MOBILE ADVERTISING

YOC AG

INTERIM REPORT
THIRD QUARTER 2015

CONTENT

Letter to the Shareholders

Dear Shareholders,

YOC AG has been among the pioneers for advertising on mobile devices, going “mobile first” since 2001. Although our market environment has changed, there has been a distinct trend towards higher mobile advertising budgets. We - and our industry - have always been driven by the vision to target users on their “electronic companion” anytime and anywhere, using customised and profile-based solutions.

Total revenue of YOC Group remained at the previous year's level at EUR 6.6 million (9M/2014: EUR 6.6 million). Operating earnings before interest, tax, depreciation and amortisation came to EUR -1.1 million in the first nine months of the financial year 2015 (9M/2014: EUR -0.9 million). Adjusted for other operating income generated through the strategic repositioning and restructuring process in both periods, EBITDA came to EUR -1.9 million as of 30 September 2015 (9M/2014: EUR -2.1 million).

Personnel expenses correspond to the previous year’s figures. Thanks to increased efficiency and reorganisation, revenue per employee increased by 12 % to kEUR 122 (9M/2014: kEUR 109).

Other operating expenses were significantly below previous year‘s expenses at EUR 1.7 million (9M/2014: EUR 2.6 million). This is attributable to the rigorously adjusted cost structures from the restructuring process completed by end 2014 and the elimination of one-off expenses associated with it.

During the past quarter, the company was also able to conclude work on the remaining non-operating issues from the past: in the course of an out-of-court settlement we generated an extraordinary profit of EUR 0.75 million. In addition, we were able to assert the variable purchase price component from our former subsidiary belboon GmbH, sold in financial year 2014, in the amount of EUR 0.2 million.

On the product side, YOC continues to position itself as a provider of premium mobile programmatic advertising. The company continues to expand its data-driven mobile ad solutions in the automated trade of mobile inventory. YOC provides its mobile advertising spaces for programmatic trade through various ad exchanges or private marketplaces from all its locations.

In addition, the development of new mobile ad formats is progressing: YOC Understitial, launched in Q2 / 2015 and particularly successful in the German speaking markets, has new features. YOC Understitial's video version was launched in Germany in Q3 / 2015 in the context of an O2 campaign in cooperation with Telefónica Germany. The further development of our publisher frontend is also progressing with new technical solutions: besides automated internal processes and automated billing of publishers, the platform will serve as a reporting and billing tool for YOC’s ad formats.

Altogether, the development of the abovementioned product innovations that promise higher gross margins has positively influenced the gross margin which rose by 33 % (9M/2013: 30 %) as compared to the same period in the previous year.

While the focus on our core competence, mobile advertising, has brought a positive development on the product side, this does not show on the revenue side as yet. In the current fourth quarter of 2015, however, the company will see growth rates of 15 % - 20 % as compared to the same period of the previous year.

We thank you for the trust you have placed in us and are looking forward to continuing our cooperation in the future.

Kind regards,

Dirk Kraus Michael Kruse

Management Board YOC AG

YOC at a Glance

Mobile Advertising (in kEUR)	9M/2015	9M/2014	Change	Change in %
Revenue and earnings				
Total revenue	6,571	6,625	-54	-1
D-A-CH	4,056	3,707	349	9
Other countries	2,514	2,919	-405	-14
Total output	8,039	9,451	-1,412	-15
EBITDA	-1,117	-877	-240	-27
EBITDA margin (in%)	-14	-9	k.A.	k.A.
Earnings after tax	-1,375	-1,267	-108	-9
Earnings per share (diluted in EUR)	-0.44	-0.44	0.00	0
Earnings per share (basic in EUR)	-0.44	-0.44	0.00	0
Employees				
Average number of employees *1	54	61	-7	-11
Number of employees at end of March	54	55	-1	-2
Total revenue per emplyoee (in kEUR)	122	109	13	12
Total output per employee (in kEUR)	149	155	-6	-4
Financial position and liquidity				
Total assets	3,762	4,135 *2	-373	-9
Cash flow from operative activities	-1,580	-2,095	515	25

*1 Based on permanent employees

*2 at 31/12/2014

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

Interim Consolidated Management Report

(unaudited)

Business development of YOC Group in the first nine months of 2015

Key figures

In the first nine months of 2015, YOC Group recorded total revenue of EUR 6.6 million (9M/2014: EUR 6.6 million). This means a sideways drift as compared to the same period of the previous year.

Pushing forward with product innovations that promise higher gross margins led to an increased gross yield at 33 % year-on-year (9M/2014: 30 %).

YOC Group's operating earnings before interest, tax, depreciation and amortisation in the first nine months of 2015 came to EUR -1.1 million (9M/2014: EUR -0.9 million). After adjusting EBITDA for non-operative one-off results are improved by EUR 0.2 million.

The operating cash flow came to EUR -1.6 million (9M/2014: EUR -2.1 million).

Mobile Advertising

With a smartphone penetration of over 57 % on average (comScore 2013), Mobile has become a key medium for digital advertising in Europe. Some countries such as the UK, Spain or Italy have already reached smartphone coverage of 70 %, according to recent studies (comScore 2014).

YOC is one of the largest independent premium mobile advertising providers in Europe and can draw upon its longstanding expertise in this business sector since 2001. With an available coverage of several billion ad impressions per month, we reach mobile web users worldwide. YOC cooperates with more than 300 well-selected international premium publishers such as Shazam, The Sun, Metro, krone.at or Eurosport, who – on the basis of long-standing partnerships – trust in the company's technology and marketing expertise.

Based on many years of experience, exclusive business partnerships with marketing partners and advertising clients, successful product innovations and scalable in-house technologies, YOC has become an innovative part of the mobile targeting market segment which is becoming more and more important. Our focus is on the strategic development of our position as a specialist for mobile advertising in the core markets in Great Britain, Germany, Austria and Spain.

For app and mobile web publishers from all branches, YOC offers direct access to all the relevant media agencies and demand channels. In combination with state-of-the-art advertising technologies, we successfully apply comprehensive monetising strategies while at the same time ensuring sustainable growth of the user population for our publishers. YOC's premium ad formats allow for targeted branding without overstraining the user in his familiar environment. YOC mediation allows for a high but steady utilisation and attractive cost per mille above market average. With our concept of audience targeting, YOC guarantees that users are only shown the most relevant advertisement while ensuring data protection standards.

Our advertisers benefit from exclusive advertising opportunities with premium publishers. The award-winning ad formats developed by YOC in-house offer a strong creative branding effect and have been awarded, among others, the Cannes Lion Gold Award in the Mobile category. YOC Audience Targeting, with a multitude of exclusive data sources, guarantees that each advertiser reaches his specific target group. Our full-service approach makes us a reliable partner, offering solid and high-quality campaigns. By means of a trading desk approach, YOC reaches a significant range of mobile users via efficient demand-side platforms (DSP).

The widespread distribution and use of mobile apps and the app ecosystem thus evolved are exploited by YOC through performance products in order to gain new revenue potential, or more precisely: to attract new users or registrations for its clients. YOC actively participates in the increasingly important programmatic media trade and exploits it to reach the campaign goals of its clients and to open up additional sources of revenue for publishers.

In cooperation with trading-desk partners, YOC establishes private marketplaces (PMP). A private marketplace is a platform on which premium publishers offer their advertising spaces only to a selected group of advertisers. In contrast to the direct booking of an advertising space, advertisers in a PMP subscribe through programmatic media buying. Through private marketplaces linked to YOC, publishers and advertisers benefit from a selected trade channel with fixed prices and defined inventory. The advertising spaces are traded by means of real-time bidding. In addition, direct deals between publishers and advertisers can be made via private marketplaces. Through the automated ad delivery and predefined conditions, this practice offers the efficient execution of campaign bookings with full transparency on the inventory included.

Development of net assets, financial position and results of operation

Results of operation

Revenue trend and overall performance

In the first nine months of the financial year 2015, YOC Group's revenue stood at EUR 6.6 million (9M/2014: EUR 6.6 million).

The Group's total output was at EUR 8.0 million. Due to positive effects in the amount of EUR 1.5 million from restructuring activities in the same period of the previous year, the total output was at EUR 9.5 million in Q3 2014.

Revenue by Region

In the D-A-CH region, revenue increased by 5 % year-on-year. In the other European countries, revenue decreased by 9 % year-on-year. This is mainly due to the insufficient performance of the British subsidiary as well as slower growth in the Spanish market.

Gross income

The gross margin rose to 33 % in the first nine months of 2015 (9M/2014: 30 %) due to effects from the shift to new product fields, among others. Material expenses dropped by 5 % to 4.4 million (9M/2014: EUR 4.6 million).

Personnel expenses and personnel development

In the first nine months of the financial year 2015, the average number of staff was at 54 employees (Q3/2014: 61 employees).

Personnel expenses remained at previous year's level at EUR 3.1 million (9M/2014: EUR 3.1 million). Through improved efficiency and the company's reorganisation, the average number of employees could be reduced by seven in total – especially the headquarters were significantly streamlined. Consequently, revenue per employee increased year-on-year by 12 % to kEUR 122 (9M/2014: kEUR 109).

Other operating expenses

Other operating expenses were at EUR 1.7 million, EUR 0.9 million below previous year's expenses (9M/2014: EUR 2.6 million).

Adjustments to the cost structure, made in the course of the restructuring process completed by the end of 2014, led to a significant reduction of ongoing operating costs as well as costs for several external consulting services in connection with the restructuring process.

In sum, all cost-cutting measures have taken effect, leading to the significant drop of other operating expenses in relation to the total output to 21 % (9M/2014: 27 %).

EBITDA

Operating earnings before interest, tax and depreciation/amortisation amounted to EUR -1.1 million in the reporting period (9M/2014: EUR -0.9 million).

In the context of an out-of-court settlement, YOC AG in August 2015 generated an extraordinary non-operating profit of EUR 0.75 million. Subject of the dispute was the failure of the other party to provide financial services properly.

Adjusted for special effects in both periods (9M/2015: EUR 0.75 million as well as 9M/2014: special effects from reorganisation and restructuring measures in the amount of EUR 1.2 million in total), EBITDA improved by EUR 0.2 million.

Post-tax profit or loss

Earnings after tax have slightly decreased to EUR -1.4 million year-on-year (9M/2014: EUR -1.3 million).

Financial position and net assets

As of 30 September 2015, YOC Group's cash and cash equivalents came to EUR 0.5 million, a decline of EUR 0.7 million as compared to 31 December 2014.

The operating cash flow in the first nine months of 2015 amounted to EUR -1.6 million (previous year: EUR -2.1 million).

Cash flow from financing activities stood at EUR -0.2 million in the first nine months of the financial year (previous year: EUR 2.7 million; positively influenced by the sale of former subsidiary belboon GmbH).

Altogether, investments in the amount of EUR 0.2 million were made into internal development to further advance technological platforms and new products.

The sale of operating and business equipment to the Affiliate Marketing business segment, sold in 2014, brought an income of EUR 0.1 million.

In connection with the capital increase from authorised capital against cash contributions realised in April 2015, 253,973 new shares were issued under the exclusion of subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained gross issue proceeds amounting to EUR 0.8 million.

On top of this, the Group and some of the investors from the capital increase agreed upon taking out a loan of EUR 0.3 million at usual market conditions, with a designated maturity up to mid 2017.

Opportunities, risks and outlook

Chances and risks

Being a service provider with an international focus, YOC Group is active in a dynamic market which naturally brings about certain corporate and branch-specific as well as financial risks. Main risks include market and competition risks, technological risks, liability risks, personnel risks, planning risks, organisational as well as financial and treasury risks. These risks are influenced by our own business activities as well as external factors. YOC Group has taken measures to detect such possible risks in time and to reduce them. To this end, an adequate risk management system has been developed which records and evaluates risks by means of a company-wide risk inventory at regular intervals and, if necessary, constantly monitors them.

YOC Group's risk policies which have been set by the Management Board remain unchanged and are a vital part of the corporate policy, in line with the pursuit of sustainable growth, growth in company value and securing the company's existence in the long-term. For this purpose, necessary risks are consciously taken while taking into account the risk-return-ratio in order to make use of market opportunities and to exhaust the success potential inherent in them.

By means of anticipatory risk control as part of the internal control system, risks and opportunities can be detected and evaluated at an early stage so that a timely and appropriate response is possible and efficient management can be guaranteed for the company's success. The measures that are to be taken in line with risk control are being implemented in the respective operating units.

Outlook

The company's focus on its core business shows positive effects. Following the restructuring and strategic reorientation of the company, YOC Group expects an improved revenue and earnings situation in 2015 year-on-year – despite a difficult development in the first nine months of 2015. The Management Board still calculates with a negative operating cash flow for financial year 2015. It has implemented further measures in Q3 2015 to further strengthen liquidity:

- By means of an out-of-court settlement, the company generated cash inflow of EUR 0.75 million.
- An agreement has been reached with the buyer of the Affiliate Marketing business segment regarding the variable purchase price component at EUR 0.2 million. The maximum variable purchase price component would have been EUR 0.3 million.

Further measures for strengthening liquidity are currently at the planning stage or already being carried out.

Altogether, the company expects increased sales revenues in the single-digit percentage range for the financial year 2015. Following the satisfying growth of the first quarter, revenues stagnated, in particular due to the development in Great Britain and slower growth of the Spanish subsidiary. In terms of costs, significant savings could be realised. For the remaining fourth quarter of 2015, we expect the following developments:

In reaction to the insufficient development in Great Britain, the company hired a new management for the British subsidiary as well as reorganised respectively complemented the London team. While we expect a stable revenue trend for the fourth quarter of 2015, this stage is also meant to improve the market position and reorganisation in order to pave the way for a stronger development in financial year 2016.

Following the building of a new team in financial year 2014, the Spanish subsidiary has fallen behind the original growth forecast for about two to three quarters. Thus, while a further rise in revenues is to be expected for the remaining quarter of 2015, it will fall short of the planned revenue development for 2015.

Based on the current order backlog the company forecasts a double-digit revenue growth in the fourth quarter of 2015.

Due to the logical strategic focus on our core competence, mobile advertising, and market positioning in line with the requirements of the industry, consistent growth is to be expected also in the medium term. Favourable economic conditions worldwide support this prognosis.

The restructuring of the company to a premium mobile programmatic provider elevates the company to a novel product level and will, with the expected development, lead to a stronger market position and in the future account for a substantial part of total revenues due to the planned extension of these services. With the expansion of this product field, an increased gross margin is to be expected while at the same time the company will gain more independence from larger co-operations.

A prerequisite for this is the development of the international branches according to plan. Investments in innovative technologies and products are part of the company's strategy and are necessary to strengthen and expand the development commenced. On the grounds of the development outlined above, YOC Group reckons with a slight improvement of operating results adjusted for special effects.

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	Q3/2015	Q3/2014
Revenue	2,188,949	2,177,188
Own work capitalised	52,354	60,326
Other operating income	779,953	1,010,884
Total output	3,021,256	3,248,398
Expenses for goods and services	1,431,950	1,384,605
Personnel expenses	1,059,889	901,426
Other operating expenses	653,882	693,030
EBITDA	-124,465	269,337
Depreciation and amortisation expenses	82,269	78,318
EBIT	-206,734	191,019
Financial income	0	0
Financial expenses	4,537	-24,285
Financial result	-4,537	24,285
EBT	-211,271	215,304
Income taxes	-5,961	9,169
Net income continuing operations	-205,310	206,135
Net income disontinued operations	-137,401	4,228,833
Net income	-342,711	4,434,968
Earnings per share		
Earnings per share basic	-0.11	1.55
Earnings per share diluted	-0.11	1.55
Earnings per share continuing operations		
Earnings per share basic	-0.07	0.07
Earnings per share diluted	-0.07	0.07

Consolidated statement of comprehensive income (in EUR)	Q3/2015	Q3/2014
Net income	-342,711	4,434,968
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	102,288	-57,897
Total other comprehensive income	102,288	-57,897
Total comprehensive income	-240,423	4,377,071

> 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/2015	9M/2014
Revenue	6,570,632	6,625,475
Own work capitalised	190,129	207,705
Other operating income	1,278,198	2,617,506
Total output	8,038,959	9,450,686
Expenses for goods and services	4,393,644	4,643,214
Personnel expenses	3,098,446	3,098,101
Other operating expenses	1,663,931	2,586,337
EBITDA	-1,117,062	-876,966
Depreciation and amortisation expenses	196,303	237,320
EBIT	-1,313,365	-1,114,286
Financial income	542	811
Financial expenses	7,731	45,469
Financial result	-7,189	-44,658
EBT	-1,320,554	-1,158,944
Income taxes	54,778	107,689
Net income continuing operations	-1,375,332	-1,266,633
Net income disontinued operations	-137,401	5,036,752
Net income	-1,512,733	3,770,119
Earnings per share		
Earnings per share basic	-0.49	1.32
Earnings per share diluted	-0.49	1.32
Earnings per share continuing operations		
Earnings per share basic	-0.44	-0.44
Earnings per share diluted	-0.44	-0.44

Consolidated statement of comprehensive income (in EUR)	9M/2015	9M/2014
Net income	-1,512,733	3,770,119
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	-86,604	-228,867
Total other comprehensive income	-86,604	-228,867
Total comprehensive income	-1,599,337	3,541,252

> 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 Financial Position

in EUR	30/09/2015	31/12/2014
ASSETS		
Non-current assets	704,185	650,071
Property, plant and equipment	91,342	144,765
Intangible assets	609,492	501,854
Deferred tax assets	3,351	3,452
Current assets	3,057,878	3,484,598
Trade receivables	2,171,237	1,610,764
Other receivables	357,519	641,381
Tax assets	23,268	28,729
Cash and cash equivalents	505,854	1,203,724
Total assets	3,762,063	4,134,669
EQUITY AND LIABILITIES		
Equity	-2,478,476	-1,650,250
Subscribed capital	3,112,473	2,858,500
Additional paid in capital	20,391,938	19,902,539
Retained earnings	-25,705,209	-24,220,215
Other comprehensive income from currency translation differences	-227,359	-140,755
Own shares	-50,319	-50,319
Non-current liabilities	383,429	64,828
Provisions	83,429	64,828
Other financial liabilities	300,000	0
Current liabilities	5,857,110	5,720,091
Prepayments received	0	9,300
Trade payables	2,507,081	2,520,603
Other liabilities	839,287	771,153
Other financial liabilities	1,265,947	2,395,870
Tax liabilities	60,954	23,165
Provisions	1,183,840	0
Total equity and liabilities	3,762,063	4,134,669

› 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 Cash Flows

in EUR	9M/2015	9M/2014
Net income continuing operations	-1,375,332	-1,266,633
Net income discontinued operations	-137,401	5,036,752
Depreciation and Amortisation	196,303	281,676
Taxes recognised in the income statement	54,778	100,122
Interest recognised in the income statement	7,189	44,149
Other non-cash income and expenses	140,306	-461,804
Result from deconsolidation	0	-4,223,264
Foreign currency translation differences through equity	0	36,604
Cash-Earnings	-1,114,157	-452,398
Result from disposal of assets	-47,656	-124,397
Changes in receivables and other receivables	-271,150	1,243,117
Changes in liabilities, prepayments and other liabilities	-1,348,792	-3,159,793
Changes in provisions	1,202,441	450,231
Interest received	-542	1,320
Interest paid	953	-43,219
Income taxes paid	-1,023	-6,724
Cash flow from operating activities	-1,579,925	-2,091,863
Disposal of business units	0	2,794,245
Purchase of property, plant and equipment	-24,580	-21,945
Purchase of intangible assets	0	-12,130
Outflow from development costs	-244,197	-332,759
Disposal of assets	78,630	318,337
Cash flow from investing activities	-190,147	2,745,748
Inflows from capital increases	800,015	0
Transaction costs related to issuance of new shares	-27,814	0
Repayment of liabilities under finance lease	0	-6,701
Repayment of bank loans	0	-1,503,851
Issuance of loans	300,000	1,474,704
Cash flow from financing activities	1,072,201	-35,848
Net increase / decrease	-697,871	618,037
Cash and cash equivalents at the beginning of the period	1,203,724	531,087
Cash and cash equivalents at the end of the period	505,854	1,149,124

› 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 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 01/01/2015	2,858,500	19,902,539	-24,220,215	-140,755	-50,319	-1,650,250
Net income			-1,512,733			-1,512,733
Currency translation differences				-86,604		-86,604
Comprehensive income	0	0	-1,512,733	-86,604	0	-1,599,337
Issuance of subscribed capital	253,973	546,042				800,015
Stock option programme		-28,829	27,738			-1,091
Transaction costs including tax benefits		-27,814				-27,814
as of 30/09/2015	3,112,473	20,391,938	-25,705,209	-227,359	-50,319	-2,478,476

No shares are held by non-controlling shareholders

› 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.

Notes to the financial statements

1. General information

YOC AG, headquartered at Greifswalder Str. 212, Berlin, Germany, is an international service provider of mobile advertising.

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 report as of 30 September 2015 was 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) approved by the IASB.

The condensed and unaudited interim consolidated financial statements of YOC AG do not contain all the information and disclosures necessary for the preparation of complete financial statements at the end of the financial year. It is therefore to be recommended that one reads the interim report along with the Annual Report 2014.

Accounting and valuation measures

In the first nine months of 2015, all standards that have been mandatory since 01 January 2015 have been applied:

- *IFRIC 21 – Levies: Guidelines on the accounting for levies imposed by a government, governmental agency or similar body* has no impact on the company. This interpretation is to be applied for the first time for financial years beginning on or after 17 June 2014. For YOC AG there is no case in which it would apply.

- *Improvements to IFRS (2011-2013)*
  The Improvements are a collective standard dealing with changes in various IFRS. The Improvements are to be applied for the first time for financial years beginning on or after 01 July 2014. They have no effect on YOC AG.

- *Amendment to IAS 19 regarding defined benefit plans*
  The amendment is to be applied for the first time for financial years beginning on or after 01 July 2014. The amendment deals with the contributions from employees or third parties to defined benefit plans with the objective of reducing service cost. It has no effect on YOC AG's financial statements.

In sum, no accounting standards that are to be applied for the first time in financial year 2015 have any effect on the presentation of net assets, financial position or results of operation in the consolidated interim financial statements.

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

Equity capital and shareholder loans

On 22 April 2015, the Management Board and the Supervisory Board of YOC AG decided on a capital increase from authorised capital against cash contributions, issuing 253,973 new shares, excluding subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company received gross issue proceeds in the amount of kEUR 772.

On top of this, the company agreed on concomitantly taking up a loan of kEUR 300 at usual market conditions, with a maturity up to mid 2017.

Both measures serve to strengthen equity capital as well as liquidity and to boost the further business development, in particular through the development of new products.

Other disclosures regarding financial instruments

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

30/09/2015 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1)]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	506	506	LaR	n/a
Trade receivables	2,171	2,171	LaR	n/a
Other assets	358	358	LaR	n/a
Financial liabilities				
Fixed rate borrowing	300	274	FLAC	Level 2
Trade payables	2,507	2,507	FLAC	n/a
Other financial liabilities	1,266	1,266	FLAC	n/a

31/12/2014 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1)]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	1,204	1,204	LaR	n/a
Trade receivables	1,611	1,611	LaR	n/a
Other assets	641	641	LaR	n/a
Financial liabilities				
Trade payables	2,521	2,521	FLAC	n/a
Other financial liabilities	2,396	2,396	FLAC	n/a
thereof finance lease obligations	3	3	FLAC	Level 2

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

The carrying amounts of cash and cash equivalents, trade and other receivables, other current assets and other current financial liabilities nearly match their fair value, mainly 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.

Sales revenue

Compared to the same period of the previous year, the Group's sale revenue was slightly below the previous year's revenue at kEUR 6,571 (9M/2014: kEUR 6,625). In the D-A-CH region, revenue increased by 5 % to kEUR 4,056 (9M/2014: kEUR 3,875). In the other European countries, revenues dropped by 9 % to kEUR 2,514 (9M/2014: kEUR 2,750).

Other operating income

In the context of an out-of court settlement YOC AG generated an extraordinary non-operating profit of kEUR 750. Subject of the dispute was the failure of the other party to provide financial services properly.

In the first nine months of the financial year 2015, other operating income was affected by the sale of operating and business equipment amounting to kEUR 49. Income deriving from currency translation effects declined by kEUR 156 to kEUR 83 (9M/2014: kEUR 239).

In the same period of the previous year, restructuring gains as well as non-operating effects in the amount of kEUR 1,528 were recognised in the financial statements.

Other operating expenses

In the first nine months of 2015, other operating expenses decreased by kEUR 922 (-36 %) from kEUR 2,586 to kEUR 1,664. The measures taken in the course of the restructuring process are fully effective. The reduction of other operating expenses is based mainly on three elements:

- In particular reductions in rental costs for all locations led to a decline in operating expenses by kEUR 298 to kEUR 274 (-52 %) year-on-year.
- Legal and consulting costs as well as accounting costs and annual audit costs dropped by kEUR 91 to kEUR 369 (-20 %) year-on-year (previous year: kEUR 460).
- In the same period of the previous year, the company faced expenses amounting to kEUR 347 in connection with the restructuring process. These did not occur in the current reporting period.

Operating earnings before income tax, depreciation and amortisation (EBITDA)

Taking into account the abovementioned effects, EBITDA decreased by kEUR 199 to kEUR -1,117 (9M/2014: kEUR -877).

Not taking into consideration the positive balance from restructuring income and expenses amounting to kEUR 1,181 from the same period of the previous year (period under review: kEUR 750), the company sees an overall increase in operating earnings by kEUR 191 year-on-year.

4. Segment Reporting

Segment reporting is based on the internal management structure. The Group is therefore made up of the following reportable business segments:

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

For the formation of the reportable business segments mentioned above, the business segments of Germany and Austria (including Switzerland) have been assigned to the 239 D-A-CH segment while the UK, Spain and France have been assigned to the Rest of Europe segment as they show similar economic characteristics and are comparable in terms of their products, range of services, customers, processes and marketing methods.

The Corporate Functions item consists of income and expenses that occur in the parent company and are not directly attributable to any business segment.

Sales revenues are calculated based on the revenues generated by the subsidiaries in the respective countries.

The following table shows the results 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	Corporate functions	Consolidation	YOC Group
9M 2015					
External revenue	4,056	2,514			6,570
Internal revenue	621			-621	0
Total revenue	4,677	2,514		-621	6,570
Own work capitalised	190				190
Other operating income	466	63	750		1,279
Total output	4,712	2,577	750		8,039
Costs of goods sold	2,626	1,768			4,394
Personnel expenses	1,411	909	778		3,098
expenses	571	506	587		1,664
EBITDA	104	-606	-615		-1,117
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

Operating results of the individual segments have significantly improved due to higher gross margins along with systematically implemented cost reductions in the D-A-CH region as well as the rest of Europe.

The gross margin in the D-A-CH region increased to 35 % (previous year: 33 %). In the rest of Europe, in particular minimised costs have a positive effect on results, so that YOC was able to achieve an EBITDA increase by kEUR 166.

Altogether, EBITDA was kEUR 240 below the previous year's level. Other operating income in the reporting period includes one-off effects in the amount of kEUR 750 (9M/2014: kEUR 1,481) in the corporate functions section, leading to an overall increase by kEUR 491.

As of 30 September 2015, trade and other receivables amounted to kEUR 948 in the D-A-CH region (30 September 2014: kEUR 918) and kEUR 1,223 in the rest of Europe (30 September 2014: kEUR 960).

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	9M/2015	9M/2014
EBITDA	-1,117	-877
Depreciation and amortisation	-196	-237
Financial result	-7	-45
Net income before taxes	-1,320	-1,159
Taxes	-55	-108
Net income from discontinued operations	-137	5,037
Net income	-1,513	3,770

5. Cash flow statement

As of 30 September 2015, YOC Group's cash and cash equivalents came to kEUR 506, a decline of kEUR 698 as compared to 31 December 2014.

The operating cash flow in the first nine months of 2015 amounted to kEUR -1,580 (previous year: kEUR -2,092).

Cash flow from financing activities stood at kEUR -190 in the first nine months of the financial year (previous year: kEUR 2,746; positively influenced by the sale of former subsidiary belboon GmbH).

Altogether, investments in the amount of kEUR 244 were made into internal development to further advance technological platforms and new products.

The sale of operating and business equipment to the Affiliate Marketing business segment, sold in 2014, brought an income of kEUR 79.

In connection with the capital increase from authorised capital against cash contributions realised in April 2015, 253,973 new shares were issued under the exclusion of subscription rights for existing shareholders. With an issue price of EUR 3.15 per share, the company gained gross issue proceeds amounting to kEUR 772.

On top of this, the Group and some of the investors from the capital increase agreed upon taking out a loan of kEUR 300 at usual market conditions, with the designated maturity up to mid 2017.

6. Guarantees, contingent liabilities and similar obligations

As in the annual consolidated statements from 31 December 2014, no guarantees, contingent liabilities and similar obligations exist.

7. Related party disclosures

No significant business transactions were performed with related companies or persons during the period under review.

8. Events after the interim reporting period

As of the publication date of the interim report, no significant events occurred after 30 September 2015.

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