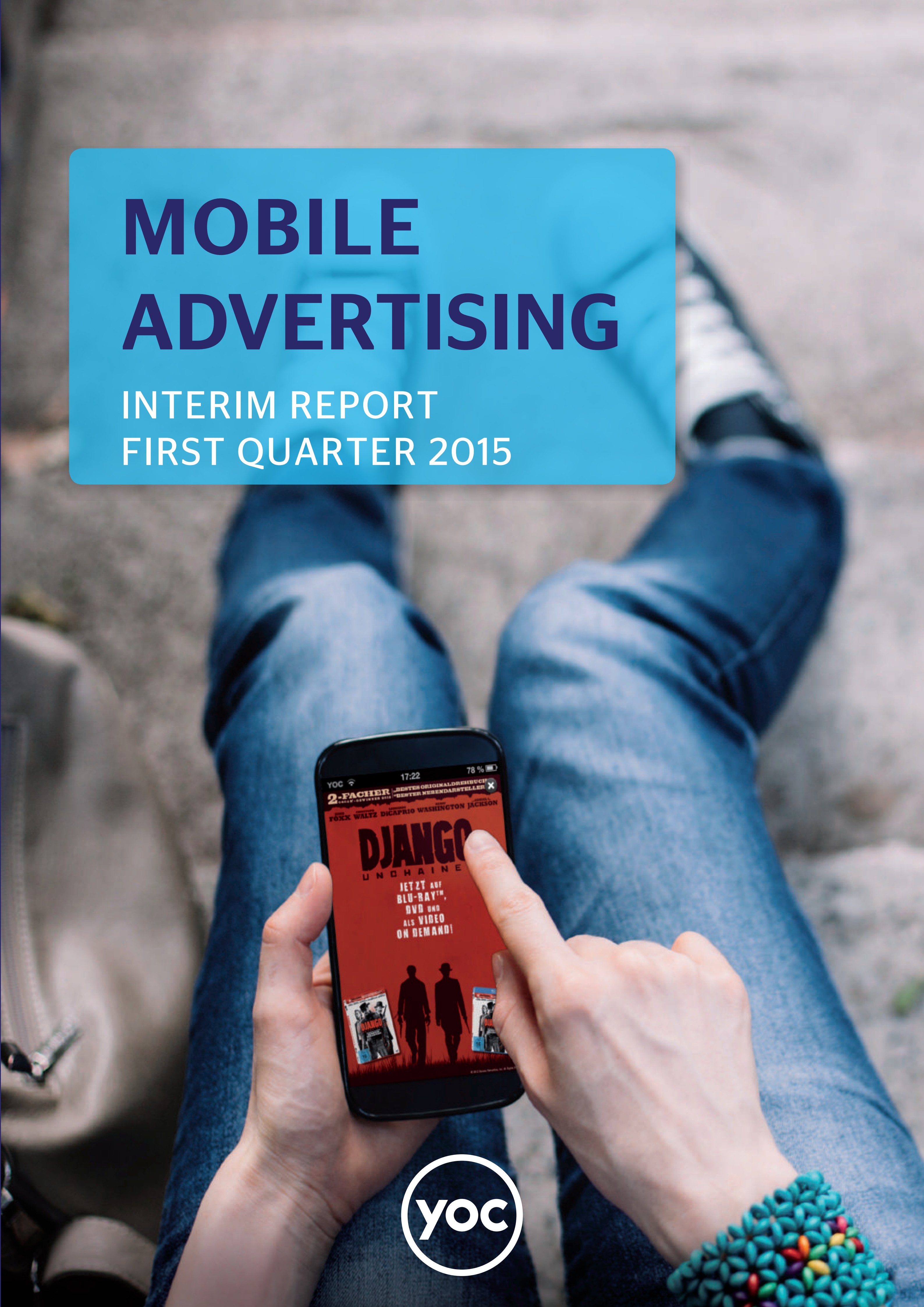
MOBILE ADVERTISING

INTERIM REPORT FIRST QUARTER 2015



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Letter to the Shareholders

Dear Shareholders,

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

For the first time since Q4/2012, YOC Group faces an increase in sales revenue in its core business of mobile advertising year-on-year. The establishment of a new team in Spain showed positive effects after a difficult business year 2014: In the past quarter, this market saw a significantly improved sales performance. Business in the UK stabilised, which can be mainly attributed to the introduction of new products. Revenue in the D-A-CH region shows an increase by 35 %. Aside from the domestic market in Germany, this result is largely due to YOC’s market leadership in Austria.

Compared to the same period of the previous year, total revenue increased by 13 % to EUR 2.1 million (Q1/2014: EUR 1.8 million). At the same time, we are constantly increasing the gross profit margin by applying and implementing our programmatic products. By this means, we were able to significantly improve our gross profit margin in Q1 2015 from 19 % to 31 % year-on-year.

Adjustments to the cost structure led to a relief by around EUR 0.8 million as compared to the previous year. Further measures for cost reduction have already been implemented in financial year 2015. Due to the improved revenues and gross profit margin along with cost reductions, the operating result before interest, taxes, depreciation and amortisation stood at EUR -0.4 million as of 31 March 2015 (Q1/2014: EUR -0.5 million). EBITDA adjusted for special effects from reorganisation and restructuring measures increased by EUR 0.9 million from EUR -1.3 million (Q1/2014) to EUR -0.4 million as of 31 March 2015.

The focus on our core business of mobile advertising has increased the company’s responsiveness in financial year 2014. This step has enabled us to lay the focus, especially of our product development, on the promising market of mobile programmatic advertising, the systematic trade of advertising spaces via automated trade platforms.

In this context, YOC has increasingly set up so-called private marketplaces and tested new partners in the past quarter. To this end, YOC offers the advertising spaces of our publisher partners to a selected group of advertisers. Through the automation of ad delivery and pre-defined terms and conditions, this practice provides for the efficient processing of campaign bookings with full transparency on the inventory included.

Our publisher frontend – which is under development – is about to be introduced to the market and has been equipped with several features that meet the requirements of our partners and facilitate the automation of internal as well as external processes.

The company has developed new creative ad formats in Q1 2015 such as the mobile takeover which has been realised with the first client being McDonald's. Further mobile ad formats are currently in testing and will be launched during the year. On top of this, we were able to win publishers with high coverage such as Shazam on an international basis.

In order to support the further development of our business model to a premium mobile programmatic provider, the company has implemented a capital increase in April 2015, shortly after the end of the reporting period, with concomitant debt financing. This led to an inflow in the amount of EUR 1.1 million. The cash capital increase was made with the exclusion of subscription rights of existing shareholders, within the framework of a private placement. All shares were issued to existing and new investors, including members of the Management Board and Supervisory Board of YOC AG.

The improved operating performance gives us cause for optimism – although there is still a great deal to be accomplished before we can guide the company back into profitability. We are convinced that, through the chosen path, we can position YOC as a leading, innovative provider of mobile programmatic advertising.

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

Kind regards,

Dirk Kraus

Michael Kruse

Management Board YOC AG

YOC at a Glance

(in kEUR)	Q1/2015	Q1/2014 (adjusted)	Change	Change in %
Revenue and earnings				
Total revenue	2,054	1,825	229	13
D-A-CH	1,189	878	311	35
Other countries	865	947	-82	-9
Total output	2,492	3,284	-792	-24
EBITDA	-416	-476	60	13
EBITDA margin (in%)	-17	-14	k.A.	k.A.
Earnings after tax Mobile Advertising	-489	-597	108	18
Earnings after tax YOC-Group	-489	-395	-94	-24
Earnings per share (diluted in EUR) Mobile Advertising	-0.17	-0.21	0.04	19
Earnings per share (basic in EUR) Mobile Advertising	-0.17	-0.21	0.04	19
Earnings per share (diluted in EUR) YOC-Group	-0.17	-0.14	-0.03	-21
Earnings per share (basic in EUR) YOC-Group	-0.17	-0.14	-0.03	-21
Employees				
Average number of employees [*1]	55	69	-14	-20
Number of employees at end of March	53	67	-14	-21
Total revenue per emplyoee (in kEUR)	37	26	11	41
Total output per employee (in kEUR)	45	48	-2	-5
Financial position and liquidity				
Total assets	3,448	4.135 [*2]	-687	-17
Cash flow from operative activities	-765	-1,374	609	44

[*1] Based on permanent employees

[*2] at 31/12/2014

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

Interim Consolidated Management Report

(unaudited)

Business development of YOC Group as of Q1 2015

Key figures

In Q1 2015, YOC Group's total revenue showed an increase by 13 % year-on-year to EUR 2.1 million (Q1/2014: EUR 1.8 million).

Pushing forward with product innovations that promise higher gross margins led to an increased gross profit margin at 31 % in Q1 2015 (Q1/2014: 19 %).

YOC Group's operating earnings before interest, tax, depreciation and amortisation in the first three months of financial year 2015 were at EUR -0.4 million (Q1/2014: EUR -0.5).

Cash flow from operating activities amounted to EUR -0.8 million (Q1/2014: EUR -1.4 million).

Mobile Advertising – scope of service

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

YOC is one of the largest independent premium mobile advertising providers in Europe, and can draw upon its longstanding expertise in this business sector since 2001. With an available coverage of several billion ad impressions per month, we reach around 40 million mobile web users. YOC cooperates with more than 300 well-selected international premium publishers such as **Shazam**, **The Sun**, **Metro**, **krone.at** or **Eurosport**, who trust in the technology and marketing expertise of the company, on the basis of longstanding partnerships.

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

For app and mobile web publishers from all branches, YOC offers direct access to all relevant media agencies and demand channels. In combination with state-of-the-art advertising technologies, we successfully apply comprehensive monetising strategies, while at the same time ensuring sustainable growth of the user population for our publishers.

YOC's premium ad formats allow for targeted branding without overstraining the user in his familiar environment. YOC Mediation allows for a high but steady utilisation and attractive cost per mille above market average. With its concept of audience targeting, YOC guarantees that users are only shown the most relevant advertisement, while ensuring data protection standards.

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

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

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

Development of net assets, financial position and results of operation

Results of operation

Revenue trend and overall performance

In the first three months of financial year 2015, YOC Group’s revenue stood at EUR 2.1 million (Q1/2014: EUR 1.8 million).

Due to the positive effects by restructuring measures taken in the same period of the previous year amounting to EUR 0.9 million, the Group’s total output lies below the previous year's figures at EUR 2.5 million (Q1/2014: EUR 3.3 million).

Revenue by region

In the D-A-CH region, revenue increased by 35 % year-on-year. Especially in the Austrian market, we have recorded a significant increase in revenue by 97 % year-on-year. The important domestic market in Germany sees an increase by 8 %. In the other European countries, revenue decreased by 9 % as compared to Q1 2014.

Gross income

The gross profit margin rose to 31 % in Q1 2015 due to effects from the shift to new product fields, among other reasons (Q1/2014: 19 %). Material costs dropped by 5 % to EUR 1.4 million (Q1/2014: EUR 1.5 million).

Personnel expenses and personnel development

In the first three months of financial year 2015, the average number of staff stands at 55 employees (Q1/2014: 69 employees).

Personnel expenses were below previous year’s level at EUR 1.0 million (Q1/2014: EUR 1.2 million). By means of improved efficiency along with the company’s reorganisation, the average number of employees could be reduced by 14 in total – 8 of those in other locations than Germany. As a consequence, revenue per employee increased year-on-year by 41 % to kEUR 37 (Q1/2014: kEUR 26).

Other operating expenses

Other operating expenses stood at EUR 0.5 million, EUR 0.6 million below previous year’s expenses (Q1/2014: EUR 1.1 million).

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

In sum, all cost-cutting measures have taken effect, leading to the drop of other operating expenses in relation to the total output to 18 % (Q1/2014: 32 %).

EBITDA

Operating earnings before interest, tax and depreciation/amortisation amounted to EUR -0.4 million in the reporting period (Q1/2014: EUR -0.5 million).

Adjusted for special effects from reorganisation and restructuring measures recognised in other operating earnings and expenses in Q1 2014 amounting to EUR 0.8 million, EBITDA improved to EUR -0.4 million in Q1 2015 (Q1 2014: EUR -1.3 million).

Post-tax profit or loss

The reporting period sees a slight increase in earnings after tax at EUR -0.5 million (Q1/2014: EUR -0.6 million). Besides clearly improved operating results, the measures taken in the restructuring process are clearly taking effect.

Financial position and net assets

As of the reporting date, YOC Group's cash and cash equivalents amounted to EUR 0.4 million. This means a decline in liquidity by EUR 0.8 million as compared to 31 December 2014.

The operating cash flow in the first three months of 2015 amounted to EUR -0.8 million (previous year: EUR -1.4 million).

Cash flow from investing activities in the first three months of financial year 2015 is almost balanced.

Altogether, investments in the amount of EUR 0.1 million were made into internal development to further advance technological platforms and new products.

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

All loans received by the company have been repaid in 2014. Thus, no cash flow from financing activities has been recorded for Q1 2015.

In April 2015, the company received EUR 1.1 million in liquid assets through a combined equity and debt capital increase. Resources from this capital increase are meant to strengthen equity, and are to be used, together with external financing, mainly for the further business development, and especially the development of new products.

Further capital measures are not planned in the short to medium term.

Opportunities, risk and outlook

Risks and opportunities

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 identify 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 group-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 identified and evaluated at an early stage so that a timely and appropriate response is possible, thereby guaranteeing efficient control in the interest of the company's success. The measures that are to be taken in line with risk control are being implemented in the respective operating units.

Outlook

The company's focus on its core business shows first positive effects. Following the restructuring and strategic reorientation of the company, YOC Group expects an improved revenue and earnings situation for financial year 2015 as compared to the previous year. The Management Board still calculates with negative operating cash flows for financial year 2015, and has implemented combined equity and debt financing in order to strengthen liquidity:

- In May 2015, the company received cash in the amount of EUR 0.8 million from a capital increase against cash contribution in connection with private placements from authorised capital.

- Along with the capital increase, a loan taken out in May 2015 led to a further liquidity inflow in the amount of EUR 0.3 million.

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

Altogether, the company expects a double-digit percentage revenue growth for financial year 2015. In Q1 2015, the expectations were met with a 13 % increase in revenues as compared to the same period of the previous year.

Furthermore, due to the strategic focus on the core competence of mobile advertising along with a market positioning that meets the demands of the branch, constant growth is to be expected also in the medium term. The positive economic circumstances seen worldwide support this prognosis.

The transformation of the company to a premium mobile programmatic provider elevates YOC to a whole new product level and will, with the expected development, lead to a strengthened market position and in the future account for the major part of total revenues through the expansion of these services. The expansion of this product field is expected to bring about increased gross margins and promote 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 are part of the corporate strategy to strengthen and extend the development which is already underway. Based on the developments described above, YOC Group expects slightly improved operating earnings adjusted for special effects in 2015.

Interim Consolidated Financial Statements

(unaudited)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	Q1/2015	Q1/2014 (Adjusted)
Revenue	2,054,158	1,825,541
Own work capitalised	75,142	83,617
Other operating income	362,281	1,374,792
Total output	**2,491,581**	**3,283,950**
Expenses for goods and services	1,412,792	1,488,507
Personnel expenses	1,035,671	1,198,789
Other operating expenses	459,459	1,072,411
EBITDA	**-416,341**	**-475,758**
Depreciation and amortisation expenses	58,822	82,868
EBIT	**-475,163**	**-558,626**
Financial income	99	811
Financial expenses	0	32,903
Financial result	**99**	**-32,092**
EBT	**-475,064**	**-590,718**
Income taxes	14,265	6,386
Net income continuing operations	**-489,329**	**-597,104**
Net income disontinued operations	0	202,524
Net income	**-489,329**	**-394,580**
Earnings per share		
Earnings per share basic	-0.17	-0.14
Earnings per share diluted	-0.17	-0.14
Earnings per share continuing operations		
Earnings per share basic	-0.17	-0.21
Earnings per share diluted	-0.17	-0.21

Consolidated statement of comprehensive income (in EUR)	Q1/2015	Q1/2014
Net income	**-489,329**	**-394,580**
Net other comprehensive income to be reclassified through profit or loss in subsequent periods		
Unrealised gains/losses from foreign currency translation	-117,895	-84,556
Total other comprehensive income	**-117,895**	**-84,556**
Total comprehensive income	**-607,224**	**-479,136**

› 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	31/03/2015	31/12/2014
ASSETS		
Non-current assets	**661,666**	**650,071**
Property, plant and equipment	89,686	144,765
Intangible assets	568,027	501,854
Deferred tax assets	3,953	3,452
Current assets	**2,785,984**	**3,484,598**
Trade receivables	1,648,234	1,610,764
Other receivables	698,144	641,381
Tax assets	27,757	28,729
Cash and cash equivalents	411,849	1,203,724
Total assets	**3,447,650**	**4,134,669**
EQUITY AND LIABILITIES		
Equity	**-2,256,569**	**-1,650,250**
Subscribed capital	2,858,500	2,858,500
Additional paid in capital	19,903,444	19,902,539
Retained earnings	-24,709,544	-24,220,215
Other comprehensive income from currency translation differences	-258,650	-140,755
Own shares	-50,319	-50,319
Non-current liabilities	**73,628**	**64,828**
Provisions	73,628	64,828
Current liabilities	**5,630,591**	**5,720,091**
Prepayments received	15,788	9,300
Trade payables	2,668,744	2,520,603
Loans and borrowings	0	0
Other liabilities	841,929	771,153
Other financial liabilities	1,658,705	2,395,870
Tax liabilities	37,366	23,165
Provisions	408,059	0
Total equity and liabilities	**3,447,650**	**4,134,669**

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

Consolidated Statement of Cash Flows

in EUR	Q1/2015	Q1/2014
Net income continuing operations	**-489,329**	**-597,103**
Net income discontinued operations	**0**	**202,523**
Depreciation and Amortisation	58,822	106,299
Taxes recognised in the income statement	14,265	4,177
Interest recognised in the income statement	-99	32,011
Other non-cash income and expenses	-116,990	-1,288,389
Cash-Earnings	**-533,331**	**-1,540,482**
Result from disposal of assets	-48,771	-171,291
Changes in receivables and other receivables	-93,261	883,285
Changes in liabilities, prepayments and other liabilities	-506,564	-620,615
Changes in provisions	416,859	79,105
Interest received	-99	1,320
Interest paid	0	-5,304
Cash flow from operating activities	**-765,167**	**-1,373,982**
Purchase of property, plant and equipment	-6,552	-13,340
Outflow from development costs	-98,155	-96,154
Disposal of assets	78,000	318,337
Cash flow from investing activities	**-26,707**	**208,843**
Repayment of liabilities under finance lease	0	-3,098
Repayment of bank loans	0	-250,000
Issuance of loans	0	1,474,704
Cash flow from financing activities	**0**	**1,221,606**
Net increase / decrease	**-791,875**	**56,468**
Cash and cash equivalents at the beginning of the period	**1,203,724**	**531,087**
Cash and cash equivalents at the end of the period	**411,849**	**587,555**

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

Consolidated Statement of Changes in Equity

in EUR	Subscribed capital	Additional paid in capital	Retained earnings	Other comprehensive income from currency translation differences	Own shares	Total
as of 01/01/2014	2,858,500	20,226,168	-27,781,828	69,085	-50,319	-4,678,394
Net income			-394,580			-394,580
Currency translation differences				-84,556		-84,556
Comprehensive income	**0**	**0**	**-394,580**	**-84,556**	**0**	**-479,136**
Stock option programme		14,576				14,576
as of 31/03/2014	2,858,500	20,240,744	-28,176,408	-15,471	-50,319	-5,142,954
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

No shares are held by non-controlling shareholders

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

Notes to the financial statements

1. General information

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

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

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

Principles for the preparation of the financial statements

YOC AG's interim report as of 31 March 2015 was prepared in compliance with the German Securities Trading Act (WpHG). The interim consolidated financial statements were prepared as condensed financial statements pursuant to IAS 34 and comply with Section 315a of the German Commercial Code (HGB) and are in accordance with the rules of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the European Union and valid on the reporting date as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB.

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

Accounting and valuation measures

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

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

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

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

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

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

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:

31/03/2015 (in kEUR)	**Carrying amount**	**Fair Value**	**Measurement category IAS 39**[1]	**Fair value hierarchy**
Financial assets				
Cash and cash equivalents	412	412	LaR	n/a
Trade receivables	1,648	1,648	LaR	n/a
Other assets	698	698	LaR	n/a
Financial liabilities				
Trade payables	2,669	2,669	FLAC	n/a
Other financial liabilities	1,659	1,659	FLAC	n/a

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

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

The carrying amounts of cash and cash equivalents, trade receivables, other current assets, bank overdrafts, and other current financial liabilities nearly match their fair value, mainly due to their short maturities. In accordance with the principle of materiality, the fair value of these current items is equated with their book value.

Sales revenue

Compared to the same period of the previous year, YOC Group was able to increase revenue by 13 %. In the D-A-CH region, revenue increased by 35 % to kEUR 1,189 (Q1/2014: kEUR 878). In the other European countries, revenue dropped by 9 % to kEUR 865 (Q1/2014: kEUR 947).

Other operating income

In the first three months of financial year 2015, other operating income was influenced by the sale of operating and business equipment amounting to kEUR 49. In the same period of the previous year, restructuring gains amounting to kEUR 900 had been recognised in the financial statements.

Other operating expenses

In Q1 2015, other operating expenses dropped by kEUR 613, from kEUR 1,072 to kEUR 459. The measures taken in the course of the restructuring process are fully effective. The reduction of other operating expenses is based mainly on three elements:

- In particular reductions in rental costs led to a decline in operating expenses by kEUR 166 to kEUR 168 (-50 %) year-on-year.
- Legal and consulting costs as well as accounting costs and annual audit costs dropped by kEUR 170 to kEUR 60 (-74 %) year-on-year.
- In the same period of the previous year, the company faced expenses amounting to kEUR 96 in connection with the restructuring process which did not occur during the current reporting period.

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

Taking into account the abovementioned effects, EBITDA increased slightly by kEUR 60 to kEUR -416 (Q1/2014: kEUR -476).

Not taking into consideration the positive balance from restructuring income and expenses amounting to kEUR 804 from the same period of the previous year, the company sees a significant increase in operating earnings by kEUR 864 in total year-on-year.

4. Segment reporting

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

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

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

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

Revenues are calculated based on turnovers achieved by the subsidiaries in the respective countries.

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

Segment reporting (in kEUR)	D-A-CH	Rest of Europe	Corporate functions	Consolidation	YOC Group
Q1 2015					
External revenue	1.189	865			2.054
Internal revenue	125	0		-125	0
Total revenue	**1.314**	**865**		**-125**	**2.054**
Own work capitalised	75	0			75
Other operating income	346	16			362
Total output	**1.610**	**881**			**2.492**
Costs of goods sold	722	691			1.413
Personnel expenses	465	324	247		1.036
Other operating expenses	131	144	184		459
EBITDA	**292**	**-278**	**-431**		**-416**
Q1 2014					
External revenue	878	947			1.825
Internal revenue	122	0		-122	0
Total revenue	**1.000**	**947**		**-122**	**1.825**
Own work capitalised	84	0			84
Other operating income	440	108	827		1.375
Total output	**1.402**	**1.055**	**827**		**3.284**
Costs of goods sold	771	718			1.489
Personnel expenses	573	388	238		1.199
Other operating expenses	261	365	446		1.072
EBITDA	**-203**	**-416**	**143**		**-476**

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

The gross margin in the D-A-CH region increased significantly to 39 %. In the rest of Europe, in particular minimised costs have a positive effect on results, so that YOC was able to achieve an EBITDA increase by kEUR 138.

Altogether, EBITDA was improved by kEUR 60 year-on-year. In the same period of the previous year, though, other operating earnings included one-off effects amounting to kEUR 827 in the area of corporate functions.

As of 31 March 2015, trade receivables amounted to kEUR 682 in the D-A-CH region (Q1/2014: kEUR 484), and kEUR 962 in the rest of Europe (Q1/2014: kEUR 1,705).

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	**Q1/2015**	**Q1/2014**
EBITDA	**-416**	**-476**
Depreciation and amortisation	**-59**	**-83**
Financial result	**0**	**-32**
Net income before taxes	**-475**	**-591**
Taxes	**-14**	**-6**
Net income from discontinued operations	**0**	**202**
Net income	**-489**	**-395**

5. Cash flow statement

On the reporting date, YOC Group’s cash and cash equivalents amounted to EUR 0.4 million, showing a decrease in liquidity by EUR 0.8 million compared to 31 December 2014.

Cash flow from operating activities stood at EUR -0.8 million in Q1 2015 (previous year: EUR -1.4 million).

Cash flow from investing activities in the first three months of the current financial year is nearly balanced.

Investments of EUR 0.1 million in total were made into the internal development related to the further development of technological platforms and new products.

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

All loans received by the company were repaid in 2014. Hence, no cash flow from financing activities is recognised in the financial statements for Q1 2015.

6. Guarantees, contingent liabilities and similar obligations

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

7. Related party disclosures

No significant business transactions were performed with related parties during the period under review.

8. Events after the interim reporting period

On 22 April 2015, YOC AG's Management Board and Supervisory Board decided on a capital increase from authorised capital against contributions in cash amounting to 253,973 new shares, excluding the right of subscription by existing shareholders. With an issue price of EUR 3.15 per share, gross issue proceeds in the amount of EUR 0.8 million were achieved.

Furthermore, the company has agreed upon concomitant debt financing amounting to EUR 0.3 million under normal market conditions, maturing mid-2017.

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

As of the publication date of the interim report, no other significant events occurred after 31 March 2015.

YOC Contact

Berlin (Headquarters)

YOC AG
YOC Mobile Advertising GmbH

Greifswalder Straße 212
10405 Berlin
Germany

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

London

YOC Mobile Advertising Ltd.

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

T +44 (0) 20 71 99 61 60

Paris

YOC France SAS

33 Rue du Docteur Roux
75015 Paris
France

T +33 (1) 43 06 33 34

Madrid

YOC Spain S.L.

Orense, 20, 1ª Planta, Oficina 4
28020 Madrid
Spain

T +34 (0) 91 392 41 87

Wien

YOC Central Eastern Europe GmbH

Neubaugasse 10/2/17
1070 Wien
Austria

T +43 (0) 1 522 5006 - 0
F +43 (0) 1 522 5006 - 116

Financial Calendar

25th August 2015
Annual general meeting of Shareholders

27th August 2015
Publication of Interim Report First Half 2015

26th November 2015
Publication of Interim Report Third Quarter 2015

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Publisher

YOC AG
Greifswalder Str. 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