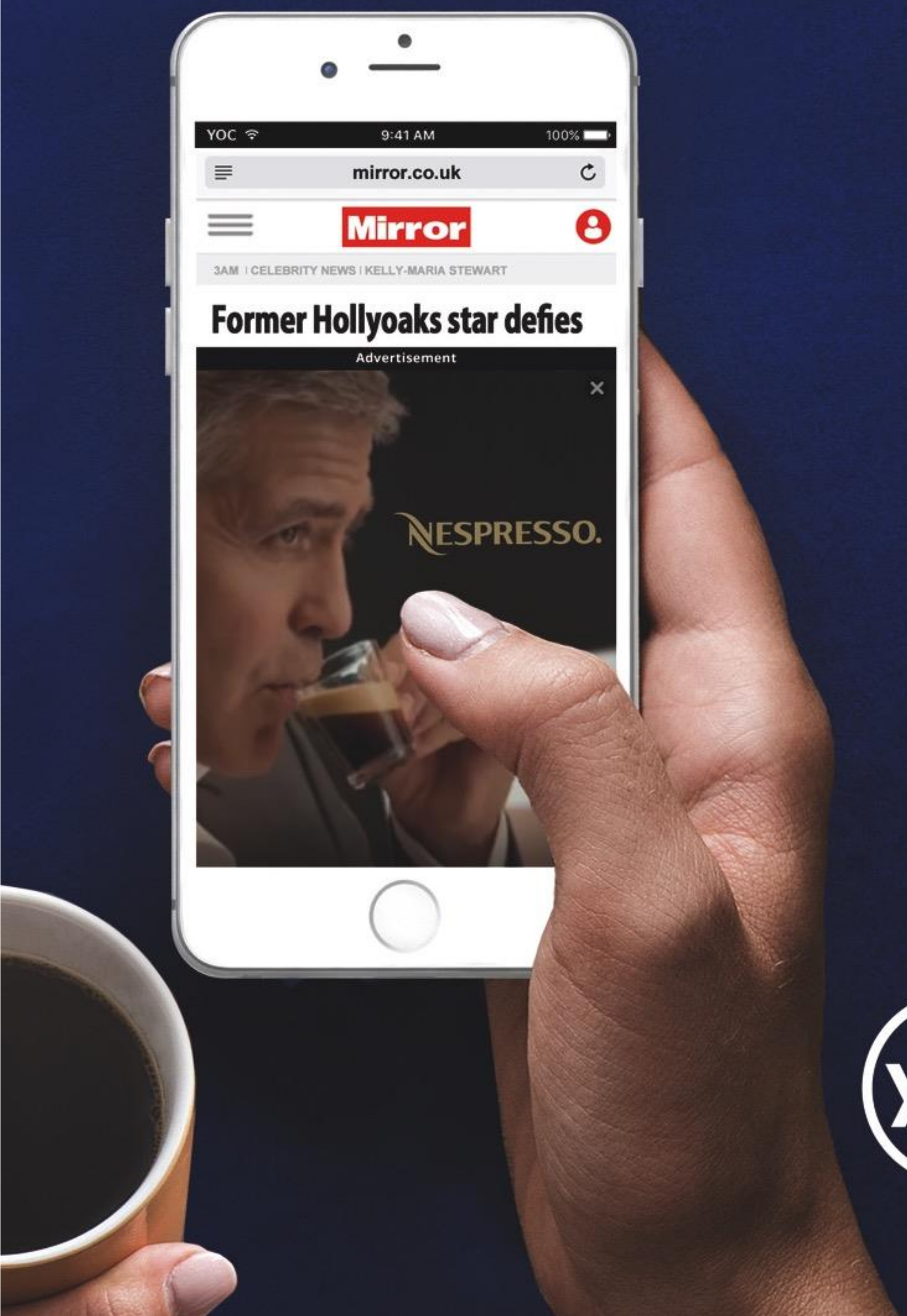
INTERIM REPORT
THIRD QUARTER 2017
YOC AG



MOBILE
ADVERTISING

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Letter to the Shareholders

Dear Shareholders,

YOC Group is one of the leading independent providers of mobile advertising in Europe, based on our growth of expertise since 2001. Through our mobile advertising products, advertising becomes more valuable, individual and creative. Advertising with YOC technology means reaching out to people, entertaining, inspiring and creating fascination for brands and their products.

It has already become clear that we will reach the milestone of achieving the point of break-even on full-year scale. The company will achieve a positive adjusted operating result for the financial year 2017.

This is due to the significantly growing revenue from the strategically important sales channel of programmatic advertising (automated sales via interacting trading systems in real-time). At the same time, the revenue share of self-developed ad-tech products is increasing, leading to a constant growth of the company's gross margin.

In the first nine months of the ongoing financial year, the revenue increased at a growth rate of around 26 % to EUR 10.0 million (9M/2016: EUR 8.0 million). As a consequence, the revenue per employee improved by 33 % to EUR 0.20 million as of 30 September 2017 (9M/2016: EUR 0.15 million).

The adjusted operating result before depreciation/amortisation (EBITDA) came to EUR -0.10 million as of 30 September 2017 (9M/2016: EUR -1.25 million), thereby improving by EUR 1.15 million. The phantom stock option programme for the company’s management personnel determined the recognition of unscheduled provisions. Hence, YOC Group’s EBITDA – including these provisions – amounted to EUR -0.48 million (9M/2016: EUR -1.30 million).

In the current fourth quarter, we focus on finalising and testing our self-developed programmatic trading platform. The strategic aim is to use this new technology to make all advertising products of YOC available for automated trade, which standard solutions of third-party providers do not offer.

Dear valued Shareholders, introducing this trading platform into the market in Q1/2018 will provide us with competitive advantages and independence, and will ensure positive advertising experiences on the highest technological level for both advertisers and users.

Please allow me to thank you for the trust you have placed in us. I am looking forward to the exciting times that are ahead of us.

Kind regards,

Dirk-Hilmar Kraus
CEO

YOC at a Glance

(in kEUR)	9M/2017	9M/2016	Change in total	Change in %
Revenue and earnings				
Total revenue	10,057	7,984	2,073	26
Middle and Eastern Europe[1]	7,216	5,633	1,583	28
Rest Of Europe[2]	2,841	2,351	490	21
Gross profit margin (in %)	37.9	35.1	3	8
Total output	10,461	8,420	2,041	24
EBITDA	-475	-1,299	824	63
EBITDA margin (in %)	-4.5	-15.0	k.A.	k.A.
Earnings after tax	-755	-1,683	928	55
Earnings per share (diluted in EUR)	-0.23	-0.51	0.28	55
Earnings per share (basic in EUR)	-0.23	-0.51	0.28	55
Employees				
Average number of employees[3]	50	53	-3	-6
Number of employees at end of September	52	49	3	6
Total revenue per emplyoee (in kEUR)	201	151	50	33
Total output per employee (in kEUR)	209	159	50	32
Financial position and liquidity				
Total assets	3,704	3,989[4]	-285	-7
Cash flow from operative activities	-321	-1,227	906	74

EBITDA development on a quarterly basis (in kEUR)	Total	Q2	Q2	Q1
H1/2017				
EBITDA	-475	-244	-113	-118
Expense Virtual Stock Options Programme	371	129	204	38
Adjusted EBITDA	-103	-115	91	-80
H1/2016				
EBITDA	-1,299	-583	-276	-441
Expense Virtual Stock Options Programme	50	33	8	8
Adjusted EBITDA	-1,249	-550	-268	-431
Change adjusted EBITDA				
absolute	1,146	435	359	352
in %	92	79	134	81

1) D-A-CH and Poland
2) Spain and United Kingdom
3) Based on permanent employees
4) at 31/12/2016

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 2017

Key figures

In the first nine months of the current financial year 2017, YOC Group recognised kEUR 10,057 in total revenue (9M/2016: kEUR 7,984). This corresponds to a 26.0 % increase year-on-year.

At the same time, the revenue share of self-developed products and products generating higher gross yields increased significantly, leading to the gross profit margin growing to 37.9 % (9M/2016: 35.1 %). This development substantiates the company's positioning as a product-based provider in mobile advertising and forms a vital component of the further sustained positive corporate development.

The operating result of YOC Group before depreciation/amortisation (EBITDA) was kEUR -475 in the first nine months of financial year 2017 (9M/2016: kEUR -1,299), thus improving by kEUR 824 (63 %) as compared to the previous year.

The EBITDA adjusted for provisions in the amount of kEUR 371 (9M/2016: kEUR 50) specific to the phantom stock option programme for the company's management came to kEUR -103 (9M/2016: kEUR -1,249). YOC Group was thereby able to improve the operating profitability in the first nine months of the ongoing financial year by kEUR 1,146 year-on-year, which is a 92 % increase.

The operating cash flow in the reporting period came to kEUR -321 (9M/2016: kEUR -1,227).

Range of services

With its growth of expertise since 2001, YOC today develops innovative and unobtrusive digital advertising formats, making them available through its marketplace for both traditional and programmatic buying.

With its cutting-edge technology, developed in-house, and tremendous media coverage, the listed company operates at the forefront of the advertising market. YOC's proprietary products create positive brand awareness and contribute substantially to changing the advertising market. In this way advertisers reach their goals while the self-developed formats also improve the user experience. Through its long-standing expertise, transparent procedures and an excellent service, YOC creates trust and equally convinces customers and partners.

The company's focus is on positioning itself as a provider of mobile advertising products and solutions in the core markets in Great Britain, Germany, Austria, Spain and Poland. Hence, YOC develops new products and scalable in-house technologies which it delivers through all sales channels in demand, in particular in the booming and highly automated mobile programmatic advertising environment.

Over the past three years YOC, as a consequence of the modified technological parameters, assumed a stronger position in the market for mobile advertising and realised crucial changes. To this end, the company internalised important elements of the value chain in mobile advertising. This relates to the development of our own performant advertising products that on the one hand unfold a strong advertising effect for advertisers and on the other hand do not interfere with the user.

Adding to this, the company built an effective system infrastructure, comprising internally developed software and solutions from renowned external suppliers like Google, SAP or Salesforce. On this basis, YOC services all relevant sales channels.

Combining innovative mobile advertising products with a high-performing IT-based infrastructure is the outstanding competitive feature through which YOC clearly stands out from its competitors.

YOC products

The company introduced the product lines YOC Understitial Ad, YOC Inline Video Ad as well as YOC Mystery Ad. Our products aim at effectively launching the mobile advertising messages of advertisers targeted at the end consumer. The application of various methods of display, additional interactive elements and unobtrusive operating principles ultimately lead to an improved acceptance with users. Also, in contrast to traditional standard formats the YOC products enable enhanced methods of measuring different statistics on interaction and retrieval, and thus contribute considerably to making advertising success measurable for advertisers.

Especially those product types with video components provide advertisers with possibilities for a comprehensive and highly controllable audio-visual marketing of their brands and products on mobile devices.

The core characteristic of YOC Understitial Ad is its effective but unobtrusive placement in the content environment of a mobile web page or mobile application. Advertisers reach out to the smartphone user with a full screen advertisement with-out interfering with his user habits. In this advertising tool, YOC combines its technological experience with its competence in targeting users in mobile environments. In last financial year 2016, YOC Understitial Ad was significantly improved and a newly developed video component has been embedded.

In the financial year 2016, the company developed YOC Inline Video Ad. This innovative mobile advertising format enables advertisers to place video ads on classic web pages. It is compatible with the branch-specific standards and plays videos on demand in high quality. The special feature of this format is that it is universally applicable and does not require a fixed placement within the mobile website of a publisher. YOC Hub's comprehensive and freely configurable software interface provides our publishing partners with an up-to-date overview of the marketing success of the YOC products.

YOC Mystery Ad is an award-winning full screen mobile advertising format. The special feature of this product is that it provides the possibility to encourage the user with various creative interactions. YOC Mystery Ad hence offers extensive creative possibilities to guarantee a high attention of the user.

Aside from the abovementioned products, YOC offers all classic types of advertising in accordance with the international IAB and MMA standards. In addition, the team of experts at YOC is able to develop additional functions such as responsive formats, enhanced tracking options or employing particular advertising media within the standard formats upon customer request.

For the control, optimisation and evaluation of a campaign, the measurement of visibility, also called viewability, has advanced to becoming a decisive factor. Hence, YOC developed a new technological infrastructure in the past in order to measure and evaluate the mobile advertising formats' viewability.

The YOC products follow market-specific measurement standards (IAB and MRC) and thus offer advertisers internationally comparable performance indicators for their success in mobile advertising. YOC, as a consequence, opens up alternative pricing models for its advertising clients, based on the retrieved viewability data. Billing of a campaign here only follows when, for example, a video has been played fully within the field of vision of the user.

Additional mobile advertising services

YOC offers effective mobile advertising solutions for successful advertising campaigns to its advertising partners:

Creative Services

For more than a decade, YOC has advised advertisers on the right choice of mobile advertising formats and, as the case may be, also produced the advertising material. Along with these services, our experts also provide their know-how when it comes to modulating campaigns on mobile devices.

Re-Engagement

YOC's re-engagement solution is a complex measure to increase the branding effect and recognition factor of a brand or a product. In order to reach this goal, YOC uses data-driven user recognition so as to draw the user's attention to a brand by addressing him sequentially. This solution can be further used to increase user rates of apps or to encourage potential customers of an online shop to buy a product.

YOC Hub

The business intelligence platform YOC Hub on the one hand facilitates the internal process management at YOC and on the other serves as a tool for publishers to manage and optimise marketing activities. The comprehensive and independently configurable software interface of YOC Hub gives our publishing partners an up-to-date overview of the marketing success of the YOC products.

Development of net assets, financial position and results of operation

Revenue trend and overall performance

In the first nine months of the current financial year 2017, YOC Group recognised kEUR 10,057 in total revenue (9M/2016: kEUR 7,984). This corresponds to an increase by 26.0 % year-on-year. The successful transformation of YOC Group into a mobile premium programmatic provider has improved the Group's earnings situation both on the side of revenues and of gross profits.

The Group's total output was kEUR 2,041 above the previous year's level at kEUR 10,461 (9M/2016: kEUR 8,420).

Gross income

As the material expense increased disproportionately low compared to the trend for revenue, by 20.5 % to kEUR 6,244 (9M/2016: kEUR 5,181), the gross profit margin rose further in the first nine months of financial year 2017, from 35.1 % to 37.9 %.

This increase forms a major component of our sustained positive corporate development.

Personnel expenses and personnel development

The average number of employees (without the Management Board) of YOC Group was reduced by 6 % year-on-year to 50 employees (previous year: 53 employees). As of the reporting date on 30 September 2017, YOC Group had 52 permanent employees (previous year: 49 employees).

Personnel expenses in the first nine months of 2017 amounted to kEUR 3,310 (9M/2016: kEUR 2,988). The increase in personnel expense by kEUR 322 year-on-year can be traced back to personnel provisions in connection with the phantom stock option programme amounting to kEUR 371 (9M/2016: kEUR 50). Adjusted for this non-operating effect, personnel expenses remain almost on the previous year's level.

The scaling of the business model (revenue growth with stable costs) is progressing - the personnel expense was also at around EUR 3.1 million in a two-year comparison.

The growing business volume is also reflected in the 33.5 % increase year-on-year of the revenue per employee to kEUR 201 (9M/2016: kEUR 151). The personnel cost ratio, which sets personnel expenses in relation to the total output, decreased to 31.6 % (9M/2016: 35.5 %).

Other operating expenses

In the first nine months of financial year 2017, the other operating expenses were below the previous year's level at kEUR 1,381 (9M/2016: kEUR 1,549). Overall, the cost-cutting measures imposed as part of the restructuring process from financial years 2014 and 2015 and from the past financial year are still taking effect, leading to the other operating expenses in relation to the total output dropping from 18.4 % in the previous year's reporting period to 13.2 % in the first nine months of 2017.

EBITDA

The operating result of YOC Group before depreciation/amortisation (EBITDA) in the first nine months of financial year 2017 stood at kEUR -475 (9M/2016: kEUR -1,299), improving by kEUR 824 or 63 % year-on-year.

Adjusted for provisions specific to the phantom stock option programme for the company's management in the amount of kEUR 371 (9M/2016: kEUR 50), the EBITDA came to kEUR -103 (9M/2016: kEUR -1,249). The company thus achieved significant further progress and, thereby, increased profitability.

Compared to the previous year, the adjusted EBITDA of the third quarter 2017 was considerably improved by kEUR 435 to kEUR -115 (Q3/2016: kEUR -550).

This is mainly due to the 26.0 % revenue growth, an increase of the gross profit margin by around three per cent along with further increasing cost efficiency.

Post-tax profit or loss

The Group's earnings after tax came to kEUR -755 (9M/2016: kEUR -1,683).

Financial position and net assets

As of 30 September 2017, cash and cash equivalents of YOC Group amounted to kEUR 614.

The operating cash flow was further improved, amounting to kEUR -321 in the period under review (9M/2016: kEUR 1,227).

Cash flow from investing activities came to kEUR -225 in the first nine months of financial year 2017 (9M/2016: kEUR -160).

Altogether, kEUR 174 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 the so far successful transformation of the business model and the results achieved in this context, YOC Group expects constant growth.

The transformation to a mobile premium programmatic provider elevates the company to a whole new product level. With the market position thus strengthened, we expect to further increase gross profits while at the same time pushing forward the independence from larger co-operations. Investment in innovative technologies and products as well as the automation of internal processes are part of the corporate strategy to support the development which is already underway.

Following a 23 % revenue growth in financial year 2016, the Management Board's main focus is to stabilise the dynamic growth of the programmatic platform business and hence to implement the defined corporate strategy. To this end it is crucial that all YOC branches adapt the new market positioning and accomplish all relevant tasks.

Expectations for the current financial year 2017 are optimistic. Altogether, YOC expects a significant growth in sales revenues by 20 to 25 % for financial year 2017, with the cost structure remaining stable year-on-year. The positive economic circumstances support this prognosis.

In order to increase liquidity, the company implemented a debt capital measure in the first quarter of 2017, leading to an inflow of cash in the amount of kEUR 500.

For the ongoing fourth quarter of 2017, we aim for a positive EBITDA, and at the present time are confident that we will reach this goal. If this is the case, we shall be able to achieve a slightly positive adjusted EBITDA already for the current financial year 2017.

From financial year 2018 onwards, the company will, assuming a steady positive development, realise positive operating results.

Interim Consolidated Financial Statements
(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	Q3/2017	Q3/2016
Revenue	3.320.644	2.727.433
Own work capitalised	76.244	35.683
Other operating income	8.595	87.922
Total output	3.405.483	2.851.038
Expenses for goods and services	2.030.271	1.765.143
Personnel expenses	1.134.886	1.062.903
Other operating expenses	484.431	605.974
EBITDA	-244.105	-582.982
Depreciation and amortisation expenses	58.900	79.256
Impairments	0	16.838
EBIT	-303.005	-679.076
Financial expenses	24.577	15.734
Financial result	-24.577	-15.734
EBT	-327.582	-694.810
Income taxes	-40.596	1.483
Net income continuing operations	-286.986	-696.293
Net income	-286.986	-696.293
Earnings per share		
Earnings per share basic	-0,09	-0,21
Earnings per share diluted	-0,09	-0,21

Consolidated statement of comprehensive income (in EUR)	Q3/2017	Q3/2016
Net income	-286.986	-696.293
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	3.675	44.799
Total other comprehensive income	3.675	44.799
Total comprehensive income	-283.311	-651.494

Interim Consolidated Financial Statements
(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	9M/2017	9M/2016
Revenue	10.056.863	7.983.838
Own work capitalised	173.868	125.338
Other operating income	229.823	310.912
Total output	10.460.554	8.420.088
Expenses for goods and services	6.244.080	5.181.416
Personnel expenses	3.310.027	2.988.397
Other operating expenses	1.381.004	1.549.436
EBITDA	-474.557	-1.299.160
Depreciation and amortisation expenses	200.189	249.382
Impairments	0	50.514
EBIT	-674.746	-1.599.057
Financial expenses	64.672	34.445
Financial result	-64.672	-34.445
EBT	-739.418	-1.633.502
Income taxes	15.703	49.683
Net income continuing operations	-755.120	-1.683.185
Net income	-755.120	-1.683.185
Earnings per share		
Earnings per share basic	-0,23	-0,51
Earnings per share diluted	-0,23	-0,51

Consolidated statement of comprehensive income (in EUR)	9M/2017	9M/2016
Net income	-755.120	-1.683.185
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	38.072	156.152
Total other comprehensive income	38.072	156.152
Total comprehensive income	-717.048	-1.527.033

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Financial Position

Consolidated Statement of Financial Positions (in EUR)	30/09/2017	31/12/2016
ASSETS		
Non-current assets	570.817	536.597
Property, plant and equipment	83.891	96.956
Intangible assets	485.582	438.174
Deferred tax assets	1.343	1.467
Current assets	3.133.347	3.452.298
Trade receivables	2.412.102	2.668.757
Other receivables	96.085	123.992
Tax receivables	11.013	0
Cash and cash equivalents	614.147	659.549
Total assets	3.704.164	3.988.895
EQUITY AND LIABILITIES		
Equity	-4.323.619	-3.606.571
Subscribed capital	3.292.978	3.292.978
Additional paid in capital	20.641.091	20.649.438
Retained earnings	-28.129.593	-27.382.819
Other comprehensive income from currency translation differences	-77.777	-115.849
Own shares	-50.319	-50.319
Non-current liabilities	1.760.030	1.038.085
Provisions	480.030	58.085
Other financial liabilities	1.280.000	980.000
Current liabilities	6.267.753	6.557.381
Prepayments received	22.547	18.338
Trade payables	2.322.853	2.490.974
Other liabilities	505.598	505.672
Other financial liabilities	1.884.132	3.346.028
Tax liabilities	0	22.869
Provisions	1.532.624	173.500
Total equity and liabilities	3.704.164	3.988.895

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Cash Flows

Consolidated Cash Flow Statement (in EUR)	9M/2017	9M/2016
Net income	-755.120	-1.683.185
Depreciation and amortisation	200.189	299.896
Taxes recognised in the income statement	15.703	49.683
Interest recognised in the income statement	64.672	34.445
Other non-cash income and expenses	28.031	136.727
Cash-Earnings	-446.525	-1.162.434
Result from disposal of assets	176	-400
Changes in receivables and other receivables	273.549	-273.825
Changes in liabilities, prepayments and other liabilities	-1.820.715	-1.238.905
Changes in provisions	1.781.068	1.560.946
Interest paid	-58.911	-14.225
Income taxes paid	-49.500	-98.175
Cash flow from operating activities	-320.858	-1.227.018
Purchase of property, plant and equipment	-29.274	-21.018
Purchase of intangible assets	-16.856	-7.600
Outflow from development costs	-181.052	-137.738
Disposal of assets	2.640	6.032
Cash flow from investing activities	-224.542	-160.324
Inflows from capital increases	0	499.999
Transaction costs related to issuance of new shares	0	-27.774
Issuance of loans	500.000	500.000
Cash flow from financing activities	500.000	972.225
Net increase / decrease	-45.400	-415.117
Cash and cash equivalents at the beginning of the period	659.549	869.986
Cash and cash equivalents at the end of the period	614.147	454.870

Interim Consolidated Financial Statements
(unaudited)

Consolidated Statement of Changes in Equity

Consolidated of Statement 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 01/01/2016	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	0	-27.774	0	0	0	-27.774
as of 30/09/2016	3.292.978	20.649.438	-27.366.910	-94.706	-50.319	-3.569.520

as of 01/01/2017	3.292.978	20.649.438	-27.382.819	-115.849	-50.319	-3.606.571
Net income			-755.119			-755.119
Currency translation differences				38.072		38.072
Comprehensive income	0	0	-755.119	38.072	0	-717.047
Stock option programme	0	-8.347	8.347	0	0	0
as of 30/09/2017	3.292.978	20.641.091	-28.129.591	-77.777	-50.319	-4.323.618

» No shares are held by non-controlling shareholders

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 2017 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 2016.

Accounting and valuation measures

In the first three months of 2017, all standards that have been mandatory since 01 January 2017 have been applied:

- *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 in 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 do not affect 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 do not affect YOC AG.

- *Amendments to IAS 19 – Employee Contributions*
  The amendment is to be applied for the first time for financial years beginning on or after 01 February 2015. The amendment regulates how contributions from employees or third parties to a pension plan should be attributed to periods of service. They do not affect the financial statements of YOC AG.

- *Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations* do not apply to YOC AG. The amendment is to be applied for the first time for financial years beginning on or after 01 January 2016.

- *Amendments to IAS 1 – Disclosure Initiative* do not apply to YOC AG. The amendment is 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 2017 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 gone through the EU endorsement process:

Title	Temporal Scope	EU-Endorsement ensued?	Application for YOC?	Impact on financial statements expected?
IFRS 9 - Financial instruments	01/01/2018	yes	under examination	under examination
IFRS 15 - Revenue from contracts with customers	01/01/2017	yes	yes	under examination
IFRS 16 - Leases	01/01/2019	no	yes	under examination
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	yes	no significant impact
Amendment of **IAS 7** - Disclosure Initiative: liabilities reconciliation arising from financing activities	01/01/2017	no	yes	no significant impact

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 been adopted by the EU on 22 November 2016. The implications of these new regulations are being analysed by the group. The present status of analysis does not lead us to expect any significant implications of the amended regulations for net assets, financial position and results of operation.

IFRS 15 has been published in May 2014 and adopted by the EU on 22 September 2016. For financial years beginning on or after 01 January 2018, either the full retrospective application or a modified retrospective application is mandatory. An early application of the standard is permitted. It introduces a new model for recognising 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 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 revenues 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 present status of analysis does not lead us to expect any significant implications of the amended regulations for net assets, financial position and results of operation.

IFRS 16 specifies how leases will be recognised, measured, presented and disclosed. The standard provides a single accounting model for the lessee. This requires lessees to recognise all assets and liabilities for leases unless the lease term is 12 months or less or it has a low value (in each case optional). Lessors continue to classify leases as operating or finance leases for accounting purposes. The lessor's accounting model remains substantially unchanged from that in IAS 17 – Leases.

IFRS 16 was issued in January 2016 and is to be applied for the first time for financial years beginning on or after 01 January 2019.

The present status of analysis does not lead us to expect any significant implications of the amended regulations for net assets, financial position and results of operation. As regards the amount of operating leases currently not recognised as assets or liabilities.

The Management Board of YOC AG assumes that the above-mentioned standards and interpretations will be applied, if cases of application occur, in the consolidated financial statements of the financial year in which they become mandatory.

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:

30/09/2017 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	614	614	LaR	n/a
Trade receivables	2.412	2.412	LaR	n/a
Other assets	96	96	LaR	n/a
Financial liabilities				
Fixed rate borrowing	1.300	1.300	FLAC	n/a
Trade payables	2.323	2.323	FLAC	n/a
Other financial liabilities	1.864	1.864	FLAC	n/a

31/12/2016 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	660	660	LaR	n/a
Trade receivables	2.669	2.669	LaR	n/a
Other assets	124	124	LaR	n/a
Financial liabilities				
Fixed rate borrowing	800	800	FLAC	n/a
Trade payables	2.491	2.491	FLAC	n/a
Other financial liabilities	3.526	3.526	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 26.0 % year-on-year to kEUR 10,057 (9M/2016: kEUR 7,984).

Gross income

Material expenses show a relatively low increase by 20.5 % to kEUR 6,244 (9M/2016: kEUR 5,181) as compared to the development of revenue.

As a consequence, the gross profit margin increased from 35.1 % to 37.9 %.

Other operating income

In the first nine months of financial year 2017, YOC Group recognised kEUR 230 in other operating earnings (9M/2016: kEUR 311), kEUR 81 below the previous year's level.

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

Taking into account the above-mentioned effects, the EBITDA came to an overall kEUR -475 (9M/2016: kEUR -1,299). The EBITDA consequently improved by kEUR 824 (+63.5 %) year-on-year.

The EBITDA adjusted for provisions in the amount of kEUR 371 (9M/2016: kEUR 50) specific to the phantom stock option programme for the company's management came to kEUR -103 (9M/2016: kEUR -1,249), which is a 91.7 % improvement year-on-year of the adjusted EBITDA.

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, Austria and Switzerland as well as since Q1/2016 Poland are assigned to the Middle and Eastern Europe segment (before: D-A-CH), while the UK and Spain are assigned to the Rest of Europe segment, as they show similar economic characteristics (inter alia regarding growth dynamics and gross profit margin) and are comparable in terms of their products, range of services, customers, processes and marketing methods.

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

The corporate functions item contains income and expenses that occurred in the parent company and cannot be directly allocated to any business segment, in particular levies and holding costs. On top of this, sales revenue is generated for the central yield optimisation of the international publisher portfolio of YOC Group, and is recharged internally. The following table shows the results of the different segments. In accordance with the internal reporting structure, EBITDA is used to measure the earnings:

Segment reporting (in kEUR)	Middle and Eastern Europe	Rest of Europe	Corporate functions	Consolidation	YOC Group
01/01/2017 - 30/09/2017					
External revenue	5.697	2.841	1.518	0	10.057
Internal revenue	1.019	529	704	-2.251	0
Total revenue	**6.716**	**3.370**	**2.222**	**-2.251**	**10.057**
Own work capitalised	0	0	174	0	174
Other operating income	272	100	637	-779	230
Total output	**6.988**	**3.470**	**3.033**	**-3.030**	**10.461**
Costs of goods sold	4.163	2.098	2.231	-2.247	6.244
Personnel expenses	1.106	791	1.413	0	3.310
Other operating expenses	918	572	674	-782	1.381
EBITDA	**801**	**10**	**-1.285**	**-1**	**-475**
01/01/2016 - 30/09/2016					
External revenue	4.835	2.351	798	0	7.984
Internal revenue	647	221	405	-1.180	93
Total revenue	**5.482**	**2.572**	**1.203**	**-1.180**	**8.077**
Own work capitalised	0	0	125	0	125
Other operating income	214	17	645	-658	218
Total output	**5.696**	**2.588**	**1.973**	**-1.837**	**8.420**
Costs of goods sold	3.537	1.790	1.147	-1.293	5.181
Personnel expenses	874	704	1.411	0	2.988
Other operating expenses	737	607	753	-547	1.549
EBITDA	**548**	**-512**	**-1.338**	**2**	**-1.299**

The operating result in the Middle and Eastern Europe region improved accordingly in the first nine months of 2017 due to the 23 % revenue growth to kEUR 6,716 (previous year: kEUR 5,482) along with the continuously increasing gross profit margin.

Due to start-up losses in Poland, the operating result improved significantly by kEUR 253 to kEUR 801 in total (previous year: kEUR 548).

In the Rest of Europe region, the British subsidiary achieved to recognise a significant growth in revenue as compared to the previous year. The revenue contribution by the Spanish company is equivalent to that of the previous year's reporting period.

As a consequence of a significantly growing sales volume, increased gross profit margin and improved cost efficiency, the EBITDA of Rest of Europe region improved by kEUR 522 to kEUR 10 (previous year: kEUR -512).

The EBITDA of YOC Group is reconciled to net income as follows:

Reconciliation (in kEUR)	9M/2017	9M/2016
EBITDA	-475	-1.299
Depreciation and amortisation	-200	-300
Financial result	-65	-34
Net income before taxes	-739	-1.634
Taxes	-16	-50
Net income	-755	-1.683

As of 30 September 2017, trade and other receivables in Middle and Eastern Europe came to kEUR 1,631 (30 September 2016: kEUR 1,288) and in the Rest of Europe region to kEUR 781 (30 September 2016: kEUR 1,124).

5. Cash flow statement

As of 30 September 2017, cash and cash equivalents of YOC Group amounted to kEUR 614.

The operating cash flow was further improved, amounting to kEUR -321 in the period under review (9M/2016: kEUR 1,227).

Cash flow from investing activities came to kEUR -225 in the first nine months of financial year 2017 (9M/2016: kEUR -160).

6. Guarantees, contingent liabilities and similar obligations

As in the annual consolidated statements from 31 December 2016, no guarantees, contingent liabilities and similar obligations exist.

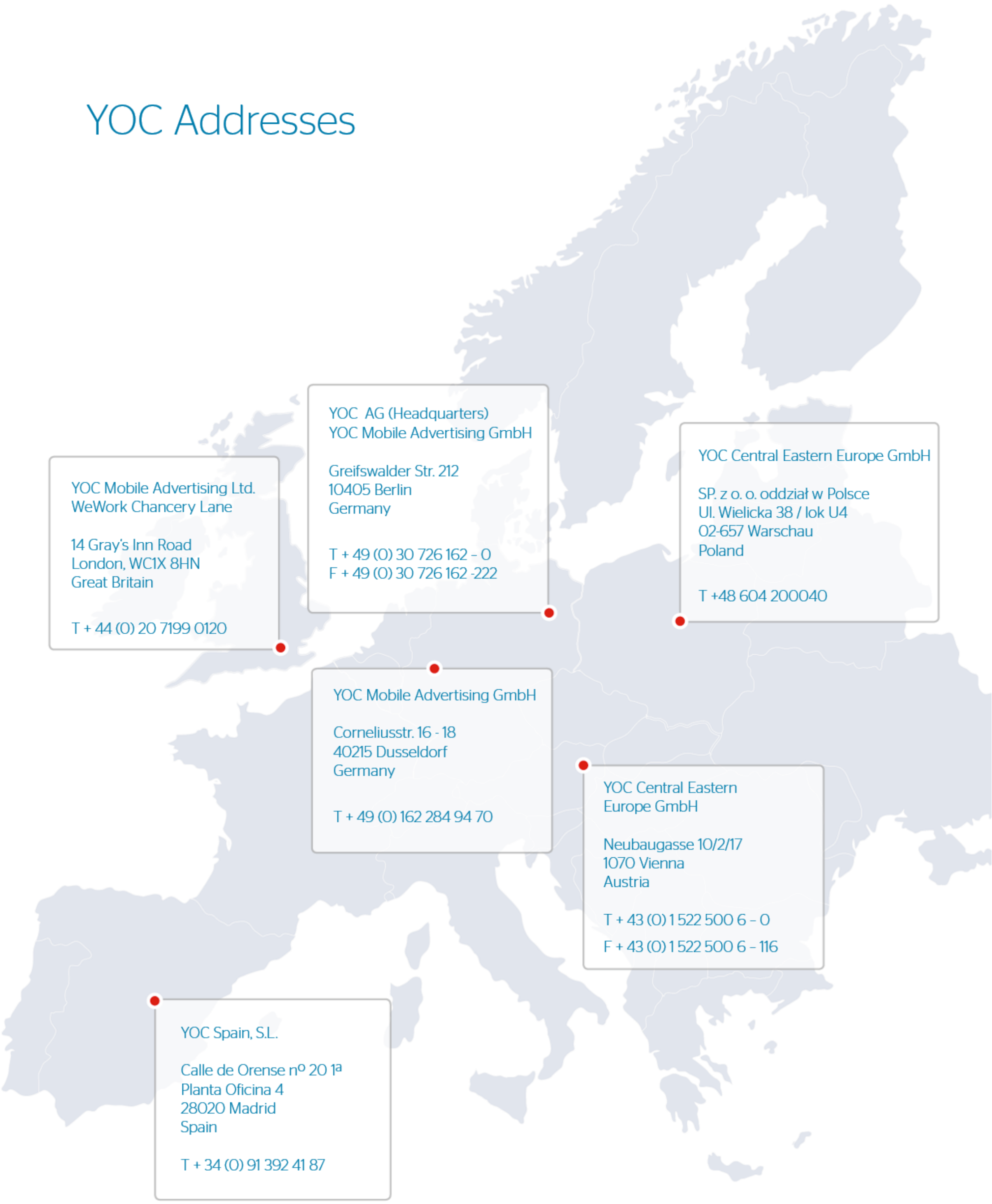
7. Related party disclosures

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 2017.

YOC Addresses



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Financial Calendar

12th Dezember 2017

Prior Conference, Frankfurt

13th Dezember 2017

Munich Capital Market Conference, Munich

26th April 2018

Annual Report 2017

31st Mai 2018

Interim Report First Quarter 2018

23th August 2018

Interim Report First Half 2018

22th November 2018

Interim Report Third Quarter 2018

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