INTERIM REPORT FIRST QUARTER 2016

YOC AG

MOBILE ADVERTISING

INHALT

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, 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.

In the first quarter of 2016, the solid upward revenue trend of YOC Group remained stable. The company recognised revenue growth of around 11 % to kEUR 2,270 (Q1/2015: kEUR 2,038). Drivers of growth are the German speaking market and Spain. In the D-A-CH market, we achieved around 26 % revenue growth. In the Spanish market, we recorded revenue growth of around 98 % year-on-year, confirming a growing recognition of the subsidiary in the Spanish market and trust in the newly established team. In Great Britain, however, the revenue targets were not yet met, due to the implementation of the new product strategy for the British market falling behind schedule.

At the same time, the focus on products promising higher gross profits lead to a further significant increase of the gross margin by around 3 % to 34.4 % in the first quarter of 2016 (Q1/2015: 31.5 %).

Operating results of YOC Group before depreciation/amortisation were at kEUR -440 in the first three months of financial year 2016 (Q1/2015: kEUR -357). The decline is mainly attributable to non-operating income in the reference period of the previous year.

In line with our positioning as a provider of mobile premium programmatic advertising, we are planning to further push the development of new market-oriented products in future. The best opportunity for a further development of our company is to make our successful mobile advertising formats developed in-house such as YOC Understitial Ad available also for programmatic trade in future. With our self-developed business intelligence tool YOC Hub for publishers, officially launched in Q1, we are becoming more efficient and automating our internal as well as external processes.

In order to promote the further development of the business model as well as the internationalisation of business activities and to strengthen equity, the company has realised a capital increase in April 2016, shortly after the period under report, with gross issue proceeds of around kEUR 500.

In addition, the company agreed on accompanying debt financing at standard market conditions, due for repayment in the fourth quarter of 2018, bringing YOC AG a further cash inflow of kEUR 500.

In the current financial year 2016, we will increase revenue and gross profit by means of new data-driven mobile advertising solutions, while further improving the revenue per employee which in 2015 already increased by 15 % to kEUR 184.

In the ongoing first half of 2016, significant revenue growth year-on-year by likely up to 20 % has already become apparent.

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

Kind regards,

Dirk Kraus

Michael Kruse

Management Board YOC AG

YOC at a Glance

Mobile Advertising (in kEUR)	Q1/2016	Q1/2015	Change	Change in %
Revenue and earnings				
Total revenue	2,270	2,038	232	11
Middle and Eastern Europe	1,502	1,188	314	26
Rest of Europe	768	850	-82	-10
Total output	2,469	2,476	-7	0
EBITDA	-440	-357	-83	-23
EBITDA margin (in%)	-18	-14	k.A.	k.A.
Earnings after tax	-555	-430	-125	-29
Earnings per share (diluted in EUR)	-0.18	-0.17	-0.01	-6
Earnings per share (basic in EUR)	-0.18	-0.17	-0.01	-6
Employees				
Average number of employees [*1]	53	53	0	0
Number of employees at end of March	57	58	-1	-2
Total revenue per emplyoee (in kEUR)	43	38	4	11
Total output per employee (in kEUR)	47	47	0	0
Financial position and liquidity				
Total assets	3,514	3,868 [*2]	-354	-9
Cash flow from operative activities	-397	-765	368	48

[*1] Based on permanent employees
[*2] 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 as of Q1 2016

Key figures
In the first three months of 2016, YOC Group recorded total revenue in the amount of kEUR 2,270 (Q1/2015: kEUR 2,038), an 11.3 % increase year-on-year.

Pushing forward with product innovations that promise higher gross profits led to increased gross yields at 34.4 % as compared to the previous year's reporting period (Q1/2015: 31.5 %).

Operating earnings of YOC Group before depreciation/amortisation were at kEUR -440 in the first three months of financial year 2016 (Q1/2015: kEUR -357). The decline is due to gains in the previous year's reporting period from derecognising time-barred liabilities in the amount of kEUR 145 (Q1/2016: kEUR 46) along with the sale of non-essential fixed assets worth kEUR 49 (Q1/2016: kEUR 0).

The operating cash flow came to kEUR -396 (Q1/2015: kEUR -765).

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 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 solutions. 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.

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 increasingly important 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 solid and high-quality campaigns also in this sector.

A special component of YOC's programmatic monetising is the setting up and optimising of 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 then 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 in 2015, and since mid-2015 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 three months of financial year 2016, YOC Group's revenue increased by 11.3 % to kEUR 2,270 (Q1/2015: kEUR 2,038).

The Group's total output stood at kEUR 2,469 (Q1/2015: kEUR 2,476). In the previous year, other operating earnings were kEUR 212 above the present year's figure (kEUR 151) due to gains in the previous year's reporting period from derecognising time-barred liabilities in the amount of kEUR 145 (Q1/2016: kEUR 46) along with the sale of non-essential fixed assets worth kEUR 49 (Q1/2016: kEUR 0).

Gross income

Material expenses increased at a lower rate than revenues, by 6.7 % to kEUR 1,490 (Q1/2015: kEUR 1,397). The gross profit margin improved from 31.5 % to 34.4 %.

Personnel expenses and personnel development

In the first three months of financial year 2016, the average number of employees was 53 (Q1/2015: 53 employees).

Personnel expenses were slightly below the previous year's figures at kEUR 977 (Q1/2015: kEUR 996). Revenue per employee grew by 11.3 % year-on-year to kEUR 43 (Q1/2015: kEUR 38).

Other operating expenses

Other operating expenses remained at the previous year's level at kEUR 441 (Q1/2015: kEUR 440).

In sum, other operating expenses in relation to the total output remained at the previous year's level at 17.9 % (Q1/2015: 17.8 %).

EBITDA

Operating earnings before interest, tax and depreciation/amortisation came to kEUR -440 in the period under review (Q1/2015: kEUR -357). The decline is mainly due to a decrease of non-operating effects included in other operating earnings by a total of kEUR 148 year-on-year.

Post-tax profit or loss

Earnings after tax were kEUR -555 in the reporting period (Q1/2015: kEUR -430).

Financial position and net assets

As of 31 March 2016, cash and cash equivalents of YOC Group amounted to kEUR 424.

The operating cash flow in the reporting period came to kEUR -396 (Q1/2015: kEUR -765).

Cash flow from investing activities came to kEUR -50 in the first three months of financial year 2016 (Q1/2015: kEUR -27).

Altogether, kEUR 45 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 along with the expansion of mobile performance advertising services, constant 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 product field is expected to bring about increased gross margins while at the same time pushing 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 the 11.3 % revenue growth year-on-year in the first quarter of 2016, the Management Board puts stress on stabilising and realigning the business activities of the company in Great Britain. Owing to the unsatisfying development, we pushed forward with reorganising the company, replacing key executive positions and adopting a strategy adjusted to British market conditions. Expectations for the current year are optimistic.

In the German, Austrian and Spanish markets, the set targets for the first quarter of 2016 were either met or exceeded.

In the ongoing first half of 2016, significant revenue growth year-on-year by likely up to 20 % has already become apparent.

Altogether, YOC expects a significant growth in sales revenue in the double-digit percentage range for financial year 2016, with the cost structure remaining stable, leading to improved operating results.

The Management Board still expects a negative overall 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)	Q1/2016	Q1/2015 (adjusted)
Revenue	2,269,550	2,038,482
Own work capitalised	48,647	75,142
Other operating income	150,576	362,280
Total output	2,468,773	2,475,904
Expenses for goods and services	1,489,656	1,396,568
Personnel expenses	977,464	996,267
Other operating expenses	441,471	439,843
EBITDA	-439,817	-356,774
Depreciation and amortisation expenses	84,369	58,648
Impairments	16,838	0
EBIT	-541,025	-415,422
Financial income	0	99
Financial expenses	6,725	0
Financial result	-6,725	99
EBT	-547,750	-415,323
Income taxes	7,619	14,265
Net income continuing operations	-555,370	-429,588
Net income discontinued operations	0	-59,741
Net income	-555,370	-489,329
Earnings per share		
Earnings per share basic	-0.18	-0.17
Earnings per share diluted	-0.18	-0.17
Earnings per share continuing operations		
Earnings per share basic	-0.18	-0.15
Earnings per share diluted	-0.18	-0.15

Consolidated statement of comprehensive income (in EUR)	Q1/2016	Q1/2015
Net income	-555,370	-489,329
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	60,366	-117,895
Total other comprehensive income	60,366	-117,895
Total comprehensive income	-495,004	-607,224

› 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	31/03/2016	31/12/2015
ASSETS		
Non-current assets	**640,065**	**674,364**
Property, plant and equipment	67,505	76,804
Intangible assets	570,885	595,561
Deferred tax assets	1,675	1,998
Current assets	**2,873,708**	**3,193,505**
Trade receivables	2,036,919	1,992,832
Other receivables	412,412	330,686
Cash and cash equivalents	424,377	869,986
Total assets	**3,513,773**	**3,867,869**
EQUITY AND LIABILITIES		
Equity	**-3,009,716**	**-2,514,712**
Subscribed capital	3,112,473	3,112,473
Additional paid in capital	20,380,508	20,380,508
Retained earnings	-26,261,885	-25,706,515
Other comprehensive income from currency translation differences	-190,492	-250,858
Own shares	-50,319	-50,319
Non-current liabilities	**567,885**	**556,886**
Provisions	87,885	76,886
Other financial liabilities	480,000	480,000
Current liabilities	**5,955,604**	**5,825,695**
Prepayments received	23,961	49,411
Trade payables	2,536,734	1,790,458
Other liabilities	554,334	687,020
Other financial liabilities	2,324,369	3,250,131
Tax liabilities	48,675	48,675
Provisions	467,531	0
Total equity and liabilities	**3,513,773**	**3,867,869**

› 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	3M/2016	3M/2015 (adjusted)
Net income continuing operations	-555,370	-429,588
Net income discontinued operations	0	-59,741
Depreciation and Amortisation	101,208	58,822
Taxes recognised in the income statement	7,619	14,265
Interest recognised in the income statement	6,725	-99
Other non-cash income and expenses	43,370	-116,990
Cash-Earnings	-396,447	-533,331
Result from disposal of assets	-400	-48,771
Changes in receivables and other receivables	-125,814	-93,261
Changes in liabilities, prepayments and other liabilities	-330,998	-506,564
Changes in provisions	478,530	416,859
Interest received	0	-99
Interest paid	-13,537	0
Income taxes paid	-7,432	0
Cash flow from operating activities	-396,099	-765,167
Purchase of property, plant and equipment	-4,338	-6,552
Outflow from development costs	-45,172	-98,155
Disposal of assets	0	78,000
Cash flow from investing activities	-49,510	-26,707
Cash flow from financing activities	0	0
Net increase / decrease	-445,609	-791,875
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	424,377	411,849

› 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 01/01/2015	2,858,500	19,902,539	-24,220,215	-140,755	-50,319	-1,650,250
Net income			-489,329			-489,329
Currency translation differences				-117,895		-117,895
Comprehensive income	0	0	-489,329	-117,895	0	-607,224
Stock option programme		905				905
as of 31/03/2015	2,858,500	19,903,444	-24,709,544	-258,650	-50,319	-2,256,569
as of 01/01/2016	3,112,473	20,380,508	-25,706,515	-250,858	-50,319	-2,514,712
Net income			-555,370			-555,370
Currency translation differences				60,366		60,366
Comprehensive income	0	0	-555,370	60,366	0	-495,004
as of 31/03/2016	3,112,473	20,380,508	-26,261,885	-190,492	-50,319	-3,009,716

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 31 March 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 three 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:

31/03/2016 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	424	424	LaR	n/a
Trade receivables	2,037	2,037	LaR	n/a
Other assets	412	412	LaR	n/a
Financial liabilities				
Fixed rate borrowing	300	300	FLAC	n/a
Trade payables	2,537	2,537	FLAC	n/a
Other financial liabilities	2,504	2,504	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	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	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 grew by 11.3 % year-on-year to kEUR 2,270 (Q1/2015: kEUR 2,038).

Gross income

Material expenses increased at a lower rate than revenues, by 6.7 % to kEUR 1,490 (Q1/2015: kEUR 1,397). The gross profit margin improved from 31.5 % to 34.4 %.

Other operating income

Other operating earnings decreased by kEUR 212 year-on-year to kEUR 151 (-58.6 %). In the previous year, the company gained one-off effects through the sale of non-essential fixed assets amounting to kEUR 49 (Q1/2016: kEUR 0) as well as from derecognising time-barred liabilities worth kEUR 145 (Q1/2016: kEUR 46).

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

Taking into account all of the abovementioned effects, EBITDA came to a total of kEUR -440 (Q1/2015: kEUR -357).

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 business 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
Q1 2016					
External revenue	1,501	768	0	0	2,270
Internal revenue	46	41	0	-86	0
Total revenue	1,547	809	0	-86	2,270
Own work capitalised	0	0	49	0	49
Other operating income	143	10	197	-200	151
Total output	1,689	819	246	-286	2,469
Costs of goods sold	1,015	561	0	-86	1,490
Personnel expenses	361	262	355	0	977
Other operating expenses	213	200	201	-173	441
EBITDA	101	-204	-310	-27	-440
Q1 2015 (adjusted)					
External revenue	1,189	850	0	0	2,038
Internal revenue	49	1	0	-49	0
Total revenue	1,238	850	0	-49	2,038
Own work capitalised	0	0	75	0	75
Other operating income	51	16	359	-64	362
Total output	1,288	866	434	-113	2,476
Costs of goods sold	841	605	0	-49	1,397
Personnel expenses	277	291	428	0	996
Other operating expenses	127	140	257	-84	439
EBITDA	44	-170	-250	20	-356

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

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

The operating results of the Middle and Eastern Europe segment have improved due to the gross profit margin increasing from 32 % in the previous year to 35 % in the present year 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 product segment and in the course of establishing the Polish branch, the operating results saw an overall moderate increase.

In the Rest of Europe region, the Spanish subsidiary achieved a significant revenue growth of 98 % year-on-year, while the British subsidiary is working to position itself in the market and has not yet been able to stabilise revenues after reappointing the management and executive staff. The Rest of Europe region was able to increase the gross profit margin from 29 % in Q1/2015 to 31 % in Q1/2016.

Altogether, EBITDA in the Rest of Europe region stood at kEUR -204 (Q1/2015: kEUR -170).

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	Q1/2016	Q1/2015
EBITDA	-440	-357
Depreciation and amortisation	-101	-59
Financial result	-7	0
Net income before taxes	-548	-415
Taxes	-7	-14
Net income from discontinued operations	0	-60
Net income	-555	-489

As of 31 March 2016, trade and other recevables in Middle and Eastern Europe came to kEUR 903 (31 March 2015: kEUR 686) and in the Rest of Europe region to kEUR 1,134 (31 March 2015: kEUR 939).

5. Cash flow statement

As of 31 March 2016, cash and cash equivalents of YOC Group came to kEUR 424.

Cash flow from operating activities amounted to kEUR -396 in the reporting period (Q1/2015: kEUR -765).

Cash flow from investing activities amounted to kEUR -50 in the first three months of the financial year (Q1/2015: kEUR -27).

Internal development costs of kEUR 45 in total were incurred in connection with the further development of technological platforms and new products.

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

On 19 April 2016, YOC AG Management Board and Supervisory Board decided on a capital increase from authorised capital against contributions in cash amounting to 180,505 new shares, excluding the right of subscription for existing shareholders. With an issue price of EUR 2.77 per share, the company gained gross issue proceeds in the amount of kEUR 500 (net proceeds kEUR 477).

Furthermore, the company agreed upon accompanying debt financing in the amount of kEUR 500 at standard market conditions, maturing in Q4 2018.

Both measures are meant to strengthen the company's equity capital and to further develop business, in particular through the development of new products.

No other events have occurred after the reporting date which might have had a significant effect on net assets, financial position and results of operations.

YOC Contact

London
YOC Mobile Advertising Ltd.

17-21 Old Street
Morelands Buildings
3rd Floor, Block D
London, EC1V 9HL

T + 44 (0) 20 7199 0120

Berlin (Hauptsitz)
YOC AG
YOC Mobile Advertising GmbH

Greifswalder Str. 212
10405 Berlin
Deutschland

T + 49 (0) 30 726 162 - 0
F + 49 (0) 30 726 162 - 222

Warschau
YOC Polen

Business Link, PGE Narodowy
Al. Ks. J. Poniatowskiego 1
03-901 Warschau
Polen

T +48 604 200040

Düsseldorf
YOC Mobile Advertising GmbH

Corneliusstr. 16 - 18
40215 Düsseldorf
Deutschland

Wien
YOC Central Eastern Europe GmbH

Neubaugasse 10/2/17
1070 Wien
Österreich

T + 43 (0) 1 522 500 6 - 0
F + 43 (0) 1 522 500 6 - 116

Madrid
YOC Spain, S.L.

Calle de Orense nº 20 1ª
Planta Oficina 4
28020 Madrid
Spanien

T + 34 (0) 91 392 41 87

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YOC AG
Greifswalder Straße 212
10405 Berlin
T +49 (0) 30 72 61 62 – 0
F +49 (0) 30 72 61 62 – 222
info@yoc.com

Overall concept and editing

YOC AG
T +49 (0) 30 72 61 62 – 0
F +49 (0) 30 72 61 62 – 222
ir@yoc.com

www.yoc.com

yoc