MOBILE ADVERTISING

ANNUAL REPORT 2014

yoc

YOC-Group Overview

YOC Overview (in kEUR)	2014	2013 (adjusted)	Change	Change in %
Revenue and earnings				
Total revenue	9,368	11,917	-2,549	-21
D-A-CH	5,587	4,837	750	16
Other countries	3,781	7,080	-3,299	-47
Total output	12,310	13,305	-995	-7
EBITDA	-1,270	-6,225	4,955	80
EBITDA margin (in %)	-10%	-47%	k.A.	k.A.
Earnings after tax (Mobile Advertising)	-1,745	-7,981	6,236	78
Earnings after tax (YOC-Group)	3,292	-10,483	13,775	131
Earnings per share (diluted in EUR , Mobile Advertising)	-0.61	-2.92	2.31	79
Earnings per share (basic in EUR , Mobile Advertising)	-0.61	-2.92	2.31	79
Earnings per share (diluted in EUR ,YOC-Group)	1.15	-3.83	4.98	130
Earnings per share (basic in EUR , YOC-Group)	1.15	-3.83	4.98	130
Employees				
Average number of employees*1	60	93	-33	-35
Number of employees at end of December	50	87	-37	-43
Revenue per employee (in kEUR)	156	128	28	22
Total output per employee (in kEUR)	205	143	62	43
Financial position and liquidity				
Total assets	4,135	7,729	-3,594	-47
Cash flow from operative activities	-1,920	-4,818	2,898	60

EBITDA development on a quarterly basis (unaudited in kEUR)	Total	Q4	Q3	Q2	Q1
2014					
EBITDA	-1,270	-393	269	-671	-476
Non-recurring effects*2	-1,014	167	-519	142	-804
Adjusted EBITDA	-2,285	-226	-250	-529	-1,280
2013 (adjusted)					
EBITDA	-6,225	-173	-1,993	-2,209	-1,851
Non-recurring effects*3	-410	-410	0	0	0
Adjusted EBITDA	-6,636	-583	-1,993	-2,209	-1,851
Change adjusted EBITDA					
absolute	4,351	357	1,743	1,680	571
in %	66	61	87	76	31

*1 Based on permanent employees

*2 Adjustment of following special effects:
Q1/2014: -750 kEUR profit resulting from the redemption of bank liabilities and -150 kEUR for selling dispensible property, plant and equipment and +96 kEUR for restructuring expenses
Q2/2014: +142 kEUR for restructuring expenses
Q3/2014: -359 kEUR profit from the redemption of external liabilities and -269 kEUR income from other non-operative effects and +109kEUR for restructuring expenses
Q4/2014: +167 kEUR expenses from other non-operative effects

*3 Adjustment of following special effects:
Q4/2013: -410 kEUR from the reversal of rental liabilities

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


Kodak
THE LION KING
EARL OF SANDWICH
1500
SCHOOL BUS
ONE WAY
Coming Soon!

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To our Shareholders

Letter to 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.

The year 2014 now lies behind YOC AG in which we saw comprehensive restructuring measures along with the vigorously initiated strategic realignment of the company with the focus on its core business Mobile Advertising. In a dynamic and changing market environment, we have commenced with the task of systematically restructuring the company to a platform based provider of mobile advertising in 2014 by means of product development as well as personnel management. As the leading markets in the United States and Great Britain have already clearly shown, programmatic advertising – the systematic trade of advertising spaces via automated trade platforms – is becoming the dominating method of transaction in advertising. The systematic expansion of our product range, along with the constant broadening of our service spectrum for our publishers and advertisers by innovative mobile advertising technologies that live up to market requirements, have been among our most important tasks in 2014. The primary focus has been on the continuous monetisation of advertising spaces for our publishers, and thus the sustainable development of our coverage as well as the optimised addressing of target groups by means of intelligent audience targeting and innovative ad formats for our advertisers.

In financial year 2014, the Group generated a total output in the amount of EUR 12.3 million, slightly below the previous year's level (2013: EUR 13.3 million). The sale of the Affiliate Marketing segment, not relevant to the core business, along with the related deconsolidation of belboon GmbH on 30 June 2014 is not included in this calculation. After YOC AG had earned revenue amounting to EUR 11.9 million in 2013, the company's revenue amounted to EUR 9.4 million in 2014. The corresponding EBITDA came to EUR -1.3 million which marks a significant improvement in comparison to the previous year (2013: EUR -6.2 million). EBITDA adjusted for special effects from restructuring measures amounted to EUR -2.3 million (2013: EUR -6.6). In the course of financial year 2014, the adjusted EBITDA continuously improved. Due to profits from selling discontinued operations amounting to EUR 5.0 million, among other reasons, YOC Group ended financial year 2014 with a consolidated net income for the year in the amount of EUR 3.3 million (2013: EUR -10.5 million).

The strategic objective of focusing only on our core segment of Mobile Advertising since October 2013 and the concurrent restructuring programme have been successfully completed in financial year 2014. Altogether, this has made possible the realisation of positive equity effects amounting to EUR 6.4 million along with a cash inflow of EUR 4.2 million:

- At the beginning of the third quarter 2014, we have sold our subsidiary belboon GmbH, discontinuing the online affiliate marketing side activity
- At the end of August 2014, we achieved to assert our claims from the variable purchase price component relating to the sale of YOC Group's former Mobile Technology segment in FY 2013
- The company is free of loan liabilities, all loans with credit institutions and shareholders were repaid during FY 2014
- The promotion of product innovations that promise good gross profit, in order to reposition YOC as a provider of programmatic mobile advertising, has already led to an increased gross profit margin at 32 % (2013: 29 %)
- Adjustments to the cost structure brought a relief of around EUR 3.9 million in FY 2014 year-on-year. For FY 2015, further measures to reduce costs up to EUR 0.5 million have already been implemented
- The Group was able to retain top performers as well as win new qualified employees for key positions.

In the D-A-CH region (Germany, Austria, Switzerland) revenue increased by 16 % as compared to the previous year. In Austria, YOC is the market leader, with an increase in revenue by 63 %. In Spain, the company suffered a considerable reduction in sales due to the loss of the whole sales team in the fourth quarter of 2013. By the fourth quarter of 2014, the establishment of a new team resulted in first successes such as acquiring important partners (e.g. Shazam). In the British market, first positive effects from the strategic positioning in the mobile programmatic market since the second half of 2014 added to improved operative results in the fourth quarter of 2014, so that we expect a markedly improved performance in the current financial year, also in this market.

I sincerely thank all staff members who have played a decisive role in shaping and designing the development of the company with passion, expertise and discipline.

Together with my new fellow Management Board member Michael Kruse, we will push on with the next important steps for the further strategic development of the company and improved results. We will successively introduce data driven product innovations for the automated real-time trade of mobile advertising spaces as well as for the extended precise targeting of mobile internet users to the market.

We thank you, dear shareholders, for the trust you have placed in us as well as your support and we are looking forward to continuing our cooperation in the future.

Kind regards,

Dirk Kraus
Management Board

Report of the Supervisory Board

In the financial year 2014, the Supervisory Board fully and diligently carried out the tasks and duties incumbent upon it by law, the Articles of Association, and the Rules of Procedure. It devoted close attention to the company's position, regularly advised the Management Board on the management of the company, and continuously monitored its activities. The Supervisory Board was impressed by the lawful, functional and proper manner displayed by the management.

In particular, it monitored whether appropriate steps were taken in respect of risk management and compliance. The Supervisory Board also monitored whether the Management Board took suitable measures as required under Sect. 91 Para. 2 of the German Stock Corporation Act (AktG).

The Supervisory Board was directly involved in all decisions of fundamental importance to the company and discussed them in detail. By means of regular written and oral reports from the Management Board, the Supervisory Board kept itself duly apprised of the company's sales and revenue performance, its business operations, prospective business policy and corporate planning, as well as its risk management and internal control systems.

When the Management Board made decisions or took measures that, by law or the Management Board's current Rules of Procedure, were subject to approval by the Supervisory Board, the Supervisory Board gave its approval only after a thorough review of the documents submitted to it and thorough discussion.

In addition to numerous technical issues, measures subject to approval, and the company's business performance, matters discussed in depth by the Supervisory Board in the financial year 2014 included fundamental corporate planning issues, financing, an adjustment of corporate strategy as a result of changes in underlying conditions, the consolidation of international business, and personnel decisions. Short-term, medium-term, and long-term issues were treated equally.

Composition of the Supervisory Board

The Supervisory Board in 2014 was composed as follows:

After two members of the Supervisory Board resigned in October 2013, these positions were reappointed in January 2014. On application of the Management Board of YOC AG on 07 January 2014, the District Court of Berlin-Charlottenburg appointed, pursuant to Sect. 104 AktG and effective immediately, Mr Sacha Berlik and Mr Konstantin Graf Lambsdorff as members of the Supervisory Board of YOC AG. YOC AG received the District Court's order on 15 January 2015.

In its constitutive meeting on 16 January 2014, the Supervisory Board elected Dr Nikolaus Breuel as its new chairman and Mr Konstantin Graf Lambsdorff as deputy chairman of the Supervisory Board.

Key issues in the Supervisory Board's activities

The Supervisory Board held a total of six face-to-face meetings in the period under review. Further meetings were conducted by telephone, and the Supervisory Board passed resolutions by correspondence. The Supervisory Board was kept informed of the current state of business and all important business transactions by the Management Board. The Supervisory Board was informed by the Management Board of matters of particular significance also between meetings. Furthermore, the chairman of the Supervisory Board met with the Management Board regularly to share information and advice. The Supervisory Board also took advantage of the opportunity for discussions without the presence of the Management Board. In its meetings and other decision-making activities in 2014, the entire Supervisory Board was always present, and thus constituted a quorum. There were no indications of potential conflicts of interest among the Supervisory Board members in the financial year 2014.

Among the matters to which the Supervisory Board devoted its attention, it gave top priority to restructuring the company, and in this context, the strategic focus on the Mobile Advertising segment. Another focus lay on the process of selling the Affiliate Marketing segment. The supervisory body also continuously advised the Management Board on these matters between Supervisory Board meetings.

At its meetings on 16 January 2014 and 17 March 2014, the Supervisory Board dealt with the company's business performance in the different countries. Further key issues were the economic planning for the current financial year, and in this context liquidity planning as well as the development of new products, and personnel structure.

In the Supervisory Board's meeting on 10 April 2014, the auditors informed about the current situation on YOC AG's annual and consolidated financial statements. The statements for the year ending 31 December 2013 were approved by the Supervisory Board in its written resolution of 09 July 2014.

On 03 July 2014, the Supervisory Board decided on the resolution proposals for the next Annual General Meeting, scheduled for 29 August 2014, as had the Management Board before it.

Several resolutions that were passed before the Supervisory Board's meeting on 30 July 2014 paved the way for the sale of the Affiliate Marketing segment in July 2014. In the fourth Supervisory Board meeting in the financial year 2014, the Management Board once more summarised all details on the sale of belboon GmbH, representing the abovementioned sector. Further topics for discussion were the liquidity trend and business development of the group in the different countries, especially Great Britain, Spain and France.

The main focus of the Supervisory Board meetings on 21 August 2014 and 13 November 2014 lay on the strategic product and sales planning, with different country scenarios for 2015. The positive development in Germany, looming success in Spain (acquisition of new publishers with strong coverage) as well as the development in Austria, France and Great Britain were discussed.

Furthermore, the annual Declaration of Conformity pursuant to Sect. 161 AktG as approved and submitted by the Management Board of YOC AG was unanimously adopted after a thorough review and discussion. Also discussed by the Supervisory Board were the changes in the version of the German Corporate Governance Code (DCGK) which took effect on 24 June 2014.

Audit of the annual and consolidated financial statements

The auditor appointed by the Supervisory Board, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, audited the annual and consolidated financial statements prepared by the Management Board, along with the Management Report and Consolidated Management Report for the financial year 2014, which were prepared in condensed form, and provided them with an audit certificate. During the course of its audit, the auditor found, in summary, that the Management Board had set up a risk management system compliant with legal requirements and that this system is fundamentally suited to detect developments early on which might put the company as a going concern at risk.

The above documents and the audit reports were made available to all members of the Supervisory Board in a timely manner. The documentation was thoroughly examined and discussed in the presence of the auditor during the meeting on 22 April 2015 concerning the statement of financial position. The auditor reported on the key results of its audit and stood by to provide additional information. The auditor also discussed the scope, main emphases, and costs of the audit. There were no circumstances that might give cause for concern as regards the auditor's impartiality.

The Supervisory Board acknowledged the auditor's report and approved the findings of the audit. They also concurred with the Management Board's evaluation of the position of YOC AG and the YOC Group. As its own examination resulted in no objections, the Supervisory Board approved the annual and consolidated financial statements prepared by the Management Board along with the Management Report and Consolidated Management Report prepared in condensed form for the financial year 2014. The annual financial statements of YOC AG were thereby adopted.

Corporate Governance

The Supervisory Board studied the recommendations of the German Corporate Governance Code again in the financial year 2014. In this context, the Supervisory Board also reviewed whether the remuneration received by the Management Board was adequate and within the customary range. The Supervisory Board also discussed the efficiency of its activities and the contents of the Declaration on Corporate Governance, including the Declaration of Conformity with the German Corporate Governance Code pursuant to Sect. 161 AktG. The Management Board and the Supervisory Board renewed their joint Declaration of Conformity in March 2015. The company largely complies with the recommendations of the German Corporate Governance Code. The Declaration of Conformity, along with notes explaining deviations from the recommendations, forms a part of the Declaration on Corporate Governance in this Annual Report. It has also been made permanently accessible on the company's webpage. Further information on corporate governance at YOC AG can be obtained from the Corporate Governance Report published in the Annual Report.

Personnel changes on the Management Board

The financial year 2014 saw no personnel changes on the Management Board of YOC AG.

Thanks to the members of the Management Board and all YOC AG staff

The Supervisory Board would like to thank the Management Board and all staff of YOC AG and of all other companies in the group for their high level of commitment over the past financial year.

Berlin, April 2015

The Supervisory Board

Dr. Nikolaus Breuel
Chairman

Corporate Governance Report

YOC AG attaches great importance to corporate governance, the principles of which aim to ensure the responsible and long-term value-driven management and control of our company. Efficient cooperation between the Management Board and the Supervisory Board, respect for the interests of the shareholders and open and transparent corporate communications are key aspects of good and responsible company management and corporate control.

The Management Board and Supervisory Board report as follows on corporate governance at YOC AG:

YOC AG complies with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 24 June 2014 with the exception of Item 3.8 Para. 3, Item 4.2.1, Item 4.2.2 Para. 2 Sent. 3, Item 5.1.2 Para. 2 Sent. 3, Item 5.3.1, 5.3.2 and 5.3.3, Item 5.4.1 Para. 2, Item 5.4.3 Sent. 2, and Item 7.1.2 Sent. 4.

The Management Board and the Supervisory Board of YOC AG have adopted the declaration on the Corporate Governance Code (Declaration of Conformity 2014) included at the end of this report. It has been published on the website of YOC AG at www.yoc.com (Investor Relations section).

1. Shareholders and General meeting

YOC AG reports to its shareholders four times in the financial year on business developments and net assets, financial position and results of operations of the consolidated companies. Matters upon which the General Meeting decides include the appropriation of profit, discharge of the Management Board and the Supervisory Board, and election of the auditor. Amendments to the Articles of Association and corporate actions are resolved by the General Meeting alone and implemented by the Management Board. Shareholders may submit countermotions to resolutions proposed by the Management Board or the Supervisory Board and challenge resolutions of the General Meeting.

Unless the law or the Articles of Association provide otherwise, a majority of the votes cast is required for the General Meeting to pass resolutions. The Articles of Association can be viewed on the YOC AG website at www.yoc.com (Investor Relations section).

The Management Board makes use of electronic communication channels, in particular the Internet, to facilitate shareholder access to information on the General Meeting and allow shareholders to vote in absentia by appointing a proxy. Shareholders are provided with all necessary reports and documentation beforehand, and such information is also available on the company's website.

2. Management and control structure

As required by the German stock corporation law, YOC AG has a two-tier management and control structure comprising a Management Board and a Supervisory Board. There is a strict separation between management personnel (Management Board) and corporate control personnel (Supervisory Board) within this two-tier management system. The law does not permit anyone to sit on both the Management Board and the Supervisory Board simultaneously. Each of these two bodies has its own duties and responsibilities which are clearly defined by law. The Management Board is responsible for the management of the company, while the Supervisory Board advises and monitors the Management Board.

2.1 Management Board

The Management Board consisted of one member as of 31 December 2014. More information on the members of the Management Board in 2014/15 and their areas of responsibility can be found in this Annual Report. Furthermore, information about functions and CVs are available online at www.yoc.com (Investor Relations section).

The Management Board has sole responsibility for the management of the company and exercises control over the consolidated companies. It has a duty to act in the interests of the company and is committed to increasing the sustainable company value. It is responsible for defining the company's strategic direction in consultation with the Supervisory Board.

The Management Board works in close cooperation with the Supervisory Board, informing the latter regularly, promptly and in detail on all issues relevant to the company concerning strategy, strategy implementation, planning, business development, financial position and results of operations, compliance and corporate risks.

The Management Board is responsible for drawing up the quarterly reports, half-year and annual financial statements of YOC AG and the consolidated financial statements. It ensures compliance with statutory provisions and appropriate risk management within the company.

2.2 Supervisory Board

The Supervisory Board of YOC AG consists of three members, elected in accordance with Sect. 101 AktG [German Stock Corporation Act] in conjunction with Sect. 10 Para. 2 of the Articles of Association, by the General Meeting for the term of office ending with the conclusion of the General Meeting that resolves on the discharge for the fourth financial year following their election. More information on the members of the Supervisory Board can be found on www.yoc.com (Investor Relations section) and in this Annual Report.

The Supervisory Board monitors and advises the Management Board with regard to the management of the business. At regular intervals the Supervisory Board discusses business development and planning along with strategy and its implementation with the Management Board. The Supervisory Board approves the annual financial statements and takes note of and approves the consolidated financial statements following discussion with the auditor and its own review. It also appoints the members of the Management Board. Fundamental decisions affecting YOC AG are subject to its approval. These include decisions or measures that would significantly change the net assets, financial position or results of operations of the company. The information and reporting obligations of the Management Board were defined by the Supervisory Board.

The members of the Supervisory Board make their decisions independently and are not bound by the demands or instructions of third parties. Furthermore, consultancy, service and other agreements between YOC AG and its subsidiaries on the one hand and members of the Supervisory Board on the other hand are subject to approval by the Supervisory Board.

3. Remuneration report

The Remuneration Report is based on the "Recommendations of the German Corporate Governance Code". It summarises the principles which are applied in setting the remuneration of the Management Board of YOC AG and explains the amount and structure of the Management Board members' income. It also describes the principles according to which the Supervisory Board members are remunerated and the amount of their remuneration.

The Remuneration Report also contains particulars which, under German commercial law, must be included as part of the notes to the consolidated financial statements pursuant to Sect. 314 HGB [German Commercial Code] and the Group Management Report pursuant to Sect. 315 HGB.

3.1 Remuneration of the Management Board

The Supervisory Board is responsible for setting the Management Board's remuneration. In doing so, it considers the company's size and activities, the company's economic and financial position, the duties of the Management Board member in question and, for comparative purposes, the amount and structure of management board remuneration elsewhere in the industry. Management Board remuneration is performance-based. Remuneration is designed to be competitive in the market for highly qualified management personnel and to offer an incentive for successful performance.

In the financial year 2014, it consisted in a fixed basic remuneration amount, a variable component and participation in the phantom stock option programme.

- The basic remuneration is cash remuneration in a fixed amount for the year as a whole which is specific to the Management Board member's area of responsibility and is paid out in twelve monthly instalments.

- The variable component consists of cash remuneration as profit-sharing based on the results of operations according to IFRS (EBITDA) of YOC AG and is subject to an upper limit.

- With the participation in the phantom stock option programme set up in 2014, members of the Management Board selected by the Supervisory Board receive phantom stock options. For the beneficiaries, the phantom stock option programme simulates the actual holding of shares in the company's equity capital. Other than in a stock option programme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.

3.2 Remuneration of the Supervisory Board

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed at EUR 12.5 thousand for one financial year. The chairman of the Supervisory Board receives twice this amount and the deputy chair 1.5 times this amount. For each face-to-face meeting of the Supervisory Board, each member of the Supervisory Board receives the amount of EUR 1.0 thousand; the chairman of the Supervisory Board receives twice that; and the deputy chair 1.5 times that amount.

Remuneration of the Supervisory Board in 2014

	Name	Fixed remuneration (kEUR)
Chairman	Dr. Nikolaus Breuel	22,5
Deputy	Konstantin Graf Lambsdorff	16,9
Member	Sacha Berlik	11,3
Total		**50,6**

There was no remuneration for personally rendered services apart from the board activities, particularly for any consulting or referral services. Remuneration for the activities of the Supervisory Board came to a total of kEUR 73.1* in the financial year 2014.

4. Accounting and auditing

The consolidated financial statements and interim reports are drawn up in accordance with the IFRS. The consolidated financial statements are drawn up by the Management Board and reviewed by the auditor and the Supervisory Board. The consolidated financial statements for the financial year 2014 were not completed by the deadline for public disclosure of 90 days after the end of the financial year as defined in Sect. 7.1.2 Sent. 4 of the German Corporate Governance Code. The company will make every effort to comply with the recommendation according to Sect. 7.1.2 Sent. 4 of the German Corporate Governance Code, but cannot guarantee compliance for 2015.

*In support of the restructuring measures taken, each member of the Supervisory Board waived 10 % of their fixed remuneration in the financial year 2014 as well as their remuneration for the sixth Supervisory Board Meeting. This has been considered in the calculations.)

It was agreed with the auditor, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin branch, that the chairman of the Supervisory Board would immediately be informed of any reasons precluding the employment of the auditor and any conflicts of interest arising during the audit. It was furthermore agreed that the auditor would immediately report on all issues and events of significance for the work of the Supervisory Board which are revealed during the conduct of the audit.

5. Transparency

YOC AG provides all capital market participants with information on a uniform, comprehensive, prompt and simultaneous basis. The business situation and results of YOC AG and the YOC Group are reported in the annual report, the half-year report and the interim reports. Furthermore, information is passed on through ad-hoc communications, when the law so requires, and through press releases and the company's website.

To ensure that all capital market participants are treated equally, YOC AG publishes all information relevant to capital markets simultaneously in German and English on the company website. The financial reporting dates are published on the financial calendar with sufficient advance notice. Changes in the make-up of the shareholder structure which must be reported according to Sect. 26 WpHG [Securities Trading Act] and the purchase and sale of shares of individuals holding management positions within YOC AG (Directors' Dealings according to Sect. 15a WpHG) also are published by the Management Board.

The tables below list all holdings of members of the Management Board and the Supervisory Board which directly or indirectly exceed 1% of shares issued by the company:

Supervisory Board holdings as of 31 December 2014

Name	Number of shares
Dirk Kraus	50,4357

6. Further information on the YOC AG share option programme

2009 saw the launch of the YOC Management Incentive Programme with a total of up to 175,000 subscription rights. One subscription right entitles the holder to acquire one share in YOC AG. Subscription rights for the acquisition of YOC shares were granted to members of the Management Board (up to 115,500 subscription rights) and to employees (up to 59,500 subscription rights). Subscription rights under the YOC Management Incentive Programme have been issued in precisely defined acquisition periods, most recently in the financial year 2012. As of 31 December 2014, subscription rights for the acquisition of 16,625 shares had been granted to former members of the Management Board and subscription rights for the acquisition of 27,625 shares had been granted to employees.

The subscription rights may be exercised by the holders no earlier than three years after they have been issued. The exercise price of the subscription rights is based on the average Xetra closing price for the YOC share for the last eight stock trading days before the beginning of the acquisition period. However, the exercise price must be at least equal to the closing price of the YOC share on the day on which the subscription rights were issued. The prerequisites for exercising subscription rights include the holder's on-going employment with the company at the time of exercise and the fulfilment of certain performance targets. The performance targets include an increase in the YOC share price.

The subscription rights can be exercised only during precisely specified exercise periods. Exercise periods are based on the timing of the company press conference on the annual results and the publication of the report on the first half of the year. Each exercise period comprises 17 stock trading days. All holders of subscription rights are obliged to comply with the provisions of insider trading law. No subscription rights were exercised before the end of the financial year 2014.

7. Further information on the YOC AG phantom stock option programme

With the participation in the phantom stock option programme set up in 2014, a) members of the company's Management Board selected by the Supervisory Board and b) employees in the second management tier and other designated staff members selected by the Management Board receive phantom stocks. For the beneficiaries, the phantom stock option programme simulates the actual holding of shares in the company's equity capital. Other than in a stock option programme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.

Members of the Management Board who are holders of option rights may be granted 80,000 phantom stock options altogether.

Employees in the second management tier as well as other designated staff members who are holders of option rights may be granted up to 20,000 phantom stock options each. The phantom stock option programme for employees in the second management tier and other designated staff members is limited to 90,000 phantom options altogether. New phantom options may be issued in the amount of expired options.

Phantom stocks may be issued in 2014 for the first time, within one month after publication of the interim report for the third quarter or of the annual financial statements respectively. The last time phantom stocks may be acquired will be the issuance period in the financial year 2017.

As of the reporting date on 31 December 2014, 40,000 phantom stock options have been issued to members of the Management Board and further 60,000 to employees in the second management tier and other designated staff members.

The phantom options may be exercised by their holders no earlier than three years after they have been issued. The exercise price is based on the average Xetra closing rate of YOC shares in the last 30 trading days before the subscription rights are granted. The exercise of the subscription rights is linked, among other things, to an on-going employment relationship for at least one year after the issuing date of subscription rights as well as the fulfilment of certain performance goals. These performance goals include an increase in the YOC share price.

The subscription rights of the phantom options may be exercised only during specific exercise periods. These exercise periods are connected with the publication of the company's interim reports, mid-year reports or annual reports respectively. The exercise periods each encompass 19 bank working days.

8. Declaration by the Management Board and Supervisory Board of YOC AG, pursuant to Sect. 161 AktG, of compliance with the German Corporate Governance Code in the version of 24 June 2014 (2014 Declaration of Conformity)

According to Sect.161 AktG, the Management Board and the Supervisory Board of a listed company must annually declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the official part of the electronic Federal Gazette published by the German Federal Ministry of Justice were and are complied with, or which recommendations for valid reasons were or are not applied. The declaration must be made publicly available on the company's website.

The German Corporate Governance Code (DCGK) contains provisions not all of which are equally binding. Aside from descriptions of current company law, it contains recommendations which companies may disregard, in which case, however, they must disclose that they have done so. According to Sect. 161 AktG, departures from the recommendations of the DCGK must be justified. Furthermore, the DCGK contains suggestions which companies may disregard without disclosing that they have done so. The following declaration concerns the period since the last Declaration of Conformity, that of March 2014, and refers to the requirements of the DCGK in its current version of 24 June 2014.

The Management Board and the Supervisory Board of YOC AG declare that the recommendations made by the "Government Commission on the German Corporate Governance Code" are and were fundamentally complied with in the past. The Management Board and the Supervisory Board of YOC AG also intend to comply with it in the future. Only the following recommendations of the German Corporate Governance Code were and are not applied:

- **Item 3.8 Para. 3 DCGK:** The company is of the opinion that the motivation and responsibility with which the members of the Supervisory Board carry out their duties will not be improved by an insurance excess. The D&O liability insurance serves to safeguard against the company's material own risks and at most serves as a second-line defence of the assets of the members of those bodies. The D&O insurance for the Supervisory Board was therefore taken out without an excess.

- **Item 4.2.1 DCGK:** According to Item 4.2.1 DCGK, the Management Board shall be comprised of several persons and have a chairman or a spokesman. During the financial year 2014, YOC AG's Management Board consisted of one person. Since 1 January 2015, it has been fully restored and two members with equal rights have been appointed. In agreement with the Supervisory Board and Management Board, the Group renounces a spokesman or chairman, as a hierarchy within the Management Board is not deemed necessary with respect to the company's size.

- **Item 4.2.2 Para. 2 Sent. 3 DCGK:** The Supervisory Board is to consider the relationship between the remuneration of the Management Board and that of senior management and of the staff overall, particularly in terms of its development over time. For this comparison the Supervisory Board must determine how senior management and the relevant staff are to be differentiated. No explicit differentiation has taken place in order to uphold the economic scope of the different bodies for salary negotiations.

- **Item 5.1.2 Para. 2 Sent. 3 DCGK:** No age limit for members of the Management Board has been set by the Supervisory Board. The members of the Supervisory Board are convinced that the suitability for company management depends largely on individual capabilities.

- **Items 5.3.1, 5.3.2 and 5.3.3 DCGK:** As the Supervisory Board of YOC AG has only three members, it would be neither practical nor in accordance with best practice standards to set up committees, particularly an audit committee or nomination committee. The purpose of setting up an audit committee as proposed by the DCGK is to increase the efficiency of auditing. This aim would not be achieved at YOC AG as nearly all members of the plenum would have to sit on the audit committee. Similarly, nearly all plenum members would have to sit on the nomination committee, which would not bring any improvement in the preparation of Supervisory Board recommendations regarding candidates proposed by the shareholders.

- **Item 5.4.1 Para. 2 DCGK:** No age limit has been set for Supervisory Board members. A candidate's ability to monitor and act as a coequal contact for the Management Board depends mainly on individual capabilities.

- **Item 5.4.3 Sent. 2 DCGK:** According to Item 5.4.3 Sent. 2 DCGK, the next General Meeting is to be set as the deadline for an application for judicial appointment of a Supervisory Board member. To ensure continuity and efficient and productive work in the Supervisory Board, no deadline was set for the application for judicial appointment of the present Supervisory Board members.

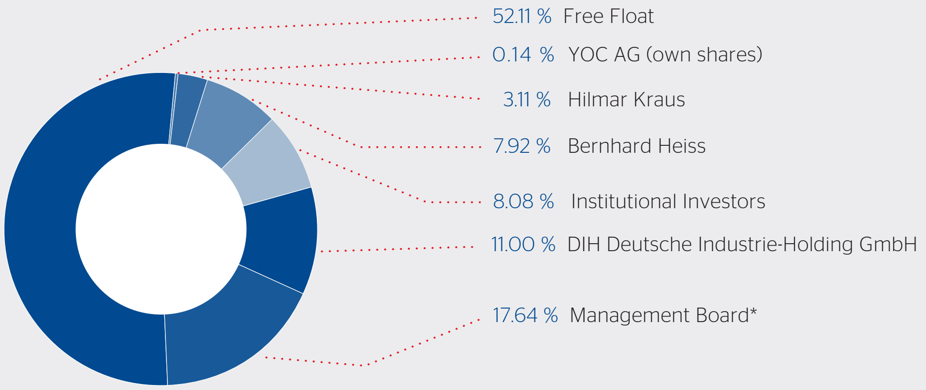
- **Item 7.1.2 Sent. 4 DCGK:** The company will endeavour to comply with the recommendation that the consolidated financial statements be made available to the public within 90 days after the end of the financial year and the interim reports within 45 days after the end of the reporting period, but cannot guarantee that it will do so owing to the large scope of consolidation.

Berlin, March 2015

YOC AG
The Management Board
The Supervisory Board

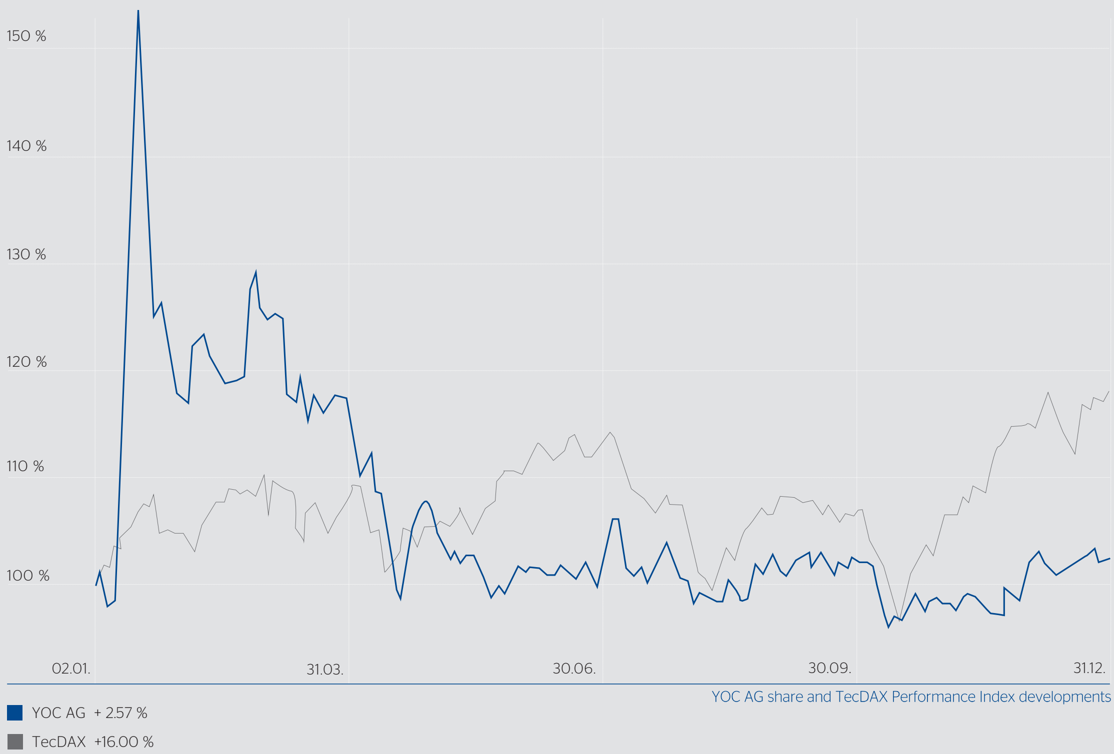
The YOC Share

Shareholders in YOC AG



*The shareholding held by dkam GmbH is attributable to Dirk Kraus.

shareholder structure 31.12.2014



YOC AG share and TecDAX Performance Index developments

Performance of YOC shares and TecDAX Performance Index	YOC AG	TecDAX Performance Index
02/01/2014	1.94	1,182.99
31/12/2014	1.99	1,372.36
Change	+2.57 %	+16,00 %

Share price date (in EUR)	2014	2013	Change
Year-end market price	1.99	1.93	+3,10 %
Peak price	5.20	10.65	-48,82 %
Lowest price	1.60	0.61	+62,29 %

Information on the listing

Stock type	Domenstic shares
Trading place	Xetra
Stock exchange segment	Prime Standard
Securities identification number	593273
ISIN	DE0005932735
Number of shares as of 31/12/2014	2,858,500

2

Group Management Report

Market environment

Mobile Advertising

The market penetration of smartphones worldwide has constantly increased during financial year 2014. According to eMarketer, the distribution of smartphones will pass the mark of two billion for the first time in 2016, while it will already come very close to this number in 2015. Hence, one quarter of the world's population will use a smartphone – in 2018 it will probably be one third. The 951 million users in the Asia-Pacific region in 2014 accounted for more than half of all smartphone users worldwide. The biggest growth of smartphone user numbers by 27 % in the last year was seen in South Africa (eMarketer 2014). China is the largest single nation market for smartphones, followed by the United States (USA). In 2016, India is likely to take the second place before the USA (eMarketer 2014).

The market research institution comScore speaks of a smartphone penetration of more than 57 % on average for Europe (comScore 2013). Specific countries like Great Britain, Spain or Italy have already reached a smartphone penetration of 70 %, according to recent studies. Germany has around 68 % smartphone users (comScore 2014).

Other than with smartphones, the penetration and use of tablets only started to expand in 2012. On the market since 2010, the production of tablets increased to 217 million devices in 2014 to meet the rise in demand, according to IDC (International Data Corporation). In the second half of 2013, sales figures for tablets for the first time surpassed the number of desktop computers sold (IDC 2014). For 2015, surveys predict one million tablet users worldwide. In the current calendar year, around 37 % of the German population use a tablet PC, according to Statista. By 2018, it will be close to half of all Germans at 48 % (Statista 2012). The tablet now faces a competitor – the so called „phablet" (a large-screen smartphone). It is anticipated that the sales of tablets will slow down, as these devices stay in use longer than smartphones and hence are not being replaced as often. Most tablet users come from China, followed by the USA and India. Germany ranks sixth (eMarketer 2015).

For years, the time that users spend with digital media has increased rapidly. This is driven by the use of mobile devices, as especially US studies show (eMarketer 2014). Every month, women and men each spend around 33 hours in the mobile web and use mobile applications or mobile web pages, while women are slightly taking the lead (Nielsen 2014). It becomes more and more popular to watch videos or TV content via mobile web (online study of ARD/ZDF 2014). Smartphones and tablets therefore have a demonstrable impact on internet user behaviour. People access the internet while on the move, and use mobile web pages and apps. In general, the search (via search engines) is the most common starting point for mobile research. Only then follows a targeted search in apps or on web pages (Google 2013, Flurry 2014).

Users clearly prefer the use of mobile apps to mobile web pages. 89 % of the time users are online is spent in social networks and news (both in app), or with emails (Nielsen 2014). Altogether, mobile web usage has significantly increased in the past year, according to Statista. While in January 2014 about 22.4 % of all page impressions were attributable to mobile devices, twelve months later it was about 31.0 %. The usage of mobile internet is particularly intensive in Africa (40.1 %) and in Asia (43.7 %). The reason for this lies in the insufficient fixed network infrastructures on these continents (Statista 2015). According to Price Waterhouse Cooper's Global Entertainment and Media Outlook, by 2017 around 54 % of contents will be received via mobile device, and only 46 % via stationary internet (PwC 2013).

These developments form the basis for the future of mobile advertising. The mobile user can be reached in real time in his personal life via smartphone or tablet PC with a personalised message. Hence, mobile advertising has enormous creative scopes that are more and more recognised by publishers (media owners such as broadcasting stations, publishing houses, product guides etc.) and advertisers, and that keep growing.

However, advertising investment in mobile is still disproportionate to media usage. In 2014, expenses for mobile advertising accounted for 6.2 % of the advertising budget in the USA. At the same time, the citizens of the United States already spend 23.3 % of their media use with mobile devices (ZenithOptimedia 2014). Thus, mobile still holds great potential for investment. As advertisers always direct their attention towards the interest of the user, eMarketer predicts a worldwide increase of 80 % for mobile advertising (eMarketer 2014). Great Britain, the leading market in Europe, already sees a continuous increase of spendings in mobile ads. EMarketer expects that by 2018 mobile advertising will account for more than one third of all media expenses of the country. In 2017, advertising budgets for mobile in Great Britain and Germany are likely to overtake investments in the online channel for the first time (eMarketer 2015).

According to Gartner, the global budget directed towards mobile advertising amounts to about 18 billion US dollar for 2014. It is estimated that it will be almost 42 billion US dollar by 2017. This development is boosted primarily by improved market conditions for advertisers. These include a standardisation of mobile performance measurement, improved targeting methods and the intensive use of mobile internet.

The German “Bundesverband der digitalen Wirtschaft” (BVDW) confirms Gartners opinion that display advertising formats accumulate the highest budgets. In 2013, according to BVDW, 65 million euro in revenue were generated by means of display advertising on mobile devices. BVDW calculated an increase of 65 % to 107 million euro for 2014. The largest advertising spending is seen in the automotive market, followed by trade and telecommunications. In sum, the top ten branches in the analysis of BVDW have significantly increased their gross spending in the mobile channel as compared to the previous year (BVDW 2014).

A trend that has enhanced advertising spending in online marketing in the past three years, and that is currently also spreading to the mobile sector, is programmatic advertising. This is the automated purchase and sale of advertisement via web based platforms, e.g. demand-side platforms (DSP) or supply-side platforms (SSP). These platforms on the one hand allow for better planning of advertisement and improved performance assessment for the advertiser, and on the other makes the placing of advertisements more effective, faster and easier. The progressive automation of advertisement booking via programmatic buying platforms can be observed in the field of online marketing from the example of traditional display advertising. While in financial year 2013 display investment increased by 18 % worldwide following the emergence of programmatic buying, 2014 already saw a further increase by 26 %. According to ZenithOptimedia (2014), this marks the strongest growth in display advertising since 2007.

As more and more advertisers around the world become interested in programmatic advertising, this method of real-time–bidding of advertising inventory is turning into an integral part of mobile advertising campaigns (eMarketer 2014). Gartner and BVDW show that display advertising is a relevant growth engine for mobile advertising. Analogically to the online history of programmatic advertising, the same is expected for mobile advertising.

The leading market in the USA shows a growing readiness of US American publishers to invest in online and mobile real-time-bidding. Consequently, eMarketer concludes that by 2016 the US American programmatic advertising sector alone will generate 20.4 million US dollar in revenue, and will therefore – through programmatic buying and selling - become the dominating transaction method (eMarketer 2014). Mobile and video ads will form the main pillars of this development (Business Insider UK 2014).

From a commercial point of view, mobile advertising has the superb feature of being able to locate the user. Also, the current usage of the smartphone is being considered in real-time; for example, which web contents are currently being viewed by the user. It is precisely this potential that nourishes the future of automated media trade (Quarticon 2015).

Scope of service

With a smartphone penetration of more than 57 % on average (comScore 2013), mobile advertising has matured to the point that it has become a key medium for digital advertising in Europe. Some countries like the UK, Spain and Italy have, according to recent studies, already reached a smartphone penetration of 70 % (comScore 2014).

YOC is one of the largest independent premium mobile advertising providers in Europe, and has developed an expertise in this business sector since 2001. With an available coverage of several billion ad impressions per month, we reach around 40 million mobile internet users every month. 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 long-standing 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 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 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 the market average. With its concept of audience targeting, YOC guarantees, while ensuring data protection standards, that users are only shown the most relevant advertisements.

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. With our full-service approach we are 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 applications (mobile apps) and the app ecosystem thus evolved, is 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 in 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.

Business development

In 2014, YOC AG has implemented the strategic focus on its core business of Mobile Advertising along with the restructuring programme, both started in October 2013. An important part of this was the sale of the Affiliate Marketing business segment in Q3 2014. In the same quarter, YOC managed to assert its claim for the variable purchase price component from the sale of YOC Group's former Mobile Technology business segment. This segment had already been deconsolidated in Q3 2013. In fulfilling the strategic objective, the company's sole focus is now on the Mobile Advertising business.

Due to financial restructuring, the company was able to generate positive equity effects amounting to EUR 6.0 million along with cash effects amounting to EUR 4.2 million. All loans were repaid – the company is therefore clear of debt from external loan liabilities. The adjustment of the cost structure has led to a financial relief in the amount of EUR 3.9 million in financial year 2014. The company was able to attract and retain capable and committed mobile advertising specialists in all European locations, and to win highly-qualified personalities for key positions. Furthermore, it gained Sacha Berlik and Konstantin Graf Lambsdorff as capable members for the Supervisory Board around Chairman Dr. Nikolaus Breuel. In Germany, YOC expanded by opening a second location in Dusseldorf in order to optimise work processes and to ensure a more efficient and customer oriented extension of the premium portfolio.

The promotion of product innovations that promise higher gross profit led to an increase of the gross profit to 32 % in the financial year 2014 (2013: 29 %). Based on the strategic focus on programmatic mobile advertising, YOC Group aims at growing revenues combined with a further increase in gross profit as early as in financial year 2015.

Internationalisation

YOC Group profited in the financial year 2014 from insights gained through its presence in the core European markets, its increasing range of products and its longstanding market expertise since 2001. In addition to its headquarters in Berlin and the Dusseldorf location, the company has four other branche offices in the UK (London), Spain (Madrid), Austria (Vienna) and France (Paris).

In particular, the German speaking locations in Austria and Germany have developed as expected. In Austria, YOC is the uncontested market leader. Along with a significant increase in revenue, the company was able to secure the first place in the ranking of online marketers, as the market research institution MindTake from Vienna ascertained.

Setbacks stem from the absence of volumes in the Spanish, French and British markets. After the surprising departure of the complete Spanish staff in Q4 2013 and the resulting drastic weakness in turnover, the branch office recovered increasingly from Q3 2014 onwards, due to the establishment of a new, capable team. The French subsidiary shows an insufficient economic development for 2014. In the British market, however, YOC has initiated a turnaround in the second half of 2014. Here, the company was able to introduce innovative programmatic products required by this rapidly changing leading market.

YOC Group's development in financial year 2014 hence shows notable differences in the various countries, whereby some individual markets remain on a still unsatisfactory level. Nevertheless, even in these markets the groundwork was laid for renewed growth and for taking a leading role in mobile advertising.

Core business of Mobile Advertising

YOC continues to develop innovative mobile advertising formats. In 2014, the company launched, among others, the Advertorial and the Push Ad together with French tyre manufacturer Michelin. Particularly popular in 2014 were campaigns with video ad formats. Classic mobile standard formats (e.g. MMA banners, interstitial or flip ads) remained the most frequently booked ad formats in financial year 2014. Altogether, the company since 2009 has achieved a 56 % increase in mobile advertising campaigns Europe-wide.

The international publisher portfolio was further extended during the past year. In the German speaking countries for example, Quoka.de or Antenne Bayern were won as new clients. At the end of 2014, the subsidiary in Austria was able to expand its portfolio through an exclusive partnership with Shazam, one of the worldwide leading mobile apps for music and TV recognition, officially started in January 2015. This cooperation was initiated by YOC Spain. The Spanish subsidiary set the seal of the partnership with Shazam - officially started in February 2015 - at the end of 2014. El Desmarque and Kidealia are two more renowned Spanish publishers enhancing YOC´s Media Network. In the UK, top publishers such as Trinity Mirror or Evening Standard & Independent (ESI Media) were secured as partners on a long-term basis.

During financial year 2014, YOC was able to convince numerous international advertisers from various branches of its products; customers include: **HTC, DM Drogerie Markt GmbH, Longchamps, Vodafone, Audi, L'Oreal, Telefonica, Iberia, ASDA, Shell, Arriva, eOne, ASOS, Orange, Ford,**

Deutsche Bahn, Google, Microsoft, Samsung, among many other companies using YOC's mobile advertising products.

Transformation of the business model

By means of the abovementioned factors, YOC Group succeeded in positioning itself as a provider of mobile advertising only. The focus lies on successively developing further innovative products for the automated real time trade of mobile advertising spaces as well as for the traditional direct trade. Revenues deriving from the strategic sales were used for this purpose. In so doing, the company responds to a constantly changing competitive environment in order to live up to its own ambition to take a leading role in the market. Important activities were thus the establishment of private marketplaces so as to position the company within the programmatic trading segment, or the launch of YOC Programmatic Data Targeting for a data driven, precise targeting for advertisers.

The changing product strategy of the company has brought about first positive signals in the UK, the leading market for mobile advertising in Europe, towards the end of 2014.

Further development of IT infrastructure and technological integration

YOC has a high-performance IT system landscape and proprietary software products with which it is able to market and deliver special advertising materials developed for mobile devices. The underlying technology platforms are developed in-house and are noted for their flexibility, power, reliability and scalability. They have numerous interfaces through which networked applications can be integrated. For this purpose, YOC has its own IT departments which manage and further develop the software concerned (for example, YOC Tags and SDK).

The development of tools for process automation is an important part of YOC's IT services. Through a flexible and scalable system, the combination of various different technologies is possible. Data generated therefrom is used to support the business process, as well as for automation and business intelligence (BI) purposes. The centralised evaluation of data arisen during business operations helps gaining insights on changes and chances, which enables the company to respond quickly to any circumstances. The improvement of automated processes was a key component of the IT strategy for 2014.

Another focus of the IT department was the development of new, innovative advertising formats. With the production of interactive formats, YOC's range of products stands out from comparable competitors, and is particularly attractive for well-renowned advertisers. In the meantime, YOC's IT department has further developed so called SDKs (software development kits) for iOS and Android operating systems. Here, the focus was on ensuring compatibility with up-to-date automated platforms for media trade.

The database and application servers used by YOC are installed in Berlin and administered by YOC's IT department. In addition, further servers are operated for security reasons in TÜV-certified data centres and likewise administered by YOC and hosted by outside service providers.

Employees

As of 31 December 2014, YOC Group had 50 permanent employees, a decline by around 43 % as compared to the previous year (2013: 87 permanent employees). This is mainly due to the sale of the Affiliate Marketing business segment in July 2014 along with the focus on the core business of Mobile Advertising and the reorientation of the company.

As in previous years, the search for employees with the requisite knowledge and experience turned out to be a formidable undertaking for the personnel division as it sought to suitably mitigate the shortage of skilled workers. As a result of this process, the group has further internationalised its workforce.

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Development of profit

In 2014, YOC Group has implemented the strategic focus on its core business of Mobile Advertising, and in July 2014 sold and deconsolidated its Affiliate Marketing business segment. Due to separate presentation as Discontinued Operations according to IFRS 5, the results of the Affiliate Marketing segment will not be included in the following explanations (an analysis can be found in section 5 of the Notes to the Financial Statements). To allow for better comparability, previous year's figures are shown without the Affiliate Marketing results, and thus do not correspond with the data in the 2013 financial statements.

Revenue trend and overall performance

YOC Group's revenue was EUR 9.4 million (2013: EUR 11.9 million) in the reporting period. In the German speaking market, the expectations for the financial year were met with increased revenues in mobile advertising as compared to the previous year. In the other European countries YOC was not able to satisfy all expectations. The transformation of YOC AG to a provider of premium mobile programmatic services particularly in these countries is followed by a first increase in turnover in the second half of the financial year 2014. However, in the current financial year this still did not suffice to compensate the effects described in the chapter „Revenue by region".

The company's total output decreased slightly to EUR 12.3 million year-on-year (2013: EUR 13.3 million). In the course of the restructuring measures taken, the company drew a profit of EUR 1.1 million in terms of financing by externally purchasing receivables standing against the company, as from company-perspective related liabilities could be reduced. Further income was generated by dissolving liabilities amounting to EUR 0.6 million that had been estimated too high in previous years. Additionally, the sale of dispensable business equipment added EUR 0.2 million to earnings.

Revenue by region

Revenues in the D-A-CH region increased by 16 % as compared to the previous year. In Austria, YOC was able to maintain its position as market leader, and even exceeded the market forecasts with a significant rise of 63 % in revenue. On the German domestic market, revenues remained stable at previous year's level.

In Spain, YOC faced a significant drop in revenues during the financial year 2014 due to the loss of the whole sales team in spring 2014. Within a short period of time, the company was able to form a new management and sales team, and to keep other partners from leaving. The systematic establishment of a new team, combined with finding new important business partners, has led to first remarkable achievements in Q4 2014. In Q1 2015, YOC AG was able to form an exclusive partnership with the world's leading app for music and TV recognition, Shazam, on the Spanish market. Consequently, the sales performance in this region will improve significantly in the short to medium term.

On the British market, YOC was not able to meet market expectations in 2014, and accordingly lost market shares. The repositioning of YOC Group in programmatic business, begun in the second half of 2014, should, with the expected development, take advantage of the opportunities of current market trends, and should lead to a stronger position on the Mobile Advertising market. First positive effects have already added to a successful fourth quarter 2014 on the British market.

Gross income

Material expenses decreased by 25 % to EUR 6.4 million, slightly out of proportion to the trend for revenue (2013: EUR 8.5 million). The gross profit margin increased to 32 % in the year under review (previous year: 29 %), inter alia due to effects from the transformation to a new product range.

Personnel expenses and personnel development

In contrast to the previous year, the average number of employees employed by YOC Group decreased by 35 % to 60 employees (2013: 93 employees), in particular through a reduction in staff numbers in its central service departments. As of 31 December 2014, YOC Group employed 50 permanent employees (2013: 87).

Personnel expenses lay significantly below previous year's level at EUR 4.0 million (previous year: EUR 6.7 million). Aside from the decrease in staff numbers, especially adjustments to the management structure account for this development. Special effects from 2013 (increased severance payments, bonuses and commissions) have led to further cost reductions.

Revenue per employee increased by 22 % year-on-year to kEUR 156 (2013: kEUR 128).

The personnel cost ratio, which sets personnel expenses in relation to total output for the period, decreased to 32 % (2013: 50 %).

Other operating expenses

Other operating expenses in the financial year 2014 were below previous year's figures at EUR 3.2 million (2013: EUR 4.4 million) – though these include non-off expenses at EUR 0.3 million resulting from the restructuring.

Adding to ongoing operating costs, expenses were incurred especially for legal services and consulting in the course of selling the business segment Affiliate Marketing, for reaching a final sales agreement for the sale of the Mobile Technology business segment as well as for the temporary support by external consultancy services.

Rental costs were down on the previous year after the Berlin headquarters as well as the offices in London, Paris and Madrid moved to new premises.

In summary, cost-cutting measures throughout the year have an impact on several areas, resulting in a significant decline of the ration of other operating expenses in relation to total operating revenue by 7 % year-on-year to 26 % (2013: 33 %). The taken measures will be fully effective in the year to come, and will lead to further, visible cost reductions, so that a further decline in other operating expenses is to be expected for the financial year 2015.

EBITDA

Operating earnings before interest, tax and depreciation/ amortisation amounted to EUR -1.3 million in 2014 (2013: EUR -6.2 million). An income of EUR 1.3 million due to restructuring measures contributed to the significantly improved result. After the drop in revenues especially in the other countries of Europe, the company now faces a positive business development, so that Q4 2014 already saw improved results combined with cost reductions.

A quarterly comparison of EBITDA in the course of time shows a continuous improvement of operating results not only year-on-year but also in the course of 2014.

Following non-recurring effects affected the EBITDA in the financial year 2014:

Q1/2014
Q1/2014 included positive earnings at EUR 0.75 million from the settlement of the creditline by purchasing the debt as well as a profit of EUR 0.15 million from selling dispensable property, plant and equipment. On the other side, expenses for external consultancy services in the course of the strategic reorientation led to exceptional expenses of EUR 0.1 million.

Q2/2014
The results in Q2/2014 at EUR 0.7 million contain expenses of the strategic reorientation amounting to EUR 0.1 million.

Q3/2014
In Q3/2014, the purchase of receivables led to the redemption of an external loan with a positive effect on the result of EUR 0.4 million. In addition, other non-operative effects resulted in a positive effect amounting to EUR 0.2 million. Expenses of the strategic reorientation accounted for EUR 0.1 million.

Q4/2014
The result in Q4/2014 is affected by changes in estimation of the valuation of the stock option programme and other non-operative effects amounting to EUR -0.2 million. The results of the fourth quarter already do not include non-recurring effects from the strategic reorientation.

In the financial year 2013 first restructuring measures were effective with a positive effect amounting to EUR 0.4 million.

Adjusted for these effects, EBITDA for the group increased year-on-year by EUR 4.3 million to EUR -2.3 million (2013: EUR -6.6 million)

All in all, the operating business of YOC AG was significantly better off than in the previous year, restructuring measures have proved to be effective and will, if the business development turns out as planned, contribute to a further increase in earnings in the financial year 2015.

Net income Mobile Advertising

Earnings after tax for the continuing operations (including corporate functions) have clearly improved during the period under review standing at EUR -1.7 million (2013: EUR -8.0 million); the measures adopted in the course of the restructuring programme are clearly beginning to take effect.

Scheduled depreciation in the period under review declined by EUR 0.7 million to EUR 0.3 million (2013: EUR 1.0 million).

The non-cash item of taxes on income and revenues were significantly below previous year's EUR 0.7 million at EUR 0.1 million.

Net income discontinued operations

Before its deconsolidation, the Affiliate Marketing segment, sold in July 2014, contributed to earnings amounting to EUR 0.8 million.

By deconsolidating belboon GmbH, the sale of the Affiliate Marketing business segment led to exceptional earnings for YOC Group in Q3 2014, and thus a positive equity effect amounting to EUR 3.3 million.

In Q3 2014, a positive cash-inflow of EUR 1.25 million as well as a positive equity effect of EUR 0.9 million were generated by achieving an agreement on variable purchase price components related to the sale of the Mobile Technology business segment in 2013. The Mobile Technology business segment was sold for the total purchase price of EUR 6.5 million.

Overall, discontinued operations resulted in net income amounting to EUR 5.0 million during the financial year 2014 (previous year: EUR -2.5 million) for YOC Group.

Net income YOC Group

With the effects presented above, the Group's net income in the financial year 2014 amounted to EUR 3.3 million (2013: EUR -10.5 million).

Development of financial position and net assets

Mainly due to the sale of the Mobile Technology and Affiliate Marketing segments in the course of restructuring the company, YOC Group's balance sheet structure has been adjusted for items on the statement of financial position no longer belonging to YOC Group, and draws a completely new image of assets and liabilities remaining in the core business.

The strategic reorganisation brings about positive effects such as especially an increase in equity, but also on the side of assets we see an increased productivity for self-developed products, by means of a stronger focus on developments in the mobile advertising market.

YOC Group's total assets amounted to EUR 4.1 million as of 31 December 2014, and therefore fell by 47 % in comparison to the end of the financial year 2013 (EUR 7.7 million). The reduction in total assets reflects mainly the disposal of assets (EUR 2.2 million) and debts (EUR 3.5 million) from the sale of the Affiliate Marketing business segment.

Non-current assets

The value of non-current assets was EUR 0.7 million as of the reporting date, EUR 1.6 million lower than in the previous year.

Especially the goodwill connected to the sold business segment led to a decline amounting to EUR 1.2 million.

As of 31 December 2014, other intangible assets remained almost unchanged as compared to the previous year at EUR 0.5 million. The company's self-developed software items brought an inflow of EUR 0.4 million. With scheduled depreciation of EUR 0.2 million along with an outflow of EUR 0.3 million from the sale of belboon GmbH, other intangible assets remained on previous year's level.

Property, plant and equipment declined by EUR 0.4 million to EUR 0.1 million due to lower investment requirements. In addition, dispensable tangible assets were sold for a profit in the beginning of 2014. Depreciation amounted to EUR 0.2 million.

Current assets

Current assets amounted to EUR 3.5 million on the reporting date, and declined by EUR 2.0 million as compared to the previous year. Sold assets from the Affiliate Marketing business segment account for EUR 0.7 million altogether.

Trade receivables came to EUR 1.6 million as of 31 December 2014. This is a decline of EUR 2.4 million as compared to the previous year. Besides the outflow of assets from the sold Affiliate Marketing segment amounting to EUR 0.6 million, receivables declined especially in Spain (by EUR 0.7 million) and Great Britain (by EUR 0.9 million).

The decline of EUR 0.3 million in other assets stems from realising variable purchase price components reported in 2013 figures from the sale of the Mobile Technology business segment in July 2013 (outflow EUR 0.7 million), and the recognition of a variable purchase price component from the sale of the Affiliate Marketing segment (inflow EUR 0.3 million).

Cash and cash equivalents increased by EUR 0.7 million to EUR 1.2 million. For an analysis of the change in available cash and cash equivalents, reference is made to the statement of cash flows.

Equity

As of 31 December 2014, YOC Group's equity amounted to EUR -1.7 million (previous year: EUR -4.7 million). The increase can be ascribed mainly to the annual surplus of EUR 3.3 million.

The currency translations of the financial statements of the British subsidiaries into euros led to losses reported in other comprehensive income which decreased equity by EUR 0.2 million. This effect can be attributed to the devaluation of the euro against the British pound at the end of 2014 and up until today.

Non-current liabilities

At the reporting date, non-current liabilities of YOC Group have shown a decrease by EUR 0.6 million to EUR 0.06 million as compared to the previous year. The decrease is mainly due to the external purchase of a long-term shareholder loan of EUR 0.6 million issued in 2013. Therefore, YOC Group has no more external financial liabilities by 31 December 2014, taking into account the full repayment of the short-term credit line.

Current liabilities

Current liabilities during the financial year 2014 decreased by EUR 6.0 million to EUR 5.7 million.

The decrease of current liabilities can be ascribed largely to the disposal of liabilities amounting to EUR 3.4 million in connection with the sale of the Affiliate Marketing business segment (disposal of other financial liabilities EUR 1.7 million, received advance payments EUR 1.4 million, trade receivables EUR 0.2 million, other liabilities EUR 0.2 million).

Along with the development of material expenditure, trade receivables decreased by EUR 0.5 million (EUR 0.2 million of which are from selling the Affiliate Marketing segment), as did other financial liabilities for services not yet invoiced.

Furthermore, a credit line of EUR 1.0 million that was fully exploited as of February 2014 could be discharged in full with a credit institution by means of debt purchasing at EUR 0.25 million, with an effect on results amounting to EUR 0.75 million. The company sees a EUR 0.5 million decline in liabilities towards credit institutions as compared to the previous year.

As a consequence, YOC Group's statement of financial position as of 31 December 2014 shows no more liabilities towards credit institutions and shareholders.

A further EUR 0.4 million decline in current liabilities is due to a double payment made inadvertently at the end of 2013 which has been paid back at the beginning of 2014.

Following the final agreement for the sale of the Mobile Technology business segment, further liabilities amounting to EUR 0.5 million were derecognised affecting net income.

Other liabilities decreased by roughly EUR 0.6 million to EUR 0.7 million (EUR 0.1 million of which are from the sale of the Affiliate Marketing segment), and contain mainly liabilities from personnel issues amounting to EUR 0.6 million (previous year: EUR 0.9 million) as well as liabilities for value added tax at EUR 0.1 million (previous year: EUR 0.3 million).

Other financial liabilities include liabilities from not yet received incoming invoices, amounting to EUR 2.3 million (previous year: EUR 4.7 million).

Prepayments received were almost fully deducted in the course of selling the Affiliate Marketing segment, and led to a decline by EUR 1.7 million.

Cash flow

As of the reporting date, YOC Group's cash and cash equivalents amounted to EUR 1.2 million. Thus, the increase in liquidity amounted to EUR 0.7 million as compared to 31 December 2013.

The inflow of cash consisted of the operating cash flow amounting to EUR -1.9 million, cash inflow from investing activities amounting to EUR 2.7 million as well as cash outflow from financing activities amounting to EUR -0.1 million.

The operating cash flow during the financial year 2014 amounted to EUR -1.9 million (previous year: EUR -4.8 million), and can be attributed in particular to the positive consolidated operating result before depreciation and amortisation at EUR 3.3 million (2013: EUR -10.5 million).

Cash inflow from investing activities during the completed financial year amounted to EUR 2.7 million (previous year: EUR 4.4 million).

Noteworthy are earnings from selling the Affiliate Marketing segment, the variable purchase price payment for the Mobile Technology segment sold in 2013, and the sale of dispensable assets in the course of moving the company headquarters in Berlin to new premises.

Furthermore, in total EUR 0.3 million were invested in internal development in connection with developing of technological platforms and new products.

Cash flow from financing activities during the current financial year 2014 is almost balanced.

Shareholder loans received in Q1 2014, amounting to EUR 1.0 million, were repaid in full in Q3 2014.

Thereof, a shareholder loan received in 2013 was settled in Q3 2014 by purchasing a debt with an outflow of EUR 0.25 million. This led to a positive equity effect amounting to EUR 0.4 million.

In Q1 2014, YOC AG obtained EUR 0.5 million by using the full potential of a creditline with financial institutions. Successful negotiations with a credit institution brought about an exceptional income of EUR 0.75 million; the purchase of remaining receivables led to an outflow of EUR 0.25 million.

Financial management

All loans received by the Group have consequently been reduced by 31 December 2014. YOC Group is therefore clear of debt from external financial liabilities.

As of 31 December 2014, YOC Group had cash and cash equivalents available amounting to EUR 1.2 million.

Research and development

Costs for research and development of new products or technological innovations during the financial year 2014 amounted to EUR 0.6 million (previous year: EUR 0.6 million).

The company is focusing its product development on the automated sale of mobile advertising spaces in the field of mobile programmatic advertising as well as on the product YOC Audience which optimises the supply of advertisements through targeting criteria, in order to increase the effectiveness of advertising.

For the further growth of YOC Group and for strengthening its market position, it is essential to stay competitive in the field of technology, thus we are pushing forward with improving and developing our products and platforms internally.

Summary of the results of operations, financial position and net assets

For the first time since 2010, YOC Group drew profits and thus significantly improved their equity.

Operating results confirm the upward tendency after completing the restructuring measures until the end of 2014. In YOC Group's core business of Mobile Advertising, operating loss was significantly reduced. Further sustainable improvement of operating profitability is the focus of our actions.

Because of the strategic reorientation and the decision to focus solely on YOC Group's very first business of Mobile Advertising and the chances for growth perceived in this business sector, the weaker business segments Mobile Technology and Affiliate Marketing have been sold consequentially. In sum, the sales in 2014 led to earnings at EUR 5.0 million from discontinued operations. These earnings at the same time form the foundation for expanding the mobile advertising business.

After the Mobile Technology and Affiliate Marketing business segments have been sold, YOC Group's statement of financial position has been significantly streamlined.

Short-term liquidity measures should only cover the capital needs until the turnaround that is expected in the short to medium term. Adding to successful financing measures in 2014 - the sale of the Affiliate Marketing segment, the successful final agreement with the buyer of the Mobile Technology business as well as the consequent implementation of restructuring measures – the Management Board intensified consultations with investors regarding possibilities of improving capital resources by means of equity and debt capital measures, in order to ensure the achievement of the set targets.

Forecast report

Economic conditions

In the Euro region, the German Ifo Institute for Economic Research speaks of a slight recovery of the economy in 2014, driven by Germany and Spain (ifo 2015). The German economy alone has proved to be extremely stable on average in 2014, according to calculations by the German Federal Statistical Office. The price-adjusted gross domestic product (GDP) was 1.5 % higher than in 2013, above the average of the past ten years. In the two precedent years, the GDP had grown more moderately (in 2013 by 0.1 %, and in 2012 by 0.4 %). The German economy particularly benefitted from a high domestic demand and could therefore assert its position in a difficult world-wide market environment. Aside from the construction industry, especially the service sector shows a positive development. In sum, the price-adjusted gross value added in all economic fields increased by 1.4 % as compared to the previous year (Destatis 2015).

Worldwide forecasts predict economic growth for 2015 and 2016, influenced by the drop in oil prices and liberal monetary policies of many issuing banks. The Organisation for Economic Co-operation and Development (OECD) and the German Institute for Economic Research (DIW) expect stronger economic growth particularly in the euro countries and India (OECD 2015 and DIW 2015). This benefits the consumers. Capital investments can therefore make use of a stronger domestic and international demand as well as improved financing conditions. The employment market is likely to be revitalised, and we are going to see slightly increased wages. The OECD identifies risks in abnormally low inflation and interest rates (OECD 2015).

Especially highly industrialised economies such as the euro region and Japan profit from the lower oil price. Growth rates in India are predicted to surpass those of China for the first time in the current year. OECD growth forecasts for USA remain unchanged at 3.1 and 3.0 % (OECD 2015).

Global advertising market

After an increase by 5.1 % in the financial year 2014, the global advertising market is expected to grow by 4.9 % to US dollar 545 billion in 2015, according to the "Advertising Expenditure Forecast" issued by the media agency group Zenith-Optimedia (ZenithOptimedia 2014). This is confirmed by the experts from Magna Global (buying group of the Interpublic Medianetworks Initiative and Universal McCann, operating worldwide) according to their calculations for 73 countries. They predict advertising expenditures to increase by 4.8 % to USD 536 billion (EUR 436 billion) (Magna Global 2015). Due to the general improvement in the economic situation, Zenith Optimedia expects a rising tendency for the advertising market, the strongest growth drivers being mobile advertising and social media (Zenith Optimedia 2014).

Digital Advertising

The digital economy in Germany is, like in previous years, ranking fifth of the 15 most important locations worldwide, as is evident from the Monitoring-Report Digital Economy 2014, issued by the German Federal Ministry for Economic Affairs and Energy (BMWi). The German ICT branch (information and communication technology) has an annual turnover of EUR 226 billion, and with EUR 85 billion adds about as much to the commercial creation of value as automotive manufacturing. Measured in terms of the gross domestic product (GDP), this corresponds to a share of about 3.1 % (BMWi 2014).

According to the current statistic of OVK (the online marketer section within Bundesverband Digitale Wirtschaft / BVDW), the trend toward digitalisation in the German advertising market is still continuing. The online and mobile display advertising market achieved growth by 6.6 % to EUR 1.58 billion, as compared to 2013. Responsible for this upswing are programmatic advertising, moving images (video) and mobile businesses. Both video and automated delivery of advertisement have seen double-digit growth rates in 2014.

Mobile advertising is growing disproportionate to the overall display advertising branch and the overall advertising market. With EUR 134 million, mobile advertising is clearly above the threshold of perception. Mobile display advertising even recorded a 52 % gain (OVK 2015). For 2015, the MAC ad statistics predict a further 50 % growth along with a net advertising volume of EUR 201 million (Mac Mobile Report 2015/1).

Outlook

On the whole, YOC expects to see significantly increasing sales revenues at double-digit rates in the coming financial year. This has already become apparent by the end of Q1 2015. Due to the consequential strategic focus on its core competence of mobile advertising and on strengthening the market position in line with the requirements of the industry, stable growth can also be expected in the medium-term. The positive economic conditions worldwide support this outlook.

The restructuring of the company to a premium mobile programmatic provider elevates the company to a whole new product level and will, if expectations are met, lead to a stronger market position. In the future, the planned extension of these services will account for a major part of total revenues. Through the expansion in this sector, we expect an increased gross profit margin, while at the same time pushing forward the independence from larger co-operations.

Following the strategic reorientation and restructuring, YOC Group expects an improved revenue and operative earnings situation for the financial year of 2015, and will continue with this development after financial year 2015. A prerequisite for this is the development of the international subsidiaries according to plan figures. Investments in innovative technologies and products are part of the company's strategy to strengthen and extend the development that is under way. On the grounds of the developments described above, YOC Group anticipates a slight improvement of operative losses adjusted for special effects.

The restructuring measures implemented from September 2013 until the end of 2014, along with the focus on YOC Group's original core business, form the necessary basis for further development.

Nethertheless, due to the ongoing loss-making situation, results from the operative business are not sufficient to satisfy the short to medium term liquidity requirements. The Management Board expects negative operative cash flows, and is considering further possibilities for debt and equity financing to ensure the continuation of the parent company and the group as a going concern. The strained liquidity situation needs to be counteracted by various different measures which the company has already initiated in parts. These measures or events include in particular:

- A timely cash inflow in the amount of EUR 1.1 million from the realisation of planned debt and equity financing measures,
- a timely and successful collection of debts of up to EUR 0.3 million from the variable purchase price component from the sale of the Affiliate Marketing business segment,
- a successful implementation of further financing measures (e.g. factoring, allocation of an additional creditline) and the successful assertion of claims from non-operative business transactions in the six to twelve months to come.,
- a timely realisation of a significant growth in revenue and a considerable improvement of the operative results and thus reaching the set goals for business performance.

The continuation of the parent company and the group as a going concerndepends on a successful application of the abovementioned measures and the realisation of the business performance according to plan, so that liquidity inflows can occur as proposed.

Opportunities and risk report

Principles of risk and opportunity management

YOC Group takes a comprehensive, systematic approach to opportunity and risk management to achieve its goals in this regard. This ensures that the company is able to recognise and diligently seize opportunities without disregard for the associated risks.

Continual development of the opportunity and risk management system to adapt to rapidly changing market and business conditions is the foundation for sustainable growth. To that end, the company consciously takes necessary risks while weighing them against the potential rewards in order to take advantage of market opportunities and exploit the potential for success inherent in them.

A key element of this system is the internal reporting of operational key performance indicators. This provides a means for early detection and assessment of risks and opportunities. The Management Board monitors the implementation of risk control measures and the realisation of opportunities in the operating units.

The appropriateness of the risk management methods and processes used to identify, assess, control, monitor and communicate risks is reviewed at regular intervals and adjusted in response to internal and external developments.

Market risks and risks of competition

YOC Group is active in a young and rapidly developing market. This environment demands highly flexible processes and structures. Changes in market and competitive conditions, such as the appearance in the market of a new competitor, for example, are among the risks which YOC Group seeks to anticipate through constant market and company monitoring. The business development department in particular works to ensure that emerging trends and new developments are detected.

Changes in economic factors resulting in declines in orders especially in the advertising sector may also have an impact on YOC Group's development. Given its broad range of products and services and its diversified customer base, YOC Group is well positioned to withstand such developments. The risk of a decline in sales as a result of conditions in the economy as a whole is estimated to be low.

Risks from acquisitions

Acquisitions of subsidiaries pose not only financial risks, but also challenges to the organisational consolidation of the companies. YOC Group has trained its focus on the various corporate cultures in the different subsidiaries and the arrangement of organisational interdependencies as a means of exploiting synergies. There is an attendant risk that synergies will not be realised to the intended extent or that the subsidiaries will not achieve the planned return on sales. Not every acquisition in the history of YOC Group has brought about the desired results. More thorough organisational and personnel integration within the Group is planned to prevent such developments in the future.

Technological risks

YOC Group pursues a uniform IT strategy which involves constant monitoring and further development of its IT systems. The speed of technological innovation in the market demands a great deal of flexibility and increasingly poses a risk. A large part of the problem is the lack of standards in some areas of the technological environment. Substitutes or products from competitors could weaken YOC Group's competitive position. Technological innovation must therefore be promoted in the interest of long-term success and to strengthen the company's market position. Because of the highly dynamic nature of the market, investments in the development of new products and technologies also bear the risk that such investments will prove to be unprofitable.

When selecting IT systems, YOC Group for the most part chooses industry-specific standard software from reputable providers. The arrangements for information security comprise the implementation of encryption mechanisms, firewalls and virus scanners. Precautionary measures against technical equipment failure have been taken through parallel operation of technical applications so that client orders are processed smoothly at all times. In addition, backup systems protect the database against possible loss of data and ensure that it is consistently available.

Financial and treasury risks

YOC Group set up its own treasury function to plan and monitor cash flows. The liquidity management unit helps the Management Board monitor the effectiveness of liquidity support measures by tracking business performance and cash flow fluctuations. The management decisions rely, among other things, on key performance indicators which provide information on the company's capital structure.

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The risk of default by debtors is countered through rigorous accounts receivable management which monitors the age distribution of receivables and manages those whose payment is in doubt.

As of 31 December 2014, the company has cash and cash equivalent sin the amount of EUR 1.2 million.

Along with the implementation of the restructuring concept and the associated focus of the business model on Mobile Advertising, operating results have significantly improved, and, as a consequence, operative losses were considerably reduced.

The operating earnings situation is being further optimised through an increase in revenue as well as gross profit. Thus, liquidity requirements are constantly on the decline.

Currently, the management is evaluating various options for the implementation of equity and debt capital measures which are meant to provide liquidity for further development or, as the case may be, until positive cash flow is generated.

Due to negative operative cash flows, the group tries to counter the strained liquidity situation with various measures. The continuation of the group as a going concern crucially depends on the successful implementation of the measures described in the chapter „Outlook", on the timely realisation of a significant increase in revenue as well as the substantial improvement of operative results and hence reaching the set goals for business performance. In the absent of such measures described in the chapter „Outlook"or if no improvement of operative earnings can be realised, the group's continuation as a going concern would be at risk.

Legal risks and liability risks

To avoid legal risks, external lawyers are engaged to review important legal transactions. YOC Group protects itself against claims and potential liability risks with comprehensive insurance cover which is subject to ongoing review. The current directors & officers liability insurance policy protects the management in the event of financial losses to the company.

Neither YOC Group nor one of its subsidiaries was a party in any ongoing or foreseeable judicial or arbitral proceedings in the financial year 2014 that might have a material impact on the corporation's financial position. No negative developments are expected for the coming financial year either.

Legislative decisions such as a change in the data protection law also could have a negative effect on YOC Group's business activities. As the financial statements are being drawn up, however, YOC Group is not aware of any plans for legislative changes in the foreseeable future that would significantly affect it.

Personnel risks

The successful development of YOC Group depends on its ability to attract and earn the loyalty of qualified employees. Owing to vigorous growth in the markets of relevance to YOC Group, the labour market for personnel with the required knowledge and experience is extremely competitive. The risk of staff shortages is monitored and avoided with the support of a Group-wide staff planning system. Staff development measures and a performance-based remuneration system which is subject to regular review by the Management Board ensure that we remain competitive in the market for personnel. Programmes of training and advanced education also guarantee that several key members of staff work in each company segment. Rules on replacement and succession ensure the safeguarding of business procedures and decision-making processes.

Employees who work with confidential information are obliged to comply with the applicable rules and are to deal with confidential information in a responsible manner.

Planning risks

Forecasts for revenue and expenses involve planning risks. Considering the highly dynamic nature of the market, short and medium-term planning is based mainly on estimates and assumptions, particularly sales forecasts. Regular review of these assumptions allows the Management Board to react to outcomes that diverge from plans and to initiate countermeasures accordingly.

Inspection and risk management report on the accounting process

(Sect. 289 Para. 5 and Sect. 315 Para. 2 No. 5 German Commercial Code (HGB))

For both YOC AG and YOC Group, the existing control and risk management system comprises the entirety of all organisational provisions and measures for identifying, assessing and communicating risks and dealing with the risks of entrepreneurial activity. As regards the (Group's) accounting process, moreover, the internal financial control system is organised and continually developed to ensure that the relevant accounting principles and standards are observed, and that the accounts are prepared properly, so that the financial reporting provides a true and fair view of the real circumstances of YOC AG's and YOC Group's net assets, financial position and results of operations.

The Management Board bears all responsibility for the internal control and risk management system as it relates to the (Group's) accounting process. All companies covered in the consolidated financial statements are integrated through a firmly defined management and reporting structure. Operational responsibility is vested in the Management Board which is assisted by the management of the accounting department.

We regard the following elements of YOC Group's internal control and risk management system as essential to the (Group's) accounting process:

- Procedures for identifying, assessing and documenting all essential business processes and areas of risk relating to accounting, including the associated key controls. These encompass financial and accounting processes along with administrative and operational business processes which generate information that is essential for the compilation of the annual and consolidated financial statements, including the management and Group management reports.

- Process-integrated controls (EDP-assisted controls and access restrictions, the dual-control principle, separation of functions, analytical controls).

- Standardised financial accounting processes.

- Ensuring uniform accounting through Group-wide guidelines and procedures.

- Regular internal Group reporting as well as profit and loss accounting, and monthly results reporting, including the analysis and reporting of essential developments and target/performance deviations.

The effectiveness of the (Group's) accounting-related internal control and risk management system is reviewed and evaluated through regular preventive control tests. A Group-wide reporting system has the task of ensuring that the Management Board and Supervisory Board receive regular and timely information. The Management Board and Supervisory Board are regularly apprised of the current risk situation and the functioning, effectiveness and adequacy of the internal control and risk management system.

In the opinion of the Management Board, the processes, systems and controls in place are a sufficient guarantee that the accounting processes are followed in conformity with the relevant accounting principles.

Information on Shares and Management Board Explanatory Report

(Disclosures pursuant to Sect. 289 Para. 4 and Sect. 315 Para. 4 of the German Code of Commercial Law (HGB) and explanatory report from the Management Board)

Subscribed capital

As of 31 December 2014, YOC AG's subscribed capital amounts to EUR 2,858,500 and is divided into 2,858,500 no-par ordinary shares made out to bearer. Each share has one vote. The shares are not categorised into different classes.

The same rights and obligations are associated with all shares. Each share guarantees a vote at the General Meeting and entitles the holder to a share of the company's profits. Excepted are shares held by the company itself, which confer no rights on the company.

Restrictions on voting rights or the transfer of shares

There are no restrictions on the voting rights associated with shares in YOC AG or the transfer of shares in YOC AG.

Ownership interest in capital that exceed 10 % of the voting rights

The following direct or indirect ownership interests in YOC AG capital which exceed 10 % of the voting rights are based on voting rights announcements pursuant to Sect. 21 of the German Securities Trading Act (WpHG) received and published by the company in the financial year 2014 and earlier.

- Mr Dirk Kraus, Frankfurt am Main, indirectly controls ownership interest in the company amounting to 17.6 % of the voting rights. This ownership interest is attributed to dkam GmbH, Frankfurt am Main, controlling about 17.6 %.

- DIH Deutsche Industrie-Holding GmbH, Frankfurt am Main, directly and indirectly controls ownership interest in the company amounting to 11.0 % of the voting rights as of the last voting rights announcement received by the company.

Shares with special rights which confer supervisory powers

There are no shares with special rights which confer supervisory powers.

Type of voting rights control if employees have an ownership interest in capital but do not immediately exercise their supervisory rights

The YOC Management Incentive Programme was launched on 15 July 2009 by decision of the General Meeting of YOC AG. Under this programme, subscription rights were granted to members of the Management Board and employees of the company, for the first time, in the autumn of 2009. Because the terms for exercising these rights under the YOC Management Incentive Programme have not yet been satisfied, no shares have been transferred yet to the members of the Management Board or the company's employees.

If YOC AG issues shares to employees under the YOC Management Incentive Programme, the shares will be transferred directly to the employees. Like other shareholders, employees so benefitted may exercise the rights their shares afford them in accordance with the provisions of law and the Articles of Association.

Rules for the appointment and dismissal of members of the Management Board and for amending the Articles of Association

The provisions of law governing the appointment and dismissal of members of the Management Board are found in Sect. 84 and Sect. 85 of the German Stock Corporation Act (AktG). Sect. 7 Para. 2 of YOC AG's Articles of Association provides for a consistent regulation.

According to Sect. 119 Para. 1 No. 5, Sect. 133, Sect. 179 Para. 1 and Para. 2 AktG, the Articles of Association can be amended by a resolution of the General Meeting passed with a simple majority of the votes cast and a majority of three quarters of the share capital represented at the vote.

The Supervisory Board is authorised to make amendments to the Articles of Association that concern only the drafting (Sect. 17 of the Articles of Association of YOC AG).

The authority of the Management Board concerning the possibility of distributing or buying shares

Acquisition of own shares

The resolution passed by the General Meeting on 16 June 2010 authorises the company to buy its own shares until 15 June 2015. This authorisation allows shares to be acquired in a volume not exceeding 10 % of the share capital existing at the time of the resolution. Other shares in the company's possession or attributable to it according to Sect. 71a et seq. AktG count towards this limit of 10 % of the share capital. The details of the authorisation are contained in the invitation to the General Meeting on 16 June 2010, which is available on the YOC AG web page (see agenda item 5 and the related report of the Management Board).

The company held 4,000 of its own shares at the end of the financial year 2014. (This is equivalent to approximately 0.14 % of the share capital).

Authorised capital

Sect. 6 Para. 5 of the Articles of Association of YOC AG provides for authorised capital 2013/I:

The resolution passed by the General Meeting on 06 June 2013 authorises the Management Board to increase the share capital of the company, on one or several occasions, up to a total of EUR 1,300,000 by 05 June 2018 by issuing new bearer shares against cash contributions and/or contributions in kind with the approval of the Supervisory Board.

The Management Board was also authorised to exclude subscription rights of shareholders under certain conditions subject to the Supervisory Board's approval. The details of the authorisation are contained in the invitation to the General Meeting of 06 June 2013, which is available on the YOC AG web page (see agenda item 6 and the related report from the Management Board).

The Management Board and Supervisory Board have not made use of the abovementioned authorisation in 2014.

Contingent capital

In accordance with Sect. 6 Para. 7 of YOC AG's Articles of Association, the share capital of the company was contingently increased by up to EUR 175,000 through the issue of up to 175,000 new shares made out to bearer. The contingent capital increase is used to operate the YOC Management Incentive Programme and for the subscription rights issued under this programme. Contingent capital is increased only to the extent that those entitled to subscribe exercise their subscription rights. The new shares resulting from the exercise of subscription rights entitle the holder to share in the profits from the beginning of the financial year for which, at the time at which the subscription right is exercised, no resolution of the General Meeting has yet been passed concerning the use of the net income. The Management Board is authorised, subject to the consent of the Supervisory Board, to determine the further details of the implementation of the contingent capital increase.

On 31 December 2014, subscription rights for 16,625 shares had been issued to current and former members of the Management Board and subscription rights for 27,625 shares had been issued to staff members. By the end of the financial year 2014, no subscription rights have been exercised from the entire stock option programme set up in 2009. The exercise prices lie between EUR 7.37 and EUR 35.90. The exercising of subscription rights is not considered likely.

Key agreements of the company that are subject to a change in control resulting from a takeover bid

The company has entered into no essential agreements which are subject to the condition of a change in control resulting from a takeover bid.

Compensation agreements made between the company and members of the Management Board or employees in the event of a takeover bid

The YOC Management Incentive Programme provides that, in the event of a takeover bid for purposes of Sect. 29, 35 of the German Securities Acquisition and Takeover Act (WpÜG), the subscription rights already granted under an option agreement can be exercised by those entitled to subscribe – these being the members of the Management Board and employees of the company – during an additional exercise period on the fifth and ten following stock exchange trading days after the takeover bid is published, provided that the statutory waiting period for the initial exercise of the subscription rights of at least two years is observed.

Declaration on Corporate Governance

(Sect. 289a German Commercial Code (HGB))

The Declaration on Corporate Governance pursuant to Sect. 289a HGB includes the Declaration of Conformity in accordance with Sect. 161 of the German Stock Corporation Act (AktG), relevant information concerning company management practices and a description of the working methods of the Management Board and the Supervisory Board.

This declaration forms part of the Management Report of YOC AG and Group Management Report of YOC Group for the financial year 2014. According to Sect. 317 Para. 2 Sent. 3 HGB, the information pursuant to Sect. 289a HGB is not among the information that is subject to an auditor's scrutiny.

Declaration by the Management Board and Supervisory Board of YOC AG in accordance with Sect. 161 Stock Corporation Act (AktG) on the German Corporate Governance Code in the version of 24 June 2014 (Declaration of Conformity 2014)

According to Sect. 161 AktG, the Management Board and the Supervisory Board of a listed company must annually declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the official part of the electronic Federal Gazette published by the German Federal Ministry of Justice were or are compiled with, or which recommendations for valid reasons were or are not applied. The declaration must be made publicly available on the company's website.

The German Corporate Governance Code (DCGK) contains provisions, not all of which are equally binding. Aside from descriptions of current company law, it contains recommendations which companies may deviate from, in which case, however, they are obliged to disclose this annually.

According to Sect. 161 AktG, deviations from the recommendations of the DCGK must be justified. Furthermore, the DCGK contains suggestions which companies may disregard without disclosing that they have done so. The following declaration concerns the period since the last Declaration of Conformity of March 2014, and refers to the requirements of the DCGK in its current version of 24 June 2014.

The Management Board and the Supervisory Board of YOC AG declare that the recommendations made by the "Government Commission on the German Corporate Governance Code" are and were fundamentally complied with in the past. The Management Board and the Supervisory Board also intend to comply with it in the future. Only the following recommendations of the German Corporate Governance Code were and are not applied:

- **Item 3.8 Para. 3 DCGK:** The company is of the opinion that the motivation and responsibility with which the members of the Supervisory Board carry out their duties will not be improved by an insurance excess. The D&O liability insurance serves to safeguard against the company's material own risks and at most serves as a second-line defence of the assets of the members of those bodies. The D&O insurance for the Supervisory Board was therefore taken out without an excess.

- **Item 4.2.1 DCGK:** According to item 4.2.1 of the DCGK, the Management Board is to consist of several persons and have a chairman or spokesman. During the financial year 2014, YOC AG's Management Board consisted of one person. Since 01 January 2015, it has been fully restored and two members with equal rights have been appointed. In agreement with the Supervisory Board and Management Board, the Group renounces a spokesman or chairman, as a hierarchy within the Management Board is not deemed necessary with respect to the company's size.

- **Item 4.2.2 Para. 2 Sent. 3 DCGK:** The Supervisory Board is to consider the relationship between the remuneration of the Management Board and that of senior management and of the staff overall, particularly in terms of its development over time. For this comparison the Supervisory Board must determine how senior management and the relevant staff are to be differentiated. No explicit differentiation has taken place in order to uphold the economic scope of the different bodies for salary negotiations.

- **Item 5.1.2 Para. 2 Sent. 3 DCGK**: No age limit for members of the Management Board has been set by the Supervisory Board. The members of the Supervisory

Board are convinced that the suitability for company management depends largely on individual capabilities.

- **Items 5.3.1, 5.3.2 and 5.3.3 DCGK:** As the Supervisory Board of YOC AG has only three members, it would be neither practical nor in accordance with best practice standards to set up committees, particularly an audit committee or nomination committee. The purpose of setting up an audit committee as proposed by the DCGK is to increase the efficiency of auditing. This aim would not be achieved at YOC AG as nearly all members of the plenum would have to sit on the audit committee. Similarly, nearly all plenum members would have to sit on the nomination committee, which would not bring any improvement in the preparation of Supervisory Board recommendations regarding candidates proposed by the shareholders.

- **Item 5.4.1 Para. 2 DCGK**: No age limit has been set for Supervisory Board members. A candidate's ability to monitor and act as a coequal contact for the Management Board depends mainly on individual capabilities.

- **Item 5.4.3 Sent. 2 DCGK:** According to Item 5.4.3 Sent. 2 DCGK, the next General Meeting is to be set as the deadline for an application for judicial appointment of a Supervisory Board member. To ensure continuity and efficient and productive work in the Supervisory Board, no deadline was set for the application for judicial appointment of the present Supervisory Board members.

- **Item 7.1.2 Sent. 4 DCGK:** The company will endeavour to comply with the recommendation that the consolidated financial statements be made available to the public within 90 days after the end of the financial year and the interim reports within 45 days after the end of the reporting period, but cannot guarantee that it will do so owing to the large scope of consolidation.

Berlin, March 2015

YOC AG

The Management Board
The Supervisory Board

The declaration has been made permanently available to the public on YOC AG's website (www.yoc.com) under "Investor Relations". Earlier versions of the Declaration of Conformity can also be found there.

Information concerning company management practices

Basic principles

Sustainable economic, ecological and social action is a defining element of the corporate culture at YOC AG. This also includes integrity in dealings with employees, investors, customers, suppliers, authorities, interest groups, other stakeholders and the public.

YOC AG is a stock corporation with its registered office in Germany. Therefore, the formal framework for corporate governance has its basis in German law, particularly the stock corporation law and the law on capital markets, and in the Articles of Association of YOC AG.

As a service company, YOC AG depends on its ability to win and maintain the trust of its customers and business partners through exemplary behaviour. The objective is to act in a credible, trustworthy and reliable manner and to convey a corresponding image.

Transparency

A uniform, comprehensive and prompt information policy in relation to employees, investors, customers, suppliers, authorities, interest groups and other stakeholders ranks high in importance for YOC AG.

The aforementioned are all provided with information by YOC AG on a uniform, comprehensive, prompt and simultaneous basis. The business situation and operating results of YOC AG and YOC Group are reported in the annual report, the mid-year report and the interim reports.

In addition, information is passed on through ad-hoc communications, when the law so requires, and through the company's websites. All messages, presentations and notices, along with the current financial calendar, can be viewed on the company's website (www.yoc.com) under "Investor Relations".

Changes in the make-up of the shareholder structure which must be reported (Announcements of Voting Rights, Sect. 21 et seq. WpHG) and the purchase and sale of shares of individuals holding management positions within YOC AG (Directors' Dealings according to Sect. 15a WpHG) also are published by the Management Board.

YOC AG also maintains the required insider registers in accordance with Sect. 15b WpHG. The individuals concerned were and are informed of the legal duties and sanctions.

Risk management

YOC Group is one of Europe's leading mobile advertising providers and as such is exposed to many of the opportunities and risks specific to the sector and the companies. YOC AG has an established, comprehensive and effective system which enables the company to detect, assess, report on and deal with opportunities and risks associated with all functions and business processes at an early stage. The aim of this system is to systematically detect risks at the earliest possible time, assess the likelihood of their occurrence, estimate their potential qualitative and quantitative effects and initiate effective countermeasures. Risk management is regularly discussed and further developed at Management Board and Supervisory Board level.

Further information on the company's risk management, the specific risks to which the company finds itself exposed, and the accounts-related internal control and risk management system can be found in the Risk Report that forms part of the company's Group Management Report.

Description of the working methods of the Management Board and the Supervisory Board

As a German stock corporation, YOC AG is subject to the German Stock Corporation Act. A dual management system is therefore required by law. The Management Board and Supervisory Board have autonomous powers but collaborate closely and in confidence in the discharge of their statutory duties.

Management Board

The Management Board has sole responsibility for the management of the company. It has a duty to act in the interest of the company and is committed to the sustainable development of the company. The Management Board responsibilities include determining the company's strategic direction in consultation with the Supervisory Board and managing the business of the company. The Management Board manages the company's business in accordance with the relevant laws, the Articles of Association and its Rules of Procedure. The members of the Management Board bear joint responsibility for corporate governance, work together cooperatively, and keep each other regularly informed of important actions and events in their business areas. Notwithstanding the joint responsibility of all members of the Management Board, each member manages the business area assigned to him, apart from those matters that must be decided by the Management Board as a whole, on his own responsibility. More detailed rules are set forth in the Rules of Procedure enacted by the Management Board with the Supervisory Board's approval. The members of the Management Board are appointed by the Supervisory Board.

The term of office served by Management Board members cannot exceed five years. Management Board members may, however, be appointed more than once. The Supervisory Board may appoint a member of the Management Board as chairman of the Management Board. Mr Dirk Kraus has been appointed to the Management Board of YOC AG effective 10 September 2013. Mr Michael Kruse has been appointed to the company's Management Board effective 01 January 2015. The Management Board does not have a chairman.

The Management Board reports to the Supervisory Board regularly, promptly and completely on key issues relating to the Group's business development, strategy and planning, risk situation and compliance. It also confers with the Supervisory Board before all important strategic decisions. Management Board meetings are normally held every two weeks for joint votes. In addition, the Management Board regularly confers with the members of the company's second management tier. The Management Board has not formed any committees.

Supervisory Board

It is the duty of the Supervisory Board to advise and supervise the Management Board. It is involved in strategy and planning and in all issues which are of fundamental importance for the company. Important decisions by the Management Board are subject to its approval. This includes the corporate planning for the year ahead prepared by the company once a year (the budget), which is submitted to the Supervisory Board by the Management Board, discussed with the Supervisory Board and adjusted as needed. The Supervisory Board also assigns the audit mandate to the auditor appointed by the General Meeting. The Supervisory Board holds at least four meetings per year.

The YOC AG Supervisory Board consists of three members, none of whom were previously on the company's Management Board. The Supervisory Board is elected by the General Meeting. The Supervisory Board has not formed any committees.

The way the Supervisory Board works is set out formally in the Rules of Procedure. Resolutions of the Supervisory Board are normally passed in face-to-face meetings. In addition, meetings may be held and resolutions passed through written communication, by telephone or telex, or with the aid of other means of telecommunication. The company's Management Board attends the meetings regularly, and other members of the company's extended management also are invited to attend as needed. The first face-to-face meeting of the year to be held after the preparation and auditing of the annual financial statements (the "statement of financial position meeting") is attended also by the company's auditors, who present their report of the completed audit to the Supervisory Board.

The agenda and proposed resolutions for the Supervisory Board meetings are communicated to all participants in writing sufficiently well in advance of the meetings. When decisions are necessary at short notice, they may be made by written circulation procedure. All meetings of the Supervisory Board are recorded in writing.

The chairman of the Supervisory Board annually explains the activities of the Supervisory Board at the General Meeting and in his report to the shareholders, which is printed in the company's Annual Report.

Berlin, April 2015

YOC AG

The Management Board
The Supervisory Board

Remuneration report

The Remuneration Report is based on the "Recommendations of the German Corporate Governance Code". It summarises the principles which are applied in setting the remuneration of the Management Board of YOC AG and explains the amount and structure of the Management Board members' income. It also describes the principles according to which the Supervisory Board members are remunerated and the amount of their remuneration.

The Remuneration Report also contains particulars which, under German commercial law, must be included as part of the notes to the consolidated financial statements pursuant to Sect. 314 HGB and the Group Management Report pursuant to Sect. 315 HGB.

Remuneration of the Management Board

The Supervisory Board is responsible for setting the Management Board's remuneration. In doing so, it considers the company's size and activities, the company's economic and financial position, the duties of the Management Board member in question, and, for comparative purposes, the amount and structure of management board remuneration elsewhere in the industry. Management Board remuneration is performance-based. Remuneration is designed to be competitive in the market for highly qualified management personnel and to offer an incentive for successful performance.

In the financial year 2014 it consisted of a fixed basic remuneration amount plus a variable component.

Remuneration Management Board 2014 (in kEUR)

Name	Fixed compensation* (in kEUR)	Variable compensation (in kEUR)	Phantom stock options granted in 2014
Dirk Kraus	240	10	40,000
Total	**240**	**10**	**40,000**

*including contractual fringe benefits

- The basic remuneration is cash remuneration in a fixed amount for the year as a whole which is specific to the Management Board member's area of responsibility and is paid out in twelve monthly instalments. Remuneration components deferred in the previous year due to the restructuring process have been paid amounting to kEUR 30 in the current financial year.

- The variable component consists of cash remuneration as profit-sharing based on the results of operations according to IFRS (EBITDA) of YOC AG and is subject to an upper limit.

- With the participation in the phantom stock option programme set up in 2014, members of the Management Board who are to be appointed by the Supervisory Board receive virtual share options. For the beneficiaries, the phantom stock option programme simulates the actual holding of shares in the company's equity capital. Other than in a stock option scheme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit. In the financial year 2014, the total remuneration of the Management Board paid amounted to kEUR 275.

In 2014 a new phantom stock option programme was issued with the executive board granting 40.000 options to the management board with a fair value of EUR 1.45 each.

Dirk Freytag (member of the Management board until September 2013) was granted post-employment benefits amounting to kEUR 35 in cash as well as the capital shares of a GmbH with a counter value of kEUR 20.

Remuneration of the Supervisory Board

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed at kEUR 12.5 for one financial year. The chairman of the Supervisory Board receives twice this amount and the deputy chair 1.5 times this amount. For each face-to-face meeting of the Supervisory Board, each member of the Supervisory Board receives the amount of EUR 1.0 thousand; the chairman of the Supervisory Board receives twice that; and the deputy chair 1.5 times that amount.

Remuneration Supervisory Board 2014 (in kEUR)

Name	Fixed compensation	Attendance allowance	Total
Dr. Nikolaus Breuel (Supervisory Board chairman)	23	10	33
Konstantin Graf Lambsdorff (since 13 Jannuary 2014)	17	7	24
Sacha Berlik (since 13 Jannuary 2014)	11	5	16
Total	**51**	**22**	**73**

There was no remuneration for personally rendered services apart from the board activities, particularly for any consulting or referral services.

Remuneration for the activities of the Supervisory Board came to a total of kEUR 73 in the financial year 2014.

Events after the statement of financial position reporting date

Michael Kruse was appointed to the Management Board effective 01 January 2015. He is responsible for the areas of sales, operations and technology.

In Q1 2015, an exclusive partnership was formed with Shazam, the world's leading app for music and TV recognition, on the Spanish market. Provided developments proceed according to plan, we will see a positive revenue trend in this region in the short to medium term.

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

Berlin, 17 April 2015

The Management Board

Dirk Kraus

Michael Kruse

3

Consolidated Financial Statements

and information on the Management Board and Supervisory Board

Consolidated Statement of Comprehensive Income

Consolidated Income Statement (in EUR)	Note #	2014	2013 (adjusted)
Revenue	6.1	9,368,212	11,917,346
Own work capitalised	6.2	268,135	63,388
Other operating income	6.3	2,683.352	1,324.580
Total output		12,319,699	13,305,314
Expenses for goods and services	6.4	6,391,058	8,467,774
Personnel expenses	6.5	3,963,392	6,656,542
Other operating expenses	6.6	3,235,409	4,406,250
EBITDA		-1,270,160	-6,225,252
Depreciation and amortisation expenses	7.1/7.2/7.3	311,403	979,768
EBIT		-1,581,563	-7,205,020
Financial income	6.7	811	16,217
Financial expenses	6.7	45,469	98,033
Financial result		-44,658	-81,816
EBT		-1,626,221	-7,286,835
Income taxes	6.8	118,778	694,030
Net income continuing operations		-1,744,999	-7,980,866
Net income disontinued operations		5,036,802	-2,502,050
Net income		3,291,803	-10,482,916
Earnings per share			
Earnings per share basic	6.9	1.15	-3.83
Earnings per share diluted	6.9	1.15	-3.83
Earnings per share continuing operations			
Earnings per share basic	6.9	-0.61	-2.92
Earnings per share diluted	6.9	-0.61	-2.92

Consolidated statement of comprehensive income (in Euro)	Note #	2014	2013
Net income		3,291,803	-10,482,916
Net other comprehensive income to be reclassified to profit or loss in subsequent periods			
Unrealised gains from foreign currency translation		-209,840	-17,416
Total other comprehensive income	6.11	-209,840	-17,416
Total comprehensive income		3,081,963	-10,500,332

Consolidated Statement of Financial Position

Consolidated statement of financial position (in EUR)	Note#	31/12/2014	31/12/2013
ASSETS			
Non-current assets		**650,071**	**2,228,934**
Property, plant and equipment	7.1	144,765	498,211
Goodwill	7.2	0	1,187,866
Intangible assets	7.3	501,854	541,280
Deferred tax assets	6.8	3,452	1,576
Current assets		**3,484,598**	**5,500,335**
Trade receivables	7.4	1,610,764	3,960,233
Other receivables	7.4	641,381	971,544
Tax assets		28,729	37,470
Cash and cash equivalents	7.5	1,203,724	531,087
Total assets		**4,134,669**	**7,729,269**
EQUITY AND LIABILITIES			
Equity		**-1,650,250**	**-4,678,394**
Subscribed capital	7.6	2,858,500	2,858,500
Additional paid in capital	7.6	19,902,539	20,226,168
Retained earnings	7.6	-24,220,215	-27,781,828
Other comprehensive income from currency translation differences	7.6	-140,755	69,085
Own shares	7.6	-50,319	-50,319
Non-current liabilities		**64,828**	**684,414**
Provisions	7.7	64,828	64,312
Other liabilities	7.8	0	17,545
Other financial liabilities	7.8	0	602,557
Current liabilities		**5,720,091**	**11,723,249**
Prepayments received		9,300	1,685,746
Trade payables	7.8	2,520,603	3,008,062
Loans and borrowings	7.8	0	525,296
Other liabilities	7.8	771,153	1,318,705
Other financial liabilities	7.8	2,395,870	5,145,530
Tax liabilities		23,165	388
Provisions	7.7	0	39,522
Total equity and liabilities		**4,134,669**	**7,729,269**

Consolidated Cash Flow Statement

Consolidated cash flow statement (in EUR)	Note#	**2014**	2013
Net income continuing operations		**-1,744,999**	**-7,980,866**
Net income discontinued operations		**5,036,802**	**-2,502,050**
Depreciation, amortisation and impairments		355,759	4,138,132
Taxes recognised in the income statement		111,211	901,938
Interest recognised in the income statement		44,149	85,470
Other non-cash income and expenses		-1,373,287	87,019
Deconsolidation result		-4,223,264	0
Foreign currency translation differences from equity		36,604	0
Cash-Earnings		**-1,757,025**	**-5,270,355**
Result from disposal of assets		-124,332	-852
Changes in receivables and other receivables		1,545.518	-99.162
Changes in liabilities, prepayments and other liabilities		-1,524,239	1,055,608
Changes in provisions		-9,437	-193,003
Interest received		1,320	2,858
Interest paid		-43,219	-80,466
Income taxes paid		-8,573	-232,209
Cash flow from operating activities	8.1	**-1,919,987**	**-4,817,582**
Disposal of business units		2,794,245	5,000,000
Purchase of property, plant and equipment		-44,257	-177,660
Purchase of intangible assets		0	-110,352
Outflow from development costs		-410,109	-295,478
Sale of property, plant and equipment		318,337	0
Cash flow from investing activities	8.1	**2,658,216**	**4,416,510**
Inflows from capital increases		0	3,162,500
Transaction costs related to issuance of new shares		0	-100,000
Repayment of liabilities under finance lease		-36,444	-21,768
Repayment of bank loans		-1,503,851	-2,968,380
Issuance of bank loans		1,474,704	600,000
Cash flow from financing activities	8.1	**-65,591**	**672,351**
Net increase / decrease		**672,637**	**271,279**
Cash and cash equivalents at the beginning of the period	8.2	**531,087**	**259,808**
Cash and cash equivalents at the end of the period	8.2	**1,203,724**	**531,087**

Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity (in EUR)	**Note #**	**Subscribed capital**	**Additional paid in capital**	**Retained earnings**	**Other comprehensive income from currency translation differences**	**Own shares**	**Total**
as of 01/01/2013		**2,380,000**	**17,585,298**	**-17,298,913**	**86,501**	**-50,319**	**2,702,568**
Net income				-10,482,916			-10,482,916
Currency translation differences	6.11/ 9				-17,416		-17,416
Comprehensive income		**0**	**0**	**-10,482,916**	**-17,416**	**0**	**-10,500,332**
Issuance of subscribed capital		478,500	2,684,000				3,162,500
Stock option programme	7.6/ 9		45,672				45,672
Transaction costs including tax benefits			-88,802				-88,802
as of 31/12/2013		**2,858,500**	**20,226,168**	**-27,781,828**	**69,085**	**-50,319**	**-4,678,394**
Net income				3,291,803			-3,291,803
Currency translation differences	6.11/ 9				-209,840		-209,840
Comprehensive income		**0**	**0**	**3,291,803**	**-209,840**	**0**	**3,081,963**
Stock option programme	7.6/ 9		-323,629	269,811			-53,818
as of 31/12/2014		**2,858,500**	**19,902,539**	**-24,220,215**	**-140,755**	**-50,319**	**-1,650,250**

No shares are held by non-controlling shareholders

Notes

1. General Information

YOC AG, with headquarters at Rosenstr. 17, 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.

The consolidated financial statements of YOC AG as of 31 December 2014 have been prepared pursuant to Sect. 315a of the German Commercial Code (HGB) in accordance with the principles of the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB), London, United Kingdom, and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU) as effective on the reporting date.

The consolidated financial statements of YOC AG conform to the IFRS as mandatory in the European Union from 01 January 2014.

The consolidated financial statements provide a fair presentation of the company´s net assets, financial position and results of operations.

At the beginning of July 2014, the business segment Affiliate Marketing was sold. The information in the Notes as it pertains to the statement of financial position and the income statement relates solely to the continuing operations in the business segment Mobile Advertising. The sold business segment is presented in discontinued operations according to IFRS 5 with previous year´s figures adjusted.

The Management Board of YOC AG prepared the consolidated financial statements and authorised their submission to the Supervisory Board of the company on 17 April 2015.

2. Application of new or amended standards

2.1 Standards and interpretations to be applied in the current financial year

The following new or revised standards or interpretations were applicable for the first time in financial year 2014:

- **IFRS 10** "Consolidated Financial Statements" replaces the guidelines on control and consolidation from IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation – Special Purpose Entities). In this context, IAS 27 has been renamed "Separate Financial Statements". In IFRS 10, the definition of "control" is revised insofar as the same criteria for assessing a controlling relationship apply to all companies. To this end, comprehensive guidelines for the assessment of control are provided.

- For **IFRS 11** "Joint Arrangements", effective since 2014, there has been no case at YOC AG in which it would apply.

- **IFRS 12** "Disclosure of Interests in Other Entities" According to the new standard IFRS 12, companies are bound to provide information which allows the users of financial statements to understand the nature of, and the risks and financial implications associated with, the company's interest in subsidiaries, associated entities, joint arrangements and special purpose entities.

  The new standards are effective for accounting periods beginning on or after 01 January 2014. Early application is permitted without leading to the mandatory adoption of IFRS 10, IFRS 11 or the revised IAS 27 and IAS 28. There is no impact on the company's net assets, financial position and results of operation.

- **Amendments to IAS 32** (effective for financial years beginning on or after 01 January 2014) – clarification of current offsetting rules for financial assets and liabilities – has no impact on the company.

- **Amendments to IAS 39** (effective for financial years beginning on or after 01 January 2014) – Novation of Derivatives and Continuation of Hedge Accounting: The amendment allows to continue hedge accounting in certain circumstances in which derivatives designated as hedging instruments are transferred to a central clearing entity as a result of statutory or supervisory provisions (novation). For the company there is no case in which it would apply.

2.2 Published standards and interpretations whose application is not yet mandatory

The following new and revised standards and interpretations which are not yet mandatory in financial year 2014 but have already been recognised as part of the EU endorsement process will probably not have any impact on YOC Group's consolidated financial statements:

- **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.
- **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 will probably not have any impact on YOC AG's financial statements.

The following new and revised standards and interpretations are neither binding in financial year 2014 nor have they been recognised in the endorsement process by the EU:

Title	Published by IASB	Temporal Scope	Application for YOC	Impact on financial statements expected?
IFRS 9 Financial instruments	Jul 14	01/01/2018	under examination	under examination
IFRS 15 Revenue from contracts from customers	May 14	01/01/2017	under examination	under examination
IFRS 14 Regulatory deferral accounts	Jan 14	01/01/2016	no	n/a
Amendment of IFRS 10 and IAS 28 - Sales or contributions of assets between an investor and its associate / joint venture	Sep 14	01/01/2016	no	n/a
Amendment of IAS 27 – Equity-method in seperate financial statements	Aug 14	01/01/2016	no	n/a
Amendment of IAS 16 and IAS 41 – Bearer plants	Jun 14	01/01/2016	no	n/a
Amendment of IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation	May 14	01/01/2016	under examination	under examination
Amendment of IFRS 11 – Joint arrangements	May 14	01/01/2016	no	n/a
Amendment of IAS 19 – Employee contributions	Nov 13	01/07/2014	no	n/a
Amendment of IFRS 10, IFRS 12 and IAS 28 – Investment entities: Applying the consolidation exception	Dec 14	01/01/2016	no	n/a
Amendment of IAS 1 - Presentation of financial statements	Dec 14	01/01/2016	under examination	under examination
Annual improvements of IFRS (Cycle 2010-2012)	Dec 13	miscellaneous	under examination	under examination
Annual improvements of IFRS (Cycle 2012-2014)	Sep 14	01/01/2016	under examination	under examination

The Management Board of YOC AG assumes that the abovementioned 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. Consolidation

3.1 Consolidation principles

The consolidated financial statements include those companies which YOC AG controls. Control of an investee is considered to exist when the Group is exposed, or has rights to, variable returns from its involvement with the investee, and is able to apply its power of disposition over the affiliated company to affect those yields.

The inclusion of subsidiaries in the consolidated financial statements begins from the date on which YOC AG achieves control over the subsidiary. It ends at the time at which control of the subsidiary is lost.

The separate financial statements of the consolidated companies are prepared as of the reporting date of the consolidated financial statements.

Intragroup earnings and expenses as well as intercompany assets, liabilities and equity capital are eliminated in full.

3.2 Consolidated companies

The companies of YOC Group that were consolidated as of 31 December 2014 are as follows:

Fully consolidated companies		Share in %	Held through no.	since
Domestic				
1	YOC AG, Berlin	-	-	-
2	Moustik GmbH i.L, Berlin	100	1	01/02/2007
3	YOC Mobile Avertising GmbH, Berlin	100	1	11/03/2009
Foreign				
4	YOC Mobile Advertising Ltd., London, Great Britain	100	1	01/01/2007
5	YOC Central Eastern Europe GmbH, Vienna , Austria	100	1	01/06/2009
6	YOC Spain, S.L., Madrid, Spain	100	1	22/09/2009
7	YOC France SAS, Paris, France	100	1	23/03/2011

The subsidiary Moustik SPRL, Brussels, Belgium was deconsolidated in March 2014 due to the discontinuation of the operating business.

Belboon GmbH, Berlin, was deconsolidated in the course of selling the Affiliate Marketing business segment (see section 5) effective 30 June 2014.

In the course of selling the Mobile Technology business segment, the subsidiary Sevenval Limited, London, UK was deconsolidated by submitting the striking-off application with the British Companies House on 30 September 2014.

In preparing the consolidated financial statements, the Management Board assumes that, with the exception of Moustik GmbH, all companies included in the consolidated financial statements are going concerns. Due to the discontinuation of its operative business, Moustik GmbH is currently in liquidation. This is not expected to generate significant effects for the Group's net assets, financial position and results of operation.

4. Accounting and measurement principles

4.1 General principles

YOC AG functions as the parent company of the group and directly holds a 100 % interest in all of the companies in the YOC Group. The financial year for all subsidiaries coincides with the calendar year.

The consolidated statement of financial position is structured according to IAS 1 "Presentation of Financial Statements" and the principle of maturity. Consequently, the statement items are divided into non-current and current assets or liabilities respectively. Assets and liabilities are generally classified as current when they have a remaining term to maturity or turnover of less than one year within the scope of ordinary business operations. Accordingly, assets and liabilities are classified as non-current when they remain within the company for more than one year.

The annual financial statements of the companies included in these consolidated financial statements are based on uniform accounting and measurement principles. The consolidated financial statements are presented in euros. For purposes of clarity and comparability, all amounts are generally (unless otherwise stated) stated in EUR thousand. Minor rounding differences may occur as a result of commercial rounding of individual items and percentages.

Total income is presented in two separate statements: the income statement according to the expense method and the statement of comprehensive income.

The accounting and measurement principles described below have been applied to the consolidated financial statements:

Property, plant and equipment

Property, plant and equipment is measured at historical or production cost and depreciated on a straight-line basis over the expected economic life as follows:

Property, plant and equipment	Useful life in year
Operating and office equiment	3 – 8

If there is an indication of impairment, an impairment test also is performed.

Gains and losses from asset disposals are recorded in other operating income or in other operating expenses respectively.

Investment subsidies and public grants for the acquisition of property, plant and equipment are recorded on the grant date by deducting the grant from the cost, and are depreciated over the useful lives of the assets in the form of reduced depreciation or recorded in income upon disposal of the grant-supported assets.

Intangible assets

Goodwill

Goodwill arising from the acquisition of a subsidiary is the excess of the acquisition costs, measured at the fair value, above the fair net value of the subsidiary's identifiable assets, liabilities and contingent liabilities.

Goodwill is never amortised. Goodwill is tested once a year, or at any other time when there is indication of an impairment. If the recoverable amount no longer exceeds the carrying amount, the carrying amount of goodwill is reduced to the expected recoverable amount.

Other intangible assets

Other intangible assets include both acquired and self-developed intangible assets.

Acquired intangible assets are valued at cost and, if applicable, less accumulated depreciation and impairment. They include both intangible assets which have been acquired as a result of business combinations, if they meet the recognition criteria of IFRS 3, and those intangible assets which have been acquired separately.

Internally-generated intangible assets from which it is probable that future economic benefits will flow to the group and which meet the recognition criteria of IAS 38, "Intangible Assets", are measured at the costs incurred during the development phase of the assets. Capitalised development costs comprise only directly attributable costs. Research costs and development costs that cannot be capitalised are recorded in full as expenses in the periods in which they are incurred.

Unless intangible assets have an indefinite useful life, they are amortised on a straight-line basis over their expected useful life. In the case of internally-generated intangible assets, amortisation begins from the date on which the assets are completed.

The useful lives are as follows:

Intangible assets	Useful live in years
Internally developed software	3
Acquired software and licences	3 – 5
Customer bases	7 – 10

If there are indications of an impairment, an impairment test also is performed.

If impairment losses occur, intangible assets are written down to their recoverable amount.

Receivables and tax receivables

Trade receivables and other financial assets in the "loans and receivables" category are reported in the statement of financial position on the settlement date. They are subsequently measured at amortised cost, if necessary, using the effective interest method less any impairment losses resulting from the difference between the carrying amount of the receivable and the estimated future cash flows which are expected from this receivable. Losses arising from the impairment loss are recorded under other operating expenses.

Other receivables that are not financial instruments as defined by IFRS 7 are first reported at cost. They are subsequently valued at amortised cost subject to impairment. All recognised receivables and other assets are current.

Cash and cash equivalents

Cash and cash equivalents, including cash-in-hand, bank balances and checks, are assigned to the "loans and receivables" category. Short-term deposits with a maturity of up to 90 days and low risk of value fluctuation are categorised under cash equivalents. Cash and cash equivalents are measured at nominal value.

Deferred tax

Deferred taxes are recognised on temporary differences between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements, and on loss carryforwards, to accurately account for future tax liability and relief.

Deferred taxes were measured using the expected tax rates based on current law as of the end of the financial year. The tax calculations took into consideration the circumstances particular to the individual legal entities. For foreign companies, the tax rates used were those specific to the country in which they are based.

Deferred tax liabilities have been recognised for all taxable temporary differences. Deferred tax assets have been recognised in those cases in which it is sufficiently certain that they can be realised in the near future. The tax effect of tax loss carryforwards was capitalised to the extent to which the future use of such loss carryforwards is expected.

Deferred tax assets and liabilities are presented net to the extent that a legal claim to set-off against the same tax authority exists.

Equity

Own shares are measured at cost and deducted from equity with no effect on the income statement. This is reported in a separate item of the statement of financial position.

Buying, selling, issuing and recalling of own shares are recognised with no effect on the income statement.

Provisions

Provisions are made for present legal and constructive obligations to third parties if the obligation is likely to lead to a future outflow of resources and the amount of the obligation can be reliably estimated. Provisions are recognised for the expected settlement amount, with long-term provisions being recognised at present value. To calculate present value, provisions are discounted to the reporting date on the basis of a risk- and duration-adequate market interest rate.

Advances received, liabilities and tax liabilities

The liabilities explained in the Notes to the financial statements comprise prepayments received, trade payables, other financial and non-financial liabilities and tax liabilities.

Prepayments received are recognised at their settlement values. Financial liabilities as defined by IFRS 7 are trade payables, financial liabilities, and liabilities for invoices not yet received.

These are initially recognised at fair value. Non-current liabilities are subsequently measured at amortised cost using the effective interest method. Current liabilities are subsequently measured at the settlement amount, without discount.

In accordance with IFRS 3, liabilities from variable purchase prices are measured at the fair value of the likely settlement amount, which is discounted to present value when the term is longer than one year.

Tax liabilities are recognised in the amount of the anticipated tax payments.

Share-based payments

Equity-settled

For purposes of the YOC Management Incentive Programme, the first and second management levels in the YOC Group are granted subscription rights to shares in YOC.
These are measured at the fair value of the equity instruments on the day they are granted and recognised on a straight-line basis as personnel expense over the vesting period through capital reserves.

On every reporting date the estimation regarding the number of equity instruments that vest is reviewed. The effects that modifications of the original estimates have are, when known, are recognised in profit or loss, subject to adjustment of the capital reserves, over the remaining period to vesting.

Cash-settled

Members of the Management Board and of the second level of management as well as distinguished staff members have been granted share-based compensation with cash settlement within the framework of the phantom stock option programme introduced in September 2014.

These options are measured at fair value on the day they were issued, and recognised on a straight-line basis as personnel expense until their fulfilment. On every reporting date and on every settlement date, the obligations recognised are revaluated through profit or loss.

Revenues and expenses

YOC Group generates its revenue by performing mobile advertising services. Revenue is recognised on the date of service and on a gross basis, as YOC acts as the principal in transactions with advertisers.

YOC enters into contractual relationships with both the publisher and the advertiser sides. The company establishes the selling prices of the sold advertisements, performs all billing and collection activities and bears sole responsibility for fulfilment of the advertising. Accordingly YOC acts as the principal in these arrangements and, therefore, reports revenue earned and costs incurred related to these transactions on a gross basis.

Services are rendered by providing advertising services based on the agreements with the advertisers.

The quantity of ads delivered form the basis for calculating revenues. Deliveries are usually measured in ad impressions, clicks, downloads or other activities of mobile users. Deliveries are performed by using YOC-owned properties of in-house developed software applications and advertising formats.

Advertisers are predominantly charged for ad impressions on a CPM-basis (cost per mille), other pricing models are based on CPC (cost per click) or CPI (cost per install).

Related publisher remunerations are recognised on an accrual basis in cost of services purchased.

Revenue is measured at the fair value of the counter performance and net of amounts from bonus agreements with customers and net of any discounts or similar deductions that have been granted.

Interest

Interest expense on loans is recognized in profit or loss according to the effective interest method.

Leasing

Both financing and operating leases exist within the YOC Group.

Under operating leases, the incurred expenses are recognised on a straight-line basis as expense over the term of the contract.

When incentives are granted for entry into an operating lease, these are allocated on a straight-line basis over the term of the lease, unless another systematic basis accords with actual use over the course of time.

Assets which are acquired under a finance lease are set at their fair value or the lower present value of the minimum leasing payments at the beginning of the lease. For the liability to the lessor, a corresponding amount is recognised under liabilities.

4.2 Important judgements and estimation uncertainties

Preparing the consolidated financial statements in accordance with IFRS requires making assumptions and judgements which concern the future and which, naturally, do not have to accord with circumstances occurring later. Such assumptions and estimates affect the recognition and measurement of assets and liabilities along with income and expenses. The estimates and assumptions in these consolidated financial statements are based on empirical values and other factors that are considered plausible and commercially reasonable under the given circumstances. Since assumptions and estimates may differ from actual values and have a significant effect on the net assets, financial position and results of operations of the company, these assumptions and estimates are subject to regular review. Key estimates and assumptions have been made in respect of the following issues in particular:

Variable purchase price components from the sale of the Affiliate Marketing business segment

The sale of the Affiliate Marketing business segment (see also item 5) includes a variable purchase price component (earn-out) of up to EUR 0.3 million. A final assessment of whether the conditions for an earn-out have been met is still pending. Altogether, the earn-out ranges within the sum of EUR 0.3 million. Therefore, YOC AG faces the potential risk of derecognition of the purchase price claim.

Deferred tax assets

Deferred tax assets are recognised if sufficient taxable income is going to be available in the future (see also item 6.8). Recognition takes into account projected results from operations and the earnings effects from the reversal of taxable timing differences. Based on projected future taxable income, the company's management assesses on each reporting date the recoverability of deferred tax assets. As future business developments are uncertain and to some extent beyond the control of the company's management, it is necessary to make assumptions in order to estimate the amount of taxable income in the future, as well as the date on which deferred tax assets will be realised. Estimated values are adjusted in the period in which sufficient information is available for such an adjustment. If the management proceeds from the assumption that deferred tax assets will remain fully or partially unrealised, an impairment charge is made in the corresponding amount.

4.3 Management of capital and going concern

The Management Board is informed of the development of YOC Group's own capital through regular reporting of key figures. The aim is to cover the company's short- to medium-term financing needs through equity. In addition, liquidity risks are monitored regularly in order to analyse cash flow fluctuations and detect liquidity shortages early on and take countermeasures.

Accounting and measurement are generally based on the going concern principle. Nevertheless, the company's liquidity situation is tense and the company's continuation as going concern therefore at risk.

Following the successful implementation of restructuring measures in 2013 and 2014 along with significantly improved operating results, the company's liquidity situation has clearly improved. The following financing measures have been successfully implemented in the reporting year in order to cover liquidity requirements:

- Through the purchase of debt in the nominal amount of EUR 1.0 million from a credit institution, YOC AG was able to generate revenue in the amount of EUR 0.75 million. The purchase resulted in an outflow of EUR 0.25 million.

- In July 2014, substantial cash inflow was generated through the sale of the Affiliate Marketing business segment.

- Shareholder loans in the amount of EUR 1.0 million received by the company in Q1 2014 have been fully discharged in Q3 2014.

- The shareholder loan at a nominal value of EUR 0.6 million received in 2013 was settled on the basis of a purchase of receivables. This brought about a positive equity effect amounting to EUR 0.4 million. The purchase resulted in an outflow of EUR 0.3 million.

- The company saw further income in the amount of EUR 1.25 million through the successful conclusion of an agreement regarding the variable purchase price components related to the sale of the Mobile Technology business segment in 2013.

However, results from the operative business are not sufficient to satisfy the short- to medium-term liquidity requirements due to the ongoing loss-making situation. The Management Board expects negative operative cash flows and is considering further possibilities for debt and equity financing to ensure the continuation of the parent company and the group as a going concern. The strained liquidity situation needs to be counteracted by various different measures which the company has already initiated in parts. These measures or events include in particular:

- A timely cash inflow in the amount of EUR 1.1 million from the realisation of planned debt and equity financing measures,

- a timely and successful collection of debts of up to EUR 0.3 million from the variable purchase price component from the sale of the Affiliate Marketing business segment,

- a successful implementation of further financing measures (e.g. factoring, allocation of an additional credit line) and the successful assertion of claims from non-operative business transactions in the six to twelve months to come,

- a timely realisation of a significant growth in revenue and a considerable improvement of the operative results and thus reaching the set goals for business performance

The continuation of the parent company and the group as a going concern depends on a successful application of the abovementioned measures and the realisation of business performance according to plan, so that liquidity inflows can occur as proposed.

For an outline of further planned capital measures to counter liquidity risks, we refer to the chapters "Development of Financial Position and Net Assets" and "Opportunities and Risk Report" in the Group Management Report.

4.4 Currency effects and currency translation

The functional currency of the parent company and the presentation currency of the group is the Euro.

When transactions are invoiced in a foreign currency, receivables and payables are translated into the functional currency and entered in the accounting records at the exchange rate applicable on the closing date of the transaction. Receivables and payables existing on the reporting date are adjusted to take exchange rate fluctuations into account.

For foreign subsidiaries, currencies are translated according to the functional currency concept. The functional currency of a subsidiary is its national currency.

Assets and liabilities of affiliated companies whose functional currency is not the euro are translated into euros at an exchange rate that is valid on the reporting date. Changes during the year along with expenses and income are translated into euros using annual average exchange rates. Equity is translated using the historical exchange rate. Differences resulting from the translation at end-of-period exchange rates are recorded as exchange differences in equity.

	Closing rate		Average rate	
	31/12/2014	31/12/2013	2014	2013
1 EUR = Pound Sterling (GBP)	0.7826	0.8347	0.8063	0.8491
1 Euro = US Dollar (USD)	1.2156	1.3768	1.3291	1.3281

Currency is translated based on the following exchange rates: The following table indicates the sensitivity of the group's consolidated pre-tax earnings when compared to a reasonably possible significant change in exchange rate change as a percentage of the Pound Sterling (GBP) or the US Dollar (USD). All monetary assets in foreign currency are factored into the sensitivity. All other variables remain constant in the analysis.

Foreign Currency	Foreign exchange rate trend in %	Effect on comprehensive income before tax (in KEUR)
2014		
Pound Sterling (GBP)	+5	5
	- 5	-6
US-Dollar (USD)	+5	2
	- 5	-2
2013		
Pound Sterling (GBP)	+5	44
	- 5	-48
US-Dollar (USD)	+5	-33
	- 5	37

The fully consolidated subsidiary YOC Mobile Advertising Ltd. has receivables in USD. Exchange rate fluctuations resulting from currency translation from USD into GBP have an effect of kGBP 2 when the exchange rate changes by +5 % and kGBP -2 where it changes by -5 %.

5. Sale of business units

Sale of the business segment Affiliate Marketing in July 2014

YOC AG sold its subsidiary belboon GmbH with registered office in Berlin in July 2014 due to its focus on the core area Mobile Advertising and as part of its restructuring concept. Deconsolidation was carried out on 01 July 2014. This transaction is reported separately as discontinued operations in accordance with IFRS 5.

YOC AG received EUR 1.7 million as a fixed purchase price component for selling the business segment. Belboon GmbH contributed further EUR 0.8 million for the period from 01 January 2014 until the date of deconsolidation to the consolidated financial statements. Additionally variable purchase price components (earn-out) of up to EUR 0.3 million are possible. The earn-out is connected to a defined range of EBITDA for the Affiliate Marketing segment for financial year 2014, which has been defined in the purchase agreement. On the basis of cautious estimation by the Management Board, we currently assume that the maximum earn-out will be achieved. Accordingly a receivable is recognised in the financial statements.

As a result of the sale of belboon GmbH the entire business unit Affiliate Marketing was split off from the group of companies. Thus, YOC Group has implemented its strategic orientation and exclusively focused on the product area Mobile Advertising

.

The net income components of the sold business unit were composed as follows in the period until 30 June 2014:

Net income discontinued operations (in kEUR)	**6M/2014**	**2013**
Total output	4,389	7,128
Costs	3,539	6,318
EBITDA	**850**	**810**
Depreciation	44	103
Financial results	1	-4
Net income discontinued operations before taxes	**806**	**703**
Income taxes	8	0
Net income discontinued operations	**814**	**703**
Result deconsolidation	**3,256**	**0**
Result discontinued operations	**4,070**	**703**

The major classes of assets and liabilities of the sold business unit were composed as follows in the period until 30 June 2014:

Assets and liabilities of discontinued operations (in kEUR)	**30/06/2014**
Property, plant and equipment	1
Goodwill	1,188
Intangible assets	277
Deferred tax assets	1
Trade receivables	575
Other assets	2
Cash and cash equivalents	153
Sold assets	**2,197**
Provisions	30
Deferred tax liabilities	84
Prepayments received	1,366
Trade payables	188
Other liabilities	76
Other financial liabilities	1,708
Sold liabilities	**3,452**

The cash flow of the sold product area is as follows as of 30 June 2014:

Cash flow from discontinued operations (in kEUR)	**6M/2014**	**2013**
Operating cash flow	341	56
Investing cash flow	-12	0
Financing cash flow	-50	0
Cash flow from discontinuoned operations	**279**	**56**

Sale of the Mobile Technology business segment in July 2013

An agreement on the variable purchasing price components could be achieved with the buyer of the Mobile Technology segment sold in 2013. This led to a cash inflow of EUR 1.25 million in Q3 2014. This positively effects results, adding EUR 0.94 million, and is assigned to the figures for discontinued operations.

6. Notes to the Statement of Comprehensive Income

6.1 Revenue

In the financial year 2014, YOC Group generated revenue in the amount of kEUR 9,368 (2013: kEUR 11,917) by providing services in the Mobile Advertising segment.

Revenue (in kEUR)	2014	2013
Revenue	19,383	18,630
Revenue deductions	10,015	6,713
Total	**9,368**	**11,917**

Reductions in revenue increased once again to 52 % (2013: 36 %) as a result of newly made master agreements with media agencies.

6.2 Own work capitalised

In 2014, development costs for internally developed software amounting to kEUR 268 (2013: kEUR 63) were capitalised. The Mobile Advertising product field mainly develops software for YOC Media Network which is used for the purpose of providing services.

The recognition criteria of IAS 38 have been met. The directly attributable costs were capitalised as production costs for internally developed software. Production costs were determined on the basis of work days, calculated at daily rates per employee.

Research and development costs for new products and technological innovations in the financial year 2014 came to kEUR 563 (2013: kEUR 556).

6.3 Other operating income

Other operating income (in kEUR)	2014	2013
Income from purchasing debts against the company	1,109	41
Income from foreign exchange and currency translation	359	121
Income from letting office space	236	161
Income from derecognition of personnel liabilities	229	190
Income from selling fixed assets	150	0
Income from derecognition of liabilities due to limitation of claims	124	130
Income from derecognition of other liabilities	122	0
Income from derecognition of invoices not yet received	120	79
Income from recharging disbursed costs	105	0
Income from the reversal of provisions	40	2
Income from investment subsidies	0	27
Income from reversal of specific valuation allowances	0	23
Income from other remuneration of employees	0	3
Other income	89	181
Total	**2,683**	**1,327**

One-off effects led to a considerable increase of other operating income. In particular, YOC was able to generate income from the acquisition of claims against the company amounting to kEUR 1,109 EUR.

These result from the purchase of receivables from a credit institution and a further creditor at kEUR 750 and kEUR 359.

Revenue from currency gains and currency translations increased as a result of significantly higher exchange rates for EUR / British pound and EUR / US dollar.

Income from letting office space increased as compared to the previous year especially by leasing office space to the sold Affiliate Marketing business segment beginning in June 2014.

Further income was recorded from the derecognition of other liabilities amounting to kEUR 122. This includes mainly the decline in liabilities through moving the London office to new premises.

Following the move of the Berlin headquarters to new premises at the beginning of the financial year 2014, disposable fixed assets were sold to the new tenant with a positive effect amounting to kEUR 150.

Tasks taken on during the transitional phase in order to uphold business for the sold subsidiary belboon GmbH, Berlin, brought further income amounting to kEUR 105 from passing on costs.

6.4 Expenses for goods and services

Cost of materials (in kEUR)	2014	2013
Cost of materials for external services	6,391	8,468
Total	**6,391**	**8,468**

The costs of materials for external services amounting to kEUR 6,391 (2013: kEUR 8,468) include mainly the costs for infrastructure for providing services and for the remuneration of publishers.

6.5 Personnel expenses

Personnel expenses (in kEUR)	2014	2013
Wages and salaries	3,387	5,713
Social security costs	576	944
Total	**3,963**	**6,657**

The decline in personnel expenses by kEUR 2,694 to kEUR 3,963 is largely due to a decline in the average number of employees by 33.

The social security costs include contributions to direct insurance policies at kEUR 14 (2013: kEUR 7) as well as contributions to the statutory / public pension fund (contribution-oriented scheme) amounting to kEUR 184 (2013: kEUR 184). The item „wages and salaries" includes income of kEUR 51 (2013: kEUR 77) for the stock option programme introduced in the financial year 2009.

Number of employees	2014	2013
Number of employees	60	93
Annual average	50	87

6.6 Other operating expenses

Other operating expense (in kEUR)	2014	2013
Current operating expense	1,073	1,248
Legal consulting expense	596	1,028
Marketing, communication and media placement	348	525
Restructuring expense	347	0
Expense from foreign exchange and currency translation	217	167
Recruiting and training expense	119	146
Travel costs	119	212
Outside services	118	478
Stock exchange listing fees	51	205
Allowances on receivables	24	17
Other operating expense	223	380
Total	**3,235**	**4,406**

The **current operating expenses** item consists mainly of expenses for rent, leasing and incidental costs amounting to kEUR 669 (2013: kEUR 777). The kEUR 108 decline mainly results from the move of the Berlin headquarters to new premises. Also included are expenditures for repairs, maintenance and servicing of operating and office equipment and software in the amount of kEUR 76 (2013: kEUR 88) along with expenditures for contributions, insurance and tax in the amount of kEUR 89 (2013: kEUR 104) as significant items.

Legal consulting expenses were impacted by special effects in 2014. In particular, an audit was carried out by the German Financial Reporting Enforcement Panel (DPR) by Q2 2014 which confirmed the accuracy of the statements.

Costs for preparing and auditing the annual financial statements could be reduced to kEUR 245 (2013: kEUR 271), while expenditures for tax advice were reduced to kEUR 44 (2013: kEUR 70).

The **marketing, communication, media placement** item includes mainly costs for marketing and public relations amounting to kEUR 133 (2013: kEUR 249) along with communication costs amounting to kEUR 89 (2013: kEUR 134).

Restructuring expenses were incurred once in the period under report. In particular, the sale of the Affiliate Marketing business sector brought about an increased need for consultation. In addition, external consultants were involved in the restructuring programme.

The **miscellaneous other operating expenses** item includes, among other things, compensation expenses for the Supervisory Board amounting to kEUR 73 (2013: kEUR 90), expenses for licences and concessions amounting to kEUR 58 (2013: kEUR 56) The increase for licences is attributable to the use of a new sales tool.

6.7 Financial result

Net interest (in kEUR)	2014	2013
Income from securities and other interest income	1	16
Interest income	**1**	**16**
Interest and similar expenses	45	70
Interest expense from non-current liabilities	1	28
Interest expense	**46**	**98**
Financial result	**-45**	**-82**

The interest and similar expenses item includes mainly interest expense from loan agreements.

The interest expense from non-current liabilities item includes the amount of kEUR 1 (2013: kEUR 1) attributable to long-term financing leasing.

6.8 Income taxes

Tax expenses for the financial year 2014 consist of the following:

Income taxes (in kEUR)	**2014**	**2013**
Actual income taxes		
Actual taxes on domestic income	11	7
Actual taxes on foreign income	24	-21
Total actual income taxes	**35**	**-14**
Deferred taxes		
Deferred domestic taxes	78	611
Deferred foreign taxes	-2	97
Total deferred taxes	**76**	**708**
Total income taxes	**111**	**694**

The actual income taxes comprise corporate income tax, trade tax, solidarity surcharge and the foreign taxes on income and earnings. The actual domestic income taxes are treated as tax expenses for other accounting periods.

The deferred taxes recognised in profit or loss are broken down as follows:

Deferred taxes recognised through profit or loss (in kEUR)	**2014**	2013
From temporary differences	219	-133
From loss carryforwards and tax credits	-143	841
Total deferred taxes recognised through profit or loss	**76**	**708**

The tax revenue in the amount of kEUR 143 (2013: kEUR 841 tax expenditure) resulted from the adjustment of deferred tax assets to losses carried forward.

The item "Deferred taxes recognised in profit or loss" contains effects in the amount of 0 kEUR (previous year: kEUR 38) resulting from the reversal, recognised in profit or loss, of deferred tax originally not recognised in profit or loss.

The following table shows the reconciliation between expected and actually reported tax expenses:

Reconciliation (in kEUR)	2014 TEUR	%	2013 TEUR	%
Comprehensive income before taxes	**-3,411**		**-9,581**	
Relevant tax rate		**30**		**30**
Expected tax expense	**1,029**		**-2,891**	
Changes resulting from deviations to the tax measurement basis				
Tax-exempt income, tax-exempt amounts and benefits	-70		-2	
Non-tax deductible expense	176		998	
Tax effects for the Group				
Deconsolidation	-986		139	
Non-tax deductible amortisation of goodwill	0		1,058	
Tax rate differences				
Effects of various trade tax rates	0		8	
Effects of differing foreign tax rates	0		-122	
Recognition and measurement of deferred tax assets				
Impairment of deferred taxes on loss carryforwards	0		688	
Non-recognition of deferred tax assets on loss carryforwards	191		916	
Use of non-deferred loss carryforwards	-144		0	
Write-up of deferred tax assets on loss carryforwards	-142		0	
Changes in tax rates on deferred taxes				
Changes in tax rates on deferred taxes	0		74	
Non-periodic effects				
Taxes from previous years	12		-14	
Other				
Other	46		51	
Actual tax expense per income statement	**111**		**902**	

The expected tax expense is obtained by multiplying comprehensive income before tax by the parent company's tax rate of 30.18 % (2013: 30.18 %). The relevant tax rate is calculated according to the tax provisions in effect on the closing date to the financial statements. Corporate income tax, solidarity surcharge and trade tax are taken into account accordingly.

The following deferred tax assets and deferred tax liabilities were recognised on differences and on loss carryforwards.

Deferred tax assets / liabilities (in kEUR)	2014		2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	8	150	36	146
Fixed assets	2	0	0	0
Receivables	0	0	0	1
Provisions	0	0	113	0
Tax loss carryforwards and benefits	143	0	0	0
Total	**153**	**150**	**149**	**147**
Netting	-150	-150	-147	-147
Recognised on statement of financial position	**3**	**0**	**2**	**0**

For German tax purposes, the deferred taxes are accounted for using a corporate income tax rate of 15 % and a solidarity surcharge of 5.5 %. The trade tax is calculated using a 3.5 % base rate and the respective multiplier specific to local municipality.

Deferred taxes on items on the statement of financial position relating to foreign ownership interests are recognised with due regard to the tax conditions applicable to the company in question.

Deferred tax on tax loss carryforwards are recognised subject to whether they can be realised in the future. As of 31 December 2014, deferred taxes on tax loss carryforwards amounting to kEUR 13,010 (2013: kEUR 14,026) from corporate income taxes and amounting to kEUR 11,956 (2013: kEUR 13,099) from trade taxes were not recognised. Deferred taxes on tax loss carryforwards amounting to kEUR 2,761 (2013: kEUR 4,407) attributed to foreign subsidiaries were not recognised.

Tax receivables amounting to kEUR 29 (2013: kEUR 37) are attributable to continuing operations and include the following items:

Tax Receivables (in kEUR)	**2014**	**2013**
Claims for return of:		
Corporate income tax	29	36
Investment income tax	0	1
Total	**29**	**37**

Tax liabilities amounted to kEUR 23 (2013: kEUR 0) as of 31 December 2014.

6.9 Earnings per share

The registered share capital as of 31 December 2014 remains unchanged as compared to the previous year and is divided into 2,858,500 bearer shares each with a nominal value of EUR 1.00 per share. To calculate the undiluted earnings per share, the earnings attributable to ordinary shareholders of YOC AG are divided by the weighted average number of ordinary shares in circulation during the year. In 2014, the weighted average number of shares used to calculate the undiluted earnings per share was 2,858,500 (2013: 2,736,092 shares). The stock options offered under the stock option programme had no dilutive effect according to IAS 33.41 in financial year 2014.

6.10 Segment reporting

Segment reporting is based on the internal management structure. Internal reporting was shifted to geographical areas at the beginning of the reporting year in order to represent revenues in the product field of mobile advertising appropriately. Since then, the Group has been broken down into 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 the UK, Spain and France have been assigned to the Rest of Europe segment, as they show similar economic characteristics and are comparable in terms of their products, range of services, customers, processes and marketing methods.

The corporate functions item contains revenue and expenses that were incurred in the parent company and cannot be directly allocated to any business segment.

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)	D-A-CH	Rest of Europe	Corporate Functions	Consolidation	YOC Group
01/01/2014 - 31/12/2014					
External revenue	5,587	3,781			9,368
Internal revenue	577	0		-577	0
Total revenue	6,164	3,781		-577	9,368
Own work capitalised	268	0			268
Other operating income	312	818	1,553		2,683
Total output	6,167	4,599	1,553		12,320
Costs of goods sold	3,628	2,763			6,391
Personnel expenses	2,012	1,301	651		3,963
Other operating expenses	727	1,167	1,342		3,235
EBITDA	**-199**	**-632**	**-439**		**-1,270**
01/01/2013-31/12/2013					
External revenue	4,837	7,080			11,917
Internal revenue	652	0		-652	0
Total revenue	5,490	7,080		-652	11,917
Own work capitalised	63	0			63
Other operating income	971	354			1,321
Total output	5,871	7,434			13,305
Costs of goods sold	3,999	4,469			8,468
Personnel expenses	3,102	2,176	1,378		6,657
Other operating expenses	1,109	1,454	1,844		4,406
EBITDA	**-2,338**	**-665**	**-3,222**		**-6,225**

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

As of 31 December 2014, trade receivables amounted to kEUR 588 (2013: kEUR 799) in the D-A-CH region and kEUR 1,022 (2013: kEUR 2,845) in the rest of Europe.

EBITDA is reconciled to net income as follows:

Reconciliation (in kEUR)	2014	2013
EBITDA	**-1,270**	**-6,225**
Depreciation and amortisation	-311	-980
Financial result	-45	-82
Net income before taxes	**-1,626**	**-7,287**
Taxes	-119	-694
Net income from discontinued operations	5,037	-2,502
Net income	**3,292**	**-10,483**

6.11 Other comprehensive income

Other comprehensive income in financial year 2014 contains changes arising from currency translations amounting to kEUR -210 (2013: kEUR 18).

On account of the deconsolidation of Sevenval Limited, altogether kEUR 37 have been reclassified through the income statement with an effect on income in the financial year 2014.

7. Notes to Individual Items in the Statement of Financial Position

7.1 Property, plant and equipment

Property, plant and equipment includes mainly operating and office equipment as well as IT infrastructure such as, for example, server systems.

As of 31 December 2014, the consolidated statement of financial position showed property, plant and equipment amounting to kEUR 145 (2013: kEUR 498). Scheduled depreciation on property, plant and equipment amounts to kEUR 171 for the financial year under review (2013: kEUR 290).

There were no limits on disposal or restrictions for individual items of property, plant and equipment. Likewise, no property, plant or equipment has been pledged or otherwise given as security.

Following the sale of the Affiliate Marketing business segment, assets from continued operations were reclassified to discontinued operations ("Held-for-Sale") on 30 June 2014 and deconsolidated as of 01 July 2014.

Property, plant and equipment in the financial year 2014 has developed as follows:

Changes to property, plant and equipment (in kEUR)

Acquisition costs	
As of 01/01/2013	**1,627**
Additions	47
Disposals	14
Currency translation effects	1
Reclassifications as "Held-for-Sale"	181
As of 31/12/2013	**1,842**
Depreciation	
As of 01/01/2013	**947**
Additions	290
Disposals	3
Currency translation effects	-1
Reclassifications as "Held-for-Sale"	111
As of 31/12/2013	**1,344**
Net carrying amount as of 31/12/2013	**498**
Acquisition costs	
As of 01/01/2014	**1,842**
Changes in scope of consolidation	-163
Additions	13
Disposals	562
Currency translation effects	19
As of 31/12/2014	**1,149**
Depreciation	
As of 01/01/2014	**1,344**
Changes in scope of consolidation	-150
Additions	171
Disposals	377
Currency translation effects	16
As of 31/12/2014	**1,004**
Net carrying amount as of 31/12/2014	**145**

7.2 Goodwill

The change in goodwill in the financial year 2014 results from the sale of the Affiliate Marketing business segment. With its derecognition, no more goodwill remains.

7.3 Other intangible assets

On 31 December 2014, other intangible assets with a defined useful life amounted to kEUR 511 (2013: kEUR 541).

Other intangible assets with a defined useful life include the following items:

Other intangible assets with defined useful life (in kEUR)	**2014**	**2013**
Internally developed software	486	180
Software and licences	16	67
Customer bases	0	294
Total	**502**	**541**

Those parts of the software already completed in the amount of kEUR 495 (2013: kEUR 180) are amortised according to plan on a straight-line basis over a useful life of 3 years.

As of 31 December 2014, the remaining useful lives were between 1.0 and 3.0 years (2013: between 1.0 and 3.0 years).

Previous Year´s customer bases amounting to kEUR 294 included the customer base acquired by purchasing belboon GmbH (former adbutler GmbH), and were derecognised in the course of selling the Affiliate Marketing business segment.

The amortisation of other intangible assets amounted to kEUR 185 for the financial year 2014 (2013: kEUR 261).

There were no limits on disposal or restrictions on individual other intangible assets. Likewise, no other intangible assets have been pledged or otherwise given as security.

The development of other intangible assets has been as follows:

Development of intangible assets (in kEUR)	Internally developed software	Website and trademark rights	Acquired software and licences	Customer bases	Total
Acquisition costs					
As of 01/01/2013	**2,454**	**631**	**540**	**2,647**	**6,272**
Additions	129	0	0	0	129
Disposals	286	0	32	0	318
Reclassifications as "Held-for-Sale"	180	0	3	524	707
As of 31/12/2013	**2,477**	**631**	**511**	**3,170**	**6,789**
Depreciation					
As of 01/01/2013	**2,289**	**631**	**405**	**2,190**	**5,515**
Additions	114	0	63	84	261
Disposals	286	0	26	0	312
Impairment losses	0	0	2	78	80
Reclassifications as „Held-for-Sale"	180	0	0	524	704
As of 31/12/2013	**2,297**	**631**	**444**	**2,876**	**6,248**
Net carrying amount as of 31/12/2013	**180**	**0**	**67**	**294**	**541**
Acquisition costs					
As of 01/01/2014	**2,477**	**631**	**511**	**3,170**	**6,789**
Changes in scope of consolidation	-1,171	-546	-35	-845	-2,597
Additions	401	13	0	0	414
Disposals	0	0	42	0	42
Reposting	9	0	0	0	9
As of 31/12/2014	**1,716**	**98**	**435**	**2,325**	**4,573**
Depreciation					
As of 01/01/2014	**2,297**	**631**	**444**	**2,876**	**6,248**
Changes in scope of consolidation	-1,156	-546	-32	-586	-2,320
Additions	102	0	48	35	185
Disposals	0	0	42	0	42
As of 31/12/2014	1,242	85	419	2,325	4,071
Net carrying amount as of 31/12/2014	**473**	**13**	**16**	**0**	**502**

7.4 Receivables and other assets

Trade receivables and other receivables as of 31 December 2014 amounted to kEUR 1,611 (2013: kEUR 3,960). They consist of the following:

Trade receivables (in kEUR)	**2014**	**2013**
Trade receivables before impairment	1,647	4,317
Specific valuation allowance	-36	-357
Total	**1,611**	**3,960**

Impairments on trade receivables and other receivables have changed as follows:

Changes in specific valuation allowance (in kEUR)	**2014**	**2013**
As of 01/01/14	**357**	**251**
Additions	11	107
Reversals	0	-49
Usage	-210	-31
Reclassifications as "Held-for-Sale"	0	79
Changes in scope of consolidation	-122	0
As of 31/12/14	**36**	**357**

The management of receivables accommodates a balanced age structure through the continuous analysis of the receivables amount. Trade receivables older than 60 days are subject to detailed analysis. Should there be any earlier indications that an individual adjustment is necessary, the respective receivables are impaired accordingly.

The following table shows the analysis of the age structure of receivables which are reported in the statement of financial position on the reporting date.

Trade receivables maturity analysis (in kEUR)	**2014**	**2013**
Up to 30 days*	1,466	3,322
31 days to 90 days	53	293
91 days to 180 days	16	172
From 181 days	76	173
Due value-adjusted receivables as of 31/12/2014	35	357
Total trade receivables	**1,647**	**4,317**

*there of receivables amounting to kEUR 1,042 are neither due nor impaired on 31/12/2014 (2013: kEUR 2,159

The **other assets** amounting to kEUR 641 (2013: kEUR 972) include mainly liabilities from the sale of assets at kEUR 300. They also contain advance payments amounting to kEUR 70 (2013: kEUR 172), receivables from tax authorities from value added taxes amounting to kEUR 208 (2013: kEUR 36), creditor accounts with debit balance amounting to kEUR 10 (2013: kEUR 24) as well as security deposits in the amount of kEUR 57 (2013: kEUR 18).

Advance payments have been made, among other things, for insurance, membership fees, rents and royalties.

As in the previous year, there were no impairments of other assets.

All receivables and other assets are short-term items.

There are exceptional default risks, or concentrations of default risks, on YOC Group receivables in respect of the recognised purchase money claim from the sale of assets.

Altogether, the carrying amounts presented above reflect the Group's maximum default risk on such receivables and assets.

7.5 Cash and cash equivalents

Cash and cash equivalents comprise all bank and cash assets along with short-term deposits and cheques amounting in total to kEUR 1,204 (2013: kEUR 531). On the reporting date, the credit balances held at various banks were earning interest rates between 0 % and 0.5 %. Bank accounts held in a foreign currency were translated using the end-of-period exchange rate. As of 31 December 2014, no cash assets had been pledged as security.

7.6 Equity

The number of shares of the company was at 2,858,500. Of the 2,858,500 shares with a nominal value of the share capital of EUR 1.00, YOC AG has held 4,000 as its own shares (see explanations further below). Treasury shares are presented as a deduction from the share capital.

In the annual general meeting on 06 June 2013, a new authorised capital was approved, whereby it entitled the Management Board to increase the company's share capital - with the Supervisory Board's approval - one or more times until 05 June 2018, up to a nominal amount of EUR 1,300,000.00, by issuing new shares for cash contributions and/or contributions in kind.

The following table shows the shareholder structure of YOC AG as of 31 December 2014:

Shareholders of YOC AG	**Ownership interests in %**
Management Board*	17,6
DIH Deutsche Industrie Holding GmbH	11,0
Institutional investors	8,1
Dr. Bernhard Heiss	7,9
Hilmar Kraus	3,1
YOC AG (own shares)	0,1
Free float	52,2
Total	**100,0**

*The ownership interest held by dkam GmbH is attributed to Mr. Dirk Kraus

As early as the financial year 2009, contingent capital was created to give the management and employees of the company as well as its affiliates subscription rights under the stock option programme, for the first time.

Of the total volume of 175,000 possible subscription rights, 115,500 shares, i.e. up to 66 % of the total volume, may be granted to members of YOC AG's Management Board. A total of 59,500 shares, i.e. up to 34 % of the total volume, may be granted to employees of YOC AG and employees of its affiliates. Each subscription right entitles the holder to purchase one share in YOC AG at the exercise price.

The exercise price is equivalent to 100 % of the unweighted average Xetra closing rate of YOC shares in the last eight trading days before the beginning of the subscription period in which the subscription rights are granted, but not less than the closing price of the share on the date when the subscription rights are granted. The subscription rights may be exercised only during specific exercise periods, but no earlier than three years after they have been granted, and for the last time in 2017.

Exercise of the subscription rights is therefore linked to an increase in the stock market price of YOC shares of at least 15 % in the third year following the granting of the subscription rights, at least 20 % in the fourth year and at least 25 % in the fifth year. In addition, the person exercising such rights must have been continuously employed by YOC AG or one of its affiliates since the subscription rights were granted. The right to exercise the subscription rights remains intact if the employment contract is terminated due to long-term illness, inability to work, or retirement, or if the employment contract is consensually terminated or is terminated by reason of parental leave.

New subscription rights may be granted within the limits of the total volume for subscription rights which have expired owing to cancellations.

In the event of a takeover bid for the shares of YOC AG according to Sect. 29 Para. 35 German Securities Acquisition and Takeover Act (WpÜG), the subscription rights can be exercised within an additional exercise period as long as the statutory waiting period of two years is observed.

The following table shows the number and the weighted average exercise price (WAEP) in euro along with the performance of the share options during the financial year:

	2014		2013	
Development of stock options	**Number**	**GDAP**	**Number**	**GDAP**
Outstanding as of 01/01	**159,765**	**14.54**	**167,865**	**14.64**
Forfeited during the period	111,965	13.25	0	0.00
Expired during the period	3,550	16.11	8,100	16.55
Outstanding as of 31/12	**44,250**	**17.69**	**159,765**	**14,54**
Exercisable as of 31/12	**0**	**0.00**	**0**	**0.00**

On 31 December 2014, the weighted average remaining term was 0.5 years (2013: 0.5 years). The weighted average fair value of the options on the reporting date amounted to EUR 6.74 (2013: EUR 4.66). The exercise prices for the options outstanding at the end of the current financial year range between EUR 7.37 and EUR 35.90.

The fair value of the share options was ascertained by means of a Monte Carlo simulation, taking the following assumptions as a basis:

Valuation parameters of stock options	Options September 2012	Options May 2012	Options September 2011	Options August 2010	Options May 2010
Expected dividend yield	0%	0%	0%	0%	0%
Interest of riskless assets	0.47%	0.61%	0.97%	1.23 %	1.43%
Vesting period in years	3.3	3.3	3.3	3.3	3.3
Volatility	50%	50%	45%	40%	40%

Volatility was ascertained in previous years using historical changes in share prices of a group of companies which are comparable with YOC AG.

On 31 December 2014, the capital reserve amounted to kEUR 19,903 (2013: kEUR 20,226). The change in capital reserve in the reporting year is the result of a reposting of the expired parts of the stock option programme into retained earnings (kEUR 270) as well as the changed evaluation according to the amended assessment of the fluctuation rate of the stock option programme amounting to kEUR 54 (2013: kEUR 46) in accordance with IFRS 2.

The retained earnings item reflects the cumulative results of past financial years, improved by the positive annual result amounting to kEUR 3,292 as well as the expired parts of the stock option programme reposted from capital reserve, and amounts to kEUR -24,220 as of 31 December 2014 (2013: kEUR -27,782).

In the financial year 2014, as in the previous year, YOC AG held 4,000 of its own shares valued at an average of EUR 12.56.

7.7 Provisions

The provisions are comprised as follows:

Provisions (in KEUR)	As of 01/01/14	Reversal	Change in scope of consildation	Addition	As of 31/12/14
Archiving provisions	64	0	18	10	56
Other provisions	40	40	0	9	9
Total	**104**	**40**	**18**	**19**	**65**

On 31 December 2014, YOC Group had provisions amounting in total to kEUR 65 (2013: kEUR 104). In 2014, the full amount of kEUR 65 (2012: kEUR 64) is classifiable as long term, and includes the provisions for archiving and the phantom stock option programme for the Management Board, managers and employees launched in 2014. The archiving provision is a consequence of the duty to preserve business records. The discount rate applied is based on the interest rates published by the German Central Bank (Bundesbank) for the various maturities. In 2014, it was on average 3.50 % (2013: 3.97 %).

With the phantom stock option programme set up in September 2014 (share-based payment with cash compensation) 100,000 phantom options were granted to staff and Management Board members in the financial year 2014. Phantom options may be granted for the first time in 2014, and for the last time in 2017. They may be exercised no earlier than three years after they have been granted, and only if the share price is at least 25 % higher than on the issuing date and at least EUR 5.00. The phantom options are to be exercised within twelve months after the waiting period has expired. After three years, the options become non-forfeitable. The fair value as of 31 December 2014 is at EUR 1.45, and was ascertained by means of the Black-Scholes model, taking the following assumptions as a basis: expected dividend yield 0 %, risk-free interest rate 0.02 %, vesting period three years, and an expected volatility of 163 %.

7.8 Liabilities

On 31 December 2014, YOC Group's liabilities amounted to kEUR 5,720 (2013: kEUR 12,304). They include received pre-payments, trade payables and other payables, liabilities to financial institutions and tax liabilities, other liabilities and other financial liabilities.

As of 31 December 2014, there are **trade payables and other payables** amounting to kEUR 2,521 (2013: kEUR 3,008).

Other liabilities, amounting to kEUR 771 as of 31 December 2014 (2013: kEUR 1,336), exclusively consisted of current liabilities (2013: kEUR 1,318). They can be broken down as follows: Liabilities arising from personnel matters include mainly deferred bonus and commission claims amounting to

	2014		2013	
Other liabilities (in kEUR)	**Total**	**Of which current**	**Total**	**Of which current**
Liabilities arising from personnel matters	617	617	901	901
Liabilities from operating taxes	122	122	316	316
Liabilities to supervisory board	0	0	56	56
Liabilities from operating leasing	0	0	18	0
Miscellaneous other liabilities	32	32	45	45
Total	**771**	**771**	**1,336**	**1,318**

kEUR 222 (2013: kEUR 409), liabilities for severance payments amounting to kEUR 218 (2013: kEUR 222), liabilities for payroll and church taxes, trade association commitments and an obligation to pay the disabled persons' levy in the amount of kEUR 126 (2013: kEUR 159) as well as commitments for unused vacation days amounting to kEUR 51 (2013: kEUR 44).

Other financial liabilities, in a total amount of kEUR 2,396 as of 31 December 2014 (2013: kEUR 5,748), exclusively consist of current liabilities (2013: kEUR 5,146). They break down as follows:

The item of other financial liabilities in the current year comprises mainly liabilities from purchase invoices not yet received. They contain obligations for financial reporting and audit costs of YOC AG amounting to kEUR 99 (2013: kEUR 108). Also included in this item are liabilities for customers' overpayments amounting to kEUR 247 (2013: kEUR 154).

	2014		2013	
Other financial liabilities (in kEUR)	**Total**	**Of which current**	**Total**	**Of which current**
Liabilities from invoices not yet received	2,296	2,296	4,657	4,657
Shareholder loans	0	0	600	0
Liabilities from finance leasing	3	3	36	33
Miscellaneous other financial liabilities	97	97	455	455
Total	**2,396**	**2,396**	5,748	5,146

As of 31 December 2014, YOC AG has released all financial liabilities (2013: kEUR 525). The credit line of kEUR 1,000 granted to YOC AG was completely settled at the end of February 2014 through a debt purchase by YOC AG. Gains of kEUR 750 could be registered along with an outflow of kEUR 250.

Hedging relationships are not reported.

7.9 Other financial obligations

As of 31 December 2014, there were financial obligations for outstanding leasing instalments for office space, operating and office equipment.

Of the financial obligations from operating leases, the following is to be paid in the coming years:

Other financial obligations (in kEUR)	2014	2013
Up to 1 year	204	252
1 - 5 years	292	24
More than 5 years	0	0
Total	**496**	**276**

Rent-free periods are recognised over the lease term on a straight-line basis as a reduction of current rent expenses.

In the financial year 2014, the minimum lease payments recognised in profit or loss under operating leases for continuing operations amounted to kEUR 740 (2013: kEUR 795). There were no lease commitments according to IFRIC 4.

As of 31 December 2014, current liabilities exist from finance lease agreements for hardware for which payments are to be made in the amount of kEUR 3 (2013: kEUR 36) in the years to come as follows:

Minimum lease payments (in kEUR)	2014	2013
Up to 1 year	3	33
1-5 years	0	3
Total	**3**	**36**

The present value of the minimum leasing payments is as follows:

Present value minimum lease payments (in KEUR)	2014	2013
Up to 1 year	3	32
1-5 years	0	2
Total	**3**	**34**

The minimum leasing payments can be reconciled with present value as follows:

Reconciliation (in kEUR)	31/12/2014	31/12/2013
Minimum lease payments at settlement day	3	35
- future financing costs	0	-1
= Present value minimum lease payments	**3**	**34**

The commitments under finance lease agreements are included in the amount stated under the following statement of financial position items:

Lease obligations
(in kEUR)

	2014	2013
Short-term financial obligations	3	32
Long-term financial obligations	0	2
Total	**3**	**34**

The fair value of the liabilities under finance lease agreements is essentially their carrying amounts.

Lending and similar forms of financing did not occur in the financial year 2014.

7.10 Other disclosures on financial instruments

The following table shows the carrying amounts and fair values, the categorisation according to IAS 39, and fair-value hierarchy of the financial assets and liabilities recognised in the consolidated financial statements:

Carrying amounts of payment instruments, trade and other receivables, other current assets and other current financial liabilities are virtually identical with their fair value, mainly due

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

31/12/2013 (in kEUR)	Carrying amount	Fair Value	Measurement category IAS 39[1)]	Fair value hierarchy
Financial assets				
Cash and cash equivalents	531	531	LaR	n/a
Trade receivables	3,960	3,960	LaR	n/a
Other assets	972	972	LaR	n/a
Financial liabilities				
Fixed rate borrowing (from shareholders)	600	510	FLAC	Level 2
Bank overdrafts	525	525	FLAC	n/a
Trade payables	3,008	3,008	FLAC	n/a
Other financial liabilities	5,148	5,148	FLAC	n/a
thereof finance lease obligations	36	36	FLAC	Level 2

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

to their short repayment periods. The fair value of these current items in the statement of financial position items is equated with their recognised value on grounds of materiality.

The following table shows the future, non-discounted, contractually agreed cash outflows in relation to the financial instruments:

Maturity analysis (in KEUR)	Carrying amount as of 31/12/2014	Non-discounted cash outflow		
		Up to 1 year	1 to 5 years	more than 5 years
Other liabilities	771	771	0	0
Other financial liabilities	2,396	2,396	0	0
Trade payables	2,521	2,521	0	0

Maturity analysis (in KEUR)	Carrying amount as of 31/12/2013	Up to 1 year	1 to 5 years	more than 5 years
Liabilities financial institutions	525	525	0	0
Other liabilities	1,336	1,318	18	0
Other financial liabilities	5,748	5,145	603	0
Trade payables	3,008	3,008	0	0

YOC Group has a group-wide cash management system by which the liquidity of the Group companies is monitored on a daily basis.

As of 31 December 2014, as in the previous year, the maximum contingency risk was equal to the carrying amount of all financial assets owed to third parties.

Revenue and expenditures along with profits and losses from financial instruments which are recorded in the income statement are presented in the table below:

Items of income, expense, gains or losses (in kEUR)	2014		2013	
	Net profit / net losses	Total interest income and expense (effective interest method)	Net profit / net losses	Total interest income and expense (effective interest method)
Loans and receivables (including cash and cash equivalents)	1,132	-44	-59	-23
Financial liabilities measured at amortised cost	0	0	0	-39
Total	**1,132**	**-44**	-59	-62

Net gains or net losses according to IFRS 7.20 (a) include interest for liabilities to financial institutions, changes in impairment of receivables, and results of measuring financial instruments at fair value. Total interest income and total interest expense according to IFRS 7.20 (b) includes mainly interest expenses resulting from application of the effective interest method along with interest expenses from leasing liabilities.

8. Notes to the Cash Flow Statement

8.1 Cash flow from individual activities

On the reporting date, cash and cash equivalents of YOC Group amounted to EUR 1.2 million. This means a rise in liquidity by EUR 0.7 million as compared to 31 December 2013.

Operating cash flow

The operating cash flow is determined according to the indirect method. The starting point for determining the operating cash flow is net income after taxes for the past financial year, which amounts to EUR 3.3 million (2013: EUR -10.5 million). Of this, EUR -1.7 million can be attributed to continued operations (2013: EUR -8.0 million).

The operating cash flow came to EUR -1.9 million in the financial year 2014 (previous year: EUR -4.8 million). The operating cash flow includes all cash transactions of the financial year that are not attributable to investing or financing activities.

Cash flow from investing activities

Cash inflow from investing activities for the past financial year amounted to EUR 2.7 million (previous year: EUR 4.4 million).

Most noteworthy is income from the sale of the Affiliate Marketing business segment, from variable purchase price payments for the Mobile Technology business segment sold in 2013 as well as the sale of dispensable assets in the course of moving the company headquarters in Berlin to new premises.

In addition, EUR 0.3 million in total have been invested in connection with the further development of technological platforms and new products.

Cash flow from financing activities

The cash flow from financing activities is almost balanced in the financial year 2014.

Shareholder loans received by the company in 2013 and Q1 2014 amounting to EUR 1.0 million have been fully settled in Q3 2014.

Further liabilities amounting to EUR 0.6 million were settled in Q3 2014, with an outflow of EUR 0.25 million.

In Q1 2014, YOC AG obtained EUR 0.5 million by using the full potential of operating lines of credit with financial institutions. The debt purchase by YOC AG led to an outflow of EUR 0.25 million.

8.2 Cash funds

The cash funds comprise cash in hand and bank balances along with short-term deposits with a maturity of up to 90 days which have only a slight value fluctuation risk. As of 31 December 2014, cash funds amounted to kEUR 1,204 (2013: kEUR 531).

9. Notes to the Statement of Change in Equity

Apart from the annual net profit of kEUR 3,292 recognised in the retained earnings, the following issues have had an effect on equity:

Currency translation effects arising from consolidating the foreign subsidiary YOC Mobile Advertising Ltd. have led to a decline in equity amounting to kEUR -210, due to the devaluation of the Euro to the British pound (2013: kEUR -17).

Changes in the evaluation of capital reserves generated through the stock option programme led to an effect in the amount of kEUR -54. The reclassification of expired options to retained earnings led to a further decline by kEUR -270. Altogether, the decrease in capital reserves amounts to kEUR -324 (2013: kEUR 46).

10. Other Disclosures

10.1 Guarantees, contingent liabilities and similar obligations

There are no guarantees, contingent liabilities or similar obligations.

10.2 Events after the statement of financial position reporting date

Effective 01 January 2015, Michael Kruse was appointed member of the Management Board of YOC AG. He is responsible for the areas of sales, operations and technology.

In Q1 2015, an exclusive partnership was formed with the world's leading app for music and TV recognition, Shazam, on the Spanish market. From this cooperation, YOC Group expects a positive impetus for future years.

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

10.3 Report on risks and opportunities

The disclosures on company- and industry-specific risks as well as financial risks of YOC Group and its management are made in the risk report of the Group Management Report, which is subject to auditing.

10.4 Related party disclosures

For the purposes of IAS 24, related companies and persons are generally defined as members of the Management Board and of the Supervisory Board of YOC AG along with their family members and companies controlled by these persons. Persons in key positions and their close family members are also considered related parties (according to IAS 24.9).

A loan in the amount of EUR 0.6 million was granted by related parties of the Management Board to the company in Q1 2014 at arm´s length with an interest of 8.25 %. The loan was repaid in July 2014 together with the accumulated interest.

No other significant business transactions with related companies or persons took place in the period under review.

10.5 Management Board and Supervisory Board remuneration

Remuneration of the Management Board

Appointed Management Board in the financial year 2014 was Dirk Kraus.

The following table shows the breakdown of the remuneration components for each Management Board member

Remuneration Management Board 2014 (in kEUR)

Name	Fixed compensation* (in kEUR)	Variable compensation (in kEUR)	Phantom stock options granted in 2014 (in units)
	short-term benefits		
Dirk Kraus	240	10	40,000
Total	**240**	**10**	**40,000**

*including contractual fringe benefits

In the financial year 2014, remuneration for the Management Board of YOC AG includes a fixed salary component of kEUR 240 in total (2013: kEUR 412). A variable component based on the operating results of YOC Group was remunerated at kEUR 10 in the current financial year.

From the phantom stock option programme set up in 2014, the Supervisory Board granted a total amount of 40,000 phantom stock options with a fair value of EUR 1.45 each to the Management Board. Other than in a stock option scheme with "actual" stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitles the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit. In the financial year 2014, kEUR 4 were recognised as share-based remuneration expense pro rata temporis.

In the financial year 2014, kEUR 275 of the ongoing Management Board remuneration were effective for payment (2013: kEUR 512).

On the occasion of ending his employment as member of the Management Board in September 2013, Dirk Freytag in financial year 2014 received cash compensation in the amount of kEUR 35 as well as company shares of a GmbH held by YOC AG with a counter value of kEUR 20.

Other than the above, no advances, loans, security payments, pension promises or similar benefits were granted to the Management Board.

Remuneration of the Supervisory Board

The compensation received by YOC AG's Supervisory Board comprises fixed remuneration amounting to kEUR 51 in total (2013: kEUR 50) and an attendance allowance of kEUR 22 (2013: kEUR 40).

The following table shows the breakdown of the remuneration for each member of the Supervisory Board in 2014:

Remuneration Supervisory Board 2014 (in kEUR)

Name	Fixed compensation	Attendance allowance	Total
Dr. Nikolaus Breuel (Supervisory Board chairman)	23	10	33
Konstantin Graf Lambsdorff (since 13 January 2014)	17	7	24
Sacha Berlik (since 13 January 2014)	11	5	16
Total	**51**	**22**	**73**

Other than the above, no advances, loans, security payments, pension promises or similar benefits were granted to the Supervisory Board.

Similarly, other than their Supervisory Board activities, the Supervisory Board members did not perform any advisory or referral services for YOC Group.

10.6 Auditor's fees

The following fees were incurred for the services performed by the auditor Ernst & Young (E&Y):

Auditor's fees (in kEUR)	2014	2013
Audit of financial statements	82	82
Tax consulting services	41	17
Other services	68	71

10.7 Declaration of Conformity with the German Corporate Governance Code

The Declaration of Conformity with the German Corporate Governance Code (Deutscher Corporate Governance Kodex) pursuant to Sect. 161 of the German Stock Corporation Act (AktG) was issued by the Management Board and the Supervisory Board and has been made permanently accessible to YOC AG's shareholders on the web page at www.yoc.com in the "Investor Relations" section.

Berlin, 17 April 2015
The Management Board

Dirk Kraus   Michael Kruse

Statement of Responsibility made by the Management Board

(Pursuant to Sect. 37y No. 1 Securities Trading Act (WpHG) in conjunction with Sect. 297 Para. 2 Sent. 4 and Sect. 315 Para. 1 Sent. 6 German Commercial Code (HGB))

We assure, to the best of my knowledge, that the consolidated financial statement conveys a true and fair view of the net assets, financial position and results of operations of the group according to the applicable accounting principles, and that the conduct of business including the business results and the situation of the group are described in the Group Management Report so as to convey a true and fair view of the facts and circumstances as well as the material risks and opportunities of the group's expected development.

Berlin, 17 April 2015

Dirk Kraus
Board YOC AG

Michael Kruse
Board YOC AG

Audit Opinion

We have issued the following opinion on the consolidated financial statements and the group management report:

„We have audited the consolidated financial statements prepared by the YOC AG, Berlin, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [„Handelsgesetzbuch": „German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion, we draw attention to the information provided in the management report by the management board of YOC AG. In the sections "Outlook" and "Financial and treasury risks" it is stated that due to the strained liquidity situation the continuation of the parent entity and the group as a going concern is at risk. The strained liquidity situation needs to be counteracted by various different measures which the company has already initiated in parts. These measures or events include in particular:

- A timely cash inflow in the amount of EUR 1.1 million from the realisation of planned debt and equity financing measures,
- a timely and successful collection of debts of up to EUR 0.3 million from the variable purchase price component from the sale of the Affiliate Marketing division,
- a successful implementation of further financing measures (e.g. factoring, allocation of an additional creditline) and the successful assertion of claims from non-operative business transactions in the next six to twelve months,
- a timely realisation of a significant growth in revenue and a considerable improvement of the operative results and thus reaching the planned business performance.

The continuation of the parent company and the group as a going concern depends on a successful application of the abovementioned measures and the realisation of the planned business performance, so that liquidity inflows occur as proposed."

Berlin, 20 April 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Roeders	Klemm
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Management Board

The Management Board consisted of the following members in the financial year 2014 (as of 31 December 2014):

DIRK KRAUS (since 10 September 2013)

Dirk Kraus was reappointed on 10 September 2014 as member of the Management Board of YOC AG in September 2013. He was sole member of the company's Management Board in the financial year 2014, and he had previously been represented on the Management Board of the company from 2001 to 2012 – since 2005 as CEO of the company. He established YOC AC with a partner in Berlin in 2001 after working for Roland Berger Strategy Consultants as a senior advisor dealing mainly with the restructuring and strategic reorientation of companies

Since January 2015 the board of YOC AG has a new member

MICHAEL KRUSE

Michael Kruse was appointed as board member of YOC AG in January 2015. He had previously been the managing director of the belboon affiliate network, which was part of the YOC Group until June 2014. Michael Kruse has a great deal of experience in the management and development of companies involved in digital marketing due to his earlier work as managing partner of the performance agency ad:C Media and as country manager of the Commission Junction affiliate network

Supervisory Board

The Supervisory Board was composed as follows in the financial year 2014

DR. NIKOLAUS BREUEL

Businessman, Berlin

- Managing Partner Karl-J. Kraus GmbH
- D+S communication center management GmbH: Member of the Supervisory Board
- YOC AG: Chairman of the Supervisory Board since 01/ 2014 (Member since 06/2013)

KONSTANTIN GRAF LAMBSDORFF

Lawyer, Berlin

- PRIMUS Immobilien AG, Chairman of the Supervisory Board since 2008
- YOC AG: Deputy Chairman of the Supervisory Board since 01/2014

SACHA BERLIK

Businessman, Cologne

- YOC AG: Member of the Supervisory Board since 01/2014

Financial Calendar 2015

28 MAI

Interim Report
First Quarter 2015

25 AUGUST

Annual Gerneral
Meeting

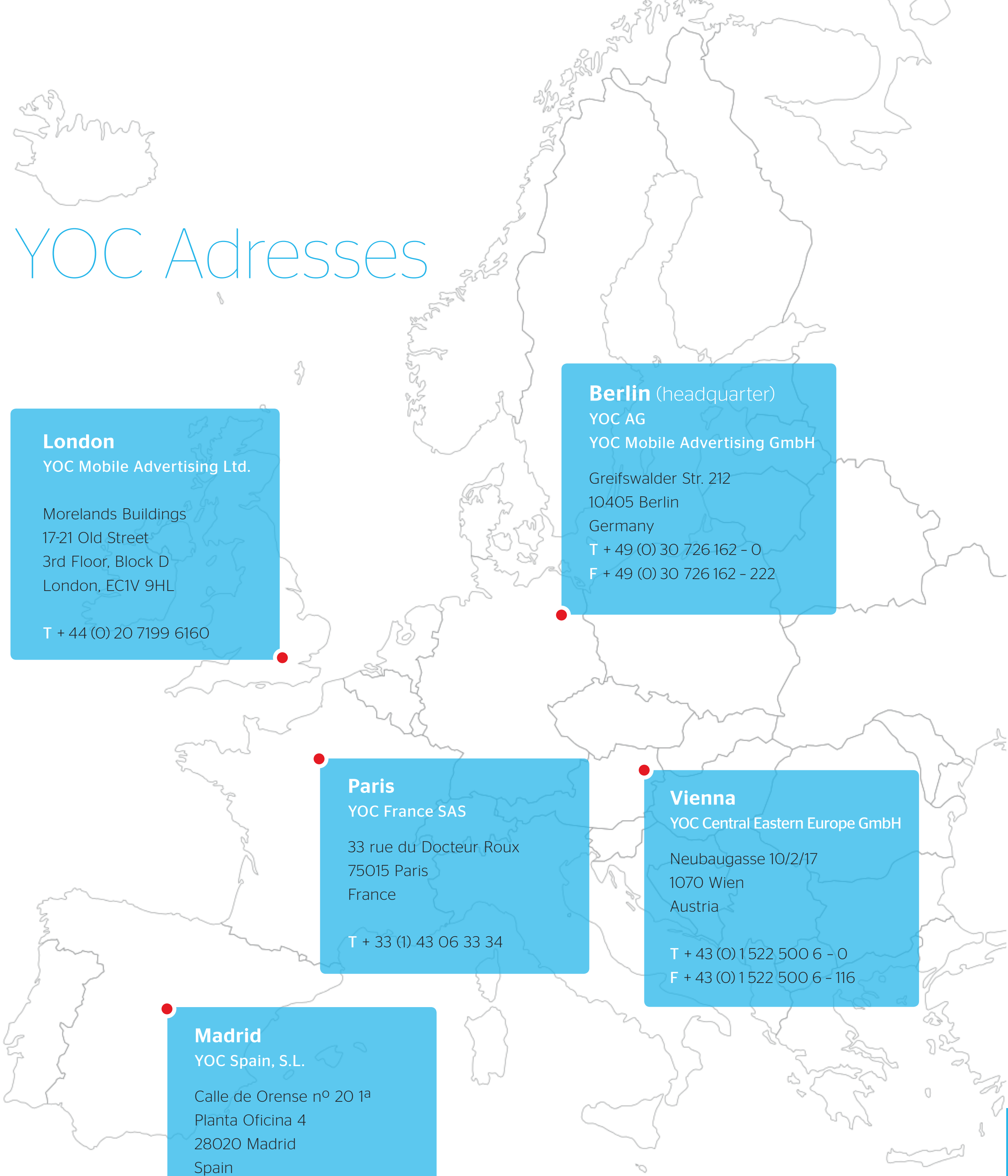
27 AUGUST

Interim Report
First Half of 2015

26 NOVEMBER

Third Interim
Report 2015

YOC Adresses



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