal value of €0.10 each.

Potential dilution can arise from the conversion of the remaining Bonds as well as from the exercise of options under the Stock Option Plan. As of the reporting date €72.7 million principal amount of Bonds and 51.2 million options with a weighted average strike price of €0.23 were outstanding.
For changes to the share capital 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	372,189,292
52 weeks high / -low*	0.96 / 0.20

* Note: as of 13 April 2021

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 2020, 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.	92.2%

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; 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.

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

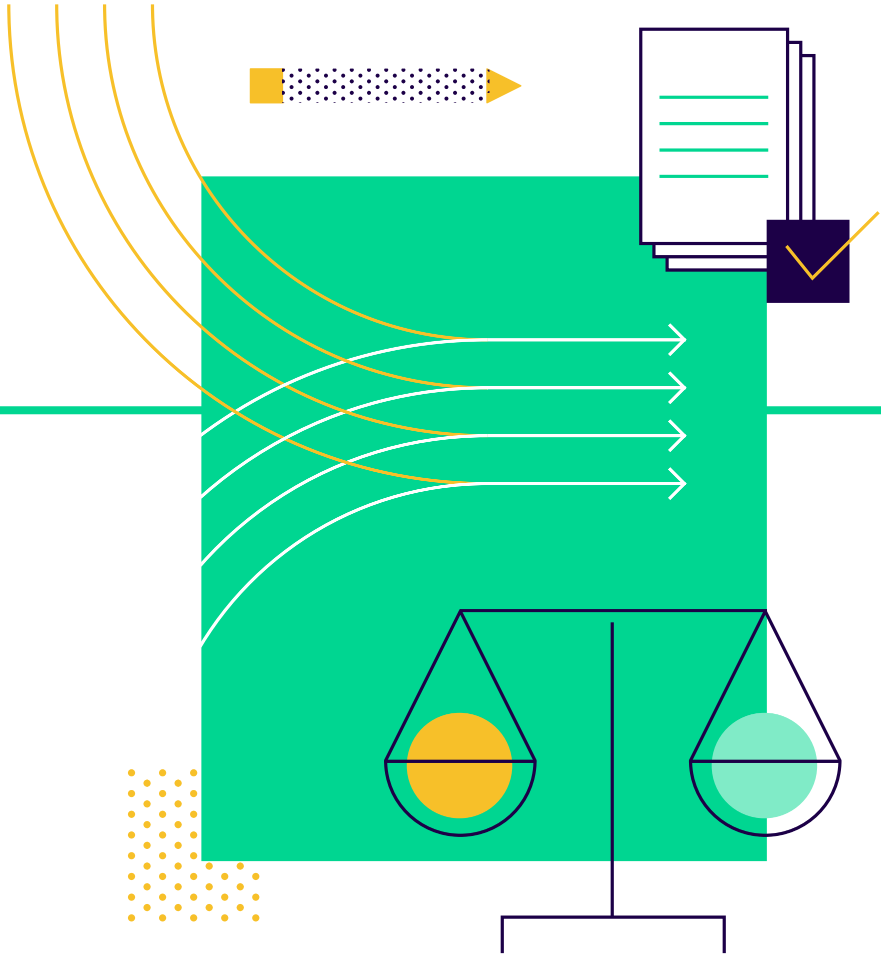
- the Management Board Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

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, 30 April 2021

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

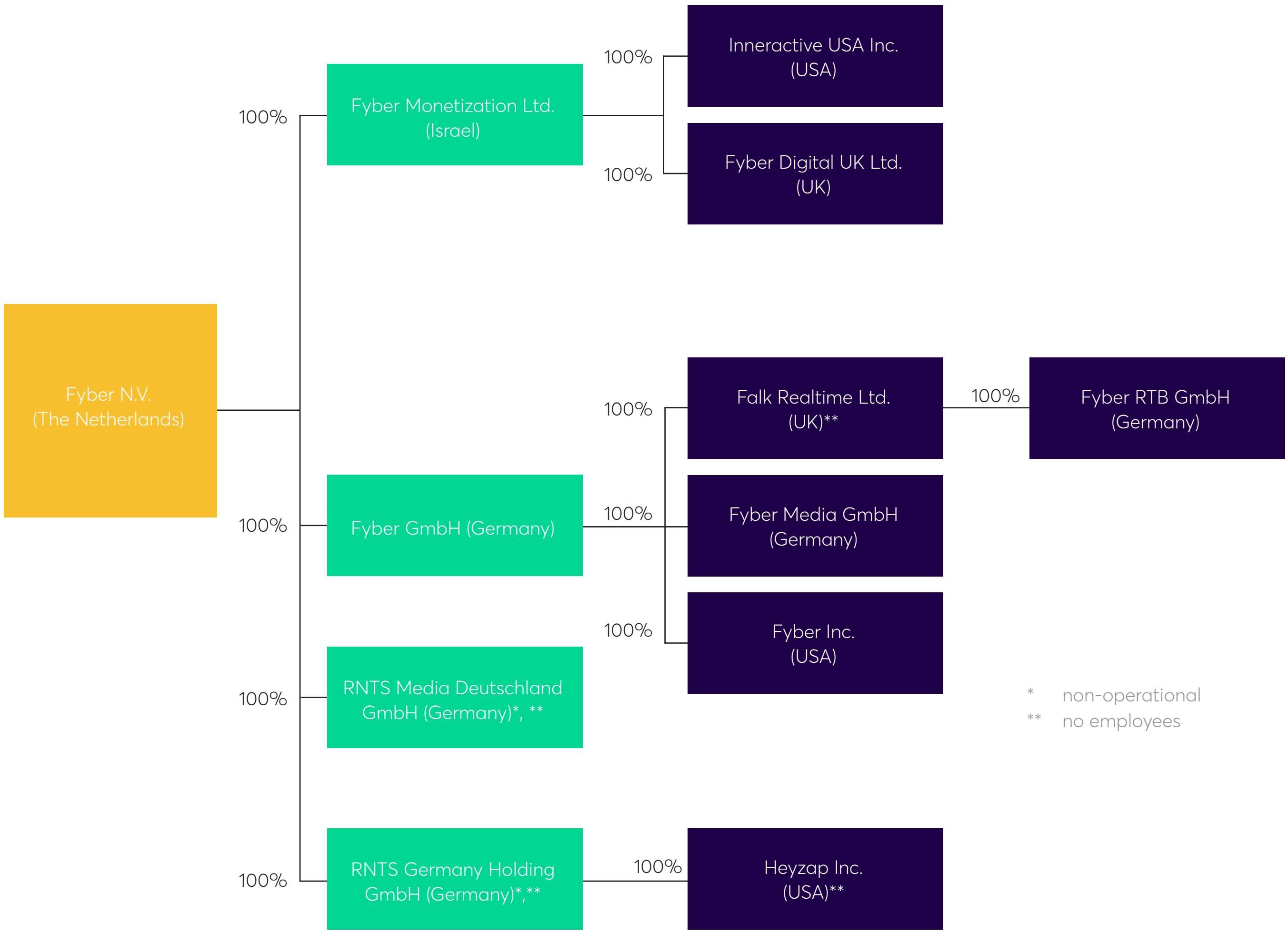


Introduction & Company Structure

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 of 31 December 2020.

Company structure



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

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"), the Dutch Financial Supervision Act (Wet op het financieel toezicht – "Wft"), 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' (structuur-regime) 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.

Examples of external regulations that affect Fyber N.V.

- Dutch Civil Code
- Dutch Corprate Governance Code
- Dutch Financial Supervision Act
- Capital market laws and regulatory provisions (incl. MAR)
- FSE listing rules for issuers
- Financial reporting standards

Examples of internal regulations that affect Fyber N.V.

- Articles of association
- By-laws of SB and EB
- Fyber Governance Matrix
- Code of Conduct
- Remuneration Policy (SB and EB)
- Whistleblower Policy
- Insider Trading Policy
- Other policies, guidelines and manuals

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.

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

Powers & Function

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.

Composition

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 after consultation with the Management Board.

As per 31 December 2020, the Management Board consisted of the following members:

Ziv Elul

CEO

Nationality	Israeli
Year of birth	1975
Date of first appointment	15 June 2016, CEO since 1 July 2017
Date of reappointment	11 June 2020
Term of office	until the end of the AGM 2024

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 & COO

Nationality	Israeli
Year of birth	1965
Date of first appointment	25 July 2017
Date of reappointment	11 June 2020
Term of office	until the end of the AGM 2024

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

Nationality	Israeli
Year of birth	1974
Date of first appointment	25 July 2017
Date of reappointment	11 June 2020
Term of office	until the end of the AGM 2024

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.

The term of appointment of all three Management Board members: Ziv Elul, Daniel Sztern and Yaron Zaltsman was expiring at the end of the annual General Meeting 2020. The Supervisory Board nominated all three directors for reappointment as members of the Management Board under due consideration of the articles of association of the Company and the Dutch Corporate Governance Code, which have been approved by the AGM on 11 June 2020.

The three Management Board members have been re-appointed by the AGM on 11 June 2020, upon nomination by the Supervisory Board, after their term was expiring in 2020. This is the first reappointment of Ziv Elul, Daniel Sztern and Yaron Zaltsman after their first term of office for a consecutive four-year period until the end of the AGM in 2024.

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.

Appointment & removal

The General Meeting appoints Managing Directors upon a nomination by the Supervisory Board under due consideration of the articles of association of the Company and the Dutch Corporate Governance Code.
The Supervisory Board shall make one or more nominations to the General Meeting in case a Managing Director is to be appointed. The nomination must be included in the notice of the Meeting at which the appointment will be considered. If no nomination has been made, this must be stated in the

notice. In the event that the Supervisory Board has made a nomination, the resolution of the General Meeting to appoint such nominee shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Managing Director other than in accordance with a nomination of the Supervisory Board, but in accordance with the agenda for such General Meeting, shall require a majority of two thirds of the votes cast representing more than half of the Company's issued share capital. However, the General Meeting may at its discretion appoint a Managing Director other than upon the nomination of the Supervisory Board, provided that a proposal to appoint such other person has been put on the agenda of the relevant General Meeting. According to article 2.2.1 of the Code, the members of the Management Board are appointed for a maximum period of four years and may be reappointed for a term of not more than four years at a time. The reappointment is being prepared in a timely fashion under due consideration of the Company's diversity policy.

The General Meeting may at any time, at the proposal of the Supervisory Board, suspend or remove a Managing Director with a resolution adopted by an absolute majority of votes cast. Should the General Meeting wish to suspend or remove a Managing Director other than in accordance with a proposal of the Supervisory Board, such suspension or dismissal needs to be adopted by two thirds of the votes cast, representing more than half of the Company's issued capital. 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 ends. The Supervisory Board may at all times suspend but not dismiss a Managing Director. The General Meeting may dissolve such suspension by the Supervisory Board at all times.

Meetings & decision-making

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.

The Management Board may also adopt resolutions in writing, provided the proposal concerned is submitted to all Managing Directors then in office, none of them object to this form of adoption and the majority of the members vote in favor of the proposed resolution.

Resolutions of the Management Board entailing a significant change in the identity or nature of the Company or its business are subject to the approval of the General Shareholders' Meeting. In addition, certain resolutions of the Management Board reflected in the articles of association, the Management Board by-laws and/or the Supervisory Board by-laws require the (prior) approval of the Supervisory Board.

In each of the above-mentioned situations, the lack of approval (whether from the General Meeting of shareholders or from the Supervisory Board) does not affect the authority of the Management Board or the individual Managing Directors to represent the Company.

Conflict of interest

A Managing Director of the Company may not participate in the decision-making on resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal conflict of interest. If a Managing Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (vernietigbaar) and the Managing Director may be liable towards the Company.

A Managing Director who thinks that he or she has or might have a conflict of interest in respect of a proposed resolution of the Management Board, shall notify the CEO and his or her co-members of the Management Board thereof as soon as possible. The Supervisory Board shall, upon receipt of the aforementioned notification and outside the presence of the Managing Director concerned, decide whether this Managing Director has a conflict of interest. In case it is decided that the respective Managing Director has a conflict of interest, he or she may not participate in the consultation and decision-making of the Management Board regarding that particular resolution. If as a consequence none of the Managing Directors may participate in the consultation and decision-making on such resolution, the Supervisory Board shall be authorized to adopt the resolution.

All transactions in which there are conflicts of interest with Managing Directors shall be agreed on terms that are customary for arm's-length transactions in the branch of business in which the Company operates. Decisions to enter into transactions in which there are conflicts of interest with Managing Directors that are of material significance to the Company and/or to the relevant Managing Directors require the approval of the Supervisory Board.

Remuneration

The Company has defined a Remuneration Policy governing the remuneration of the Management Board and

Supervisory Board, which has been most recently amended to comply with the new requirements under the revised European Shareholder Rights Directive II. The revised Remuneration Policy has been adopted by the General Meeting on 11 June 2020, takes retroactive effect from 1 January 2020 and remains in place until a revised or new remuneration policy has been approved by the General Meeting upon proposal by the Supervisory Board and its Remuneration & Organization Committee. The Remuneration Policy is published on the Company's website.

For further information about the remuneration of the Management Board and Supervisory Board, as well as details about and implementation of the Remuneration Policy in 2020, reference is made to the 'Remuneration Report' section in the Report of the Management Board.

Shareholdings

As of the date of the accounts, the direct or indirect shareholdings in the Company of each Managing Director are as follows:

	As of 31 December 2020	
	Number of ordinary shares	**Options on shares**
Z. Elul	549,924	12,176,991
D. Sztern	13,153	6,738,496
Y. Zaltsman	0,00	6,578,496
Total	**563,077**	**25,493,983**

For further information about the Company's stock option program, reference is made to the 'Remuneration Report' section in the Report of the Management Board.

The Supervisory Board & Report of the Supervisory Board

Powers & function

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.

Composition

The articles of association provide that the Supervisory Board must consist of three or more individuals. The Supervisory Board by-laws stipulate that there is a target number of six Supervisory Directors. The exact number of Supervisory Directors is to be determined by the Supervisory Board, in consultation with the CEO of the Company. Only individuals may be appointed as Supervisory Director.

As per 31 December 2020, the Supervisory Board consisted of the following members:

Yair Safrai
Chairman

Nationality	Israeli
Year of birth	1958
Date of first appointment	February 2019
Term of office	until the end of the AGM 2023

Former positions

Yair is an experienced veteran of Israel's high tech and venture capital industries. He has held various board positions in many 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. In the last 10 years, Yair has served as an Executive or Active Chairman or an active board member in several High Tech companies. 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

Yair serves as active chairman of the boards of TaKaDu Ltd., Impact First Investments Ltd. and BeeEye Ltd. Furthermore he is executive chairman in Polymertal Ltd., a chairman in VNT Solutions Ltd., and a board member in Wenspire Ltd. and TrustPeers Ltd.

Karim Sehnaoui
Supervisory Director

Nationality	British
Year of birth	1978
Date of first appointment	May 2018
Term of office	until the end of the AGM 2022

Former positions
Karim is an investment professional with 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 Master in Engineering from McGill University, Canada and was a Global Leadership Fellow at the World Economic Forum in Geneva, Switzerland.

Current positions
Karim serves as general manager of The Reference Group SARL, a financial advisory firm based in Geneva, as chief investment officer of ADS Securities LLC, he is a managing director of Elham Management and Investment Group SARL and a board member of Track Group, a security tech company based in the US.

Arjun Metre
Supervisory Director

Nationality	US Citizen
Year of birth	1973
Date of first appointment	June 2019
Term of office	until the end of the AGM 2023

Former positions
Arjun is a veteran of Intel Corporation, where he has served in various roles over the past 14 years – most recently, as investment director leading the media, entertainment and sports technology vertical at Intel Capital. He supported the formation of the OneTeam Collective and served on the executive board. Arjun Metre also served as chief of staff at Intel Capital, where his responsibilities included transaction management, strategic investments, exits and annual investment allocations. Prior to Intel Capital, Arjun led Media & Entertainment Partnerships at Intel Corporation, responsible for business development, strategic planning and key relationships across the media & entertainment segment. He has extensive startup experience with various media & tech companies and holds a B.S. in Management Science from the University of California at San Diego.

Current positions
Arjun is managing director of Ananta Group Inc. and serves as a member of the supervisory board of Wild Bunch AG.

Franklin Rios
Vice-chairman

Nationality	US Citizen
Year of birth	1972
Date of first appointment	December 2019
Term of office	until the end of the AGM 2023

Former positions
Franklin has more than 20 years of management, technology, corporate development, M&A, sales and marketing experience in the digital, e-commerce, telecom and media industries. Prior to joining MediaMath, Franklin was the executive vice president in charge of Digital at Entravision Communications, Corp., a multimedia public company. He served as the president of the Enterprise Solutions Group at Infogroup, a USD 500 million data company, and vice president of Interactive at Vertis Communications, a USD 1.5 billion direct marketing services company. Both Infogroup and Vertis were private equity turnaround assignments. In addition, he ran his own full-service Hispanic advertising agency, Rios Group. He also served as director of sales and sales manager at CSG Systems and Columbine JDS (Harris Broadcasting Systems). Franklin has been chief commercial officer of MediaMath Inc. from January 2018 until May 2020.

Current positions
Franklin is Senior Director at Alvarez and Marsal, a leading global professional service firm based in New York, USA. Since March 2021, he is Global Chief Business Officer at GroupM Data and Technology Ltd., New York

Tarek Malak
Supervisory Director

Nationality	German
Year of birth	1976
Date of first appointment	December 2019
Term of office	until the end of the AGM 2023

Former positions
Tarek studied economics at the University of St. Gallen, Switzerland, and started his career at the investment bank Rothschild in Frankfurt am Main and later in London. As a member of Rothschild's M&A team, he advised companies primarily in the area of telecom, media and technology, real estate, retail and consumer goods. Later he moved to the restructuring team at Rothschild, where he advised companies in real estate, travel and leisure industry, as well as trade and consumer goods.

Current positions
Since 2011, Tarek is with the Tennor Group, first with Sapinda Deutschland GmbH and later with Sapinda International Services B.V. in Berlin and London. Tarek is a member of the supervisory board of Wild Bunch AG (chairman since 2017), Ichor Coal N.V. (chairman since 2019), Hertha BSC GmbH & Co.KG a.A. and a member of the management board of Flensburger Schiffbau-Gesellschaft mbH.

The Supervisory Board resolved on 30 January 2020 to elect Mr. Franklin Rios as vice-chairman of the Supervisory Board in accordance with article 22.1 of the articles of association of the Company. Apart from that, there have been no further changes to the composition of the Supervisory Board in 2020.

Appointment & removal

Supervisory Directors are appointed by the General Meeting upon a nomination of the Supervisory Board in accordance with the articles of association. The Supervisory Board shall make one or more nominations in case a Supervisory Director is to be appointed. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made, this must be stated in the notice. In the event that the Supervisory Board has made a nomination, the resolution of the General Meeting to appoint such nominee shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Supervisory Director other than in accordance with a nomination of the Supervisory Board, but in accordance with the agenda for such General Meeting, shall require an absolute majority of the votes cast representing more than one-third of the Company's issued share capital. If a proposal to appoint a person not nominated by the Supervisory Board is supported by an absolute majority of the votes cast, but this majority does not represent at least one-third of the Company's issued capital, a new meeting can be convened in which the resolution can be adopted by an absolute majority of the votes cast, irrespective of the part of the Company's issued capital represented. The Supervisory Board shall appoint one of its members as chairman and may appoint one of its members as vice-chairman.

Any nomination by the Supervisory Board must be drawn up with due observance of the profile (profielschets) for the size and the composition of the Supervisory Board as stipulated in the Supervisory Board by-laws and with regard to the Diversity Policy. The profile sets out the scope and composition of the Supervisory Board, taking into account the nature of the business, its activities, and the desired expertise and the background of the Supervisory Directors and is reflecting the detailed competence and diversity requirements of the Code. Both, the Supervisory Board by-laws and the Diversity Policy are made publicly available on the Company's website.

A member of the Supervisory Board is appointed for a period of four years and may then be reappointed 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 of shareholders may at any time, at the proposal of the Supervisory Board, suspend or remove a Supervisory Director with a resolution adopted by an absolute majority of votes cast. Should the General Share-holders' Meeting wish to suspend or remove a Supervisory Director other than in accordance with a proposal of the Supervisory Board, such suspension or dismissal needs to be adopted by two thirds of the votes cast, representing more than half of the Company's issued capital. 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 on termination of the suspension or on removal, the suspension ends.

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 appoint-ment	Last reappoint-ment	Date of possible reappoint-ment
Safrai (1958)	2019	-	2023
Sehnaoui (1978)	2018	-	2022
Metre (1973)	2019	-	2023
Rios (1972)	2019	-	2023
Malak (1976)	2019	-	2023

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. A Supervisory Director 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.

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.

Diversity

The Supervisory Directors 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 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 2020, 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 regard 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.

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 & Organization Committee and a Selection & Appointment 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. According to best practice provision 2.3.4 of the Code, at least 50% of the members of a committee, among the chairman of the committee, shall be independent Supervisory Board members. Although Fyber does not comply with this recommendation, we nevertheless trust the committee members to act independently and critically towards each other, the Management Board and all stakeholders of the Company.

During its meeting on 30 January 2020, the Supervisory Board resolved to set up an Audit & Corporate Governance Committee, a Remuneration & Organization Committee and a Selection & Appointment Committee. The Supervisory Board furthermore adopted the terms of reference for each committee pursuant to clause 4.4 of the By-Laws of the Supervisory Board and best practice provision 2.3.3 of the Code, which are published on the Company's website. The committees are comprised as follows:

Audit & Corporate Governance Committee
Tarek Malak (chairman)
Yair Safrai
Karim Sehnaoui

Remuneration & Organization Committee
Yair Safrai (chairman)
Tarek Malak
Franklin Rios

Selection & Appointment Committee
Franklin Rios (chairman)
Yair Safrai
Arjun Metre

The Supervisory Board authorized each committee to appoint the chairman of the committee from among its members. The chairmen of each committee were elected in the course of each committee's introductory meeting in Q1 2020.

Audit & Corporate Governance Committee
The Audit Committee's primary duties and responsibilities include, among other things, to serve as an independent and objective party to monitor the integrity and quality of the Company's accounting and financial reporting process and the effectiveness of Fyber's internal risk management, control and compliance systems. Further, it focuses on monitoring the Management Board with regard to relations with, and compliance with recommendations and following up on comments by the external auditors, the Company's funding and tax policy.

Over the first months of 2020, the committee was supervising the external auditor and monitoring the statutory audit and its process. The committee held two meetings in 2020, one introductory meeting and the closing meeting with the external auditor in which the report of the auditor on the annual accounts 2019 and the key audit matters were discussed without the Management Board being present. In the course of the Supervisory Board meeting in April, Tarek Malak reported from the Audit Committee's meeting with the external auditor and presented the key audit matters. The Audit Committee identified no important findings and rated the functioning and the relationship with the external auditor overall as positive.

Remuneration & Organization Committee
For the duties and activities of the Remuneration & Organization Committee, reference is made to the 'Remuneration Report' section in the Report of the Management Board.

Selection & Appointment Committee
The Selection Committee is primarily responsible for the preparation of selection criteria and appointment procedures for members of the Supervisory Board and Management Board as well as the periodic evaluation of the scope and composition of the Management Board and the Supervisory Board, including the profile of the Supervisory Board and Fyber's Diversity Policy. Additionally, the Selection Committee periodically evaluates the functioning of individual members of the Management Board and Supervisory Board, reporting these results to the Supervisory Board. It also proposes the (re-)appointments of members of the Management Board and Supervisory Board and supervises the policy of the Management Board in relation to selection and appointment criteria for senior management.

In the course of 2020, the Selection Committee met once and prepared the reappointment procedure of the Management Board members, which were subsequently discussed during Supervisory Board meetings.

Meetings & decision-making
The Supervisory Board shall meet as often as deemed necessary for the proper functioning of the Supervisory Board, with a minimum of four meetings per year. The Supervisory Board shall meet earlier than scheduled if this is deemed necessary by the chairman, by two other Supervisory Directors, or by the Management Board. 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. 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.
At a meeting, the Supervisory Board may only pass valid resolutions if at least half of the Supervisory Directors are present or represented. The Supervisory Board may also adopt resolutions in writing, provided the proposal concerned is submitted to all Supervisory Directors then in office and none of them objects to this form of adoption. If no unanimity can be reached and no larger majority is stipulated by Dutch law or pursuant to the articles of association or the Supervisory Board By-Laws, the Supervisory Board may adopt resolutions with an absolute majority of the votes cast. If there is a tie of votes, the chairman of the Supervisory Board shall have a casting vote if more than two Supervisory Directors are present or represented.

In 2020 the Supervisory Board held five meetings, thereof one in person and four meetings by conference call. Due to the COVID-19 pandemic and ongoing travel restrictions, the Supervisory Board decided in March to hold the meetings virtually as a video conference until further notice. The quarterly meetings are held to discuss ongoing matters and recent developments, whereas the main topics were:

Rotation Plan

Quarter	Date	Main topics
Q1	30 Jan 2020	Financial budget 2020, performance targets 2020, variable remuneration 2019, SB committees
Q2	16 April 2020	Annual report 2019, agenda of the annual General Meeting of shareholders (including reappointment of the Management Board members, revised Remuneration Policy, audit report)
Q3	22 July 2020	H1 financials, business update and initiatives, strategic outlook
Q4	4 Nov 2020	Q3 financials, business and product update, market update
	28 Dec 2020	Initial budget meeting for 2021

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%, and thus 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.

Conflict of interest

Similar to the rules that apply to the Managing Directors described above, a Supervisory Director of the Company may not participate in the decision-making on resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal conflict of interest. This also applies to the Company. A Supervisory Director who thinks that he or she has or might have a conflict of interest in respect of a proposed resolution of the Supervisory Board, shall notify the chairman of the Supervisory Board. The chairman of the Supervisory Board will inform the vice-chairman of the Supervisory Board of any conflict of interest or potential conflict of interest that he or she has or might have as soon as possible. The Supervisory Board shall decide, outside the presence of the Supervisory Director concerned, whether a conflict of interest exists. If all Supervisory Directors have a conflict of interest in respect of a proposed resolution of the Supervisory Board, then the Supervisory Board shall decide on the relevant resolution on the basis of section 2:140 paragraph 5, last sentence, of the Dutch Civil Code, meaning that the resolution will be decided on by the General Meeting.
All transactions in which there are conflicts of interest with Supervisory Directors shall be agreed on terms that are customary for arm's-length transactions in the branch of business in which Fyber operates. Decisions to enter into transactions in which there are conflicts of interest with Supervisory Directors that are of material significance to the Company and/or to the relevant Supervisory Directors require the approval of the Supervisory Board.

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 2020 no conflicts of interest were reported. There were furthermore no transactions in 2020 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.
There is no family relationship between any Supervisory Director and any Managing Director.
The best practice provisions 2.7.3 to 2.7.5 of the Dutch Corporate Governance Code have been complied with.

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 spent 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. 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. Neither does one of the Supervisory Directors hold any shares of the Company.

For further information about the remuneration of the Supervisory Board, reference is made to the ‘Remuneration Report’ section in the Report of the Management Board.

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 committees 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 2020, 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 Yair Safrai cannot be considered independent within the meaning of Best Practice provision 2.1.8 par iii. of the Code as Mr Safrai has had a consulting relationship with an affiliated company in the year prior to the appointment.

Mr Karim Sehnaoui entered into an employment relationship with a shareholder, whose holdings in the Company exceed ten percent of shares until 6 May 2019. Consequently, Mr Sehnaoui cannot be considered independent within the meaning of best practice provision 2.1.8 par vii. of the Code.

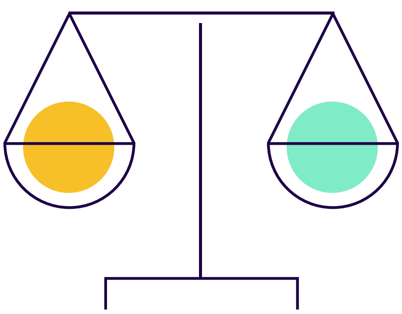
Mr Arjun Metre and Mr Tarek Malak cannot be considered independent within the meaning of Best Practice provision 2.1.8 par vii. of the Code as both are representatives of a shareholder holding more than ten percent of the shares in the Company.

Best practice provision 2.1.7 par i. of the Code is complied with, as any of the criteria referred to in best practice provision 2.1.8 par i. To v. inclusive are applicable to not more than one member of the Supervisory Board.

The Supervisory Board does not meet the independence requirements of best practice provision 2.1.7 par ii. and iii. of the Code, as:

- More than half of the total number of Supervisory Board members cannot be considered to be independent in accordance with the meaning of best practice provision 2.1.8 of the Code during 2020;
- More than one representative of the shareholders that hold more than 10 % of the shares in the capital of the Company is a member of the Supervisory Board.

Thus, as of the end of 2020 four out of five members of the Supervisory Board cannot be considered independent within the meaning of the best practice provision 2.1.8 of the Code. We nevertheless trust that the Supervisory Board members operate independently and critically vis-à-vis one another, the management board and any particular interests involved. In order to safeguard the proper functioning and the requisite degree of unbiased judgment by its members notwithstanding the current status regarding compliance with best practice provision 2.1.7, 2.1.8 and 2.1.9 of the Code, the set decision making and voting procedures are of utmost importance to the management bodies of Fyber. Reference is made to the sections 'Meetings & Decision-making' and 'Conflict of interest' in this Report of the Supervisory Board.



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 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 AGM held on 12 June 2019 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 (if any) and the Management Board, the Supervisory Board nominates an independent external auditor for appointment by the Annual General Meeting of shareholders.

KPMG Accountants N.V., Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands ("KPMG") has been appointed as the external auditor of the Company for the financial year ending on 31 December 2019 and 31 December 2020 by the AGM on 12 June 2019.

Role & procedure

KPMG is responsible for providing an opinion whether the annual financial statements 2019 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, KPMG 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 KPMG 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 Chairman of the Supervisory Board or the Audit & Corporate Governance Committee (if in place) 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, Germany and Israel. 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.

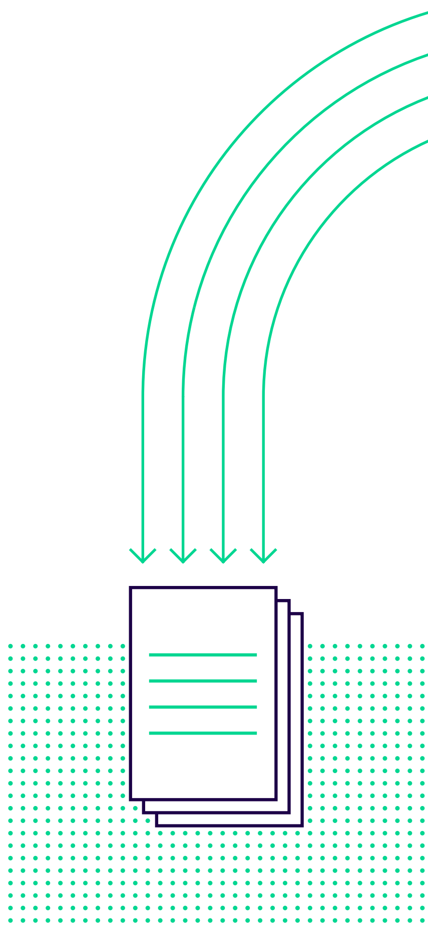
The Supervisory Board concluded that the relation with the independent auditor is sound and constructive.

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.

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 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 ii. and iii. 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.

- **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 committees) Fyber does not comply with best practice provision 2.3.4 as the chairman of the Supervisory Board also chairs the Remuneration & Organization Committee and the independence criteria for composition of committees are not met, since more than half of the members of the committees cannot be considered independent within the meaning of best practice provision 2.1.8.

- **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** (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.
  The Remuneration Policy does not provide for any share awards to be retained by the members of the Management Board for a period of at least five years or until at least the end of employment. No ordinary shares have been issued under the option Plan as at the date of this report. The character of the share awards as medium- to long-term components of the remuneration package is further apparent from the fact that the Stock Option Plan provides for a lock-up for shares issued to members of the Management Board of up to 12 months after exercise of these Options. As described the Stock Option Plan intends to incentivize and retain key management, we have been advised that a three-year waiting period for the exercise of these options and hurdles for vesting should be deemed too restrictive and not in line with option plans that are considered market practice in the tech sector. We therefore believe that the Stock Option Plan enables us to attract international skills and talent and retain high caliber members of our Management Board so that a deviation from the Code in this respect is considered justified.

- **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 pat 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.

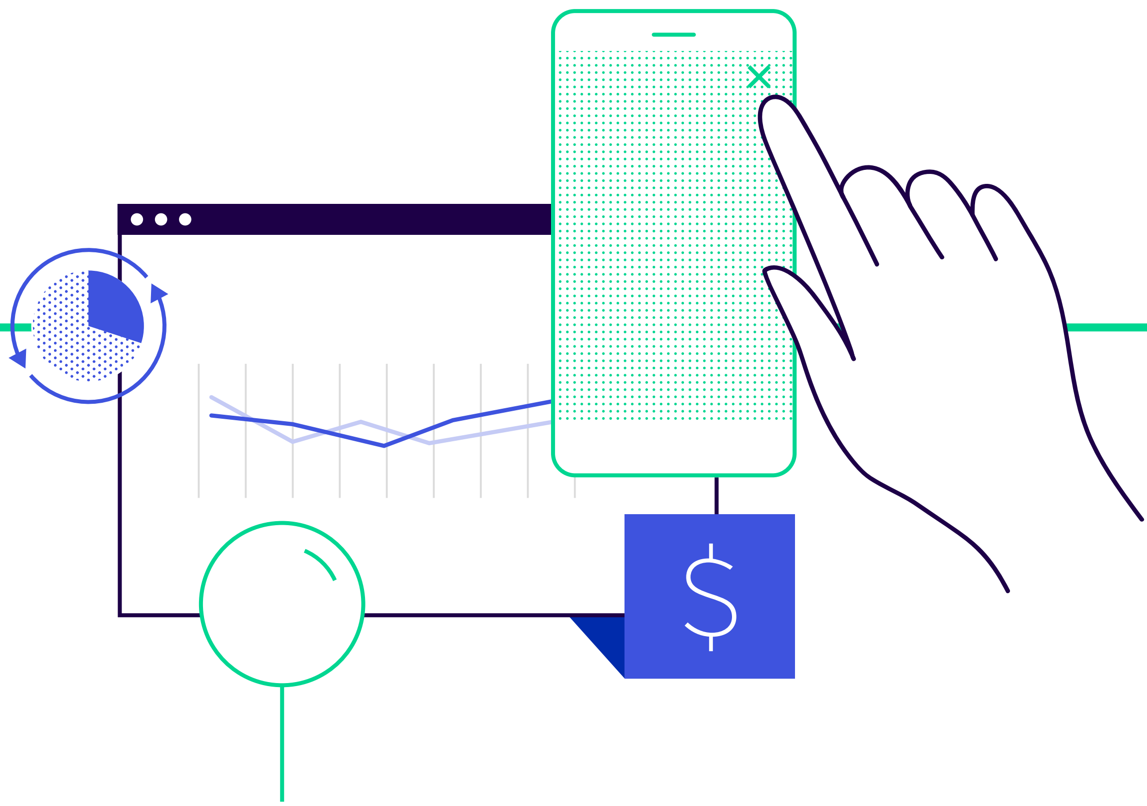
Corporate Governance Statement

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 2020



Consolidated Income Statement

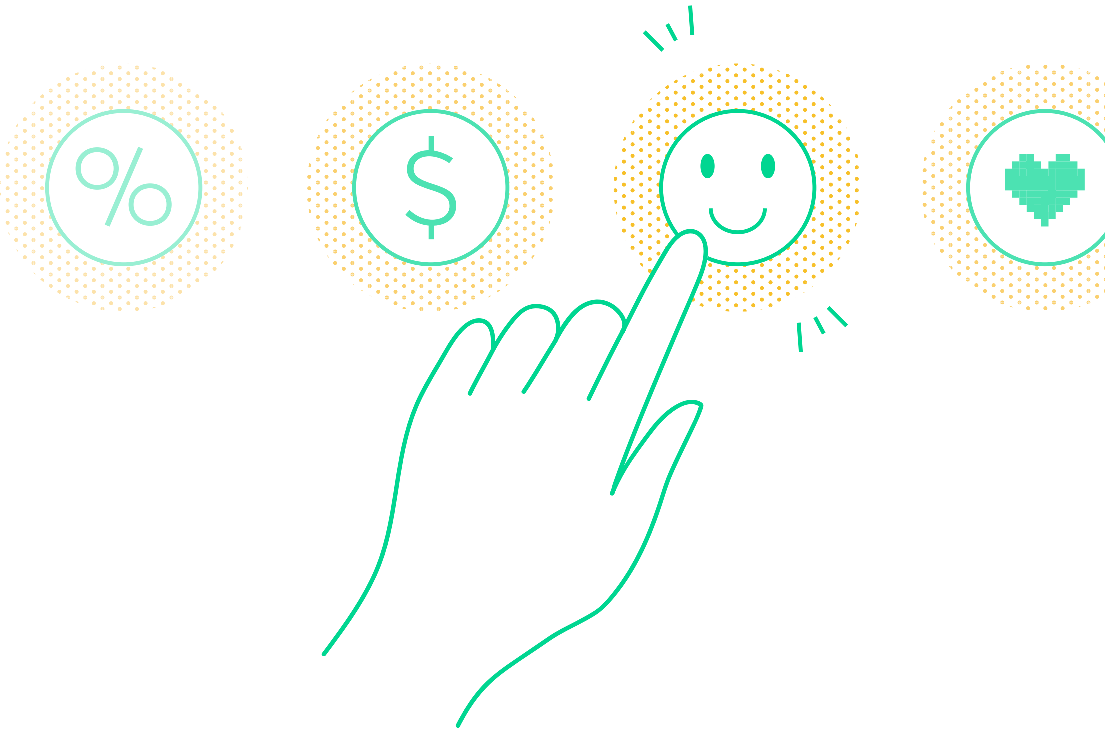
	Notes	Year ended 31 December 2020	2019
		in € thousands	
Revenue	6	**209,772**	**118,973**
Cost of sales	8,9	(179,276)	(99,520)
Gross profit		**30,496**	**19,453**
Other operating income	7	0	1,348
Research and development expenses	8,10	(12,100)	(12,775)
Sales and marketing expenses	8,11	(14,970)	(15,910)
General and administrative expenses	8,12	(7,745)	(8,774)
Other operating expenses	13	(461)	(3,843)
Earnings before interest and tax (EBIT)		**(4,780)**	**(20,501)**
Finance income		83	72
Finance costs		(10,588)	(28,800)
Net finance costs	14	**(10,505)**	**(28,728)**
Loss before tax		**(15,285)**	**(49,229)**
Income tax gain (expense)	15	(215)	460
Loss for the year after tax		**(15,500)**	**(48,769)**
Loss attributable to			
Shareholders of Fyber N.V.		(15,500)	(48,769)
Non-controlling interest			-
Earnings per share			
Basic loss per share (€)	17	(0.04)	(0.18)
Diluted loss per share (€)	17	(0.04)	(0.18)

The notes on pages 100 to 156 are an integral part of these consolidated financial statements.

Consolidated Statement of other Comprehensive Income

	Notes	Year ended 31 December 2020	2019
		in € thousands	
Loss for the year after tax		(15,500)	**(48,769)**
To be reclassified to profit and loss in subsequent periods			
Exchange differences on currency translation	28.6	(6,456)	1,992
Income tax effect	16	0	0
Other comprehensive income (loss) for the year, net of tax		(6,456)	1,992
Total comprehensive loss for the year		(21,956)	**(46,777)**
Comprehensive loss attributable to			
Shareholders of Fyber N.V.		(21,956)	(46,777)
Non-controlling interest		0	0

The notes on pages 100 to 156 are an integral part of these consolidated financial statements.



Consolidated Statement of Financial Position

	Notes	2020	2019
		As per 31 December	
		in € thousands	
Non-current assets			
Goodwill	18	128,650	134,932
Other intangible assets	19	8,724	13,402
Intangible assets		**137,374**	**148,334**
Property and equipment	20	8,775	8,519
Non-current financial assets	21	3,845	4,272
Deferred tax assets	26	0	0
Total non-current assets		**149,994**	**161,125**
Current assets			
Inventories	22	0	82
Trade and other receivables	23	64,983	29,531
Other current financial assets	24	1,827	3,898
Prepayments	25	1,189	1,430
Cash and cash equivalents	27	25,972	12,876
Total current assets		**93,971**	**47,817**
Total assets		**243,965**	**208,942**

The notes on pages 100 to 156 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Notes	2020	2019
		As per 31 December	
		in € thousands	
Equity			
Issued capital	28.1	37,219	36,187
Share premium	28.1	251,948	250,389
Treasury shares	28.2	(4,551)	(4,745)
Other capital reserves	28.3	31,446	30,489
Legal reserve capitalized self-developed intangible assets	28.4	8,627	7,980
Retained earnings	28.5	(303,116)	(286,969)
Foreign currency translation reserve	28.6	(6,711)	(255)
Equity attributable to shareholders of the Company		**14,862**	**33,076**
Non-controlling interests		0	0
Total equity		**14,862**	**33,076**
Non-current liabilities			
Employee benefits	29	233	238
Loans and borrowings	30	111,208	102,725
Deferred tax liabilities	26	0	0
Other non-current liabilities	31	12,684	12,536
Total non-current liabilities		**124,125**	**115,499**
Current liabilities			
Trade and other payables	32	78,353	36,701
Employee benefits	29	5,005	5,517
Loans and borrowings	33	21,379	17,950
Other current liabilities		56	0
Current tax liabilities		185	199
Total current liabilities		**104,978**	**60,367**
Total liabilities		**229,103**	**175,866**
Total equity (deficit) and liabilities		**243,965**	**208,942**

The notes on pages 100 to 156 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	2020	2019
		Year ended 31 December	
		in € thousands	
Loss for the year after tax		**(15,500)**	**(48,769)**
Income tax gain (expense)		215	(460)
Depreciation, amortization and impairment		9,358	17,274
Net finance costs	14	10,505	28,728
Profit from sale of the right-of-use asset through sublease		0	(1,348)
Share based payments		957	929
Changes in provisions, employee benefit obligations		(461)	(2,501)
Changes in working capital		7,511	1,340
Cash generated from operations [1]		**12,585**	**(4,807)**
Interest paid		(1,965)	(3,215)
Interest received		83	0
Income tax paid		(349)	(1,213)
Income tax received		121	0
Net cash flow from operating activities		**10,475**	**(9,235)**
Purchases of property and equipment	20	(135)	(806)
Purchases of and development expenditures for intangible assets	19	(3,601)	(4,576)
Net proceeds (payments) from investments and financial assets		0	(123)
Decrease/(Increase) in other non-current financial assets		427	0
Net cash flow from investing activities		**(3,309)**	**(5,505)**
Proceeds from non-current loans and borrowings	30	3,105	18,000
Proceeds (repayment) from current loans and borrowings		5,121	(1,217)
Payment of lease liabilities		(2,094)	(1,887)
Net cash flow from financing activities		**6,132**	**14,896**
Net changes in cash and cash equivalent		**13,298**	**156**
Cash and cash equivalent at beginning of period		**12,876**	**12,276**
Net foreign exchange difference		(202)	444
Net changes in cash and cash equivalent		13,298	156
Cash and cash equivalents at end of period		**25,972**	**12,876**

The notes on pages 100 to 156 are an integral part of these consolidated financial statements.

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

Consolidated Statement of Change in Equity

in € thousands	Notes	Issued capital	Share premium	Treasury shares	Other capital reserves	Legal reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity (deficit)
01 Jan 2020		**36,187**	**250,389**	**(4,745)**	**30,489**	**7,980**	**(286,969)**	**(255)**	**33,076**	**0**	**33,076**
Loss for the year after tax		0	0	0	0	647	(16,147)	0	(15,500)	0	(15,500)
Other comprehensive income (loss) for the period, net of tax	28.6	0	0	0	0	0	0	(6,456)	(6,456)	0	(6,456)
Total comprehensive income (loss) for the year		**0**	**0**	**0**	**0**	**647**	**(16,147)**	**(6,456)**	**(21,956)**	**0**	**(21,956)**
Share-based payments - vesting	28.3	0	0	0	957	0	0	0	957	0	957
Share-based payments - exercise	28.3	32	(256)	224	0	0	0	0	0	0	0
Conversion of convertible bond	5	1,000	1,922	(30)	0	0	0	0	2,892	0	2,892
Transaction costs from share issue		0	(107)	0	0	0	0	0	(107)	0	(107)
Equity component of the convertible bond, net of tax		0	0	0	0	0	0	0	0	0	0
Transactions with shareholders		**1,032**	**1,559**	**194**	**957**	**0**	**0**	**0**	**3,742**	**0**	**3,742**
31 Dec 2020		**37,219**	**251,948**	**(4,551)**	**31,446**	**8,627**	**(303,116)**	**(6,711)**	**14,862**	**0**	**14,862**

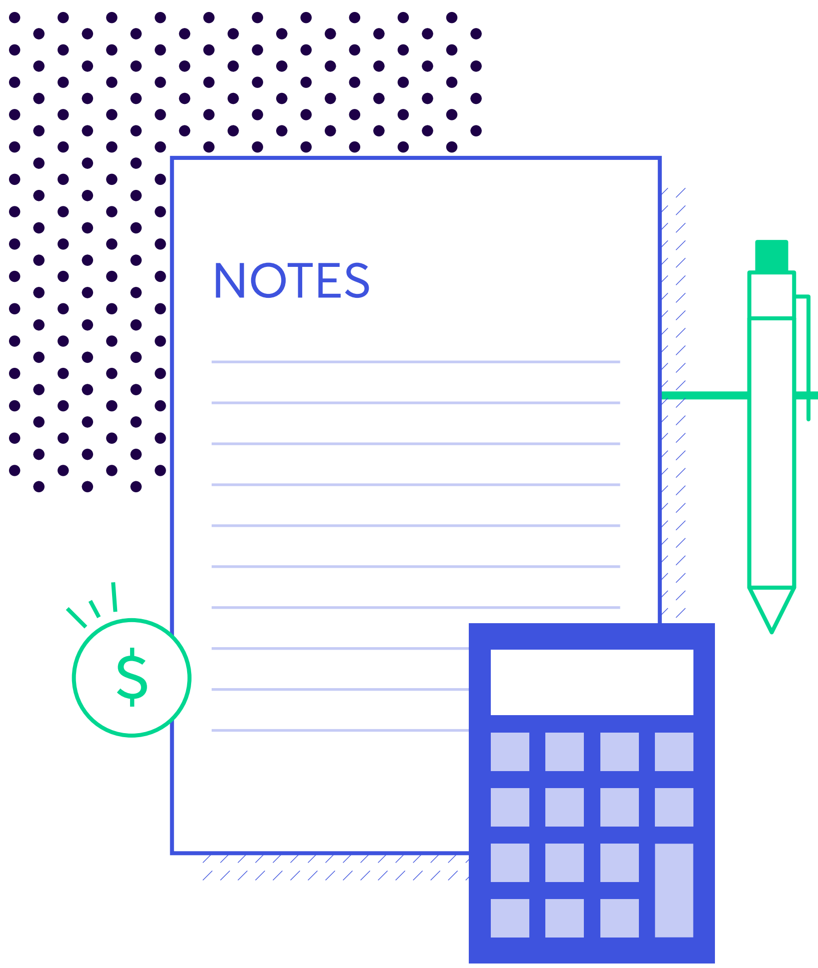
The notes on pages 100 to 156 are an integral part of these consolidated financial statements.

Consolidated Statement of Change in Equity

in € thousands	Notes	Issued capital	Share premium	Treasury shares	Other capital reserves	Legal reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
31 Dec 2018		**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,416)**	**(2,247)**	**(15,558)**	**0**	**(15,558)**
Effect of adopting new accounting standards, net of tax	3.11.1.4	0	0	0	0	0	(76)	0	(76)	0	(76)
01 Jan 2019		**11,453**	**184,812**	**(4,745)**	**25,313**	**7,272**	**(237,492)**	**(2,247)**	**(15,634)**	**0**	**(15,634)**
Loss for the year after tax		0	0	0	0	708	(49,477)	0	(48,769)	0	(48,769)
Other comprehensive income (loss) for the period, net of tax		0	0	0	0	0	0	1,992	1,992	0	1,992
Total comprehensive income (loss) for the year		**0**	**0**	**0**	**0**	**708**	**(49,477)**	**1,992**	**(46,777)**	**0**	**(46,777)**
Share-based payments -vesting	28.3	0	0	0	929	0	0	0	929	0	929
Issue of shares upon conversion of convertible bonds		24,734	66,428	0	0	0	0	0	91,162	0	91,162
Transaction costs with respect to bond conversion		0	(851)	0	0	0	0	0	(851)	0	(851)
Equity component of the convertible bond, net of tax	28.3	0	0	0	4,247	0	0	0	4,247	0	4,247
Transactions with shareholders		**24,734**	**65,577**	**0**	**5,176**	**0**	**0**	**0**	**95,487**	**0**	**95,487**
31 Dec 2019		**36,187**	**250,389**	**(4,745)**	**30,489**	**7,980**	**(286,969)**	**(255)**	**33,076**	**0**	**33,076**

The notes on pages 100 to 156 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements



1 GENERAL

1.1 Reporting entity and relationship with parent company

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

The Company is incorporated in Amsterdam, The Netherlands and is registered with the Dutch Chamber of Commerce under the number 54747805. The Company's head-office is located at Wallstraße 9-13, 10179 Berlin, Germany. The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

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

Fyber has offices in Berlin, Tel Aviv, San Francisco, New York, London, Beijing and Seoul and employs more than 220 people.

1.2 Financial reporting period

These financial statements cover the year 2020, which ended at the balance sheet date of 31 December 2020.

1.3 Going concern

As of 31 December 2020, the Group reported a loss and as a result of €15,500 thousand negatively impacting equity of €14,862 thousand (31 December 2019: €33,076 thousand). While both operating and total cash flow were positive as such cash and cash equivalents amounted to €25,972 thousand (31 December 2019: €12,876 thousand) the consolidated working capital showed a deficit of €11,007 thousand (31 December 2019: €2,540 thousand).

At the balance sheet date, the Group had shareholder loans with Tennor Holding B.V. amounting to €32,000 thousand (31 December 2019: €30,000) plus accrued interest of €4,788 thousand (31 December 2019: €2,237 thousand) which mature in June 2022. Note that subsequent to the balance sheet date an amount of €15,000 thousand has been extended to June 2023, refer to note 44 subsequent events.

Furthermore, the Group has revolving credit facilities from banks amounting to €25,821 thousand of which €21,379 thousand had been drawn (31 December 2019: €17,949 thousand). These credit facilities are due within the next 12 months following the reporting date and considered current financing.

Finally the Group has a convertible loan amounting to €73.4 million as per 31 December 2020 with a maturity date of July 2022; the company is dependent on the successful conversion of the loans into equity since this is one of the conditions in order to finalize the acquisition by Digital Turbine.

Based on the current cash flow projections and liquidity analysis the Group is not able to repay these credit facilities within the next 12 months if needed. Therefore, the Group depends on the willingness of the banks, bondholders and the shareholder to prolong its financing.

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

2 BASIS OF PREPARATION

2.1. Statement of compliance

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 1.3 for further details.

The consolidated financial statements of the Group have been authorized for issue by the Supervisory Board as of 30 April 2021.

2.2. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for share-based payments, that have been measured at fair value. Please refer to note 28.3 for further details.

2.3. Functional and presentation currency

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 Group's financial year corresponds to the calendar year. Tables that are labeled '2020' or '2019' comprise information about the full year 2020 and 2019, respectively.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of Fyber N.V. and its subsidiaries as at 31 December 2020. 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 2020, 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 2020.

3.1.1 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.

3.1.2 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.

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	
per €	**31 Dec 2020**	**31 Dec 2019**
US Dollar	1.23	1.12

3.1.3 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

3.2. 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 are recorded using the effective interest method with exception of borrowing costs capitalized according to IAS 23. In 2020 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 arising from a group of similar transactions. Gains and losses from foreign currency transactions and revaluations are presented together in net finance costs.

3.3. Personnel costs

3.3.1. 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.

3.3.2. Stock option program

The fair value of stock options that 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 amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met. 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.

3.3.3. 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.

3.4. 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.

3.4.1. 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.

Current tax assets and liabilities are offset only if certain criteria are met.

3.4.2. Deferred income tax

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 is not recognized for: – temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; – temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and – taxable temporary differences arising on the initial recognition of goodwill.

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.

3.5. Intangible assets

Other intangible assets, including customer relationships and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. 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. Please refer to note 3.7. for further details

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.

3.6. 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	Depreciation method used
Leaseholds improvements	2 - 3	Straight line
Other operational and office equipment	3 - 13	Straight line
Right of use assets (leases)	3-10	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.

3.6.1. Leases

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 use the underlying assets and lease liabilities representing its obligation to make lease payments. Please refer to note 3.11. for further details.

3.7. Impairment of non-financial assets

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. Goodwill is tested annually for impairment.

Please refer to note 18 for detailed information on estimates and key assumptions used to determine the necessity of impairment, including a sensitivity analysis. Please refer to note 19 for further details about estimates and assumptions applied.

3.8. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out principle.

3.9. Financial instruments

3.9.1. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is trade receivables without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Trade receivables without a significant financing component is initially measured at the transaction price.

3.9.2. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows, or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model);
- how those risks are managed; – how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales, and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost- These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI- These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI- These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3.9.3. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

3.9.4. Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

3.9.5. Loans under the Paycheck Protection Program

Loans under the Paycheck Protection Program were ultimately granted by the US federal government as part of the CARES Act and obtained through the subsidiaries Fyber Inc and Inneractive USA, Inc. Until there is reasonable assurance that these loans will be forgiven, the Group is accounting for them as liabilities. In case of forgiveness, the loans are recognized as government grants in other operating income.

3.10. 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 the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

3.11. Leases

3.11.1. Definition of a lease

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease according to IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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:

in € thousands	31 Dec 2020	31 Dec 2019
Property and equipment	7,487	6,992

The Group presents lease liabilities in 'other non-current liabilities' as well as 'trade and other payables' in the statement of financial position.

3.11.2. 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 Group entities' incremental borrowing rate. Generally, the Group uses its Group entities' 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 judgment 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.

3.11.3. Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.12. Changes in accounting policies and disclosures

3.12.1. New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.12.2. Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

3.12.3. Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

3.12.4. Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

3.12.5. Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

3.12.6. Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

3.13. 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 and are explained in the respective notes to which they relate to.

3.13.1. 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.

3.13.2. Revenue recognition

The Group has a 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 in 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.

3.13.3. 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. Please refer to note 18 for further details about estimates and assumptions applied.

3.13.4. 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.

Please refer to notes 15 and 26 for further details about estimates and assumptions applied.

3.13.5. Impairment of goodwill

The Group tests annually if goodwill has suffered any impairment in accordance with the accounting policies. Please refer to note 18 for detailed information on estimates and key assumptions used to determine the necessity of impairment, including a sensitivity analysis.

3.13.6. Measurement of receivables and necessary impairments

The Group uses a provision matrix to calculate expected credit losses (ECL) 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. An event of default is generally considered when a financial asset is 90 days overdue 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 historically 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 ECL is a significant estimate. The amount of ECL 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.

ECL on receivables from advertisers are determined taking into account a possible right of withholding from publisher payouts in case of a default of the advertiser which usually applies. In such cases, ECL is solely calculated on the company's margin. The information about the ECL on the Group's trade receivables is disclosed in note 3.9 and note 23.

3.13.7. 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 assumes that the comparable, non-convertible loan would bear an interest of 7.8%. This assumption is the same as in the prior year.

Please refer to the note 30 for further details about estimates and assumptions applied.

3.14. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier adoption is permitted; however, the Group has not early adopted new or amended standards in preparing these consolidated financial statements.

3.14.1. IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17..

The new standard is not expected to have a significant impact on the Group's consolidated financial statements.

3.14.2. Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement,
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

3.14.3. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has determined that all contracts existing at 31 December 2020 will be completed before the amendments become effective.

3.14.4. Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

3.14.5. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

3.14.6. IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group

4 COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

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

	Country of incorporation	% equity interest
Fyber N.V.	The Netherlands	
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

[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.

During the year 2020, Advertile Mobile GmbH and AppMarie UG were merged into Fyber GmbH.

5 CONVERTIBLE BOND AND NET DEBT

In 2020, net debt developed as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Non-current loans and borrowings	111,208	102,725
Current loans and borrowings	21,379	17,950
Cash and cash equivalents	(25,972)	(12,876)
Net debt (cash)	**106,615**	**107,799**

Non-current loans and borrowings consist of Convertible bonds and two PPP (Paycheck Protection Program) loans. Please refer to note 30 for further details.

Throughout the year 2020, 30 bonds have been converted into 9,999,999 shares of Fyber N.V. for a price of €0.30 per share. As of 31 December 2020 there were 727 bonds outstanding. After the reporting date, further bonds have been converted. As of 27 April 2020 190 bonds were outstanding. The PPP loans amounting to €1,001 thousand as of 31 December 2020 have been completely forgiven in 2021. Please refer to note 44.4 for further details.

Current loans and borrowings composed of credit loan facilities obtained through Fyber Monetization Ltd. in Israel (Bank Leumi and Discount Bank) and Fyber GmbH in Germany (BillFront). Please refer to note 33 for further details.

6 REVENUE

IFRS 15 Revenue model recognition includes five steps for analyzing transactions so as to determine when to recognize revenue and at what amount: (1) Identifying the contract with customers. (2) Identifying distinct performance obligations in the contract. (3) Determining the transaction price. (4) Allocating the transaction price to distinct performance obligations. (5) Recognizing revenue when the performance obligations are satisfied.

The Group earns its revenue from providing user acquisition services by using technological tools and developments. The Company's business is based on optimizing real time trading of digital advertising between buyers and sellers. The revenue consists of different pricing schemes such as Cost per Mil Impression (CPM), performance-based metrics that include Cost per Click (CPC) and Cost per Action (CPA) options. Revenue from advertising services is recognized by multiplying an agreed amount per Mil Impression/click/ action with the volumes of these units delivered. The Group acts as the principle in these arrangements and reports revenue earned and costs incurred on a gross basis. Please refer to notes 3.2, 35 and 36 for further details.

7 OTHER OPERATING INCOME

In 2020 no other operating income has occurred (2019: the Group realized other operating income of €1,348 thousand from the sublease of parts of its office in Berlin).

8 EXPENSES BY NATURE

in € thousands	31 Dec 2020	31 Dec 2019
Revenue share to third parties	164,385	78,711
Personnel costs and related costs		
Fixed salaries	13,756	15,287
Variable salaries (bonus)	4,040	2,561
Stock based plan	1,482	932
Social security contribution	1,942	1,906
Other benefits	4,394	4,189
Total of personnel costs and related costs	25,614	24,875
Platform hosting costs and related costs	7,572	9,525
Depreciation and amortization	8,981	13,432
Professional services, consulting, and licenses	3,369	5,786
Rent & utilities	1,946	2,413
Marketing expenses	389	1,498
Other	1,835	739
Total cost of sales, selling and distribution, administrative and research and development expenses	**214,091**	**136,979**

9 COST OF SALES

The Company's cost of sales consists primarily of 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 sales 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 sales 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.

in € thousands	2020	2019
Revenue share to third parties	164,385	78,711
Platform hosting costs and related costs	7,572	9,525
Depreciation and amortization	7,119	11,043
Personnel costs and related costs	200	241
Total cost of sales	**179,276**	**99,520**

10 RESEARCH AND DEVELOPMENT EXPENSES

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	2020	2019
Personnel costs and related costs	8,887	8,052
Professional services, consulting, and licenses	1,703	2,725
Depreciation and amortization	778	972
Rent and utilities	665	780
Other	67	246
Total research and development	**12,100**	**12,775**

11 SALES AND MARKETING EXPENSES

Sales and marketing expenses consist 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 expenses also include 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	2020	2019
Personnel and related costs	11,187	11,662
Publisher integration expenses	1,469	0
Depreciation and amortization	669	793
Rent and utilities	577	666
Professional services, consulting, and licenses	540	1,027
Marketing expenses	358	1,401
Other	170	361
Total sales and marketing expenses	**14,970**	**15,910**

12 GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses relate 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	2020	2019
Personnel and related costs	5,340	4,920
Professional services, consulting, and licenses	1,126	1,472
Rent and utilities	704	1,310
Depreciation and amortization	415	624
Investors relations	31	97
Other	129	351
Total general and administrative expenses	**7,745**	**8,774**

13 OTHER OPERATING EXPENSES

In 2020, other operating expenses amounting to €461 thousand (2019: €3,843 thousand) and related to unrealized investments of €434 thousand and impairments of some Berlin office space. In 2019, all expenses related to impairments of the following items: self-developed software of €1,712 thousand, technology and customer contracts acquired through business combinations of €1,019 thousand and right-of-use asset of €1,112 thousand. Please refer to notes 3.7 and 19, respectively, for further details.

14 NET FINANCE COSTS

The major components of net finance costs are as follows:

in € thousands	2020	2019
Other interest income	(83)	(72)
Finance income	**(83)**	**(72)**
Interest expense from Convertible Bonds	5,858	7,677
Loss on convertible loan conversion	0	23,373
Loss (gain) on convertible loan restructuring	0	(6,713)
Interest on shareholder loans	2,552	1,678
Bank interest and bank fees	1,561	1,889
Interest on lease liabilities	389	458
Other finance expenses, net	22	70
Currency effect, net	206	368
Finance costs	**10,588**	**28,800**
Net finance costs	**10,505**	**28,728**

15 INCOME TAX EXPENSE

The major components of income tax expense are as follows:

in € thousands	2020	2019
Breakdown of income tax reported in profit or loss		
Current income tax charge	215	503
Deferred tax		
Relating to the origination and reversal of temporary differences	0	(963)
Income tax charged to profit or loss	**215**	**(460)**

Reconciliation of accounting loss to income tax expense / gain:

	2020	2019
Accounting loss before tax	(15,285)	(49,229)
Applicable tax rate	30.175%	30.175%
Income tax at applicable tax rate	(4,612)	(14,855)
Non-deductible expenses for tax purposes		
Interest barrier	1,223	6,425
Stock option expenses	293	420
Convertible bonds	931	1,275
Self-developed assets	27	1,513
Amortization of intangible assets	1,302	2,108
Different tax regime	(73)	1,365
Used tax loss carryforward	(313)	(325)
Unrecognized deferred tax assets in fiscal year	1,552	1,891
Others	(115)	(277)
Income tax (gain) expense reported in the statement of comprehensive income	**215**	**(460)**

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:

	2020	2019
Changes in deferred tax assets recognized through P&L	(373)	(1,516)
Changes in deferred tax liabilities recognized through P&L	373	2,479
Income tax (gain) expense from the origination and reversal of temporary differences and tax loss carried forward	**0**	**963**

16 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.

17 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 2020	31 Dec 2019
Loss attributable to shareholders of Fyber N.V.	in € thousands	(15,500)	(48,769)
Weighted average shares outstanding, basic	in pcs. thousands	364,251	274,519
Weighted average shares outstanding, diluted	in pcs. thousands	364,251	276,244
Basic loss per share	in €	(0.04)	(0.18)
Diluted loss per share	in €	(0.04)	(0.18)

18 GOODWILL

In 2020, the goodwill recognized through various acquisitions in prior years, developed as follows:

in € thousands	31 Dec 2019	Currency effect	31 Dec 2020
Fyber FairBid	134,932	(6,282)	128,650

in € thousands	31 Dec 2018	Currency effect	31 Dec 2019
Fyber FairBid	133,321	1,611	134,932

The Group's goodwill resulted from the acquisition of the four platform businesses between 2014 and 2016. Goodwill is tested whenever a triggering event occurs but at least once per year.

While 2020 was a challenging year for economies worldwide due to COVID-19 counter measures such as business closures and stay-at-home orders, the digital advertising space proved to be resilient and recovered swiftly from short-term impacts recorded in the second quarter of the year.

Fyber's core market, the mobile in-app advertising market, contributed significantly to the growth of the digital ad space even in this year of crisis. In addition, Fyber was an early adopter of working from home policies for all global offices, restricting business travel, and adhering to all guidelines of local governments and public health authorities. As a technology company delivering digital products and services we were less affected in our operations by the changes and had all tools and systems already available to work remotely for an extended period of time. As such, no unplanned investments were necessary to transition our operations to match the new requirements. As such, Fyber was able to deliver on the product and business roadmap for 2020 as planned. Thus the Company experienced strong growth during the year 2020, despite the challenges and uncertainties brought to the global economy by COVID-19.

In 2020, Apple announced that the new operating system iOS14 launched in the first fourth quarter of 2020 will include a change in user data handling for the purpose of tracking of all sorts starting from the first six months of 2021. As the timing and impact of Apple's anticipated privacy changes remain uncertain as of the publication date, this is accounted for in the current guidance only based on estimations and expectations. Fyber continues its product and business initiatives to minimize any impact stemming from these policy changes.

The yearly impairment test was made 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 twelve 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 revenue during the detailed forecast period of 5 years	25.90%
CAGR on the free cash flow during the high-level forecast period for the next 6 years	12.36%
CAGR on the free cash flow beyond the forecasted period	1.00%
CAGR on total expenses during the detailed forecast period of 5 years	9.89%
Post-tax discount rate	10.85%

The business plan which is underlying the impairment test assumes that this revenue development in the core business continues in 2021 and slows 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 5 further years. This high-level planning takes into account that historically high growth rates normally slow down over the long term. Before that background, management decided that a Ten-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 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 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.

19 OTHER INTANGIBLE ASSETS

Other intangible assets developed as follows:

in € thousands	Customer contracts	Development	Technology	Others	Total
Acquisition or production cost					
1 Jan 2019	**21,980**	**20,305**	**17,288**	**5,091**	**64,664**
Additions	0	4,560	0	16	4,576
Currency effects	405	40	213	43	701
31 Dec 2019	**22,385**	**24,905**	**17,501**	**5,150**	**69,941**
Additions	0	3,601	0	0	3,601
Retirement	0	(1,542)	0	(6)	(1,548)
Currency effects	(1,578)	(948)	(833)	(167)	(3,526)
31 Dec 2020	**20,807**	**26,016**	**16,668**	**4,977**	**68,468**
Amortization and impairments					
1 Jan 2019	**15,008**	**13,033**	**9,548**	**4,757**	**42,346**
Additions	4,438	3,664	2,839	147	11,088
Impairments	84	1,712	935	0	2,731
Currency effects	243	(4)	93	42	374
31 Dec 2019	**19,773**	**18,405**	**13,415**	**4,946**	**56,539**
Additions	2,326	2,769	1,979	28	7,102
Retirement	0	(1,542)	0	(6)	(1,548)
Currency effects	(1,351)	(290)	(549)	(159)	(2,349)
31 Dec 2020	**20,748**	**19,342**	**14,845**	**4,809**	**59,744**
Carrying amounts					
1 Jan 2019	6,972	7,272	7,740	333	22,318
31 Dec 2019	2,612	6,500	4,086	204	13,402
31 Dec 2020	**59**	**6,674**	**1,823**	**168**	**8,724**

Others include mainly the Fyber brand (Fyber, Heyzap and Inneractive) initially recognized through business combination, 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. 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	59	0.5
Development	6,674	0.5-3
Technology	1,823	1.5

During the financial year 2019, the Group further integrated the different platforms which finally resulted in the launch of FairBid 2.0. Following a successful release in June 2019, a sunset of the legacy platforms was initiated. Fyber RTB was shut down in September 2019, the AppBounty app was suspended in December 2019 and the old Fyber Mediation as well as the Heyzap platform was officially closed in March 2020. Management considered such extensive technological shift to FairBid 2.0 a triggering event for any technology carried in intangible assets, irrespective of whether self-developed or acquired through business combinations. In 2020 no such impairment was recognized.

Following a respective review including exploration of a possible sale of assets, resulted in the following impairments:

	2019					
in € thousands	Fyber RTB	Heyzap	FairBid 1.0	Fyber platform incl. AppBounty	Other tools	Total
Development	0	0	756	704	252	1,712
Technology and customer contracts	392	627	0	0	0	1,019
Total	**392**	**627**	**756**	**704**	**252**	**2,731**

In case that self-developed and acquired technology is not included in the current or future technology stack of Fyber, it has been fully impaired based on the respective project which usually refers to a distinct tool or feature.

20 PROPERTY AND EQUIPMENT

The following table shows the development of property and equipment:

in € thousands	Other operational & office equipment	Fixtures	Right of use assets	Total
Acquisition or production cost				
1 Jan 2019	**3,645**	**774**	**0**	**4,419**
Recognition of right-of-use asset on initial application of IFRS 16	0	0	4,515	4,515
Additions	509	297	13,145	13,951
Sale of the right-of-use asset through sub lease	0	0	(2,707)	(2,707)
Remeasurement of right-of-use asset due to contract modification	0	0	22	22
Disposal	(137)	(1)	(6,743)	(6,881)
Currency effects	28	10	218	256
31 Dec 2019	**4,045**	**1,080**	**8,450**	**13,575**
Additions	135	0	0	135
Remeasurement of right-of-use asset due to contract modification / Linkage to consumer price index	0	0	2,640	2,640
Disposal	(106)	0	(52)	(158)
Currency effects	(103)	(39)	(647)	(789)
31 Dec 2020	**3,971**	**1,041**	**10,391**	**15,403**
Amortization and impairments				
1 Jan 2019	**3,035**	**212**	**0**	**3,247**
Additions	328	115	2,110	2,553
Sale of the right-of-use asset through sub lease	0	0	(136)	(136)
Disposal	(101)	(1)	(1,626)	(1,728)
Impairment	0	0	1,112	1,112
Currency effects	7	3	(2)	8

31 Dec 2019	**3,269**	**329**	**1,458**	**5,056**
Additions	232	140	1,639	2,011
Disposal	(93)	0	(9)	(102)
Currency effects	(127)	(26)	(184)	(337)
31 Dec 2020	**3,281**	**443**	**2,904**	**6,628**
Carrying amounts				
1 Jan 2019	610	562	0	1,172
31 Dec 2019	776	751	6,992	8,519
31 Dec 2020	**690**	**598**	**7,487**	**8,775**

Fixtures relate to the Group's offices in Berlin, Tel Aviv and San Francisco. Right of use assets, related to offices lease agreements other than short term.

21 NON-CURRENT FINANCIAL ASSETS

The non-current financial assets break down as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Leasehold deposits	779	853
Non-current net investment in leases	3,066	3,419
Non-current financial assets	**3,845**	**4,272**

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.

The non-current net investment in leases relates to the sublease of the Berlin office.

22 INVENTORIES

In 2019 the amount of €82 thousand related to gift cards from third parties like Amazon, Sony PlayStation or Microsoft X-Box that were used as rewards in user acquisition campaigns. With the closure of such business operated through Advertile Mobile GmbH at the end of 2019, the Group sold and reclassified any remaining vouchers to other receivables.

23 TRADE AND OTHER RECEIVABLES

Trade and other receivables break down as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Trade receivables	63,878	28,201
VAT receivables	647	806
Prepayments	313	367
Others	145	157
Trade and other receivables	**64,983**	**29,531**

The trade receivables of €63,878 thousand are net of an allowance for bad debts of €856 thousand (2019: €1,326 thousand), which had developed as follows:

	1 Jan	Charge for the year	Utilized	Unused amounts reversed	31 Dec
2020	**1,326**	**2,235**	**(307)**	**(2,398)**	**856**
2019	1,811	2,371	(515)	(2,341)	1,326

As at 31 December 2020 and 2019, the aging of trade receivables is as follows:

	Total	Current	Allowance for bad debt	Past due but not impaired				
				< 30 days	30 - 60 days	61 - 90 days	91- 180 days	> 180 days
2020	**63,878**	**52,030**	**(856)**	**9,802**	**403**	**67**	**47**	**2,385**
2019	28,201	20,550	(1,326)	5,539	1,219	706	572	941

Trade receivables are non-interest bearing and are generally settled on 30 - 90 day-terms. Please refer to note 39.2. for further information.

24 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets break down as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Indemnification claim in respect to Fyber SAR (short term)	1,171	2,967
Current net investment in leases	355	364
Deposit for credit card and rent	301	567
Other current financial assets	**1,827**	**3,898**

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. For further details on share appreciation rights, please refer to note 29.

The current net investment in leases relates to the sublease of the Berlin office.

25 PREPAYMENTS

Prepayments relate primarily to integrations bonus for publishers of €292 thousand (2019: €518 thousand), licenses of €375 thousand (2019: €435 thousand) and others of €522 thousand (2019: €477 thousand).

26 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	Office leases	Other	Total	Thereof through P&L
1 Jan 2019	**0**	**0**	**0**	**0**	**0**	**(5,747)**
Offsetting with deferred liabilities as of 1 Jan 2019	160	5,440	0	161	5,761	0
Employee benefits	(2)	0	0	0	(2)	(2)
Decrease of tax loss carried forward to be utilized	0	(1,492)	0	0	(1,492)	(1,492)
Other	0	0	0	(22)	(22)	(22)
Offsetting with deferred tax liabilities	(158)	(3,948)	0	(139)	(4,245)	0
31 Dec 2019	**0**	**0**	**0**	**0**	**0**	**(1,516)**
Offsetting with deferred liabilities as of 1 Jan 2020	158	3,948	0	139	4,245	0
Employee benefits	153	**0**	0	0	153	153
Decrease of tax loss carried forward to be utilized	0	(784)	0	0	(784)	(784)
Office leases	0	0	198	0	198	198
Other	0	0	0	60	60	60
Offsetting with deferred tax liabilities		(3,164)	(198)	(199)	(3,872)	0
31 Dec 2020	**0**	**0**	**0**	**0**	**0**	**(373)**

The deferred tax liabilities (DTL) developed during the reporting period as follows:

in € thousands	Intangible assets	Equity component convertible bonds	Office leases	Total	Thereof through P&L
1 Jan 2019	**964**	**0**	**0**	**964**	**6,478**
Offsetting with deferred tax assets as of 1 Jan 2019	3,253	2,508	0	5,761	0
Increase of self-generated intangible assets	(1,544)	0	0	(1,544)	(1,544)
Issue of convertible bonds	0	(936)	0	(936)	(936)
Offsetting with deferred tax assets	(2,673)	(1,572)	0	(4,245)	0
31 Dec 2019	**0**	**0**	**0**	**0**	**(2,480)**
Offsetting with deferred assets as of 1 Jan 2020	2,673	1,572	0	4,245	0
Increase of self-generated intangible assets	(566)	0	0	(566)	(566)
Issue of convertible bonds	0	27	0	27	27
Office leases	0	0	166	166	166
Offsetting with deferred tax assets	(2,107)	(1,599)	(166)	(3,872)	0
31 Dec 2020	**0**	**0**	**0**	**0**	**373**

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 €31,609 thousand.

27 CASH AND CASH EQUIVALENT

Cash and cash equivalents consist of the following items, all freely available:

in € thousands	31 Dec 2020	31 Dec 2019
Cash at banks	25,958	12,805
Cash in hand	14	71
Cash and cash equivalents	**25,972**	**12,876**

28 EQUITY

The components and changes in consolidated equity are summarized in the consolidated statement of changes in equity.

28.1. Issued capital and share premium

The issued capital of Fyber N.V. amounting to €37,219 thousand is divided into 372,189,292 common shares, with a nominal value of €0.10 each and developed like follows:

in pcs	2020	2019
1 Jan	361,866,419	114,533,333
Issue of shares upon conversion of convertible bond	9,999,999	247,333,086
Issue of shares upon exercise of stock options	**322,874**	**0**
31 Dec	**372,189,292**	**361,866,419**

The issued capital as of 31 December 2020 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 €120,000 thousand and is divided into 1,200,000,000 shares, with a nominal value of €0.10 each.

During 2020 a total of 322,874 shares had been issued for employees/former employees who had exercised their stock options plan into shares. In 2019 no shares were issued for such exercised options.

28.2. Treasury shares

As of 31 December 2020, there is an amount of 1,860,904 outstanding treasury shares (2019: 1,966,667):

In 2016 2,000,000 had been acquired in the process of the divestment of Big Star Global by Fyber. Out of this amount 686,193 shares which had been tendered to the company in 2017 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 32 for further details.

In 2017, €100 thousand of the convertible loan were converted into 33,333 shares. The shares for this transaction were transferred out of the treasury shares available to the Company.

In 2020, a total of 105,763 shares from the treasury shares were delivered to employees/former employees who had exercised their stock option plan into shares (in 2019 no treasury shares were used for such exercised options).

28.3. Other capital reserves

Other capital reserves in 2020 correspond to €31,446 thousand (2019: €30,489 thousand).

The bond conversion in 2019 resulted in an increase of the equity component on the amount of €4,247 thousand due to the change in the conversion price from the original €3.00 to €0.30 per share.

In addition to that, initially introduced in 2015, the Company is running a stock option program implemented for senior management and employees of the Group. During the year 2020, 14.7 million options were granted and 5.5 million were forfeited due to the employees leaving (in 2019, 43.2 million and 13.9 million, respectively). As of 31 December, 2020, a total of 51.2 million options were outstanding to employees, including 5.8 million granted to the management board, with a weighted average strike price of €0.23 (2019: 42.7 million outstanding option with a weighted average of €0.23). Of the outstanding options, 26.0 million were exercisable (2019: 17.0 million).

Reconciliation of outstanding share options:

	Number of options 2020	Weighted-average exercise price 2020	Number of options 2019	Weighted-average exercise price 2019
Outstanding at 1 Jan	**42,725,139**	**0.23**	**13,727,500**	**1.95**
Expired	(2,000)	1.50	(8,000)	1.50
Forfeited during the year	(5,414,359)	0.26	(13,950,611)	1.77
Exercised during the year	(750,416)	0.23	(278,750)	0.21
Granted during the year	14,677,469	0.34	43,235,000	0.23
Outstanding at 31 Dec	**51,235,833**	**0.26**	**42,725,139**	**0.23**
Exercisable at 31 Dec	**26,007,986**	**0.23**	**17,048,453**	**0.22**

In 2020 employees exercised 750,416 options (2019: 278,750) using the net-exercise mechanism, whereby the strike price is not paid by the employees in cash but covered by the fair value of respective shares being withheld by the company. The exercised but outstanding shares developed as follows:

in pcs	Exercised but outstanding shares					
	1 Jan	Exercises	Shares being withheld	Settlement through newly issued shares	Settlement through treasury shares	31 Dec
2020	**89,413**	**750,416**	**(405,094)**	**(322,874)**	**(105,763)**	**6,098**
2019	0	278,750	(189,337)	0	0	89,413

The outstanding shares at the end of the year 2020 and 2019 related to exercises in the fourth quarter of each year, being delivered to employees in the succeeding first quarter of 2021 and 2020 respectively.

The total fair value of the outstanding options has been determined using the Black Scholes model amounting to €3,846 thousand (2019: €2,404 thousand). New grants have been evaluated based on the following assumptions:

	Assumptions	
	2020	**2019**
Share price	€0.21-€0.45	€0.21-€0.40
Dividend yield	0% p.a.	0% p.a.
Term of the option	2.875 years	2.875 years
Risk free interest rate	(0.58%) - (0.74%) p.a.	(0.53%) - (0.73%) p.a.
Historical volatility	67% - 70%	62%
Fluctuation	20% p.a.	20% p.a.

The options were granted to employees in 4 tranches in 2020, 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 2020, the Group recognized personnel costs in connection with the stock option plan in an amount of €957 thousand (2019: €932 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.

28.4. Legal reserve capitalized self-developed intangible assets

As of 31 December 2020, the legal reserve contained an amount of €8,627 thousand (2018: €7,980 thousand) for self-developed intangible assets.

28.5. Retained earnings

The retained earnings/deficit includes the income of the companies included in the consolidated financial statements plus first adoption of new accounting standards recognized directly in retained earnings.

28.6. 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 2019	**(2,247)**
Translation of goodwill	1,611
Translation of intangible assets identified at acquisitions in excess to other net assets	282
Additional currency effects arising from the translation of subsidiaries	99
Foreign currency translation reserve 1 Jan - 31 Dec 2019	**1,992**
31 Dec 2019	**(255)**
Translation of goodwill	(6,282)
Translation of intangible assets identified at acquisitions in excess to other net assets	(530)
Additional currency effects arising from the translation of subsidiaries	356
Foreign currency translation reserve 1 Jan - 31 Dec 2020	**(6,456)**
31 Dec 2020	**(6,711)**

29 EMPLOYEE BENEFITS

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 €1,171 thousand as of the balance sheet date (2019: €2,967 thousand).

For further details on share appreciation rights, please refer to note 24.

The disbursement schedule on the employee benefit liability is as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Maturity in 1 year	5,005	5,517
Maturity in 2-5 years	233	238
Maturity in 5-10 years	0	0
Maturity in 10 years and more	0	0
Total employee benefits liabilities	**5,238**	**5,755**

The current employee benefits liabilities consist of the following:

in € thousands	31 Dec 2020	31 Dec 2019
Unsettled from Fyber SAR	1,134	2,961
Unpaid variable compensation	2,453	1,513
Vacation accrual	1,346	1,039
Other	72	4
Short-term employee benefits liabilities	**5,005**	**5,517**

30 NON-CURRENT LOANS AND BORROWINGS

Non-current loans and borrowings developed during the reporting period as follows:

	2020				2019		
	Convertible Bond	**Protective Payroll Program**	**Share-holder loans**	**Total**	**Convertible Bond**	**Share-holder loans**	**Total**
1 Jan	**70,489**	**0**	**32,236**	**102,725**	**141,587**	**12,559**	**154,146**
Loan disbursement	0	1,105	2000	3,105	0	18,000	18,000
Bond conversion	(2,930)	0	0	(2,930)	(72,036)	0	(72,036)
Amortization of discount	5,860	7	2,552	8,419	7,677	1,677	9,354
Restructuring	0	0	0	0	(6,739)	0	(6,739)
Currency effects	0	(111)	0	(111)	0	0	0
31 Dec	**73,419**	**1,001**	**36,788**	**111,208**	**70,489**	**32,236**	**102,725**

Each convertible bond has a nominal value of € 100 thousand, bears nominal interest of 3.5% p.a., and matures in July 2022. The effective interest rate of the bond, considering the option value and the transaction costs was determined to be 7.96%. As of 31 December 2020, the carrying amount of the liability component of the convertible bonds amounts to €73,419 thousand (2019: €70,489 thousand). After the reporting date, additional 537 bonds have been converted. On 15 April 2021, the company called for an early redemption to redeem all the outstanding bonds including accrued interest on 17 May 2021. For more information regarding the convertible bonds please refer to notes, 44.1 and 44.2.

Between the years 2018 and 2020, the Company received five individual loans from Tennor Holding B.V. A nominal amount of €8,000 thousand and €4,000 thousand in 2018 and of €3,000 thousand and €15,000 thousand in 2019 and additional €2,000 thousand in 2020. All loans bear interest of 8% p.a. and were assigned to Meridian Capital

International Fund in February 2021. Loans amounting to € 30,000 thousand mature in June 2022 and the remaining € 2,000 thousand will become due in March 2023. Please refer to note 44.3 for further information.

As part of the COVID 19 measurements, the US entities, Fyber Inc. and Inneractive USA, Inc. each obtained a loan out of the Paycheck Protective Program ("PPP loan") of the US federal government. Such loans were designed to provide a direct incentive for small businesses to keep their workers on payroll. The two loans, received in April and May 2020, respectively, amounting to $1,230 thousand as of 31 December 2020. The loans carried interest of 1% p.a. to be paid along with the loan principal in April and May 2022. At the beginning of 2021, both loans have been forgiven completely. Please refer to note 44.4 for further information.

31 OTHER NON-CURRENT LIABILITIES

The other non-current liabilities break down as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Heyzap earn-out due after 1 year	3,460	3,797
Lease liabilities	9,224	8,739
Other non-current liabilities	**12,684**	**12,536**

The Heyzap earn-out relates to the outstanding contingent consideration from the acquisition of Heyzap Inc. in 2016. The current portion of the earn-outs is carried in trade and other payables (note 32). As of the balance sheet date, Fyber has not come to a final agreement with the sellers of Heyzap Inc. with respect to the valuation and timing of the earn-out. The liability is valued based on the expected outcome of the negotiations.

32 TRADE AND OTHER PAYABLES

The trade and other payables break down as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Trade payables	65,209	23,006
Lease liabilities	1,946	2,346
Inneractive earn-out due within 1 year	0	358
Accruals	3,925	2,760
Heyzap earn-out due within 1 year	2,810	3,084
Liabilities from the purchase of treasury shares	1,237	1,237
Social security	154	276
Others	3,072	3,634
Trade and other payables	**78,353**	**36,701**

Trade payables related to the outstanding amount the Group owe to its publishers

The liability relating to the Inneractive earn-out relates to outstanding retention payments that the Group agreed to employees in the course the acquisition of Inneractive Ltd. in 2016 was fully paid during the financial year 2020.

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.

The Heyzap earn-out relates to the current portion of the outstanding contingent consideration from the acquisition. Please refer to note 31 for further details.

As of the reporting date, the Group carried liabilities resulting from the purchase of treasury shares amounting to €1,237 thousand (see note 28.2.).

33 CURRENT LOANS AND BORROWINGS

As of 31 December 2020, short-term borrowings amount to €21,379 thousand (2019: €17,950 thousand) and consist of three revolving credit facilities from BillFront obtained through Fyber GmbH and from Bank Leumi and Discount Bank obtained through Fyber Monetization Ltd.

In 2020, Fyber GmbH prolonged a credit line of €7,500 thousand working capital facility from BillFront to finance the operating business, with an interest rate of 11.0% p.a., maturity date is on 10 September 2021. As of the reporting date €3,227 thousand have been withdrawn (31 December 2019: €4,491 thousand).

In November 2019, Fyber Monetization Ltd. as borrower entered into an $15,000 thousand revolving credit line agreement with Bank Leumi as lender until end of December 2020 and to reduce the maximum amount of the Leumi credit line from $15,000 thousand to $13,500 and finally to $10,000 thousand, following a gradual reduction by June 2020. In November 2020 Fyber has extended Bank Leumi credit line to $12,500 thousand. The loan bears an interest rate of 5.8% + LIBOR (London Interbank offered rate), Maturity date is on 30 December 2021.

As of the reporting date the Leumi credit line was entirely drawn (31 December 2019: $15,000 thousand).

On 12 July 2020, Fyber Monetization Ltd. as a borrower entered into an $5,000 thousand revolving credit line agreement with an additional Israeli bank, named Bank Discount as lender. The loan bears an interest rate of 5.8% + LIBOR (London Interbank offered rate). Maturity date of the discount bank loan is on 15 November 2021.

On 15 November 2020 bank discount has increased the credit facility to $10,000 thousand (by additional $5,000 thousands),

As of the date of this report, Discount bank credit line was 98% used, and is standing on $9,792 thousand as of the end of December 2020.

Loan facility covenants:

While the BillFront credit line does not impose any covenants, Leumi and Discount loans, both have similar covenants as follows:

Category	Covenant
Revenue	Negative deviation of 20% from budget in one quarter or negative deviation of 15% from budget in 2 consecutive quarters
EBITDA	Accumulated positive EBITDA in the quarters during the period of Q1 2021-Q4 2021
Cash balance	**Cash will be not lower than 20% of the withdrawn credit line**

34 STATEMENT OF CASH FLOWS

The consolidated statement of cash flows was prepared using the indirect method for presentation of operating activities.

Liabilities arising from financing activities developed as follows:

			Non-cash changes		
in € thousands	**1 Jan 2020**	**Cash flows**	Restructuring of convertible bonds, bond conversion & amortization of discount, net effect	Foreign exchange movement	**31 Dec 2020**
Non-current loans and borrowings	102,725	3,105	5,489	(111)	111,208
Current loans and borrowings	17,950	5,121	0	(1,692)	21,379
Total liabilities from financing activities	**120,675**	**8,226**	**5,489**	**(1,803)**	**132,587**

in € thousands	1 Jan 2019	Cash flows	Non-cash changes: Restructuring of convertible bonds & amortization of discount, net effect	Non-cash changes: Foreign exchange movement	31 Dec 2019
Non-current loans and borrowings	154,146	18,000	(69,421)	0	102,725
Current loans and borrowings	18,824	(1,217)	0	343	17,950
Total liabilities from financing activities	**172,970**	**16,783**	**(69,421)**	**343**	**120,675**

35 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 holistic 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 2020 and the reference year ended 31 December 2019 are as follows:

	2020		2019	
in € thousands	Revenue	EBITDA	Revenue	EBITDA
Fyber FairBid	209,772	4,579	118,973	(3,225)

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

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

In 2020, the Group did not recognize any impairment losses (2019: €3,843 thousand).

36 GEOGRAPHIC INFORMATION

Breakdown of revenue according to customers' location by operating segment:

	2020	2019
in € thousands	Revenue	Revenue
United states	126,866	77,929
Europe, Middle east and Africa	63,557	30,219
Asia-Pacific	18,138	8,896
Rest of the world	1,211	1,929
Total	**209,772**	**118,973**

Breakdown of main relevant assets according to customers' location by operating segment:

	31 Dec 2020			31 Dec 2019		
in € thousands	Intangible assets	Property and equipment	Total	Intangible assets	Property and equipment	Total
Germany	66,512	3,696	70,208	67,022	4,159	71,181
Israel	48,569	2,275	50,844	56,617	2,357	58,974
United states	22,293	2,804	25,097	24,695	1,996	26,691
United Kingdom	0	0	0	0	7	7
Total	**137,374**	**8,775**	**146,149**	**148,334**	**8,519**	**156,853**

37 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.

The breakdown of the top three customers by revenue for the year ended 31 December 2020 is as follows:

in € thousands	Revenue	% revenue from Group's revenue
Liftoff Mobile, Inc	33,032	15.75%
Moloco, Inc.	13,148	6.27%
The Trade Desk Inc	12,754	6.07%
Total revenue for 3 top clients	**58,934**	**28.09%**

38 CAPITAL MANAGEMENT

Capital includes equity attributable to shareholders of the parent. An analysis of the Group's net debt is shown in note 5.

As of the reporting date, equity ratio was as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Equity attributable to shareholders of Fyber N.V.	14,862	33,076
Total assets	243,965	208,942
Equity ratio	**6.1%**	**15.8%**

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.

39 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 with its risk strategy to mitigate any negative effects on the financial performance and to secure the financial position of the Group.

39.1. 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.

39.1.1. 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 ($). 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. Management is constantly reviewing the situation and 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 $, with all other variables held constant.

	Change in $ rate	Maximum/ minimum level	Effect on loss before tax	Effect on equity
			in € thousands	in € thousands
2020	+ 5.00%	1.48	(82)	(3,232)
	- 5.00%	1.08	91	3,573
2019	+ 5.00%	1.18	323	(3,037)
	- 5.00%	0.47	(357)	3,357

39.1.2. 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 2020	31 Dec 2019
Non-current loans and borrowings		
Fixed interest rate	111,208	102,725
Float interest rate	0	0
Total loans and borrowings	**111,208**	**102,725**
Current loans and borrowings		
Fixed interest rate	3,227	4,491
Float interest rate	18,152	13,459
Total current loans and borrowings	**21,379**	**17,950**

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 2020, the Group holds a revolving credit facility in the amount of €21,379 thousand, €18,152 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 33. for further details on the loans.

	Change in interest rate in basis points	Effect on loss after tax in € thousands
2020	+ 10	18
	(10)	(18)
2019	+ 10	13
	(10)	(13)

As the Company does not have financial instruments measured at fair value, changes in the interest rate will have no impact on equity.

39.2. 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. Please refer to the notes 3.9. for further details about the recognition and measurement of expected credit losses.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has no significant exposure to any customer nor does it have any major concentration of credit risk. Please refer to note 36 for further details.

Aging analysis of non-derivative financial instruments as of 31 December 2020 is as follows:

				Past due			
in € thousands	Total	Allowance for bad debt	Current	< 30 days	30 - 60 days	61 - 90 days	> 90 days
Non-current financial assets	3,845	0	3,845	0	0	0	0
Trade and other receivables	64,983	(856)	53,135	9,802	403	67	2,432
Other current financial assets	1,827	0	1,827	0	0	0	0
Cash and cash equivalents	25,972	0	25,972	0	0	0	0
Non-derivative financial instruments	**96,627**	**(856)**	**84,779**	**9,802**	**403**	**67**	**2,432**

Aging analysis of non-derivative financial instruments as of 31 December 2019 is as follows:

				Past due			
in € thousands	Total	Allowance for bad debt	Current	< 30 days	30 - 60 days	61 - 90 days	> 90 days
Non-current financial assets	4,272	0	4,272	0	0	0	0
Trade and other receivables	29,531	(1,326)	21,880	5,539	1,219	706	1,513
Other current financial assets	3,898	0	3,898	0	0	0	0
Cash and cash equivalents	12,876	0	12,876	0	0	0	0
Non-derivative financial instruments	**50,577**	**(1,326)**	**42,926**	**5,539**	**1,219**	**706**	**1,513**

39.3. 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 one additional financing facility with Tennor Holding B.V. amounting to €2,000 thousand in 2020.

The aggregate maturities of financial assets and financial liabilities outstanding, based on contractual undiscounted payments, as of 31 December 2020 are as follows:

in € thousands	Total	Within 1 year	1 year to 5 years	> 5 years
Non-current financial assets	3,845	0	2,145	1,700
Trade and other receivables	64,983	64,983	0	0
Other current financial assets	1,827	1,827	0	0
Cash and cash equivalents	25,972	25,972	0	0
Financial assets	**96,627**	**92,782**	**2,145**	**1,700**
Non-current employee benefits	(233)	0	(233)	0
Non-current loans and borrowings	(117,548)	0	(117,548)	0
Other non-current liabilities	(12,684)	0	(10,414)	(2,270)
Trade and other payables	(78,353)	(78,353)	0	0
Current employee benefits	(5,005)	(5,005)	0	0
Current loans and borrowings	(21,379)	(21,379)	0	0
Other current liabilities	(56)	(56)	0	0
Current tax liabilities	(185)	(185)	0	0
Financial liabilities	**(235,443)**	**(104,978)**	**(128,195)**	**(2,270)**
Total net financial liabilities	**(138,816)**	**(12,196)**	**(126,050)**	**(570)**

Long-term borrowings include all interest that have been delayed to the maturity of the bond in July 2022. As mentioned in note 1.3, the Group is currently not able to repay the convertible bond and the loans from Tennor Holding B.V. which will fall due in June 2022. The management is currently exploring options to respond to the situation which occurs in July 2021 and 2021.

The aggregate maturities of financial assets and financial liabilities outstanding, based on contractual undiscounted payments, as of 31 December 2019 are as follows:

in € thousands	Total	Within 1 year	1 year to 5 years	> 5 years
Non-current financial assets	4,272	0	2,113	2,159
Trade and other receivables	29,531	29,531	0	0
Other current financial assets	3,898	3,898	0	0
Cash and cash equivalents	12,876	12,876	0	0
Financial assets	**50,577**	**46,305**	**2,113**	**2,159**
Non-current employee benefits	(238)	0	(238)	0
Non-current loans and borrowings	(111,538)	0	(111,538)	0
Other non-current liabilities	(12,536)	0	(9,536)	(3,000)
Trade and other payables	(36,701)	(36,701)	0	0
Current employee benefits	(5,517)	(5,517)	0	0
Current loans and borrowings	(17,950)	(17,950)	0	0
Current tax liabilities	(199)	(199)	0	0
Financial liabilities	**(184,679)**	**(60,367)**	**(121,312)**	**(3,000)**
Total net financial liabilities	**(134,102)**	**(14,062)**	**(119,199)**	**(841)**

40 FINANCIAL ASSETS AND LIABILITIES

40.1. Categories of financial assets and liabilities

The carrying values of financial assets per category are as follows:

	31 Dec 2020		31 Dec 2019	
in € thousands	Total	Measured at amortized costs	Total	Measured at amortized costs
Other non-current financial assets	3,845	3,845	4,272	4,272
Trade and other receivables	64,983	64,983	29,531	29,531
Other current financial assets	1,827	1,827	3,898	3,898
Cash and cash equivalents	25,972	25,972	12,876	12,876
Total financial assets	**96,627**	**96,627**	**50,577**	**50,577**

The carrying values of financial liabilities per category are as follows:

	31 Dec 2020		31 Dec 2019	
in € thousands	Total	Measured at amortized costs	Total	Measured at amortized costs
Non-current employee benefits	233	233	238	238
Non-current loans and borrowings	111,208	111,208	102,725	102,725
Other non-current liabilities	12,684	12,684	12,536	12,536
Trade and other payables	78,352	78,352	36,701	36,701
Current employee benefits	5,005	5,005	5,517	5,517
Current loans and borrowing	21,379	21,379	17,950	17,950
Total financial liabilities	**228,861**	**228,861**	**175,667**	**175,667**

40.2. 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 2020		31 Dec 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current loans and borrowings	111,208	70,504	102,725	83,713

The convertible bonds are listed in Frankfurt Stock Exchange under XS1223161651, where the last closing price before 31 December 2020 was set at 45% (68% in 2019).

Except for the convertible bonds that its fair value is classified under level 1, every other financial instruments are classified under level 3.

40.3. Net results by measurement category

in € thousands	1 Jan - 31 Dec 2020				
	Recognized through profit and loss				Net results
	From interest	From valuation			
		Currency effect	Revaluation	Bad debt	
Financial assets					
Amortized costs	0	(26)	0	(128)	(154)
Financial liabilities					
Measured at amortized costs	(8,480)	(349)	0	0	(8,829)
Total	**(8,480)**	**(375)**	**0**	**(128)**	**(8,983)**

in € thousands	1 Jan - 31 Dec 2019				
	Recognized through profit and loss				Net results
	From interest	From valuation			
		Currency effect	Revaluation	Bad debt	
Financial assets					
Amortized costs	0	(31)	0	(350)	(381)
Financial liabilities					
Measured at amortized costs	(11,699)	(345)	(16,660)	0	(28,704)
Total	**(11,699)**	**(376)**	**(16,660)**	**(350)**	**(29,085)**

The conversion of the convertible in May 2019 resulted in a finance expense of €23,373 thousand and the restructuring of the remaining convertible bond in October 2019 led to a finance income amounting to €6,713 thousand.

41 RELATIONSHIPS WITH RELATED PARTIES

41.1. Outstanding balances and transactions

The following table provides the balances with related parties as at 31 Dec 2020 and 2019as well as the total amount of transactions that have been entered with related parties during 2020and 2019:

in € thousands	2020			
	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Key management personnel	0	0	0	3,044
Shareholder				
Tennor Holding B.V.	0	36,788	0	2,552
Total	**0**	**36,788**	**0**	**5,596**

in € thousands	2019			
	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Key management personnel	0	289	0	1,454
Shareholder				
Tennor Holding B.V.	0	32,236	0	1,677
Total	**0**	**32,525**	**0**	**3,131**

As of 31 December 2020, earn-out payments relating to the acquisition of Fyber Monetization Ltd. (formerly Inneractive Ltd.) were paid in full (2019: €289 thousand, of which €136 thousand, €78 thousand to Dani Sztern, and €75 thousand to Yaron Zaltsman). See note 41.3 for further detail.

The purchases from key management personnel consist of compensation of €3,044 thousand (2019: €1,454 thousand).

41.2. 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 2020	31 Dec 2019
Share-based payments	579	(115)
Short-term employee benefits	1,258	1,128
Variable benefits	975	220
Termination benefits	0	0
Defined contribution plan	232	221
Total compensation for key management personnel	**3,044**	**1,454**

in € thousands	Type	2020	2019
Management Board			
Ziv Elul[1]	Share-based payments	287	29
	Short-term employee benefits	330	342
	Variable benefits	450	133
	Defined contribution plan	80	83
	Total	**1,147**	**587**
Daniel Sztern[2]	Share-based payments	146	(71)
	Short-term employee benefits	276	284
	Variable benefits	263	77
	Defined contribution plan	82	69
	Total	**767**	**359**
Yaron Zaltsman[2]	Share-based payments	146	(73)
	Short-term employee benefits	276	305
	Variable benefits	263	10
	Defined contribution plan	69	69
	Total	**754**	**311**
Total Management Board		**2,668**	**1,257**
Supervisory Board			
Karim Sehnaoui[3]	Short-term employee benefits	57	50
Yair Safrai[4]	Short-term employee benefits	119	76
Arjun Metre[5]	Short-term employee benefits	57	46
Franklin Rios[6]	Short-term employee benefits	86	25
Tarek Malak[7]	Short-term employee benefits	57	0
Total Supervisory Board		**376**	**197**
Total		**3,044**	**1,454**

[1] Member since June 15, 2016
[2] Member since July 25, 2017
[3] Member since October 1, 2017
[4] Member since October 1, 2018, chairman since February 21, 2019
[5] Member since January 31, 2019
[6] Member since July 1, 2019, vice-chairman since January 30, 2020
[7] Member since Oct 30, 2019

The amounts shown in the table above are those recognized as an expense during the reporting period related to key management personnel.

In 2020, the annual remuneration of the chairman of the Supervisory Board was €125 thousand (2019: €80 thousand), the annual remuneration for the newly elected vice-chairman was €90 thousand and that the annual remuneration for all other members of the Supervisory Board was €60 thousand each (2019: €50 thousand). For Q2 2020, the Supervisory Board agreed to reduce their remuneration by 20% along with the Management and the employees as one measure with respect to the COVID 19 pandemic.

41.3. Payments in relation to the acquisition of Inneractive

According to the Inneractive purchase agreement and its amendments, several employees, at the Company's discretion, were entitled to receive certain payments that are related to the acquisition. Until the reporting date, Mr. Ziv Elul received of total € 5.49 million, Mr. Dani Sztern €0.88 million, and Mr. Yaron Zaltsman €0.08 million, respectively.

The Inneractive acquisition agreement included an allocation of retention bonuses to Inneractive employees and management. At the reporting date, all funds were paid in full.

42 AVERAGE NUMBER OF EMPLOYEES

During the financial year 2020, the Group, including all fully consolidated companies at the reporting date, had an average of 237 (2019: 266) employees. Personnel expenses in 2020 amounted to €25,614 thousand (2019: €24,875 thousand. A geographic breakdown of the average number of employees as of the reporting period is shown in the following table:

	2020	2019
Israel	102	101
Germany	79	96
USA	38	49
UK	12	11
China	8	8
South Korea	1	1
Total	**237**	**266**

The above number breaks down to the functions as follows:

	2020	2019
Cost of sales	2	15
Research and development	98	93
Sales and marketing	71	84
General and administrative	66	74
Total	**237**	**266**

43 AUDITORS FEE

KPMG Accountants N.V. was elected to audit the financial statements of the Group for the years 2019 and 2020. The audit fees have been recognized in other operating expenses. The following fees were charged by KPMG Accountants N.V. to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code:

	2020			2019		
in € thousands	KPMG Accountants N.V.	Other KPMG Network	Total KPMG	KPMG Accountants N.V.	Other KPMG Network	Total KPMG
Audit of the financial statements	194	310	504	137	280	417
Tax-related advisory services	0	45	45	0	90	90
Total	**194**	**355**	**549**	**137**	**370**	**507**

The above mentioned audit fees relate to the audit of the financial year 2020 and 2019 respectively and do not represent the costs expensed during the year.

44 SUBSEQUENT EVENTS

44.1. New share issuance in relation to bond conversion and stock option program

Throughout the first four months of 2021, the Company issued new shares to fulfill convertible bonds conversion requests of 493 bonds as well as the stock options exercised by employees during the fourth quarter of 2020. In total, the Company issued an additional 164.3 million shares in the first quarter of 2021. Consequently the new issued capital as of the date of this report amounts to €53,652,262, divided into 536.5 million ordinary shares.

44.2. Optional redemption of Bonds

On 15 April 2021, Fyber gave notice to its bondholders that the Company is exercising its option pursuant to condition (6(b)(i) of the terms and conditions of the Bonds to redeem all of the outstanding Bonds on 17 May 2021 at their principal amount together with accrued and unpaid interest to such date. As an alternative to the redemption of its Bonds, each bondholder may exercise the conversion rights relating to its Bonds until 7 May 2021.

44.3. Assignment of shareholder loans to third party and prolongation

With effect from 17 February 2021, Tennor assigned the five promissory notes that together made up the shareholder loans, to Meridian Capital International Fund ("Meridian"). All terms and conditions remain unchanged. Meridian agreed to extend the loans as planned by the Company to June 2022 and March 2023 respectively.

44.4. Paycheck protective program loan forgiven

During March and April 2021 PPP-loans amounting to €1,001 thousand as of 31 December 2020 have been completely forgiven.

44.5. Fyber to be acquired by Digital Turbine

On 22 March 2021, the Company announced that Austin-based Digital Turbine Inc., "Digital Turbine" (Nasdaq: APPS), a global on-device mobile platform company, has signed definitive agreements with the Company's major shareholders to acquire a more than 90% shareholding in the Company at a total valuation of up to $600 million net of the Company's debt for 100% of Fyber's share. This transaction is subject to customary closing conditions and is expected to be closed in the second quarter of 2021. Following the closing, the remaining shares shall be acquired by Digital Turbine in a mandatory takeover offer extended to all outstanding shareholders over the next months. Fyber fully supports the acquisition and has entered into a separate support agreement with Digital Turbine providing for among other things Digital Turbine's commitment to the employees and the Company's investment and growth strategy.

Company Financial Statements 2020

Company Income Statement

	Notes	2020	2019
		Year ended 31 December	
		in € thousands	
Revenue		**0**	**0**
Cost of sales		0	0
Gross profit		**0**	**0**
Other operating income	3	5,258	13,353
Research and development expenses		0	0
Sales and marketing expenses		0	0
General and administrative expenses	4	(6,242)	(13,407)
Other operating expenses	5	(8)	(25,871)
Earnings before interest and tax (EBIT)		**(992)**	**(25,925)**
Finance income		4,576	5,746
Finance costs		(8,459)	(26,721)
Net finance costs	6	**(3,883)**	**(20,975)**
Loss before tax		**(4,875)**	**(46,900)**
Income tax expense		0	0
Loss for the year after tax and total comprehensive income for the year		**(4,875)**	**(46,900)**
Earnings per share			
Basic loss per share (€)		(0.01)	(0.17)
Diluted loss per share (€)		(0.01)	(0.17)

The notes on pages 168 to 186 are an integral part of these Company financial statements.

Company Statement of Other Comprehensive Income

	Year ended 31 December	
	2020	2019
	in € thousands	
Loss for the year after tax	**(4,875)**	**(46,900)**
To be reclassified to profit and loss in subsequent periods	0	0
Total comprehensive loss for the year	**(4,875)**	**(46,900)**

The notes on pages 168 to 186 are an integral part of these Company financial statements.

Company Statement of Financial Position

	Notes	As per 31 December 2020	2019
		in € thousands	
Non-current assets			
Property and equipment		5	5
Non-current financial assets			
Investment in subsidiaries	7	203,614	202,686
Other non-current financial assets	8	70,316	65,337
Total non-current assets		**273,935**	**268,028**
Current assets			
Trade and other receivables	9	15,217	12,226
Other current financial assets	10	48	0
Prepayments		230	189
Cash and cash equivalents	11	201	304
Total current assets		**15,696**	**12,719**
Total assets		**289,631**	**280,747**

The notes on pages 168 to 186 are an integral part of these Company financial statements.

Company Statement of Financial Position

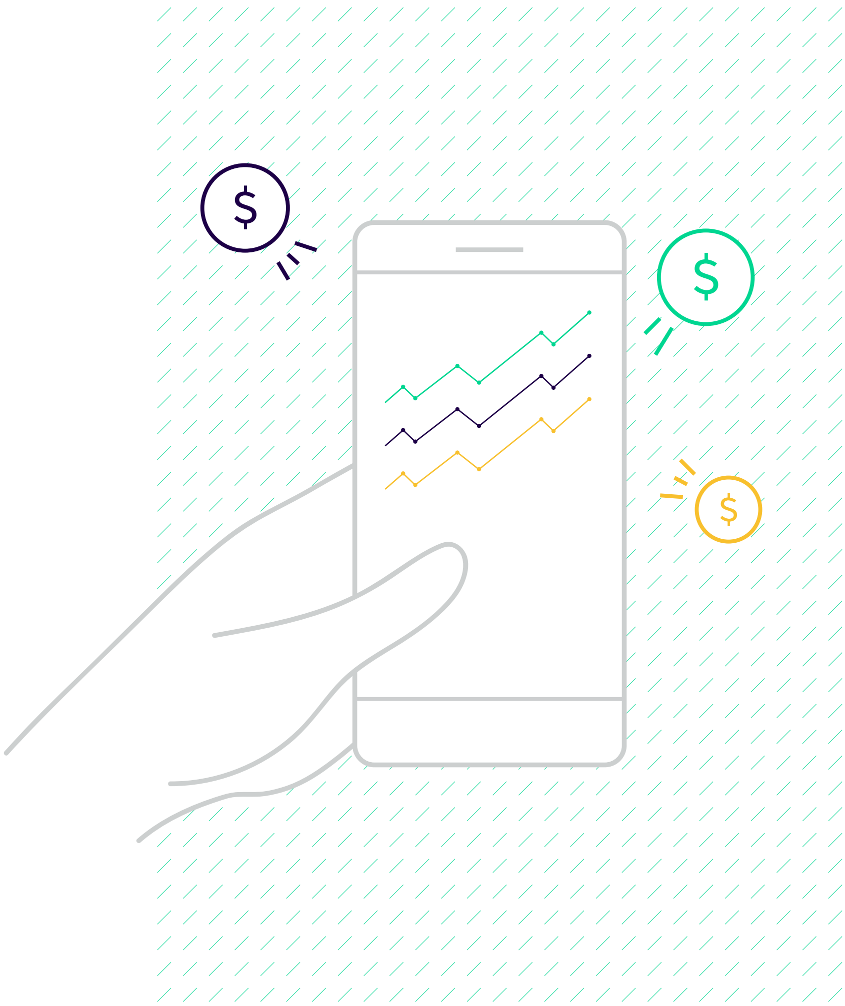
	Notes	As per 31 December 2020	As per 31 December 2019
		in € thousands	
Equity			
Issued capital	12	37,219	36,187
Share premium	12	251,948	250,389
Treasury shares	12	(4,551)	(4,745)
Other capital reserves	12	31,446	30,489
Accumulated deficit	12	(144,059)	(139,184)
Total equity	**12**	**172,003**	**173,136**
Non-current liabilities			
Non-current loans and borrowings	13	110,207	102,725
Total non-current liabilities		**110,207**	**102,725**
Current liabilities			
Trade and other payables	14	7,272	4,147
Employee benefits		149	739
Total current liabilities		**7,421**	**4,886**
Total liabilities		**117,628**	**107,611**
Total equity and liabilities		**289,631**	**280,747**

The notes on pages 168 to 186 are an integral part of these Company financial statements.

Company Statement of Cash Flows

	Notes	2020	2019
		Year ended 31 December	
		in € thousands	
Loss for the year after tax		**(4,875)**	**(46,900)**
Impairment (impairment reversal)	5	(427)	25,871
Financial income and expenses		3,883	20,975
Other non-cash effects		29	160
Changes in provisions, employee benefit obligations		(590)	(521)
Changes in working capital		608	(10,868)
Cash generated from operations		**(1,372)**	**(11,283)**
Interest paid		(29)	(738)
Net cash flow from operating activities		**(1,401)**	**(12,021)**
Purchases of property and equipment		0	(5)
Change in other non-current financial assets, net		(702)	0
Net cash flow from investing activities		**(702)**	**(5)**
Proceeds from non-current loans and borrowings		2,000	18,000
Proceeds (repayment) from current loans and borrowings, net		0	(6,303)
Net cash flow from financing activities		**2,000**	**11,697**
Net changes in cash and cash equivalents		**(103)**	**(329)**
Cash and cash equivalents beginning of period		**304**	**633**
Net changes in cash and cash equivalents		(103)	(329)
Cash and cash equivalents at end of period		**201**	**304**

The notes on pages 168 to 186 are an integral part of these Company financial statements.



Company Statement of Changes in Equity

in € thousands	Notes	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Accumulated deficit	Total equity
01 Jan 2020		**36,187**	**250,389**	**(4,745)**	**30,489**	**(139,184)**	**173,136**
Profit (loss) for the year after tax from continuing operations and other comprehensive income for the period, net of tax		0	0	0	0	(4,875)	(4,875)
Total comprehensive income (loss) for the year		**0**	**0**	**0**	**0**	**(4,875)**	**(4,875)**
Share-based payments - vesting		0	0	0	957	0	957
Share-based payments - exercise		32	(256)	224	0	0	0
Conversion of convertible bond		1,000	1,922	(30)	0	0	2,892
Transaction costs from share issue		0	(107)	0	0	0	(107)
Equity component of the convertible bond, net of tax		0	0	0	0	0	0
Transaction with shareholders		**1,032**	**1,559**	**194**	**957**	**0**	**3,742**
31 Dec 2020	12	**37,219**	**251,948**	**(4,551)**	**31,446**	**(144,059)**	**172,003**

The notes on pages 168 to 186 are an integral part of these Company financial statements.

Company Statement of Changes in Equity

in € thousands	Notes	Ordinary shares	Share premium	Treasury shares	Other capital reserves	Accumulated deficit	Total equity
01 Jan 2019		**11,453**	**184,812**	**(4,745)**	**25,313**	**(92,284)**	**124,549**
Profit (loss) for the year after tax from continuing operations and other comprehensive income for the period, net of tax		0	0	0	0	(46,900)	(46,900)
Total comprehensive income (loss) for the year		**0**	**0**	**0**	**0**	**(46,900)**	**(46,900)**
Share-based payments		0	0	0	929	0	929
Issue of share capital		24,734	66,428	0	0	0	91,162
Transaction costs from share issue		0	(851)	0	0	0	(851)
Equity component of the convertible bond, net of tax		0	0	0	4,247	0	4,247
Transaction with shareholders		**24,734**	**65,577**	**0**	**5,176**	**0**	**95,487**
31 Dec 2019	12	**36,187**	**250,389**	**(4,745)**	**30,489**	**(139,184)**	**173,136**

The notes on pages 168 to 186 are an integral part of these Company financial statements.

Notes to the Company 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 Wallstraße 9-13, 10179 Berlin, Germany. The Company's shares are traded on the Prime Standard of the Frankfurt Stock Exchange under the symbol 'FBEN'.

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.

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 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with Section 2:362(9) of the Dutch Civil Code unless otherwise disclosed. 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

Further to the accounting policies described in note 3 of the notes to the consolidated financial statements, accounting policies we applied specific to Company financial statements. In this respect, investments in subsidiaries were accounted for at cost less accumulated impairment.

The Company is reviewing periodically whether its assets and liabilities are covered by the impairment test of the cash generating unit of the Group Fyber FairBid. Assets that are reconciled to this cash generating unit are not considered impaired as long as the carrying value of those assets is not exceeding the recoverable value of the cash generating unit. The recoverable value is the higher the amount of the value in use and fair value less costs to sell. Net debts of the Company are not taken into account when determining the recoverable value of the cash generating unit in this respect.

Assets that are not covered by the cash generating unit Fyber FairBid are tested independently when there are indications for an impairment. Please refer to note 5 for impairments being recognized in 2019 and notes 3.7 and 18 of the notes to the consolidated financial statements for further information on the impairment test on the level of the Group.

Share based payments to employees of subsidiaries are increasing investment in subsidiaries. Other, than that, all significant accounting and valuation principles for the Company financial statements were applied uniformly as for the Fyber Group.

2.3. Changes in accounting policies and disclosures

The Group applied IFRS 16 Leases for the first time in 2019. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Company. The Company has no impact from IFRS 16 Leases.

3 OTHER OPERATING INCOME

Other operating income breaks down as follows:

in € thousands	2020	2019
Management and shared service charged to subsidiaries	4,709	12,395
Reversal of impairment	435	0
Miscellaneous	114	958
Total other operating income	**5,258**	**13,353**

The reversal of impairment refers to trade receivables towards Heyzap Inc. that had been impaired in 2019 but actually collected in 2020.

4 GENERAL AND ADMINISTRATIVE EXPENSES

in € thousands	2020	2019
Server expenses to be recharged to subsidiaries	47	6,031
Personnel costs and related costs*	3,595	3,432
Professional services, consulting and other headcount related costs	1,239	1,534
Marketing costs	270	650
Other	1,091	1,760
Total general and administrative expenses	**6,242**	**13,407**

* Number of headcount in the Company as of 31 December 2020is 15 (31 December 2019: 15)

5 OTHER OPERATING EXPENSES

Other operating expenses amounting to €8 thousand correspond to impairments recognized on loans granted to subsidiaries during the year 2020.

In 2019, the Company recognized an impairment in relation to their investment in the Heyzap platform through its subsidiaries RNTS Germany Holding GmbH and Heyzap Inc. The Heyzap platform was acquired in 2016 and played an important role in building an integrated platform resulting in the release of Fyber FairBid 2.0 in September 2019. Following the successful launch of Fyber FairBid 2.0, the Heyzap platform was gradually sunset with the final shutdown happening in March 2020. Based on an analysis of the remaining net assets of RNTS Germany Holding GmbH and its subsidiary Heyzap Inc., investments in subsidiaries, other non-current and other current financial assets, and trade receivables were impaired as follows:

in € thousands	Note	2019 RNTS Germany Holding GmbH	2019 Heyzap Inc.	2019 Total
Investment in subsidiaries	7	28	0	28
Other non-current financial assets	8	23,893	0	23,893
Trade and other receivables	9	367	1,344	1,711
Other current financial assets	10	0	239	239
Total		**24,288**	**1,583**	**25,871**

6 NET FINANCE COSTS

in € thousands	2020	2019
Interest from loans granted to subsidiaries, net	(4,348)	(5,746)
Foreign exchange income	(228)	0
Finance income	**(4,576)**	**(5,746)**
Loss from convertible bond conversion	0	23,373
Gain from convertible bond restructuring	0	(6,713)
Interest accrued on convertible bonds	5,858	7,677
Foreign exchange expense	0	322
Interest on loan from shareholders	2,552	1,677
Other	49	385
Finance costs	**8,459**	**26,721**
Total net finance costs	**3,883**	**20,975**

7 INVESTMENT IN SUBSIDIARIES

in € thousands	Fyber GmbH	Fyber Monetization Ltd.	RNTS Germany Holding GmbH	Total
1 Jan 2020	**128,920**	**73,766**	**0**	**202,686**
Stock option contribution	80	848	0	928
Impairment	0	0	0	0
31 Dec 2020	**129,000**	**74,614**	**0**	**203,614**
1 Jan 2019	**128,561**	**73,357**	**28**	**201,946**
Stock option contribution	359	409	0	768
Impairment	0	0	(28)	(28)
31 Dec 2019	**128,920**	**73,766**	**0**	**202,686**

The stock option program of the Company is applied for employees of the subsidiaries consistently. The subsidiaries are not obligated to reimburse the Company. The impairment of the investment in RNTS Germany Holding GmbH followed the plan of sunsetting the Heyzap Platform. Please refer to note 5 or further details.

8 OTHER NON-CURRENT FINANCIAL ASSETS

in € thousands	Fyber GmbH	Fyber RTB GmbH	RNTS Germany Holding GmbH	RNTS Media Deutschland GmbH	Fyber Monetization Ltd	Total
1 Jan 2020	**64,291**	**1,046**	**0**	**0**	**0**	**65,337**
Increase, net	0	(382)	6	8	955	587
Impairment	0	0	(6)	(8)	0	(14)
Interest accrued	4,213	193	0	0	0	4,406
31 Dec 2020	**68,504**	**857**	**0**	**0**	**955**	**70,316**
1 Jan 2019	**59,441**	**0**	**22,474**	**0**	**0**	**81,915**
Increase	601	1,046	0	0	0	1,647
Impairment	0	0	(23,893)	0	0	(23,893)
Interest accrued	4,249	0	1,419	0	0	5,668
31 Dec 2019	**64,291**	**1,046**	**0**	**0**	**0**	**65,337**

In 2020 Fyber N.V. granted a new loan to Fyber Monetization Ltd. The loan bears 8% interest with maturity date as of 30 June 2022.

The increase of the loans granted to Fyber GmbH and Fyber RTB GmbH relates to reclassification of loans including accrued interest thereon from current to non-current. Please refer to note 10 for further detail.

An impairment of the loan to RNTS Germany Holding GmbH was recognized as a result of the upcoming sunset of the Heyzap platform. Please refer to note 5 for further details.

The interest rates of loans to subsidiaries companies are as follows:

	Interest rate p.a.
Fyber GmbH	8%
Fyber RTB GmbH	7.8-8%
RNTS Germany Holding GmbH	7.8%

9 TRADE AND OTHER RECEIVABLES

in € thousands	31 Dec 2020	31 Dec 2019
Subsidiaries	14,865	11,815
VAT	138	366
Others	214	45
Total trade and other receivables	**15,217**	**12,226**

In 2019 the Company recognized impairment losses of trade receivables relating to the subsidiaries RNTS Germany Holding GmbH and Heyzap Inc. amounting to € 1,711 thousand. Please refer to note 5 for further details.

10 OTHER CURRENT FINANCIAL ASSETS

in € thousands	1 Jan 2020	Increase	Decrease	Impairment / reversal of impairment	31 Dec 2020
Fyber Monetization Ltd	0	48	0	0	48
Fyber GmbH	0	0	0	0	0
Fyber RTB GmbH	0	0	0	0	0
Heyzap Inc.	0	0	0	0	0
Total	**0**	**48**	**0**	**0**	**48**

in € thousands	1 Jan 2019	Increase	Decrease	Impairment	31 Dec 2019
Fyber Monetization Ltd.	0	0	0	0	0
Fyber GmbH	601	0	(601)	0	0
Fyber RTB GmbH	983	63	(1,046)	0	0
Heyzap Inc.	224	15	0	(239)	0
Total	**1,808**	**78**	**(1,647)**	**(239)**	**0**

In 2020 the Company recorded interest on the loan granted to Fyber Monetization Ltd. Please refer to note 8 for further details.

In 2019 the decrease in the loans granted to Fyber GmbH and Fyber RTB GmbH relates to reclassification from current to non-current as it is not expected that these loans will be repaid within the next 12 months. Please refer to note 8 for further details.

The loan directly granted to Heyzap Inc. was impaired following a plan to sunset the Heyzap platform. Please refer to note 5 for further details.

The interest rates of loans to subsidiaries are as follows:

	Interest rate p.a.
Fyber GmbH	7.8%
Fyber RTB GmbH	7.8% - 8.0%
Heyzap Inc., Fyber Monetization Ltd.	8.0%

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 2020 report a positive net equity position of €14,862 thousand (2019: €33,076 thousand positive position) The Company financial statements as of 31 December 2020 report a positive net equity of €172,003 thousand (2019: €173,136 thousand).

The following table shows the reconciliation of consolidated and Company equity for the year ended 31 December 2020 and 2019:

in € thousands	31 Dec 2020	31 Dec 2019
Total consolidated equity	14,862	33,076
Individual subsidiaries accumulated profit	142,371	125,496
Other comprehensive income, accumulated	(6,711)	(255)
Eliminations and profit of subsidiaries accumulated	21,481	14,819
Total company equity	**172,003**	**173,136**

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 less accumulated impairment. 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 2020 and 2019:

in € thousands	31 Dec 2020	31 Dec 2019
Total consolidated loss for the year	(15,500)	(48,769)
Individual subsidiaries profit after tax	3,961	17,041
Eliminations	6,664	(15,172)
Total Company's loss for the year	**(4,875)**	**(46,900)**

13 NON-CURRENT LOANS AND BORROWINGS

As of the reporting date, the Company were had long-term borrowings carried at values as follows:

in € thousands	31 Dec 2020	% rate	31 Dec 2019	% rate
Convertible bond	73,419	3.5%	70,489	3.5%
Loan from Tennor	36,788	8.0%	32,236	8.0%
Total	**110,207**		**102,725**	

For further details to the convertible bonds and convertible bond restructuring, please refer to note 5 of the notes to the consolidated financial statements.

In terms of loan from Tennor, please refer to note 30 non-current loans and 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 2020	31 Dec 2019
Subsidiaries	5,501	1,952
Accrued expenses	317	404
Inneractive earn-out due within a year	0	357
Trade payables	199	182
Other	1,255	1,252
Total trade and other payables	**7,272**	**4,147**

15 MATURITY ANALYSIS OF FINANCIAL LIABILITIES

in € thousands	Total	Within 1 years	1 years to 5 years	> 5 years
2020				
Non-current loans and borrowings – convertible debt	73,419	0	73,419	0
Non-current loans and borrowings from Tennor	36,788	0	36,788	0
Current loans and borrowings	0	0	0	0
Current employee benefits	149	149	0	0
Trade and other payables	7,272	7,272	0	0
Total 2020	**117,628**	**7,421**	**110,207**	**0**
2019				
Non-current loans and borrowings – convertible debt	70,489	0	70,489	0
Non-current loans and borrowings from Tennor	32,236	0	32,236	0
Current loans and borrowings	0	0	0	0
Current employee benefits	739	739	0	0
Trade and other payables	4,147	4,147	0	0
Total 2019	**107,611**	**4,886**	**102,725**	**0**

16 CAPITAL MANAGEMENT

in € thousands	31 Dec 2020	31 Dec 2019
Non-current loans and borrowings	110,207	102,725
Cash and cash equivalents	(201)	(304)
Net debt (cash)	**110,206**	**102,421**

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:

	31 Dec 2020		31 Dec 2019	
	Total	Measured at amortized costs	Total	Measured at amortized costs
Investment in subsidiaries	203,614	203,614	202,686	202,686
Other non-current financial assets	70,316	70,316	65,337	65,337
Trade and other receivables	15,217	15,217	12,226	12,226
Other current financial assets	48	48	0	0
Cash and cash equivalents	201	201	304	304
Total financial assets	**289,396**	**289,396**	**280,558**	**280,558**

in € thousands	31 Dec 2020		31 Dec 2019	
	Total	Measured at amortized costs	Total	Measured at amortized costs
Non-current loans and borrowings	110,207	110,207	102,725	102,725
Trade and other payables	7,272	7,272	4,147	4,147
Short-term employee benefit liabilities	149	149	739	739
Total financial liabilities	**117,628**	**117,628**	**107,611**	**107,611**

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 notes5 and 30 of the notes to the consolidated financial statements for further information on the convertible bond. and note 39.3 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 2020				
	Recognized through profit and loss				
		From valuation			
	From interest	Currency effect	Revaluation	(Impairment) Impairment reversal, net	**Net results**
Financial assets					
Measured at amortized costs	4,348	785	0	427	5,560
Financial liabilities			0		
Measured at amortized costs	(8,459)	25	0	0	(8,434)
Total	**(4,111)**	**810**	**0**	**427**	**(2,874)**

In 2020, an operating income from the reversal of prior year impairment relating to trade receivables towards Heyzap Inc. had been recognized. The company could actually collect € 435 thousand. In return, impairments amounting to € 8 thousand on two shareholder loans granted to RNTS Germany Holding GmbH and RNTS Deutschland GmbH were recognized.

in € thousands	1 Jan - 31 Dec 2019				
	Recognized through profit and loss				
		From valuation			
	From interest	Currency effect	Revaluation	Impairment	**Net results**
Financial assets					
Measured at amortized costs	5,746	59	0	(25,871)	(20,066)
Financial liabilities					
Measured at amortized costs	(9,735)	75	(16,660)	0	(26,320)
Total	**(3,989)**	**134**	**(16,660)**	**(25,871)**	**(46,386)**

In 2019, a net loss from revaluation was recognized resulting from the restructuring of the convertible bonds of €16,660 thousand (€23,373 loss coming from bond conversion and €6,713 income resulted from convertible bond restructuring).

In 2019, financial assets relating to RNTS Germany Holding GmbH and Heyzap Inc. have been impaired amounting to € 25,871 thousand.

18 FINANCIAL RISK MANAGEMENT

Please refer to note 39 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 2020 and 2019 as well as the total amount of transactions that have been entered with related parties during 2020and 2019:

	2020			
in € thousands	Amounts owed by parties	Amounts owed to parties	Sales to parties	Purchases from parties
Subsidiaries				
Advertile Mobile GmbH	0	0	0	0
Falk Realtime Ltd	2	150	1	1
Fyber GmbH	74,148	2,276	960	482
Fyber Inc.	7	148	0	374
Fyber Media GmbH	3,152	0	897	0
Fyber Monetization Ltd.	7,355	2,604	2,850	2,682
Inneractive USA, Inc.	0	615	0	621
Fyber RTB GmbH	1,213	3	1	1
Heyzap Inc.	0	0	0	0
RNTS Germany Holding GmbH	0	0	0	0
RNTS Media Deutschland GmbH	2	0	0	0
Key management personnel	0	0	0	3,044
Shareholder				
Tennor Holding B.V.	0	36,788	0	2,552
Total	**85,879**	**42,584**	**4,709**	**9,757**

	2019			
in € thousands	Amounts owed by parties	Amounts owed to parties	Sales to parties	Sales to parties
Subsidiaries				
Advertile Mobile GmbH	234	17	45	0
Falk Realtime Ltd	2	128	0	0
Fyber GmbH	70,224	1,368	2,152	368
Fyber Inc.	8	123	0	570
Fyber Media GmbH	2,440	0	2,026	0
Fyber Monetization Ltd.	3,334	819	7,781	2,422
Inneractive USA, Inc.	0	211	0	577
Fyber RTB GmbH	1,390	12	414	0
Heyzap Inc.	243	0	596	0
RNTS Germany Holding GmbH	0	0	0	0
RNTS Media Deutschland GmbH	2	0	0	0
Key management personnel	0	289	0	1,454
Shareholder				
Tennor Holding B.V.	0	32,236	0	1,677
Total	**77,877**	**35,203**	**13,014**	**7,068**

Sales from and to subsidiaries include charges for management and shared services.

The purchases from key management personnel consist of compensation of €3,044 thousand (2019: €1,454 thousand).

In 2019, amounts owed by RNTS Germany Holding GmbH of €24,260 thousand and Heyzap Inc. of €1,583 thousand were impaired. No such impairment was recognized in 2020. Please refer to note 5 for further details.

19.2. Compensation for key management personnel

Compensation for key management personnel for the year ended 31 December 2020 and 2019 are as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Share-based payments	579	(115)
Short-term employee benefits	1,258	1,128
Variable benefits	975	220
Termination benefits	0	0
Defined contribution plan	232	221
Total compensation for key management personnel	**3,044**	**1,454**

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 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	2020	2019
Management Board			
Ziv Elul[1]	Share-based payments	287	29
	Short-term employee benefits	330	342
	Variable benefits	450	133
	Defined contribution plan	80	83
	Total	**1,147**	**587**
Daniel Sztern[2]	Share-based payments	146	(71)
	Short-term employee benefits	276	284
	Variable benefits	263	77
	Defined contribution plan	82	69
	Total	**767**	**359**
Yaron Zaltsman[2]	Share-based payments	146	(73)
	Short-term employee benefits	276	305
	Variable benefits	263	10
	Defined contribution plan	69	69
	Total	**754**	**311**
Total Management Board		**2,668**	**1,257**
Supervisory Board			
Karim Sehnaoui[3]	Short-term employee benefits	57	50
Yair Safrai[4]	Short-term employee benefits	119	76
Arjun Metre[5]	Short-term employee benefits	57	46
Franklin Rios[6]	Short-term employee benefits	86	25
Tarek Malak[7]	Short-term employee benefits	57	0
Total Supervisory Board		**376**	**197**
Total		**3,044**	**1,454**

[1] Member since June 15, 2016
[2] Member since July 25, 2017
[3] Member since October 1, 2017
[4] Member since October 1, 2018
[5] Member since January 31, 2019
[6] Member since July 1, 2019
[7] Member since Oct 30, 2019

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 2020 and 2019:

	2020		2019	
in € thousands	Finance income	Finance expense	Finance income	Finance expense
Subsidiaries				
Fyber GmbH	4,216	0	4,247	0
Fyber Monetization Ltd.	73	0	0	300
Fyber RTB GmbH	59	0	63	0
Heyzap Inc.	0	0	15	0
RNTS Germany Holding GmbH	0	0	1,421	0
Total	**4,348**	**0**	**5,746**	**300**

20 OFF-BALANCE SHEET LIABILITIES

20.1. Guarantee

In 2017 Fyber N.V. entered in 2 different loan agreements as guarantor, as following:

1. In 2017 Fyber N.V. entered into a loan agreement between BillFront GmbH 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 credit of €7,500 thousand. As of 31 December 2020 an amount of €3,227 thousands had been withdrawn (31 December 2019: €4,491 thousand). Please refer to note 33 of the notes to the consolidated financial statements for further information.

2. In 2017 Fyber N.V. entered into a revolving credit facility agreement between bank Leumi and Fyber Monetization Ltd as a guarantor for Fyber Monetization Ltd.

   The company guarantees to indemnify outstanding obligations from Fyber Monetization Ltd. The entire guarantee amounts up to the entire facility credit of $12,500 thousand as of 31 December 2020 (31 December 2019: $15,000). As of 31 December 2020 an amount of $12,500 thousand had been withdrawn. Please refer to note 33 of the notes to the consolidated financial statements for further information.

3. In 2020 Fyber N.V. entered into a revolving credit facility agreement between bank Discount and Fyber Monetization Ltd as a guarantor for Fyber Monetization Ltd.

   The company guarantees to indemnify outstanding obligations from Fyber Monetization Ltd. The entire guarantee amounts up to the entire facility credit of $10,000 thousand as of 31 December 2020. As of 31 December 2020 an amount of $9,792 thousand had been withdrawn. Please refer to note 33 of the notes to the consolidated financial statements for further information.

20.2. Fiscal unity for Value Added Tax ('VAT') purposes

The Company is the head of a fiscal unity for German VAT purposes with Fyber GmbH, Fyber Media GmbH, Fyber RTB GmbH, Falk Realtime Limited and Advertile Mobile GmbH as controlled entities. The head of the fiscal unity prepares the overall VAT return including all controlled entities of the fiscal unity. Therefore, the Company has a joint liability concerning the German VAT due by any of these companies.

21 AUDITORS FEE

The following fees have been recognized in other operating expenses:

in € thousands	2020			2019		
	KPMG Accountants N.V.	Other KPMG Network	Total KPMG	KPMG Accountants N.V.	Other KPMG Network	Total KPMG
Audit of the financial statements	194	310	504	137	280	417
Tax-related advisory services	0	0	0	0	8	8
Total	**194**	**307**	**501**	**137**	**288**	**425**

The above mentioned audit fees relate to the audit of the financial year 2020 and 2019 respectively and do not represent the costs expensed during the year.

22 REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The composition of the management board and supervisory board is the same for both, the Company and the Group. Therefore, please refer to note 41.2 and 41.3 of the notes to the consolidated financial statements for information regarding the remuneration of the management board and the supervisory board.

23 SUBSEQUENT EVENTS

Please refer to note 44 of the notes to the consolidated financial statements for information regarding significant events after the balance sheet date.

Amsterdam, 30 April 2021

The Management Board	The Supervisory Board
Ziv Elul, CEO	Yair Safrai, Chairman of the Supervisory Board
Yaron Zaltsman, CFO	Tarek Malak, Chairman of the Audit Committee

24 OTHER INFORMATION

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 exceeds 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 proposes, regarding the distribution of the result for the year 2020, to add the losses to the accumulated deficit.

Auditor's report

The auditor's report with respect to the separate financial statements is set out on the next pages.

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Fyber N.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Fyber N.V. as at 31 December 2020 and of its result and its cash flows for the year then ended, 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.

What we have audited

We have audited the financial statements 2020 of Fyber N.V. (hereafter: “the Company”) based in Amsterdam, the Netherlands.

The financial statements comprise:

1. the consolidated and company statement of financial position as at 31 December 2020;
2. the following consolidated and company statements for 2020: the income statement, the statements of comprehensive income, the statements of changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

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 ‘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 (note 1.3) in the notes of the financial statements which indicates that the going concern of the Company depends on the willingness of the lenders to continue financing the Company for the next 12 months after issuance of these financials. 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.

Audit approach

Summary

Materiality

Consolidated financial statements

— Materiality of EUR 1,240 thousand
— 0.6% of consolidated revenue

Company financial statements

— Materiality of EUR 2,200 thousand
— 0.8% of total assets

Group audit

— 98% of consolidated total assets
— 100% of consolidated revenue

Key audit matters

— Impairment testing on goodwill
— Fraudulent revenue recognition

Opinion

Unqualified opinion with material uncertainty related to going concern

Materiality

Based on our professional judgement we determined the materiality for the consolidated financial statements as a whole at EUR 1,240 thousand (2019: EUR 720 thousand) and for the company financial statements as a whole at EUR 2,200 thousand (2019: EUR 525 thousand).

The materiality for the consolidated financial statements is determined with reference to consolidated revenue (0.6% (2019: 0.6%)). We consider revenue as the most appropriate benchmark because the main focus of stakeholders is, amongst other metrics, on revenue. Additionally, revenue appears to be less volatile than other benchmarks, such as profit before taxes due to the fact the Group is in a loss-making situation in combination with the fact that the Group is still in a start-up (growth) phase.

The materiality for the company financial statements is determined with reference to total assets (0.8% (2019: 0.2%)). We consider total assets as the most appropriate benchmark given the primary nature of the parent Company's activities, the holding of investments.

The benchmarks for both consolidated and company financial statements did not change from prior year. Materiality for both consolidated and company financial statements significantly changed compared to last year due to a higher amount of the benchmarks and percentages applied to determine materiality.

For the following significant disclosure we applied the following materiality:

— Remuneration of Management and Supervisory Board disclosure: EUR 10 thousand.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated and separate financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 62 thousand and EUR 110 thousand which are identified during the audit of the consolidated and company financial statements respectively, 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 components. The financial information of this group is included in the financial statements of Fyber N.V.

Our group audit mainly focused on significant components (namely Fyber Monetization Ltd., Fyber Media GmbH and Fyber GmbH) that are of individual financial significance to the group.

We have:

— made use of the work of KPMG Israel and KPMG Germany for the audit of Fyber Monetization Ltd., Fyber Media GmbH and Fyber GmbH;

— set component materiality levels, which ranged from EUR 263 thousand to EUR 949 thousand, based on the mix of size and financial statement risk profile of the components within the group to reduce the aggregation risk to an acceptable level;

— provided detailed instructions to the component auditors, covering amongst others the significant risks of material misstatement, and the information required to be reported back to the group audit team;

- for the components in scope of the group audit, held conference calls and virtual meetings with the auditor of significant components. During these meetings and calls, the planning, risk assessment, procedures performed, findings and observations reported to the group auditor were discussed in more detail and any further work deemed necessary by the group audit team was then performed;
- reviewed the work performed by KPMG Israel in our group audit file;
- performed audit procedures ourselves at Fyber N.V. with respect to compliance with specific Dutch disclosure requirements and those related to communication to those charged with governance.

In view of restrictions on the movement of people across borders, and also within significantly affected countries, we considered changes to the planned audit approach to evaluate the component auditors' communications and the adequacy of their work. According to our original audit plan, we intended to visit the component auditor in Tel Aviv (Israel) to review selected component auditor documentation. Due to the aforementioned restrictions, this was not practicable in the current environment. As a result, we have requested those component auditors to provide us with transfer of audit workpapers to perform these evaluations, subject to local law and regulations. In addition, due to the inability to arrange in-person meetings with such component auditors, we have increased the use of alternative methods of communication with them, including through written instructions, exchange of emails and virtual meetings.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, 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 financial statements.

This resulted in an audit coverage of 97% of total assets and 100% of total revenues.

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit with respect to fraud and non-compliance with laws and regulations are:

With respect to fraud:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and

— to respond appropriately to fraud or suspected fraud identified during the audit.

With respect to non-compliance with laws and regulations:

— to identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and

— to obtain a high (but not absolute) level of assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the Management Board, with oversight by the Supervisory Board. We refer to the chapter 'Risk Management' of the Report of the Management Board contained in the Annual Report where the Management Board included its risk assessment and where the Supervisory Board reflects on this assessment.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Group and we inquired the Management Board and the Supervisory Board as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

The potential effect of the identified laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including taxation and financial reporting. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items and therefore no additional audit response is necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation.

We identified the data privacy as the most likely to have such an indirect effect.

In accordance with the auditing standard we evaluated the following fraud risks and non-compliance that are relevant to our audit, including the relevant presumed risks:

— fraud risk in relation to revenue recognition, being the risk with respect to an overstatement of revenues throughout the year and during the cut-off period close to the financial year-end (the presumed risk); and

- fraud risk in relation to management override of controls to meet targets and/or expectations (the presumed risk).

We communicated the identified risks of fraud and non-compliance throughout our team and remained alert to any indications of fraud and/or non-compliance throughout the audit. This included communication from the Group to component audit teams of relevant risks of fraud and/or non-compliance identified at group level.

In all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud.

We communicated our risk assessment and audit response to the Management Board and the Supervisory Board. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our response

We performed the following audit procedures (not limited) to respond to the assessed risks:

- We evaluated the design and the implementation of internal controls that mitigate fraud risk. In case of internal control deficiencies, where we considered there would be opportunity for fraud, we performed supplemental detailed risk-based testing.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the Company, including retrospective reviews of prior year's estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- Assessment of matters reported on the Company's incident register/whistleblowing and complaints procedures with the entity and results of management's investigation of such matters.
- With respect to the risk of fraud in revenue recognition, we refer to the key audit matter 'Fraudulent revenue recognition'.
- With respect to the fraud risk in relation to management override of controls, we evaluated the appropriateness of the accounting for significant transactions that are outside the nomal course of business or are otherwise unusual (if any).
- With respect to the risk of bribery and corruption across various countries, we evaluated the Company's procedures such as due diligence procedures on third parties. We considered the possibility of fraudulent or corrupt payments made through third parties.
- We incorporated elements of unpredictability in our audit, such as: negative news search.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures.

- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements.

We do note that our audit is based on the procedures described in line with applicable auditing standards. In addition to the requirements of the auditing standards we have performed the following additional procedures:

- Involvement of unpredictability: negative news search and whistleblowing procedures.
- Evaluation as to whether integrity and the code of conduct is a topic on the agenda of the management and those charged with governance.

We do note that our audit is not primarily designed to detect fraud and non-compliance with laws and regulations and that 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 errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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 Management Board and 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 of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Compared to last year, the key audit matter with respect to the convertible bonds accounting treatment is not included, as the modification of the terms of the remaining (not converted bonds) was concluded in 2019 and therefore it was a matter which specifically related to the 2019 financial year.

Impairment testing on goodwill

Description

As indicated in note 18, the carrying value of goodwill as at 31 December 2020 is EUR 128.7 million. The goodwill resulted from the acquisition of four platform businesses between 2014 and 2016. The goodwill relates to one cash generating unit (CGU) only.

Under EU-IFRS the Company is required to test the amount of goodwill for impairment at least annually. The impairment tests were considered to be significant to our audit due to the complexity of the assessment process, judgements and assumptions which are affected by expected future market and economic developments.

Our response

We evaluated the design and implementation of controls with respect to management's annual goodwill impairment testing process.

We challenged the CGU definition, cash flow projections included in the annual goodwill impairment test and assessed the appropriateness of this and other data used by comparing them to external and historical data, such as external market growth expectations, and by analysing sensitivities in Fyber's valuation model.

Our audit procedures included the involvement of a valuation specialist to assist us in evaluating the assumptions, in particular the (terminal) growth and pre-tax discount rates, and the valuation methodology and model used by the Company.

We applied sensitivity analysis and assessed possible biases of management, challenged the overall outcome and consistency and the historical accuracy of management's estimates and retrospective review procedures.

We assessed the adequacy of the disclosure in note 18 to the consolidated financial statements.

Our observation

We consider management's key assumptions and estimates to be within the acceptable range and we assessed that the disclosure in note 18 to be adequate in accordance with EU-IFRS .

Fraudulent revenue recognition

Description

Based on the business environment and the intended acquisition by a third party there is a pressure to meet the requirements of third parties, to achieve bank covenant ratios, results and financial (incentive) targets. In addition the major revenue generating business processes are mainly based on manual interfaces between IT systems leading to an opportunity to manipulate revenue. For revenues please refer to note 6 to the consolidated financial statements.

Revenue recognition was significant to our audit because of the fraud risk relating to the existence of the revenue recognized.

Our response

We evaluated the design and implementation of relevant anti-fraud revenue controls.

Our substantive audit procedures included, amongst others, detailed testing of high risk journal entries and evaluation of management bias in relation to revenue recognition.

In response to the risk of overstatement of revenue we selected and reconciled sales transactions and accruals with supporting external source documentation such as customer contracts. We inspected the sales contracts to determine whether significant risks and rewards were transferred in the current year and inspected credit notes issued throughout the year. In addition, we tested whether revenue was appropriately recognized by performing credit notes testing after year-end.

Furthermore, we evaluated the revenue reconciliations between the IT systems which management performed, and assessed the differences resulting from these reconciliation by inspecting supporting documentation.

Our observation

The results of our procedures relating to the risks of revenue recognition were satisfactory.

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.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— 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 less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Annual Meeting of Shareholders as auditor of Fyber N.V. on 12 June 2019, as of the audit for the year 2019 and have operated as statutory auditor since that financial year.

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 audits of public-interest entities.

European Single Electronic Format (ESEF)

Fyber N.V. has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: 'the RTS on ESEF'). In our opinion, the annual financial report made up in XHTML format, including the partly tagged consolidated financial statements as included in the reporting package by the Company, has been prepared in all material respects in accordance with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components in a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package, is in accordance with RTS on ESEF.

Our procedures taking into consideration Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required taggings have been applied and whether they are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board 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, the Management Board 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, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board 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 engagement 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.

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.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 30 April 2021

KPMG Accountants N.V.
A.P.A. Greebe RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism 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 the Management Board;

— concluding on the appropriateness of the Management Board'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.

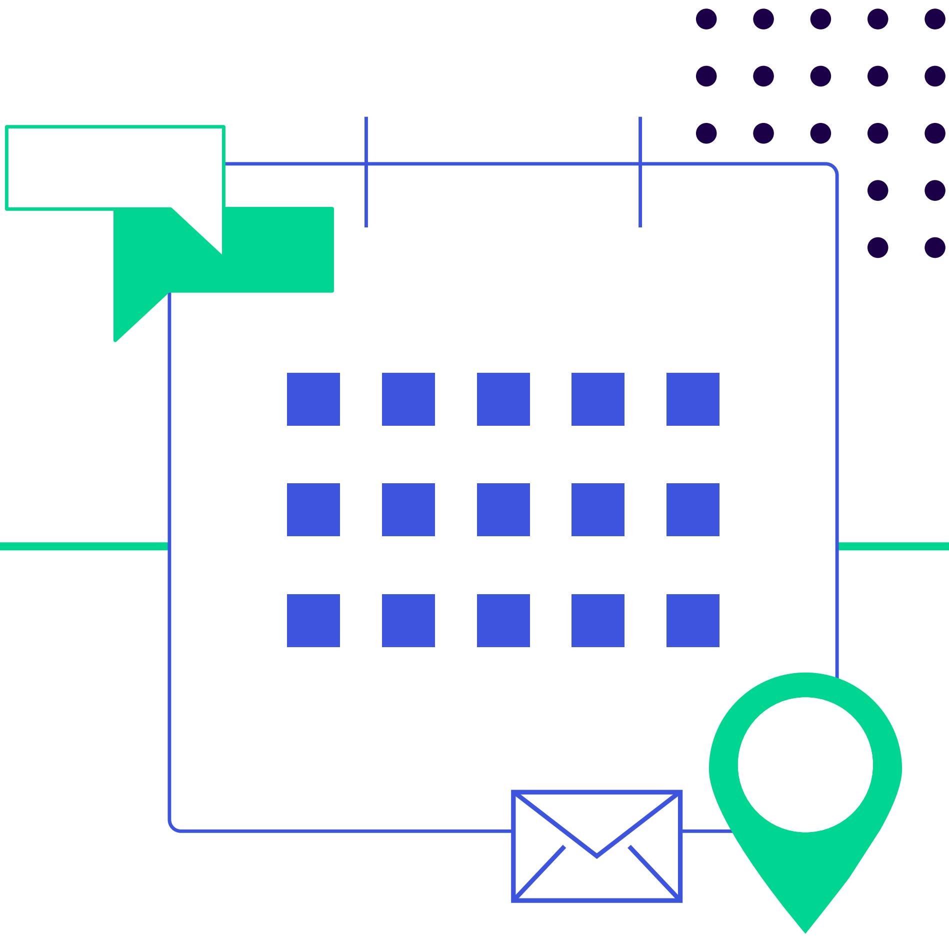
We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Management Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies 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 audits 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 Management Board and 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.

From the matters communicated with the Management Board and 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.

Other Information



Financial Calendar

Q1 2021 Interim Statement
26 May 2021

Annual General Meeting 2021
16 June 2021

H1 2021 Interim Statement
25 August 2021

Q3 2021 Interim Statement
24 November 2021

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

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Amtsgericht Charlottenburg HRB 166541B

Management Board
Ziv Elul (CEO), Dani Sztern (Deputy CEO & COO), Yaron Zaltsman (CFO)

Chairman of the Supervisory Board
Yair Safrai

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About Fyber

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

Fyber N.V.

ANNUAL REPORT 2020