Interim Report Third Quarter 2014

Berlin, November 27th, 2014

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Letter to the Shareholders

Dear Shareholders,

YOC AG has been among the pioneers of mobile advertising, going “mobile-first” since 2001. Even in a changing market environment, there has been a distinctive trend towards higher mobile advertising budgets. Our industry has always been driven by the vision to target users on their “electronic companions” anytime and anywhere, using customized, profile-based solutions. We are taking on the challenges of the market, pooling our resources to provide the right focus.

In this international, digital advertising landscape, we consequently move the company more and more towards platform based mobile advertising business models, providing both premium and performance advertising inventory.

The strategic objective of focusing on our core segment Mobile Advertising and the concurrent restructuring programme have been systematically implemented since October 2013. Both will be completed by Q4 2014, according to schedule:

- At the beginning of the third quarter 2014, we sold our subsidiary belboon GmbH, discontinuing the side activity Online Affiliate Marketing

- At the end of August 2014, we achieved to assert our claims from the variable purchase price component relating to the sale of YOC Group’s former Mobile Technology segment in FY 2013

- The company is free of loan liabilities, all loans with credit institutions and shareholders were repaid during FY 2014

- The promotion of product innovations that promise good gross profit, in order to reposition YOC as a provider of programmatic mobile advertising, has already led to an increased gross profit margin at 30 % (9M/2013: 25 %)

- Adjustments to the cost structure will bring a relief of around EUR 3.9 million in FY 2014 year-on-year. For FY 2015, further measures to reduce costs up to EUR 0.5 million have already been implemented

- The Group was able to retain key employees as well as win new qualified staff for key positions.

Since the restructuring programme was started one year ago, these and other measures have led to a positive equity effect amounting to EUR 6.1 million as well as a cash inflow of EUR 4.5 million.

Nonetheless, due to the transformation of our business model on the one hand, and difficulties in our France, Spain and Great Britain subsidiaries on the other, the first nine months of FY 2014 saw an unsatisfactory revenue development at EUR 6.6 million (9M/2013: EUR 8.4 million). We are working hard on this issue, and have taken appropriate steps to sustainably improve revenue and outcome in these markets.

The overall performance of the Group is above the previous year's figure at EUR 9.5 million as of 30 September 2014 (9M/2013: EUR 9.0 million). Profit and Loss of the YOC Group represents a considerable improvement: Operative earnings before interest, tax and depreciation/amortization amounted to EUR -0.9 million in the first nine months of 2014 (9M/2013: EUR -6.1 million).

Resulting from the successful company sales, inter alia, YOC Group has generated a net annual income of EUR 3.8 million as of 30 September 2014 (9M/2013: EUR -10.2 million).

During FY 2014, YOC Group has come significantly closer to its aim of becoming a Pure Play provider for mobile advertising. The accomplished strategic sales allow for a more dynamic and more adequate reaction to global developments in the mobile advertising market.

We will continue to develop innovative products for automated real time trade of mobile advertising spaces, as well as for direct sales. In this context, we have recently launched our Real Time Media Trade for mobile ad inventory via private market places. The launch of data-driven product innovations for addressing extended target groups of mobile web users, as well as detailed, web based reporting platforms for publishers and advertisers are soon to follow.

We thank our shareholders for their trust and patience, and are looking forward to continuing our cooperation in the future!

Kind regards,

Dirk Kraus
Management Board YOC AG

YOC at a Glance

(in kEUR)	9M/2014	9M/2013	Change	Change in %
Revenue and earnings				
Total revenue	6.625	8.432	-1.807	-21
Germany	3.707	3.334	373	11
Other countries	2.919	5.098	-2.179	-43
Total output	9.451	9.055	396	4
EBITDA	-877	-6.053	5.176	86
EBITDA margin (in%)	-9	-67	k.A.	k.A.
Earnings after tax Mobile Advertising	-1.267	-7.047	5.780	82
Earnings after tax YOC-Group	3.770	-10.240	14.010	137
Earnings per share (diluted in EUR) Mobile Advertising	-0,44	-2,61	2,17	83
Earnings per share (basic in EUR) Mobile Advertising	-0,44	-2,61	2,17	83
Earnings per share (diluted in EUR) YOC-Group	1,32	-3,79	5,11	135
Earnings per share (basic in EUR) YOC-Group	1,32	-3,79	5,11	135
Employees				
Average number of employees *1	65	93	-28	-30
Number of employees at end of March	55	98	-43	-44
Total output per employee (in kEUR)	145	97	48	49
Financial position and liquidity				
Total assets	4.360	7.729 *2	-3.369	-44
Cash flow from operative activities	-2.095	-4.493	2.398	53

*1 Based on permanent employees

*2 at 31/12/2013

Where rounded figures are used, differences may occur due to commercial rounding

Interim Consolidated Management Report
(unaudited)

Business development of the YOC Group in the first nine months 2014

Pursuing its strategic focus on its core business of Mobile Advertising, YOC Group has sold its Affiliate Marketing network in July 2014. The sale has led to a deconsolidation of the subsidiary in the third quarter 2014. Because of the separate accounting as Discontinued Operations according to IFRS 5, the results of the Affiliate Marketing segment will not be included in the business development analysis for the first nine months of 2014 or in the previous year's figures. The results of discontinued operations are presented in sections 3 and 4 of the "Notes to the financial statements".

As a consequence of the focus on the company's core competences, the following account relates exclusively to the continued operations in Mobile Advertising.

Key figures

Total revenue of YOC Group is EUR 6.6 million as of 30 September 2014 (9M/2013: EUR 8.4 million).

YOC Group's EBITDA amounted to EUR -0.9 million in the first nine months of 2014 (9M/2013: EUR -6.1 million).

The operating cash flow totals up to EUR -2.1 million (previous year: EUR -4.5 million).

Business environment

Mobile Premium Advertising

YOC is Europe's largest independent promoter of Mobile Premium Advertising with many years of expertise in this business sector. With an available coverage of several billion Ad Impressions per month and a portfolio of more than 300 well-selected international premium publishers, we reach around 40 million mobile internet users in the European markets.

With a smartphone coverage of over 57 % (comScore 2013), Mobile has established itself as the main medium for digital marketing in Europe. Our experience, long-standing cooperation with marketing partners, successful product innovations and scalable in-house-technologies, has made YOC one of the most important independent market players in Europe.

YOC's strategic focus lies on expanding its strong market position as a specialist for Mobile Advertising in the Great Britain, Germany, Austria, France and Spain. YOC Media Network with its exclusive advertising potential for premium publishers forms the backbone of our product portfolio. Our specialisation in marketing mobile websites and especially mobile applications guarantees maximised web earnings as well as a sustainable increase of user numbers to our partners. Advertisers benefit from top placements with innovative ad formats for a maximum effectiveness of branding.

Through individual and highly efficient targeting solutions, YOC reaches ideal target groups for a maximum effect of advertising campaigns. The widespread use of applications and the arisen app ecosystem offer a great potential for YOC's range of performance products to attract even more users, registrations for clients, and thus: additional revenue potential. Furthermore, the growing programmatic media trade is being actively supported by YOC, and used to achieve campaign objectives and to generate additional income for publishers.

Development of net assets, financial position and results of operations

Revenue trend and overall performance

In the first nine months of FY 2014, YOC Group's revenue was EUR 6.6 million (9M/2013: EUR 8.4 million). The transformation of YOC AG to a provider of Mobile Programmatic services brings about a first slight increase in turnover, and will, as a result of the planned expansion of these services, account for a major part of the total turnover. The restructuring of the company to a provider of Mobile Programmatic services elevates the company's products to a whole new level, and will, with the expected progress, lead to a stronger market position. Due to the expansion of this area we expect a higher gross margin, and the promotion of independence from larger co-operations.

The company's total output of EUR 9.5 million lies significantly above the previous year's figures (EUR 9.0 million). On the side of financing, the company drew a profit of EUR 1.1 million by externally purchasing of essential receivables. Furthermore, the sale of dispensable business equipment added EUR 0.2 million to earnings. An extra income was generated by dissolving liabilities of EUR 0.4 million that had been recognised too high in the past years.

Revenue by region

Revenue increased, especially in the D-A-CH region, by 11 % year-on-year. In Austria, YOC could maintain its position as market leader, and even exceeded the market forecasts with a significant rise of 61 % in revenue.

In Spain, YOC faced a significant drop in revenues, due to the loss of the whole sales team in spring 2014. Within a short period of time, the company was able to form a new management and sales team, and to keep losing other partners. The systematic establishment of a new team, combined with finding new important business partners, has already lead to remarkable achievements in Q4 2014.

On the British market, YOC was not able to meet market expectations in 2014, and due to the overall pessimistic market sentiment gradually lost market shares. The repositioning of YOC Group in Programmatic business should, with the expected development, take advantage of the opportunities of current market trends, and should lead to a stronger position on the Mobile Advertising market.

With the extension of new programmatic products and the achievements in winning publishers with strong coverage in the last quarter, a significant rise in revenue is expected in the short to medium term in the Western European regions in which YOC operates.

Gross income

The gross margin rose to 30 % in the first nine months of 2014 (9M/2013: 25 %), and reflects the company's focus on the Programmatic business. Costs for materials decreased disproportionately compared to revenue by 26 % to EUR 4.6 million (9M/2013: EUR 6.3 million).

A further gross margin increase is expected along with the continued extension of Programmatic business.

Personnel expenses and personnel development

In the first nine months of FY 2014, the average number of staff stands at 65 employees (9M/2013: 93 employees). The decline is mainly due to headcount reduction in the company's central services.

Personnel expenses were considerably lower than in the previous year at EUR 3.1 million (9M/2013: EUR 5.4 million). Adding to the decrease in the number of employees, especially adjustments in the management structure as well as one-off expenditure such as increased severance payments and expenses for bonuses and commissions in Q1 2013 have affected the results.

Revenue per employee increased by 13 % year-on-year to kEUR 102 (9M/2013: kEUR 90), showing that restructuring measures are effective and bring about an improved productivity. A further increase in revenue per employee should be implemented in short to middle term.

Other operating expenses

Other operating expenses remained EUR 0.8 million below the previous year's expenses at EUR 2.6 million (9M/2013: EUR 3.4 million). However, they were affected by one-off expenses at EUR 0.8 million resulting from strategic reorientation.

Adding to ongoing operating costs, expenses incurred especially for legal services and consulting in the course of selling belboon GmbH, for achieving a final sales agreement for the Mobile Technology segment, as well as for the temporary support by external consultancy services.

Rental costs were down on the previous year after the Berlin headquarters as well as branch offices in London, Paris and Madrid moved to new premises. In summary, cost-cutting measures throughout the year have an impact on several areas, resulting in a significant decline by 11 % year-on-year to 27 % in relation to the total output (9M/2013: 38 %). The taken measures will be fully effective in Q4 2014 and in the year to come, and will lead to more, visible cost reductions.

EBITDA

Operative earnings before interest, tax and depreciation/amortisation amounted to EUR -0.9 million in the reporting period (9M/2013: EUR -6.1 million), and was positively influenced by the income of EUR 1.7 million due to restructuring measures. After the drop in revenues reported in the first half, especially abroad, we now face a positive business development. At the same time, cost reductions were reported, altogether leading to improved results in Q3.

Post-tax profit or loss (core business Mobile Advertising)

The reporting period sees a substantial increase in earnings after tax, at EUR -1.3 million (9M/2013: EUR -7.0 million). The measures taken in the restructuring process are clearly taking effect.

Regular depreciations went down by EUR 0.1 million to EUR 0.2 million during the period under report (9M/2013: EUR 0.4 million).

Non-cash taxes on income and earnings were significantly below the previous year's at EUR 0.1 million (9M/2013: EUR 0.6 million).

Post-tax profit or loss discontinued operations

Before its deconsolidation, the Affiliate Marketing segment, sold in July 2014, accounted for earnings of EUR 0.8 million.

Selling the Affiliate Marketing segment led to extraordinary profit and therefore to a positive equity effect amounting to EUR 3.3 million for the YOC Group in Q3, by deconsolidating belboon GmbH.

A positive cash-inflow of EUR 1.25 million as well as a positive equity effect of EUR 0.9 million were generated by achieving an agreement on variable price components related to previous year's sale of the Mobile Technology segment. The Mobile Technology segment was sold for the total purchase price of EUR 6.5 million.

Overall, the sale of discontinued operations has led to a profit of EUR 5.0 million in the current financial year (previous year: EUR -3.2 million) for YOC Group.

Post-tax profit or loss YOC Group

The third quarter 2014 brought about a significant net annual income of EUR 4.4 million.

In the first nine months 2014 net annual income of the YOC group amounted to EUR 3.8 million (9M/2013: EUR -10.2 million).

Financial position and net assets

On the reporting date, YOC Group's cash and cash equivalents totalled to EUR 1.1 million. Compared to 31 December 2013, this means a rise in liquidity of EUR 0.6 million.

The operating cash flow in the first nine months of 2014 amounted to EUR -2.1 million (previous year: EUR -4.5 million).

Cash flow from investing activities in the first nine months of the financial year stood at EUR 2.8 million, and has been essentially generated from the sale of the Affiliate Marketing segment, the payment of variable price components from the Mobile Technology segment sold in 2013, as well as the disposal of dispensable assets for operating in the course of moving the headquarters to new premises in Berlin.

Furthermore, investments of EUR 0.3 million were made into internal development to further develop technological platforms and new products.

The company is focusing its product development resources on the automated sale of mobile advertising spaces in the area of programmatic selling, as well as on the product YOC Audience. These fields allow for an optimised supply of advertisements through targeting criteria, in order to increase the effectiveness of advertising. Technological competitiveness is essential for YOC Group's continued growth and for strengthening its market position, which is why we are pressing ahead with improving and developing our products and platforms internally.

Cash flow from financing transactions for the financial year 2014 is almost balanced. Shareholder loans amounting to EUR 1.0 million received in Q1 2014 were fully repaid in Q3 2014. All liabilities for a shareholder loan received in 2013 were settled in Q3 2014 with an outflow of EUR 0.25 million, and due to the external purchase of receivables led to a positive equity effect amounting to EUR 0.4 million. In the first quarter of 2014, EUR 0.5 million were acquired by using the full potential of operating lines of credit with financial institutions. Successful negotiations with a financial institution have brought about an extra profit of EUR 0.75 million. The external purchase of remaining receivables has led to an outflow of solely EUR 0.25 million.

All loans received by the company have been repaid by 30 September, 2014. Therefore, YOC Group is clear of debt from external financial liabilities.

Risks and outlook

Risk report

The YOC Group is an internationally oriented service provider operating in a dynamic market, which naturally involves company and sector-specific risks as well as financial risks. These primarily include risks in connection with the market and the competitive environment, technological risks, liability risks, personnel risks, planning risks, organisational risks as well as financial and treasury risks. Such risks may arise from the Group's own business actions or from external factors. The YOC Group has taken measures to identify and reduce potential risks early on. For this purpose, a corresponding risk management system was set up. Within this system, risks are regularly recorded, evaluated and, if necessary, continually monitored through a Group-wide risk inventory.

The YOC Group's risk policy, which was established by the Management Board, remains unchanged and is a fixed component of the company policy seeking to achieve sustainable growth, increase the value of the company and guarantee the Group's continued existence in the long term. In this context, the company consciously takes necessary risks under consideration of the risk/return ratio in order to make use of market opportunities and to be able to exploit the generated potential for success.

Due to the anticipatory risk controlling measures within the internal control system, risks and opportunities can be identified and evaluated early on, meaning that the company can promptly react to such risks and opportunities in an appropriate manner, thereby guaranteeing efficient control in the interest of the company's success. Measures to be taken in the scope of risk control are implemented by the operating units.

The company's focus on its core business shows first positive effects. The management board is expecting reduced operational loss year-on-year for the fourth quarter of 2014. Further possibilities of debt and equity financing to ease the liquidity situation have been taken into account in the course of the restructuring plan, and have already been implemented by the management board in Q3 2014:

- A significant increase in liquidity results from the successful sale of the Affiliate Marketing segment, helping to repay all loans taken out by YOC Group,

- Following the agreement reached with a major creditor, an external purchase of receivables was realised, resulting in a positive equity effect, adding EUR 0.4 million,

- Relating to the sale of the Mobile Technology segment in July 2013, YOC AG received EUR 1.25 million out of a possible maximum of EUR 1.5 million for the variable purchase price component in Q3 2014. All elements of the agreement led to a total profit of EUR 1.65 million (EUR 0.7 million in 2013, and EUR 0.95 million in 2014), which allowed to realise the full earn-out component, and further EUR 0.15 million were recorded as an adjustment to the fixed purchase price component.

For further improvement of liquidity, the realisation of a capital measure in the following six to twelve months is being considered, and further improvement of operating results is planned in the short term.

Outlook

By selling the Affiliate Marketing segment, since July 2014 YOC Group focuses on its original core business: Mobile Advertising. It is crucial to further develop and optimise our performance and services for publishers, since their coverage provides the backbone of the company. This is the basis upon which YOC Group keeps developing customized products.

Revenues are bound to drop by a double-digit percentage following the sale of the Affiliate Marketing segment. Positive sales potential is anticipated for the Mobile Advertising segment in the fourth quarter of 2014. This is especially expected in the D-A-CH region. For Great Britain, the stabilisation of revenues is predicted for Q4 2014. Spain faces a significant loss in revenues for 2014 due to the problems occurred in Q4 2013. Restructuring measures have been implemented, and will show first positive effects from Q4 2014 onwards. The subsidiary in France is on the road to recovery, overcoming the loss of major publishers in 2012. Its revenues are expected to stabilise in the short and medium term.

However, for the future development it is crucial to follow through with the designated steps in order to transform the Group from a Mobile Ad Network into a Mobile Programmatic provider. In the course of this strategic change process, the company will launch further products in the months to come, that should help the company gaining a leading position on both demand and supply sides, and a growing business volume.

Combined with substantially cutting material and personnel expenses, this will lead to an improvement in earnings compared to the previous financial year.

YOC Group expects a significantly lower operating loss in 2014 year-on-year.

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	Q3/2014	Q3/2013
Revenue	**2,177,188**	**2,576,309**
Own work capitalised	60,326	33,421
Other operating income	1,010,884	240,139
Total output	**3,248,398**	**2,849,869**
Expenses for goods and services	1,384,605	1,777,177
Personnel expenses	901,426	1,819,006
Other operating expenses	693,030	1,246,116
EBITDA	**269,337**	**-1,992,430**
Depreciation and amortisation expenses	78,318	99,316
EBIT	**191,019**	**-2,091,746**
Financial income	0	111
Financial expenses	-24,285	15,184
Financial result	**24,285**	**-15,073**
EBT	**215,304**	**-2,106,819**
Income taxes	9,169	546,410
Net income continuing operations	**206,135**	**-2,653,229**
Net income disontinued operations	4,228,833	-461,545
Net income	**4,434,968**	**-3,114,775**
Earnings per share		
Earnings per share basic	1.55	-1.15
Earnings per share diluted	1.55	-1.15
Earnings per share continuing operations		
Earnings per share basic	0.07	-0.98
Earnings per share diluted	0.07	-0.98

Consolidated statement of comprehensive income (in EUR)	Q3/2014	Q3/2013
Net income	**4,434,968**	**-3,114,775**
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	-57,897	-48,932
Total other comprehensive income	**-57,897**	**-48,932**
Total comprehensive income	**4,377,071**	**-3,163,707**

› The figures are not subject to an auditor´s review.
Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	9M/2014	9M/2013
Revenue	6,625,475	8,432,108
Own work capitalised	207,705	89,320
Other operating income	2,617,506	533,419
Total output	**9,450,686**	**9,054,847**
Expenses for goods and services	4,643,214	6,301,155
Personnel expenses	3,098,101	5,412,449
Other operating expenses	2,586,337	3,393,965
EBITDA	**-876,966**	**-6,052,722**
Depreciation and amortisation expenses	237,320	369,206
EBIT	**-1,114,286**	**-6,421,928**
Financial income	811	16,036
Financial expenses	45,469	70,451
Financial result	**-44,658**	**-54,415**
EBT	**-1,158,944**	**-6,476,342**
Income taxes	107,689	570,518
Net income continuing operations	**-1,266,633**	**-7,046,860**
Net income disontinued operations	5,036,752	-3,193,386
Net income	**3,770,119**	**-10,240,246**
Earnings per share		
Earnings per share basic	1.32	-3.79
Earnings per share diluted	1.32	-3.79
Earnings per share continuing operations		
Earnings per share basic	-0.44	-2.61
Earnings per share diluted	-0.44	-2.61

Consolidated statement of comprehensive income 9M/2013 (in EUR)	9M/2014	9M/2013
Net income	**3,770,119**	**-10,240,246**
Net other comprehensive income to be reclassified to profit or loss in subsequent period		
Unrealised gains from foreign currency translation	-228,867	-25,255
Total other comprehensive income	**-228,867**	**-25,255**
Total comprehensive income	**3,541,252**	**-10,265,501**

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Consolidated Statement of Financial Position

in EUR	30/09/2014	30/09/2013
ASSETS		
Non-current assets	**627,779**	**2,228,934**
Property, plant and equipment	170,367	498,211
Goodwill	0	1,187,866
Intangible assets	453,899	541,280
Deferred tax assets	3,513	1,576
Current assets	**3,732,399**	**5,500,335**
Trade receivables	1,877,793	3,960,233
Other receivables	669,204	971,544
Tax assets	36,278	37,470
Cash and cash equivalents	1,149,124	531,087
Total assets	**4,360,178**	**7,729,269**
EQUITY AND LIABILITIES		
Equity	**-1,370,079**	**-4,678,394**
Subscribed capital	2,858,500	2,858,500
Additional paid in capital	19,993,231	20,226,168
Retained earnings	-24,011,709	-27,781,828
Other comprehensive income from currency translation differences	-159,782	69,085
Own shares	-50,319	-50,319
Non-current liabilities	**46,028**	**684,414**
Provisions	46,028	64,312
Other liabilities	0	17,545
Other financial liabilities	0	602,557
Current liabilities	**5,684,230**	**11,723,249**
Prepayments received	46,783	1,685,746
Trade payables	2,882,298	3,008,062
Loans and borrowings	0	525,296
Other liabilities	635,453	1,318,705
Other financial liabilities	1,624,457	5,145,530
Tax liabilities	16,771	388
Provisions	478,468	39,522
Total equity and liabilities	**4,360,178**	**7,729,269**

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Consolidated Statement of Cash Flows

in EUR	9M/2014	9M/2013
Net income continuing operations	**-1,266,633**	**-6,547,077**
Net income discontinued operations	**5,036,752**	**-3,193,386**
Depreciation and Amortisation	281,676	3,518,208
Taxes recognised in the income statement	100,122	760,352
Interest recognised in the income statement	44,149	-54,842
Other non-cash income and expenses	-461,804	10,919
Result from deconsolidation	-4,223,264	1,945,842
Foreign currency translation differences through equity	36,604	0
Cash-Earnings	**-452,398**	**-3,559,984**
Result from disposal of assets	-124,397	-852
Changes in receivables and other receivables	1,243,117	797,721
Changes in liabilities, prepayments and other liabilities	-3,159,793	-1,641,786
Changes in provisions	450,231	207,389
Interest received	1,320	547
Interest paid	-43,219	-63,238
Income taxes paid	-6,724	-233,162
Cashflow from operating activities	**-2,091,863**	**-4,493,365**
Disposal of business units	2,794,245	5,000,000
Purchase of property, plant and equipment	-21,945	-166,355
Purchase of intangible assets	-12,130	-92,613
Outflow from development costs	-332,759	-321,410
Disposal of assets	318,337	0
Cashflow from investing activities	**2,745,748**	**4,419,621**
Inflows from capital increases	0	3,162,500
Transaction costs related to issuance of new shares	0	-100,000
Repayment of liabilities under finance lease	-6,701	-35,622
Repayment of bank loans	-1,503,851	-2,938,670
Issuance of loans	1,474,704	610,000
Cashflow from financing activities	**-35,848**	**698,208**
Net increase / decrease	**618,037**	**624,464**
Cash and cash equivalents at the beginning of the period	**531,087**	**259,809**
Cash and cash equivalents at the end of the period	**1,149,124**	**884,272**

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Consolidated Statement of Changes in Equity

in EUR	Subscribed capital	Additional paid in capital	Retained earnings	Other comprehensive income from currency translation differences	Own shares	Total
as of 01/01/2014	**2,858,500**	**20,226,168**	**-27,781,828**	**69,085**	**-50,319**	**-4,678,394**
Net income			3,770,119			3,770,119
Currency translation differences				-228,867		-228,867
Comprehensive income	**0**	**0**	**3,770,119**	**-228,867**	**0**	**3,541,252**
Stock option programme		-232,937				-232,937
as of 30/09/2014	**2,858,500**	**19,993,231**	**-24,011,709**	**-159,782**	**-50,319**	**-1,370,079**
as of 01/01/2013	**2,380,000**	**17,585,298**	**-17,298,913**	**86,501**	**-50,319**	**2,702,568**
Net income			-9,740,463			-9,740,463
Currency translation differences			2,063	-25,255		-23,192
Other adjustments			6,144			6,144
Comprehensive income	**0**	**0**	**-9,732,256**	**-25,255**	**0**	**-9,757,511**
Issuance of subscribed capital	478,500	2,684,000				3,162,500
Stock option programme		45,384				45,384
Transaction costs including tax benefits		-117,412				-117,412
as of 30/09/2013	**2,858,500**	**20,197,269**	**-27,031,169**	**61,246**	**-50,319**	**-3,964,473**

No shares are held by non-controlling shareholders

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Minor calculation differences may occur due to commercial rounding of individual items and percentage values.

Notes to the financial statements

1. General information

YOC AG, headquartered at Rosenstr. 17, Berlin, Germany, is an international service provider in the fields of Mobile Media.

YOC AG is listed in the Prime Standard of the Frankfurt Stock Exchange under the identification number WKN 593273 / ISIN DE 0005932735.

2. Principles for the preparation of the financial statements, accounting and valuation methods

Principles for the preparation of the financial statements

YOC AG's interim financial statements as of 30 September 2014 were prepared in compliance with the German Securities Trading Act (WpHG). The interim consolidated financial statements were prepared as condensed financial statements pursuant to IAS 34 and comply with Section 315a of the German Commercial Code (HGB) and are in accordance with the rules of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the European Union and valid on the reporting date as well as the interpretations of the IFRS Interpretations Committee (IFRS IC).

The condensed and unaudited interim consolidated financial statements of YOC AG do not contain all the information and disclosures required for the preparation of complete financial statements at the end of the financial year. Therefore, we recommend reading the interim financial statements together with the consolidated financial statements for the 2013 financial year.

Accounting and valuation methods

In the first nine months of 2014, all the Standards that have been mandatory since 01 January 2014 were applied.

IFRS 10 (Consolidated Financial Statements), which has been in effect since 1 January 2014, replaces IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation—Special Purpose Entities). In the process, IAS 27 was renamed "Separate Financial Statements". IFRS 10 changes the definition of "control" such that the same criteria are applied to all companies to determine a relationship of control. It provides an extensive list of guidelines as to how they are to be applied to determine whether control exists. The introduction of IFRS 10 has no effect on YOC AG.

IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosures of Interests in Other Entities) also do not apply to YOC AG.

The company also has nothing to report with regards to changes to IAS 32 (Financial Instruments: Presentation), the change to IAS 39 (Financial Instruments: Recognition and Measurement), and the introduction of IFRIC 21 (Levies). These guidelines also came into effect on 01 January 2014.

In summary, no accounting standards that are to be applied for the first time in the 2014 financial year have any effect on the presentation of net assets, the financial position or results of operations in the consolidated interim financial statements.

3. Sale of business units

Other disclosures regarding financial instruments

YOC AG sold its subsidiary belboon GmbH with registered office in Berlin in July 2014 due to its focus on the core area Mobile Advertising and as part of its restructuring concept. Deconsolidation was carried out on 01 July 2014. This transaction is reported separately as discontinued business operation in accordance with IFRS 5.

As a result of the sale of belboon GmbH the entire business unit Affiliate Marketing was split off from the group of companies. Thus, YOC Group has implemented its strategic orientation and exclusively focused on the product area Mobile Advertising.

The net income components of the sold business unit were composed as follows in the period until 30 June 2014:

Net Income discontinued operations (in kEUR)	**6M/2014**
Total Output	4,390
Costs	3,539
EBITDA	**850**
Depreciation	44
Financial result	1
EBT	**806**
Income Taxes	8
Net Income discontinued operations	**814**

The major classes of assets and liabilities of the sold business unit were composed as follows in the period until 30 June 2014:

Assets and liabilities of discontinued operations (in kEUR)	**30/06/2014**
Property, plant and equipment	1
Goodwill	1,188
Intangible assets	277
Deferred tax assets	1
Trade receivables	575
Other assets	2
Cash and cash equivalents	153
Assets classified as held-for-sale	**2,197**

Provisions	30
Deferred tax liabilities	84
Prepayments received	1,366
Trade payables	188
Other liabilities	76
Other financial liabilities	1,708
Liabilities associated with assets classified as held-for-sale	**3,452**

The cash flow of the sold product area is as follows as of 30 June 2014:

Cashflows from discontinued operations (in kEUR)	**6M/2014**
Operating cashflow	341
Investing cashflow	-12
Financing cashflow	-50
Cashflows from discontinued operations	**279**

The Sale contributes EUR 3.26 million to the results of discontinued operations.

Sale of the Mobile Technology segment in July 2013

An agreement on the variable purchasing price components could be achieved with the buyer of the Mobile Technology segment sold in 2013. This led to a cash-inflow of EUR 1.25 million in Q3 2014. This positively effects results, adding EUR 0.94 million, and is assigned to the figures for discontinued operations.

4. Changes in the group of consolidated companies

Beside the deconsolidation of belboon GmbH as of 01 July 2014 mentioned under point 3 the non-operational subsidiary Sevenval Ltd., London, UK, was deconsolidated as of 30 September 2014. In line with the final accounts prepared as of 30 September 2014 the strike-off-form was submitted to the British authorities.

5. Notes to key developments in the Statement of Financial Position and the Statement of Comprehensive Income

Other disclosures regarding financial instruments

The following table shows the carrying amounts and fair values of the financial assets and liabilities as recognised in the interim consolidated financial statements as well as their classification in accordance with IAS 39 and the level of the fair value hierarchy:

30/09/2014 (in kEUR)	**Carrying amount**	**Fair Value**	**Measurement category IAS 39** [1]	**Fair value hierarchy**
Financial assets				
Cash and cash equivalents	1,149	1,149	LaR	n/a
Trade receivables	1,878	1,878	LaR	n/a
Other assets	669	669	LaR	n/a
Financial liabilities				
Trade payables	2,882	2,882	FLAC	n/a
Other financial liabilities	2,260	2,260	FLAC	n/a
thereof finance lease obligations	19	18	FLAC	Level 2

31/12/2013 (in kEUR)	**Carrying amount**	**Fair Value**	**Measurement category IAS 39** [1]	**Fair value hierarchy**
Financial assets				
Cash and cash equivalents	531	531	LaR	n/a
Trade receivables	3,960	3,960	LaR	n/a
Other assets	972	972	LaR	n/a
Financial liabilities				
Fixed rate borrowing (from shareholders)	600	510	FLAC	Level 2
Bank overdrafts	525	525	FLAC	n/a
Trade payables	3,008	3,008	FLAC	n/a
Other financial liabilities	5,148	5,148	FLAC	n/a
thereof finance lease obligations	35	35	FLAC	Level 2

1) AfS: available for sale financial assets
LaR: loans and receivables
FLAC: other financial liabilities measured at amortized cost.

Management has determined that the carrying amounts of cash and cash equivalents, trade receivables, other current assets, bank overdrafts, and other short-term financial liabilities nearly match their fair value due to their short maturities. In accordance with the principle of materiality, the fair value of these current items is equated with their book value in the statement of financial position. The fair value of the loans measured at amortised cost is determined by means of discounting using the agreed upon interest rate.

Sales revenue

In the first nine months of FY 2014, business in Spain was restructured due to the loss of a major publisher. This resulted in a considerable drop in revenue in this region in comparison with the previous year.

Other operating income

In the first nine months of FY 2014, other operating income has been affected by restructuring effects. EUR 1.1 million generated by externally purchased receivables were reported as restructuring profit. EUR 0.15 million were received from the sale of non-essential operating and office equipment at the beginning of 2014. Income from derecognition of provisions and liabilities amounted to EUR 0.41 million in the first nine months of FY 2014.

6. Segment reporting

Segment reporting is based on the internal management structure. The internal reporting was reorganised at the beginning of 2014. The previous year´s figures were adjusted for better comparability. Accordingly, the Group is made up of the following reportable business segments:

1. Region D-A-CH (Germany, Austria and Switzerland)
2. Region rest of Europe

The following table shows the earnings of the individual segments. In accordance with the internal reporting structure, EBITDA is used as the measure of earnings:

Segment reporting (in kEUR)	D-A-CH	Rest of Europe	Overhead	Consolidation	YOC Group
9M 2014					
External revenue	3,875	2,750			6,625
Internal revenue	311	0		-311	0
Total revenue	**4,187**	**2,750**		**-311**	**6,625**
Own work capitalised	208	0			208
Other operating income	660	477	1,481		2,618
Total output	**4,743**	**3,227**	**1,481**		**9,451**
Costs of goods sold	2,611	2,032			4,643
Personnel expenses	1,509	1,017	572		3,098
Other operating expenses	536	950	1,101		2,586
EBITDA	87	-772	-192		-877
9M 2013					
External revenue	3,266	5,166			8,432
Internal revenue	411	0		-411	0
Total revenue	**3,677**	**5,166**		**-411**	**8,432**
Own work capitalised	89	0			89
Other operating income	310	223			533
Total output	**3,665**	**5,389**	**0**		**9,055**
Costs of goods sold	2,402	3,900			6,301
Personnel expenses	2,809	1,492	1,111		5,413
Other operating expenses	1,053	725	1,616		3,394
EBITDA	-2,599	-727	-2,727		-6,053

In deviation from the presentation of sales revenues in the Management Report the values are not determined on the basis of the customer's registered office but on the basis of the revenues achieved by the national subsidiaries in the respective countries.

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	**9M/2014**
EBITDA	**-877**
Depreciation and amortisation	-237
Financial result	-45
Net income before taxes	**-1,159**
Taxes	-108
Net income from discontinued operations	5,037
Net income	**3,770**

7. Cash flow statement

On the reporting date, YOC Group's cash and cash equivalents totalled to EUR 1.1 million. Compared to 31 December 2013, this means a rise in liquidity of EUR 0.6 million.

The operating cash flow in the first nine months of 2014 amounted to EUR -2.1 million (previous year: EUR -4.5 million).

Cash flow from investing activities in the first nine months of the financial year stood at EUR 2.8 million, and has been essentially generated from the sale of the Affiliate Marketing segment, the payment of variable price components from the Mobile Technology segment sold in 2013, as well as the disposal of dispensable assets for operating in the course of moving the headquarters to new premises in Berlin.

Furthermore, investments of EUR 0.3 million were made into internal development to further develop technological platforms and new products.

The company is focusing its product development resources on the automated sale of mobile advertising spaces in the area of programmatic selling, as well as on the product YOC Audience. These fields allow for an optimised supply of advertisements through targeting criteria, in order to increase the effectiveness of advertising. Technological competitiveness is essential for YOC Group's continued growth and for strengthening its market position, which is why we are pressing ahead with improving and developing our products and platforms internally.

Cash flow from financing transactions for the financial year 2014 is almost balanced. Shareholder loans amounting to EUR 1.0 million received in Q1 2014 were fully repaid in Q3 2014. All liabilities for a shareholder loan received in 2013 were settled in Q3 2014 with an outflow of EUR 0.25 million, and due to the external purchase of receivables led to a positive equity effect amounting to EUR 0.4 million. In the first quarter of 2014, EUR 0.5 million were acquired by using the full potential of operating lines of credit with financial institutions. Successful negotiations with a financial institution have brought about an extra profit of EUR 0.75 million. The external purchase of remaining receivables has led to an outflow of solely EUR 0.25 million.

All loans received by the company have been repaid by 30 September, 2014. Therefore, YOC Group is clear of debt from external financial liabilities.

8. Guarantees, contingent liabilities and similar obligations

Following the sale of the belboon GmbH, the Group was able to fully repay all shareholder loans and release the pledge of share in belboon GmbH granted as collateral.

9. Related party disclosures

In the first quarter of FY 2014, a loan amounting to EUR 0.6 million was granted by a related person of the Management Board. The loan was granted at arm’s length conditions with an interest rate of 8.25 %. The loan plus accrued interest was repaid in July 2014.

No other transactions took place between the entity and a related party during the period under report.

10. Events after the interim reporting period

No significant events took place after 30 September 2014 until publication of the interim financial statements.

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