INTERIM REPORT
THIRD QUARTER 2016
YOC AG

MOBILE ADVERTISING

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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. Although our market environment has changed, the distinct trend towards higher mobile advertising budgets is clearly on the rise. We - and our industry - have always been driven by the vision to target users and to interact with them on their “electronic companion” anytime and anywhere, using creative customised and profile-based solutions.

In the third quarter, we achieved to increase our sales revenue by 25 % to EUR 2.73 million (Q3/2015: EUR 2.18 million). This is accompanied by a 22 % growth in total revenue to EUR 7.98 million (9M/2015: EUR 6.54 million) as of 30 September 2016. As a consequence, the revenue per employee increased by 24 % to kEUR 151 (9M/2015: kEUR 121) year-on-year. This overall positive development can be attributed to the increased employment of our self-developed mobile advertising products.

In the first nine months of the current financial year, in particular the Spanish subsidiary developed at a consistent high level with a 94 % revenue increase, followed by Germany with a 34 % increase in revenue and Austria with a 20 % increase. The Polish subsidiary, most recently added to YOC Group, also contributes to sales increasingly. The business development in Great Britain has not been satisfactory in the financial year as yet. However, personnel measures and the rigorous introduction of programmatic products are beginning to take effect, and thus we noticed a remarkable progress in the ongoing fourth quarter. We are particularly pleased with this development, as not only all countries in which YOC is active are now once more on the rise, but also because the British location is of special significance for YOC Group, being a trailblazer in the international mobile advertising market.

As of 30 September 2016, the operating earnings before depreciation/amortisation (EBITDA) came to EUR -1.30 million (9M/2015: EUR -1.03 million). Taking into account the positive special effects from the previous year, this constitutes an improvement by EUR 0.64 million (+32.0 %) year-on-year.

Thanks to our introduction of new products or product versions to the market, we have made notable progress in the current financial year, in line with our strategic objective. The company offers more product based additional value to its publishing partners and advertisers. Since the third quarter of 2016, YOC Group has been able to deliver its self-developed mobile advertising formats such as YOC Understitial Ad, YOC Mystery Ad and YOC Inline Video Ad also via automated trade in programmatic platforms.

Our positioning as a product based provider of mobile advertising who realises optimal monetising for its publishing partners through programmatic channels within the scope of private marketplaces as well as through the traditional direct trade, leads to a strategically more sustainable market position. As a result, we see a further increase of the gross profit margin to 35 % (9M/2015: 33 %, 9M/2014: 30 %).

Dear valued Shareholders, for the full financial year 2016 we expect up to 20 % growth in revenue. Meanwhile, we will keep the cost structure at the previous year's level to further improve YOC Group's earnings situation. This trend is set to continue in the coming financial year 2017.

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

Kind regards,

Dirk-Hilmar Kraus

Management Board YOC AG

YOC at a Glance

Mobile Advertising (in kEUR)	9M / 2016	9M / 2015	Change	Change in %
Revenue and earnings				
Total revenue	7.984	6.545	1.439	22
Middle and Eastern Europe[1)]	5.633	4.056	1.576	39
Rest Of Europe[2)]	2.351	2.488	-137	-6
Gross profit margin (in %)	35	34	2	5
Total output	8.420	7.964	456	6
EBITDA	-1.299	-1.031[3)]	-268	26
EBITDA margin (in %)	-15	-13	n/a	n/a
Earnings after tax	-1.683	-1.289	-395	31
Earnings per share (diluted in EUR)	-0,51	-0,41	-0,10	24
Earnings per share (basic in EUR)	-0,51	-0,41	-0,10	24
Employees				
Average number of employees[4)]	53	54	-1	-2
Number of employees at end of September	49	54	-5	-9
Total revenue per emplyoee (in kEUR)	151	121	29	24
Total output per employee (in kEUR)	159	147	11	8
Financial position and liquidity				
Total assets	3.607	3.868[5)]	-261	-7
Cash flow from operative activities	-1.227	-1.580	353	-22

1) D-A-CH and Poland

2) Spain and United Kingdom

3) Includes one-off special effects of 907 kEUR

4) Based on permanent employees

5) at 31/12/2015

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 2016

Key figures

In the first nine months of financial year 2016, YOC Group recorded kEUR 7,984 in total revenue (9M/2015: kEUR 6,545), a 22.0 % increase year-on-year.

Pushing forward with product innovations which promise higher gross margins, the gross profit margin increased to 35.1 % (9M/2015: 33.5 %). This development substantiates the company's repositioning as a product based provider in mobile advertising and constitutes an important component of the sustained positive business development.

Operating earnings of YOC Group before depreciation/amortisation in the first nine months of financial year 2016 stood at kEUR -1,299 (9M/2015: kEUR -1,031). The EBITDA adjusted for special effects in the previous year shows improved by kEUR 639 (+32.0 %) as compared to the previous year.

The operating cash flow came to kEUR -1,227 in the period under review (9M/2015: kEUR -1,580).

Range of services

YOC is one of the leading independent premium mobile advertising providers in Europe, building on a longstanding expertise since 2001 in this business sector. With an available coverage of several billion ad impressions per month, we reach around 100 million mobile web users worldwide. YOC cooperates with more than 400 well-selected international premium publishers including Shazam, The Telegraph, krone.at, Tagesspiegel and Eurosport who trust in YOC's product, technology and marketing expertise based on long-standing successful partnerships.

Through exclusive business partnerships with marketing partners and advertising clients, new successful products and scaled in-house technologies, YOC has become an innovative provider of mobile advertising.

Our focus is on the strategic expansion of our position as a specialist for mobile advertising in the core markets of Great Britain, Germany, Austria and Spain as well as – since February 2016 – Poland.

Premium monetising for publishers

For app and mobile web publishers from all branches, YOC offers direct access to all relevant media agencies, trading desks and direct customers. In combination with state-of-the-art advertising technologies, we rely on integral monetising strategies for our media partners and thus ensure a sustainable growth of their outreach and advertising income generated by YOC.

YOC Mediation facilitates a high but steady utilisation and attractive cost per mille above market average for our publishers.

YOC Hub is a reporting and analysis tool developed in-house specifically for our publishers. Our media partners are hence equipped to analyse and manage YOC's marketing activities at a glance and to assess mobile inventory.

Mobile premium advertising for advertisers

Our advertisers benefit from exclusive advertising opportunities with premium publishers. On top of this, the award-winning ad formats developed by YOC in-house offer a strong creative branding effect. YOC Mystery Ad won the Cannes Lion Gold Award in the Mobile category in 2012 and has since been further tailored to the needs of our advertising clients. In financial year 2015, we developed YOC Understitial Ad, a new creative and convertible ad format which is the first to improve the user-friendliness of large-format advertising.

By combining pictures, videos or HTML5 content (e.g. interactive elements), YOC Understitial Ad encourages mobile web users to actively engage with a brand or a product without being intrusive. Another example of the new, interactive generation of YOC advertising formats is YOC Inline Video Ad which is currently being introduced into the market. Like YOC Understitial Ad, YOC Inline Video Ad can be accounted for by viewability, the latest accounting standard of the digital media branch.

Within the constantly growing mobile targeting market segment (e.g. audience targeting, re-engagement, cross device tracking), YOC offers advertisers an ideal choice of targeting technologies and data in order to reach their envisaged target group in the most effective way.

Mobile programmatic advertising

The continually growing programmatic media trade is a crucial part of YOC's corporate vision, being used ever more frequently to reach the campaign goals of advertisers and to open up additional sources of revenue for publishers.

With its trading desk products, YOC reaches a significant range of mobile web users via efficient demand-side-platforms (DSP) for its advertising clients. Our full-service approach makes YOC a reliable partner, offering high-quality campaigns with maximum security also in this sector.

A special component of YOC's programmatic monetising is setting up and optimising exclusive private marketplaces (PMP). These are marketplaces on which premium publishers offer their advertising spaces only to a selected group of advertisers who independently fill the advertising spaces by means of programmatic trading.

These advertising spaces are traded in real time. Thanks to the automated ad delivery and predefined conditions, this practice offers the efficient execution of campaign bookings with full transparency on the included inventory.

Mobile performance marketing

YOC continuously expanded its portfolio and since the beginning of 2016 has extended its field of business from branding advertising to performance advertising. In this area, YOC accumulates a multitude of efficient inventory sources – from direct publishers to international performance networks – in order to successfully realise mobile advertising campaigns with performance-based settlement for national and international advertising clients such as Deutsche Bahn, Trainline, L'Oréal, vente-privée, Scout24 Group, UCWeb Inc., Amazon etc.

For the increasingly significant mobile trade, YOC offers individual mobile performance products in order to win new app users or to optimise an existing user base of an app and to strengthen customer loyalty via the app. Depending on the client's objective, the number of paying customers is increased or inactive users are reactivated.

Development of net assets, financial position and results of operation

Results of operation

Revenue trend and overall performance

In the first nine months of financial year 2016, YOC Group recorded kEUR 7,984 in total revenue (9M/2015: kEUR 6,545), a 22.0 % increase year-on-year.

The company's total output came to kEUR 8,420 (9M/2015: kEUR 7,964).

Other operating earnings stood at kEUR 311, kEUR 918 below previous year's figure (9M/2015: kEUR 1,229). This is mainly due to gains from special effects in the previous year (earnings in the amount of kEUR 750 from an out-of-court settlement, derecognising time-barred liabilities in the amount of kEUR 192 (9M/2016: kEUR 60), charging on costs in the amount of kEUR 45 (9M/2916: kEUR 1) to the former subsidiary belboon GmbH, which had been sold in 2014, and the sale of non-operating fixed assets amounting to kEUR 51 (9M/2016: kEUR 7).

Gross income

As material expenses show a relatively low increase by 19.0% to kEUR 5,181 (9M/2015: kEUR 4,355) as compared to the development of revenues, the gross profit margin rose from 33.5 % in the reference period to 35.1 % in the first nine months of 2016.

Personnel expenses and personnel development

In the first nine months of financial year 2016, the average number of employees was 53 (9M/2015: 54 employees). Personnel expenses were slightly below those of the previous year at kEUR 2,988 (9M/2015: kEUR 3,013).

The revenue per employee increased by 24.3 % year-on-year to kEUR 151 (9M/2015: kEUR 121).

Other operating expenses

Other operating expenses were slightly below previous year's at kEUR 1,549 (9M/2015: kEUR 1,627).

Other operating expenses in relation to the total output improved from 20.4 % to 18.4 %.

EBITDA

The operating result of YOC Group before depreciation/amortisation in the first nine months of financial year 2016 was kEUR -1,299 (9M/2015: kEUR -1,031).

Adjusted for positive special effects of kEUR 907 from the previous year (net earnings from an out-of-court settlement in the amount of kEUR 687, derecognising time-barred liabilities in the amount of kEUR 192 (9M/2016: kEUR 60), charging on costs in the amount of kEUR

45 (9M/2016: kEUR 1) to belboon GmbH, a former subsidiary which had been sold in 2014, and the sale of non-operating fixed assets amounting to kEUR 51 (9M/2016: kEUR 7), which are included in other operating earnings, the EBITDA improved by kEUR 639 (9M/2015: kEUR 1,938).

This is due in particular to a 22 % growth in revenue, a 2 % growth of the gross profit margin and constantly improved cost-efficency.

Post-tax profit or loss

The Group's earnings after tax came to kEUR 1,683 (9M/2015: kEUR -1,513).

Financial position and net assets

As of 30 September 2016, cash and cash equivalents of YOC Group amounted to kEUR 455.

The operating cash flow was further improved, amounting to kEUR -1,227 in the period under review (9M/2015: kEUR -1,580).

Cash flow from investing activities came to kEUR -160 in the first nine months of financial year 2016 (9M/2015: kEUR -190), distinctly beneath the previous year's level.

Altogether, kEUR 125 were invested in internal development in connection with the advancement of technological platforms and new products.

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

Due to our positioning in the market tailored to the requirements of the branch and constantly focussing on the development of new products (effective mobile advertising formats with targeting), steady growth is to be expected in the medium term. The positive economic conditions support this prognosis.

The transformation of the company to a premium mobile programmatic provider elevates the company to a whole new product level and will, with the expected development, lead to a strengthened market position. The expansion of this sector is expected to bring about increased gross margins while at the same time promoting independence from larger co-operations.

A prerequisite for this is the development of the international branches according to plan. Investment in innovative technologies and products as well as the automation of internal procedures are part of the corporate strategy to strengthen and support the development which is underway.

Following a 22.0 % revenue growth year-on-year in the the first nine months of 2016, the Management Board is paying special attention to stabilising or repositioning the company's business activities in Great Britain. Due to the unsatisfying development in this market, we pushed forward with reorganising the British company, which was finalised by replacing key executive positions and adopting a strategy adjusted to British market conditions. Expectations for the ongoing fourth quarter of 2016 are optimistic.

In the German, Austrian and Spanish markets, the set targets were either met or exceeded.

In the ongoing fourth quarter of 2016, a further significant increase in revenue by likely 15 % to 20 % year-on-year has already become apparent.

Altogether, YOC Group expects a significant growth in sales revenue of around 20 % for the financial year 2016, with the cost structure remaining stable year-on-year. Owing to the increased focus on self-developed products, we will see the gross profit margin once more improved by 2 %, leading to an improved operating earnings situation in the current financial year.

The Management Board still expects an overall negative operating cash flow for financial year 2016, but aims at a point of break-even in the medium term.

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	Q3/2016	Q3/2015 (adjusted) [1]
Revenue	2.727.433	2.186.690
Own work capitalised	35.683	52.354
Other operating income	87.922	731.141
Total output	2.851.038	2.970.185
Expenses for goods and services	1.765.143	1.438.584
Personnel expenses	1.062.903	1.041.347
Other operating expenses	605.974	652.020
EBITDA	-582.982	-161.766
Depreciation and amortisation expenses	79.256	81.876
Impairments	16.838	0
EBIT	-679.076	-243.642
Financial income	0	0
Financial expenses	15.734	4.537
Financial result	-15.734	-4.537
EBT	-694.810	-248.179
Income taxes	1.483	-5.961
Net income continuing operations	-696.293	-242.218
Net income discontinued operations	0	-100.493
Net income	-696.293	-342.711
Earnings per share		
Earnings per share basic	-0,21	-0,11
Earnings per share diluted	-0,21	-0,11
Earnings per share continuing operations		
Earnings per share basic	-0,21	-0,08
Earnings per share diluted	-0,21	-0,08

Consolidated statement of comprehensive income (in EUR)	Q3/2016	Q3/2015
Net income	-696.293	-342.711
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	44.799	102.288
Total other comprehensive income	44.799	102.288
Total comprehensive income	-651.494	-240.423

[1] As of 31 December 2015, the continued business without the deconsolidated company YOC France SAS

› 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.

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	9M/2016	9M/2015 (adjusted) [1]
Revenue	7.983.838	6.544.725
Own work capitalised	125.338	190.129
Other operating income	310.912	1.229.384
Total output	8.420.088	7.964.238
Expenses for goods and services	5.181.416	4.355.352
Personnel expenses	2.988.397	3.013.097
Other operating expenses	1.549.436	1.626.894
EBITDA	-1.299.161	-1.031.105
Depreciation and amortisation expenses	249.382	195.436
Impairments	50.514	0
EBIT	-1.599.057	-1.226.541
Financial income	0	542
Financial expenses	34.445	7.731
Financial result	-34.445	-7.189
EBT	-1.633.502	-1.233.730
Income taxes	49.683	54.778
Net income continuing operations	-1.683.185	-1.288.508
Net income discontinued operations	0	-224.225
Net income	-1.683.185	-1.512.733
Earnings per share		
Earnings per share basic	-0,51	-0,49
Earnings per share diluted	-0,51	-0,49
Earnings per share continuing operations		
Earnings per share basic	-0,51	-0,41
Earnings per share diluted	-0,51	-0,41

Consolidated statement of comprehensive income (in EUR)	9M/2016	9M/2015
Net income	-1.683.185	-1.512.733
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	156.152	-86.604
Total other comprehensive income	156.152	-86.604
Total comprehensive income	-1.527.033	-1.599.337

[1] As of 31 December 2015, the continued business without the deconsolidated company YOC France SAS

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Interim Consolidated Financial Statements
(unaudited)

Consolidated Statement of Financial Position

in EUR	30/09/2016	31/12/2015
ASSETS		
Non-current assets	554.619	674.364
Property, plant and equipment	68.507	76.804
Intangible assets	484.621	595.561
Deferred tax assets	1.491	1.998
Current assets	3.052.212	3.193.505
Trade receivables	2.411.798	1.992.832
Other receivables	185.130	330.686
Tax assets	413	0
Cash and cash equivalents	454.870	869.986
Total assets	3.606.831	3.867.869
EQUITY AND LIABILITIES		
Equity	-3.569.520	-2.514.712
Subscribed capital	3.292.978	3.112.473
Additional paid in capital	20.649.438	20.380.508
Retained earnings	-27.366.911	-25.706.515
Other comprehensive income from currency translation differences	-94.707	-250.858
Own shares	-50.319	-50.319
Non-current liabilities	809.685	556.886
Provisions	129.685	76.886
Other financial liabilities	680.000	480.000
Current liabilities	6.366.666	5.825.695
Prepayments received	16.429	49.411
Trade payables	2.317.381	1.790.458
Other liabilities	573.582	687.020
Other financial liabilities	1.951.126	3.250.131
Tax liabilities	0	48.675
Provisions	1.508.147	0
Total equity and liabilities	3.606.831	3.867.869

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Interim Consolidated Financial Statements
(unaudited)

Consolidated Statement of Cash Flows

in EUR	9M/2016	9M/2015 (adjusted) [1]
Net income continuing operations	-1.683.185	-1.375.332
Net income discontinued operations	0	-137.401
Depreciation and Amortisation	299.896	196.303
Taxes recognised in the income statement	49.683	54.778
Interest recognised in the income statement	34.445	7.189
Other non-cash income and expenses	136.727	140.306
Cash-Earnings	-1.162.434	-1.114.157
Result from disposal of assets	-400	-47.656
Changes in receivables and other receivables	-273.825	-271.150
Changes in liabilities, prepayments and other liabilities	-1.238.905	-1.348.792
Changes in provisions	1.560.946	1.202.441
Interest received	0	-542
Interest paid	-14.225	953
Income taxes paid	-98.175	-1.023
Cash flow from operating activities	-1.227.018	-1.579.925
Purchase of property, plant and equipment	-28.618	-24.580
Outflow from development costs	-137.738	-244.197
Disposal of assets	6.032	78.630
Cash flow from investing activities	-160.324	-190.147
Inflows from capital increases	499.999	800.015
Transaction costs related to issuance of new shares	-27.774	-27.814
Repayment of liabilities under finance lease	0	0
Repayment of bank loans	0	0
Issuance of loans	500.000	300.000
Cash flow from financing activities	972.225	1.072.201
Net increase / decrease	-415.117	-697.871
Cash and cash equivalents at the beginning of the period	869.986	1.203.724
Cash and cash equivalents at the end of the period	454.870	505.854

[1] As of 31 December 2015, the continued business without the deconsolidated company YOC France SAS

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Interim Consolidated Financial Statements
(unaudited)

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 01/01/2015	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	-25.705.210	-227.359	-50.319	-2.478.477
as of 01/01/2016	3.112.473	20.380.508	-25.706.515	-250.858	-50.319	-2.514.712
Net income			-1.683.185			-1.683.185
Currency translation differences				156.152		156.152
Comprehensive income	0	0	-1.683.185	156.152	0	-1.527.033
Issuance of subscribed capital	180.505	319.494				499.999
Stock option programme		-22.790	22.790			0
Transaction costs including tax benefits		-27.774				-27.774
as of 30/09/2016	3.292.978	20.649.438	-27.366.910	-94.706	-50.319	-3.569.520

» 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, with headquarters at Greifswalder Str. 212, Berlin, Germany, is an international 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 2016 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) 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 to read the interim report along with the Annual Report 2015.

Accounting and valuation measures

In the first nine months of 2016, all standards that have been mandatory since 01 January 2016 have been applied:

- *Amendments to IAS 27 – Equity Methods in Separate Financial Statements* hold no case of application for YOC AG. The Amendments are to be applied for the first time for financial years beginning on or after 01 January 2016.

- *Amendments to IAS 16 and IAS 41 – Bearer Plants* hold no case of application for YOC AG. The Amendments are to be applied for the first time for financial years beginning on or after 01 January 2016.

- *Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation* have no impact on the financial statements of YOC AG. The Amendments are to be applied for the first time for financial years beginning on or after 01 January 2016.

- *Improvements to IFRS (2010-2012)*
  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 February 2015. They have no effect on YOC AG.

- *Improvements to IFRS (2012-2014)*
  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 January 2016. They have no effect on YOC AG.

- *Amendments to IAS 19 – Employee Contributions*
  The Amendments are to be applied for the first time for financial years beginning on or after 01 February 2015. The Amendments regulate how contributions of employees or third parties to benefit plans should be attributed to periods of service. They have no impact on the financial statements of YOC AG.

- *Amendments to IFRS 11 – Acquisition of an interest in a joint operation* hold no case of application for YOC AG. The Amendments are to be applied for the first time for financial years beginning on or after 01 January 2016.

- *Amendments to IAS 1 – Presentation of Financial Statements* hold no case of application for YOC AG. The Amendments are to be applied for the first time for financial years beginning on or after 01 January 2016.

In summary, no accounting standards that are to be applied for the first time in financial year 2016 have any effect on the presentation of net assets, financial position or results of operation in the consolidated interim financial statements.

Impact of future accounting and valuation measures

The following table shows new and revised standards which are not yet mandatory in financial year 2016 or which have not yet been adopted by the EU in the endorsement process:

Title	Temporal Scope	Endorsed by EU?	Application for YOC?	Impact on financial statements expected?
IFRS 9 - Financial instruments	01/01/2018	no	under examination	under examination
IFRS 15 - Revenue from contracts with customers	01/01/2017	no	yes	under examination
IFRS 16 - Leases	01/01/2019	no	yes	under examination
IFRS 14 - Regulatory deferral accounts	01/01/2016	no	no	n/a
Amendment of IFRS 10, IFRS 12 and IAS 28 - Investment entities: Applying the consolidation exception	01/01/2016	no	no	n/a
Amendment of IFRS 10 and IAS 28 - Sales or contributions of assets between an investor and its associate / joint venture	indefinitely postponed	no	no	n/a
Amendment of IAS 12 - Recognition of deferred tax assets for unrealised losses	01/01/2017	no	under examination	under examination
Amendment of IAS 7 - Disclosure Initiative: liabilities reconciliation arising from financing activities	01/01/2017	no	under examination	under examination

On 24 July 2014, the IASB published the final standard IFRS 9 Financial Instruments (IFRS 9 [2014]) which contains the results of all stages of the IFRS 9 project and replaces both IAS 39 Financial Instruments: Recognition and Measurement and all earlier versions of IFRS 9 Financial Instruments. The standard contains new provisions on classification and measurement, on impairment and hedge accounting. IFRS 9 is to be applied for the first time for the financial year beginning on or after 01 January 2018. The standard has not yet been adopted by the EU.

The implications of these new regulations are being analysed by the group. The present status of analysis does not allow for a statement on probable implications of the amended regulations for net assets, financial position and results of operation.

IFRS 15 was published in May 2014 but has not yet been adopted by the EU. It is to be applied for the first time for the financial year beginning on or after 01 January 2018. An early application of the standard is permitted. The standard is to be applied retrospectively. It introduces a new model to recognise revenue in five analytical steps which shall be applied to all revenues from contracts with customers. The core principle of the standard is that a company shall recognise sales revenue at the time of transfer of goods or services to customers in the amount of the return which the company may expect in exchange for the transfer of these goods or services.
The basic principles in IFRS 15 offer a structured approach to evaluate and recognise revenue. The standard is to be applied in all kinds of companies across all branches and thus replaces all other existing regulations regarding revenue recognition (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15

Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services). Application of the new standard requires more valuations and arbitrary decisions as compared to the standards that currently apply for revenue recognition, as the amount of revenue to be recognised is determined by the amount of the return which the company may expect in exchange for the transfer of goods or services. Particular challenges may arise especially in the case that a return is variable.

The implications of these new regulations are being analysed by the group. The present status of analysis does not allow for a statement on the probable implications of the amended regulations for net assets, financial position and results of operation.

IFRS 16 regulates the recognition, measurement, presentation and disclosure requirements of leases. The standard provides a single lessee accounting model. This means that the lessee needs to recognise all assets and liabilities from leases in the balance sheet unless the lease term is 12 months or less or the underlying asset has a low value (in each case optional). The lessor continues to classify leases as finance lease or operating lease. The accounting model for lessors is not substantially different from that in IAS 17 Leases. IFRS 16 was published in January 2016 and is to be applied for the first time for financial years beginning on or after 01 January 2019.

The implications of these new regulations are being analysed by the group. The present status of analysis does not allow for a statement on the probable implications of the amended regulations for net assets, financial position and results of operation.

3. 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 recognised in the interim financial statements as well as their classification according to IAS 39 and their level within the fair value hierarchy:

30/09/2016 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	455	455	LaR	n/a
Trade receivables	2.412	2.412	LaR	n/a
Other assets	186	186	LaR	n/a
Financial liabilities				
Fixed rate borrowing	800	800	FLAC	n/a
Trade payables	2.317	2.317	FLAC	n/a
Other financial liabilities	1.831	1.831	FLAC	n/a

31/12/2015 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	870	870	LaR	n/a
Trade receivables	1.993	1.993	LaR	n/a
Other assets	331	331	LaR	n/a
Financial liabilities				
Fixed rate borrowing	300	300	FLAC	n/a
Trade payables	1.790	1.790	FLAC	n/a
Other financial liabilities	3.430	3.430	FLAC	n/a

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

The Group's revenue increased by 22.0 % year-on-year to kEUR 7,984 (9M/2015: kEUR 6,545).

Gross income

Material expenses show a relatively low increase by 19.0 % to kEUR 5,181 (9M/2015: kEUR 4,355) as compared to the development of revenue. As a consequence, the gross profit margin increased from 33.5 % to 35.1 %.

Other operating income

Other operating income decreased by kEUR 918 to kEUR 311 as compared to the first three quarters of 2015 (-74.7 %).

In the previous year, the company recorded kEUR 1,038 in one-time effects, comprising an out-of-court settlement with gains of kEUR 750, the sale of non-operating fixed assets in the amount of kEUR 51 (9M/2016: kEUR 7), charging on costs in the amount of kEUR 45 (9M/2016: kEUR 1) to the former subsidiary belboon GmbH, which had been sold in 2014, and from derecognising time-barred liabilities in the amount of kEUR 192 (9M/2016: kEUR 60).

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

Taking into account the abovementioned effects, the EBITDA came to a total kEUR -1,299 (9M/2015: kEUR -1,031).

Adjusted for one-time effects in other operating income from the previous year, this means the EBITDA improved by kEUR 639 (+33 %).

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. Middle and Eastern Europe (before: D-A-CH)
2. Rest of Europe

For the formation of the abovementioned reportable business segments, the segments of Germany and Austria (including Switzerland), and since Q1 2016 Poland, have been assigned to the Middle and Eastern Europe segment (before: D-A-CH), while the UK and Spain 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. In the previous year, France was still included in the Rest of Europe segment, but has been excluded with the deconsolidation of YOC France SAS as of 31 December 2015.

Due to adjustments of internal reporting structures the presentation of the segment reporting was modified at the beginning of financial year 2016. The previous year's figures have been adjusted accordingly. 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)	Middle and Eastern Europe	Rest of Europe	Corporate functions	Consolidation	YOC Group
01/01/2016 - 30/09/2016					
External revenue	5.633	2.351	0	0	7.984
Internal revenue	158	221	0	-379	0
Total revenue	**5.791**	**2.572**	**0**	**-379**	**7.984**
Own work capitalised	0	0	125	0	125
Other operating income	263	17	643	-612	311
Total output	**6.054**	**2.588**	**769**	**-991**	**8.420**
Costs of goods sold	3.837	1.790	0	-446	5.181
Personnel expenses	1.084	704	1.201	0	2.988
Other operating expenses	774	607	673	-504	1.549
EBITDA	**359**	**-512**	**-1.105**	**-41**	**-1.299**
01/01/2015 - 30/09/2015 (adjusted)					
External revenue	4.056	2.488	0	0	6.545
Internal revenue	131	15	0	-146	0
Total revenue	**4.187**	**2.504**	**0**	**-146**	**6.545**
Own work capitalised	0	0	190	0	190
Other operating income	142	16	1.452	-380	1.229
Total output	**4.329**	**2.520**	**1.642**	**-526**	**7.964**
Costs of goods sold	2.759	1.771	0	-174	4.355
Personnel expenses	846	843	1.324	0	3.013
Other operating expenses	379	531	1.071	-354	1.627
EBITDA	**345**	**-626**	**-753**	**2**	**-1.031**

Sales revenue is calculated based on the revenue generated by the subsidiaries in the respective countries. Internal sales between the segments are treated as obligations which are passed on without a surcharge. Internal sales within a segment are eliminated accordingly.

Corporate functions include income and expenses that occur in the parent company and are not directly attributable to any business segment.

The operating result of the Middle and Eastern Europe region improved due to the 38 % revenue increase to kEUR 5,791 in the current year (previous year: kEUR 4,187) as well as rigorous savings on the side of expenses in the Middle Europe region. Due to start-up losses in the mobile performance marketing unit as well as the Polish branch office, the operating result saw a moderate overall increase by kEUR 14 to kEUR 359 (previous year: kEUR 345).

In the Rest of Europe region, the Spanish subsidiary achieved significant revenue growth year-on-year. The British subsidiary is striving to reposition itself in the market, though it has not yet been able to stabilise revenues after reappointing the management and key executive staff. Sales revenue in this segment, however, increased slightly to kEUR 2,572 (previous year: kEUR 2,504). The total EBITDA in the Rest of Europe region came to kEUR -512 (previous year: kEUR -626).

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	9M/2016	9M/2015
EBITDA	-1.299	-1.031
Depreciation and amortisation	-300	-195
Financial result	-34	-7
Net income before taxes	-1.634	-1.234
Taxes	-50	-55
Net income from discontinued operations	0	-224
Net income	-1.683	-1.513

As of 30 September 2016, trade and other receivables in Middle and Eastern Europe came to kEUR 1,288 (30 September 2015: kEUR 949) and in the Rest of Europe region to kEUR 1,124 (30 September 2015: kEUR 1,222).

5. Cash flow statement

As of 30 September 2016, cash and cash equivalents of YOC Group amounted to kEUR 455.

The operating cash flow was further improved, amounting to kEUR -1,227 in the period under review (9M/2015: kEUR -1,580).

Cash flow from investing activities came to kEUR -160 in the first nine months of financial year 2016 (9M/2015: kEUR -190), distinctly beneath the previous year's level.

6. Guarantees, contingent liabilities and similar obligations

As in the annual consolidated statements from 31 December 2015, no guarantees, contingent liabilities and similar obligations exist.

7. Related party disclosures

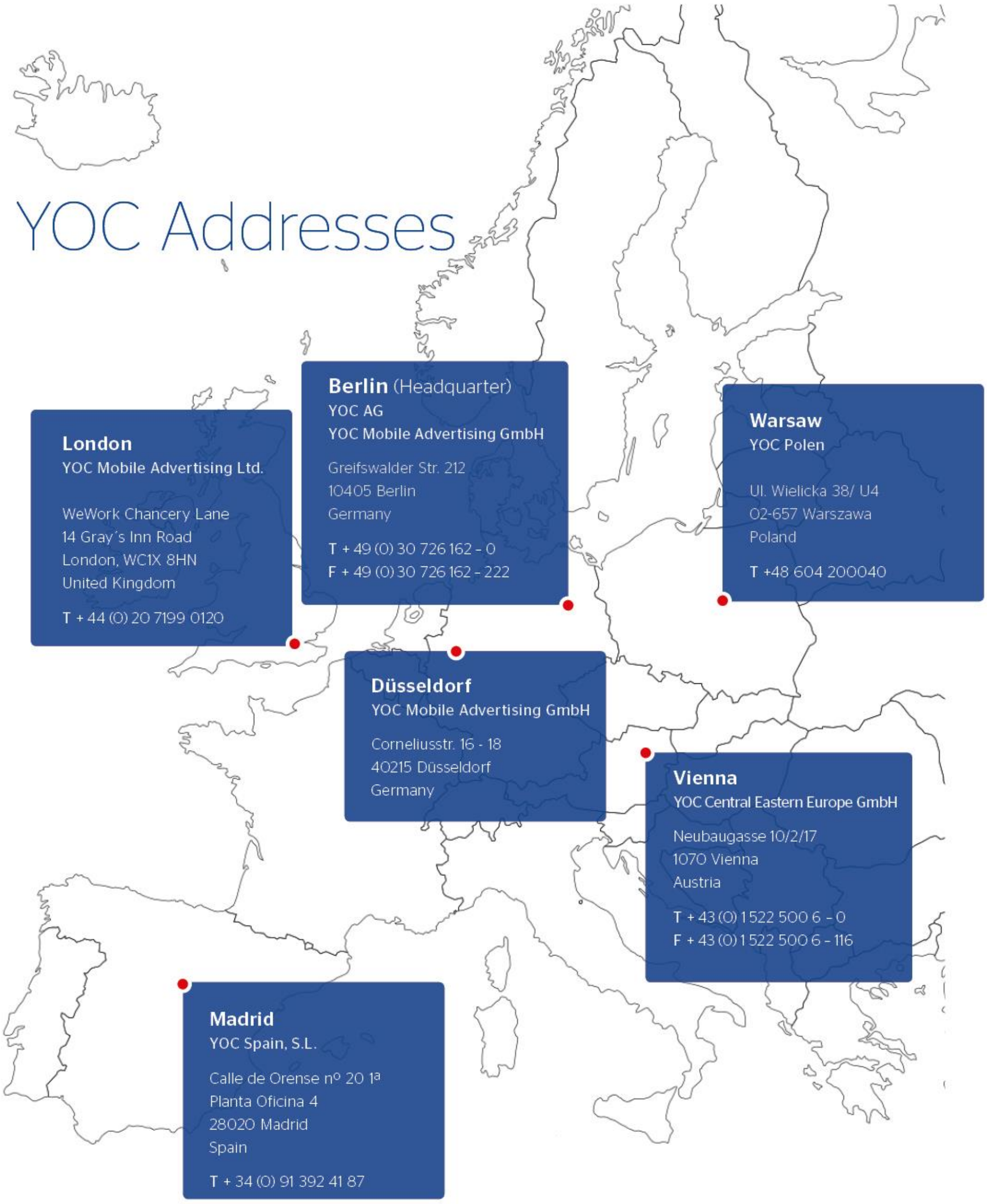
No significant business transactions were performed with related companies or persons during the period under review.

8. Events after the interim reporting period

At the time of publication of the interim consolidated financial statements, the following significant events occurred after 30 September 2016:

In October 2016, Michael Kruse, member of the Management Board, has been removed from the commercial register.

YOC Locations



Financial Calendar

7th-8th December 2016
Munich Capital Markets Conference

28th April 2017
Annual Report 2016

30th Mai 2017
Interim Report First Quarter 2017

30th August 2017
Interim Report First Half 2017

29th November 2017
Interim Report Third Quarter 2017

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