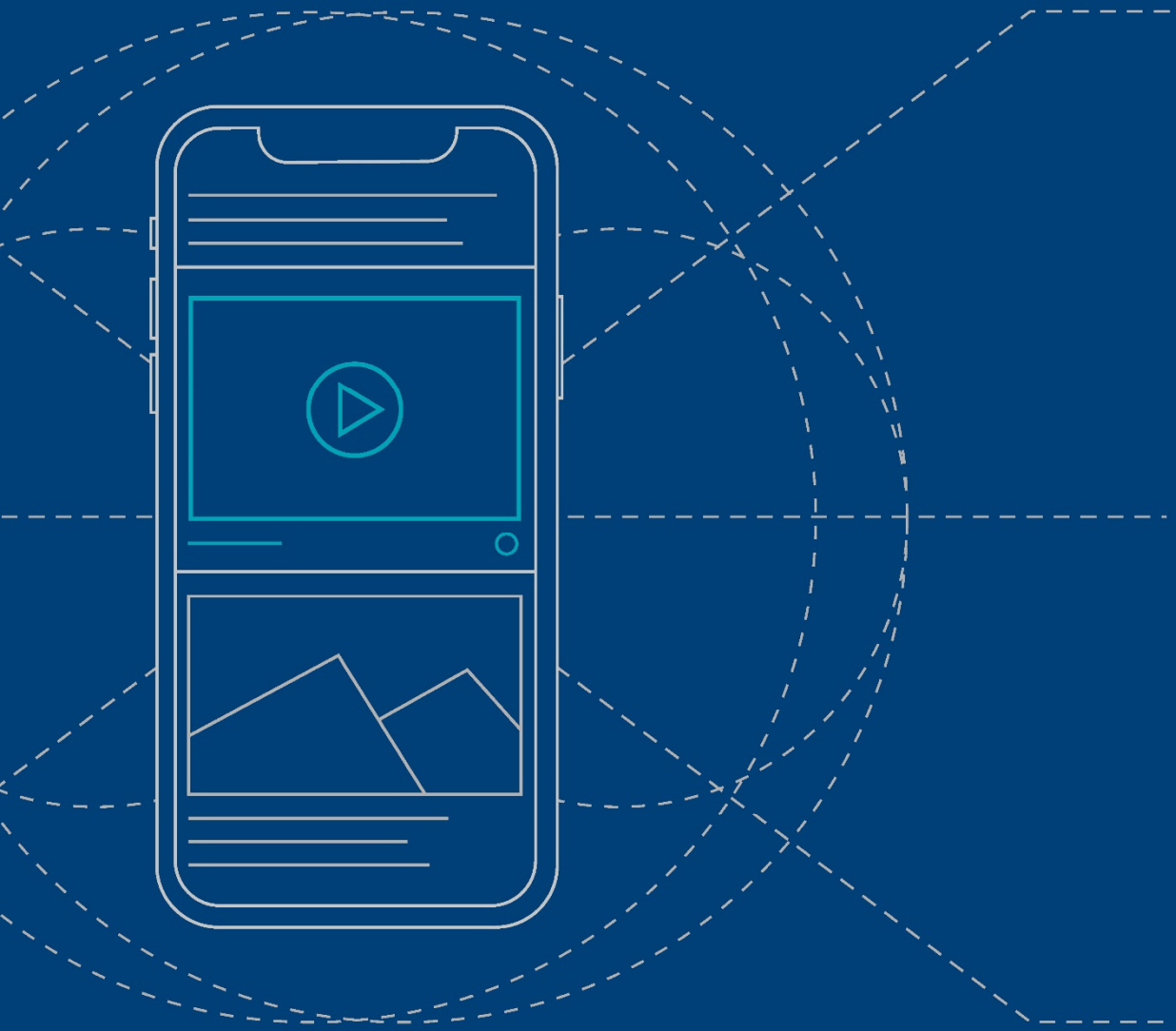

INTERIM REPORT
FIRST QUARTER 2018

Berlin, 31 May 2018

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LETTER TO THE SHAREHOLDERS

Dear Shareholders,

YOC Group is one of the leading independent providers of mobile advertising in Europe, based on our growth of expertise since 2001. Our products add value, individuality and creativity to advertising. Advertising with YOC means reaching out to people, entertaining, inspiring and creating a fascination for brands and their products.

In the first quarter of the ongoing financial year, the market introduction of our own supply-side platform VIS.X was a major step for the company. VIS.X stands for the trade of visible, high-profile, high-impact advertising formats. At the same time, VIS.X facilitates a significant change to our market position: VIS.X entails our further strategic development to an independent provider of advertising technology. We are enthusiastic about the technological possibilities that our new platform will have to offer. Through VIS.X, YOC and our products stand out from the competition in a positive way, and we will be able to considerably scale our business volume. At this moment, we are at the stage of migrating our publishing partners to VIS.X technically and at the same time linking the relevant buying platforms (DSP) of our advertising clients. Both are necessary prerequisites for a large-scale boost through VIS.X leading to growth.

We have underestimated this stage in terms of its progression over time and are in this respect currently behind our self-defined interim goals. The full transparency towards you, dear valued Shareholders, also includes the open and clear communication of this conclusion. This, however, does not at all mean that our enthusiasm for VIS.X is in any way clouded by this. On the contrary, every single day we are delighted with the advantages of our new technology and discovering new ways for the automated trade of our products.

To be clear: With VIS.X we are on the right strategic track.

Also, in other regards the beginning of the ongoing financial year was turbulent and confronted us with several challenges: The introduction of the Coalition for Better Ads (a global initiative to increase the acceptance of digital advertising) led to quite some confusion in our industry. Initial good intentions within the context of the initiative are not necessarily fully in line with the interests of all market participants, but are in particular dominated by those of one US-based large-scale platform. On our side, there is a great need to inform our partners, so that we will compensate sales losses in this respect. Especially in England the Coalition for Better Ads had a negative effect on us. But even here things are already straightening out, and we expect to have solved this issue by the second half of 2018.

Ultimately, preparing for the introduction of the EU-wide General Data Protection Regulation (GDPR) effective 25 May 2018 required considerable resources in the first quarter: The structural and content-related adaptation of our technological platforms and the juridical adjustments of all agreements with our partners, suppliers and clients meant an extraordinary burden for the whole industry; also and in particular as up to four weeks before its introduction there was uncertainty about the content-related interpretation and design of the regulation. Also, in this regard we are still busy with implementing the right steps to prevent sales losses through the introduction of the GDPR. As a consequence, we did not achieve to further increase the business volume in the first quarter of 2018, but merely recognised sales revenues in the amount of EUR 2.7 million (3M/2017: EUR 3.1 million).

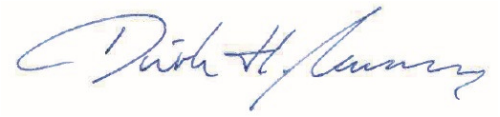
We faced a positive development in the further increasing gross profit margin which came to 38 % in the first quarter of 2018 (3M/2017: 35 %). Our finance team still practices a strict cost control, leading to our fixed costs in the first quarter of 2018 remaining at the same level as in the previous year's reporting period. This is particularly remarkable as we added new programmers and developers to our team for our strategic positioning.

As a consequence, the operating result before depreciation/amortisation (EBITDA) as of 31 March 2018 came to around EUR -0.1 million as in the previous year's reporting period (3M/2017: EUR -0.1 million). Insofar, the straining effects on our revenues have not impaired our operating profitability.

Dear valued Shareholders, in the ongoing second quarter we concentrate on overcoming the challenges mentioned above, so that we will already resume our growth path of recent years in the second half-year of 2018.

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

Kind regards,



Dirk-Hilmar Kraus

CEO

YOC AT A GLANCE

REVENUE AND EARNINGS (IN KEUR)	3M/2018	3M/2017	VERÄNDERUNG ABSOLUT	VERÄNDERUNG IN %
Total Revenue	2.719	3.094	-375	**-12**
Middle and Eastern Europe[1]	2.239	2.062	177	9
Rest of Europe[2]	480	1.032	-552	-53
Gross profit margin (in %)	38,0	35,2	3	8
Total output	3.012	3.291	-279	-8
EBITDA	-142	-118	-24	-20
EBITDA margin (in %)	-4,7	-3,6	k.A.	k.A.
Earnings after tax	-278	-211	-67	-32
Earnings per share (diluted in EUR)	-0,08	-0,06	-0,02	-33
Earnings per share (basic in EUR)	-0,08	-0,06	-0,02	-33

EMPLOYEES

Average number of employees[3]	55	49	6	12
Number of employees at end of March	56	50	6	12
Total revenue per employee (in kEUR)	49	63	-14	-22
Total output per employee (in kEUR)	55	67	-12	-18

FINANCIAL POSITION AND LIQUIDITY

Total assets	3.339	3.871[4]	-532	-14
Cash flow from operative activities	-419	-343	-76	-22

1) Germany, Austria, Switzerland and Poland

2) Spain and Great Britain

3) Based on permanent employees

4) as of 31/12/2017

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

INTERIM CONSOLIDATED MANAGEMENT REPORT

BUSINESS DEVELOPMENT OF YOC GROUP IN THE FIRST THREE MONTHS OF 2018

KEY FIGURES

In the first quarter of 2018, the company recognised a revenue decline of around 12 % to EUR 2.7 million (Q1/2017: EUR 3.1 million).

On the **German-speaking market**, revenues increased by 14 % year-on-year.

The subsidiary in **Poland**, set up in financial year 2016, developed pleasingly and achieved to realise 86 % growth through increasing sales contributions.

In the recent first quarter of 2018, the turnover from the **Spanish market** stagnated as compared to the previous year's reporting period. The revenue goals in **Great Britain**, on the other hand, were not met. This is due on the one hand to the confusion owed to the introduction of the "Coalition For Better Ads" and on the other to the implementation of the new product strategy for the British market falling behind schedule. We, however, expect stabilisation in the Spanish and British locations in the second half-year of 2018.

At the same time, the revenue share of self-developed ad-tech products is further increasing, leading to a further growth of the company's **gross profit** also in the first three months of 2018. The **gross margin** improved year-on-year by around 3 per cent to now 38 % (Q1/2017: 35 %).

The **operating result before depreciation/amortisation (EBITDA)** remains unchanged at the previous year's level (Q1/2017: EUR -0.1 million).

The **operating cash flow** in the reporting period came to kEUR -0.4 (Q1/2017: kEUR -0.3 million).

RANGE OF SERVICE

With its growth of expertise since 2001, YOC develops innovative digital advertising formats, making them available through its marketplace for both traditional and automated real-time trade (programmatic advertising). With its cutting-edge technology, developed in-house, and tremendous media coverage, the company operates at the forefront of the advertising market.

YOC's proprietary products create positive brand awareness and contribute substantially to changing the advertising market. In this way, advertising clients reach their goals - while at the same time the self-developed, unobtrusive formats improve the user experience.

Through its long-standing expertise, transparent procedures and an excellent service, YOC creates trust and equally convinces customers and partners.

More than 500 renowned brands such as **Disney, Ford, McDonald's, Mercedes-Benz, Netflix, Coca-Cola, Samsung** or **Unilever** already use the YOC technology.

The around 400 integrated well-selected international partners with a direct global coverage of more than 200 million monthly active users (MAU) include premium publishers such as **Shazam, The Telegraph, Daily Mirror, Kurier, Kronenzeitung, Der Tagesspiegel, Bunte.de** or **Eurosport**. They trust in YOC's services due to our technological and market-specific expertise and based on a long-standing profitable partnership.

The company's focus is on positioning itself as a technological provider of its proprietary supply-side platform **VIS.X** as well as mobile advertising products and solutions in the core markets in Great Britain, Germany, Austria, Spain and Poland.

Hence, YOC develops its own scalable in-house technology platform and delivers new products through all sales channels in demand, in particular the booming and highly automated programmatic advertising environment.

Over the past years YOC, as a result of the modified technological framework parameters, assumed a stronger position in the market for digital advertising and realised crucial changes.

To this end, the company internalised important elements of the value chain in mobile advertising and tackled the issue of online advertising.

This includes the development of our own performant advertising products that on the one hand unfold a strong advertising effect for advertisers and on the other hand do not interfere with the internet users' consumption of media content.

Adding to this, the company over the past years built an extensive system infrastructure, comprising internally developed innovative software and well-known solutions from renowned external suppliers like Google, SAP or Salesforce.

Within this framework, YOC is able to service all relevant sales channels on a scalable basis.

The combination of a modern and scalable supply-side platform **VIS.X**, innovative advertising products and an efficient technological infrastructure is the striking competition factor through which YOC clearly stands out from other market players.

YOC'S SUPPLY-SIDE PLATFORM (SSP): VIS.X

Adding to its established product lines, YOC has developed a new platform for the highly automated media trade and introduced it to the market at the beginning of 2018.

The company thereby pursues the target to deliver the solution for one of the prevailing problems of the digital advertising market: Meeting the demand for the programmatic, i.e. highly automated purchase of highly effective advertising formats.

Most of the platforms available in the market focus on standard products, so that the product lines developed at YOC internally as well as high-profile advertising formats of several external providers were not available for programmatic booking.

Through **VIS.X**, YOC establishes a new programmatic trading platform for international brand-safe inventory by premium publishers - positioning the company in the market as a provider of high-quality advertising technology. The platform unites the publishers' advertising inventory with YOC-owned products via private marketplaces in an integral auction, offering purchasers all relevant products in one transaction.

In accordance with the purchasers' targeting data and individual campaign goals, YOC provides the appropriate auction mechanisms for an efficient media purchase.

The purchase process for advertisers, media agencies and their procurement organisations (trading desks) does not call for further technological adjustments to the existing infrastructure. Already existing advertising material is transformed by **VIS.X** into YOC's in-house, promotionally effective products and delivered in real time.

In so doing, the technology developed by YOC unlocks the full potential of programmatic advertising. **VIS.X** is thereby becoming the ideal platform for effective digital advertising.

By integrating several hundred publishers and with the high-performance level of **VIS.X**, the trading desks are offered a high scalability in real-time and international premium inventory for their media purchase.

The full inventory of a publisher is offered to all purchasers at the same time. This leads to ideal monetising for the publishing partners. At the same time, the platform provides YOC's advertising clients with premium inventory, high transparency and brand safety, leading to improved advertising results.

The development of **VIS.X**, as a result, creates a sustainable competitive advantage for the attached publishers, trade desks or advertisers.

The company benefits from its independence from third party suppliers and positions itself as a strong provider of technology with a scalable business model.

This has driven the company to develop its own supply-side platform (SSP).

PRODUCT LINES

The company successfully promotes its product lines **YOC Understitial Ad, YOC Inline Video Ad** as well as **YOC Mystery Ad**. Our products aim at effectively launching the advertising messages of advertisers targeted at the end consumer.

The application of various methods of display, interactive elements and unobtrusive operating principles leads to an improved acceptance with users. In addition, compared to the classic standard formats, the YOC products allow for enhanced methods of measuring various statistics on interaction and usage. They thereby contribute significantly to the measurability of marketing success for advertisers, while on the other hand raising the potential for optimising the advertising impact on end users.

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

The core characteristic of **YOC Understitial Ad** is its effective but unobtrusive placement in the content environment of a web page. Advertisers reach out to the smartphone user through a large-screen advertisement without interfering with his user habits.

In this advertising tool, YOC combines its technological experience with its competence in targeting users in digital environments.

In the past financial year 2017, **YOC Understitial Ad** saw further improvements. In particular the newly developed video version received new components.

Proceeding from the success of **YOC Understitial Ad**, the company introduced its first desktop advertising format into the market in 2017:

Like the mobile product, **YOC Understitial Desktop Ad** operates unobtrusively within the editorial content and is opened successively by scrolling through a page, until it is fully visible. The online advertising format is available for HTML5, video or image content. At the core is, once again, the intention not to restrain the user in his digital habits.

At the same time, YOC through this product extension improves monetising for publishers, as advertising campaigns that are based on **YOC Understitial Ad** can be purchased via mobile and online simultaneously. On top of this, the development of **YOC Understitial Desktop Ad** strengthens the holistic communication approach of advertisers.

YOC Inline Video Ad is an innovative digital advertising format which allows advertisers to publish video ads on classic websites without their own video content. It is compatible with the branch-specific standards (VAST and VPAID) and plays videos in high quality. The special feature of this product is that it is universally applicable and does not require a fixed placement within the website of a publisher.

The integrated start-stop automatic only lets the video play when the user is actually viewing it on his smartphone display or monitor, it stops as soon as it leaves the visible range through scrolling. This significantly improves the viewability and, as a consequence, the advertising appeal of the advertiser.

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

Aside from the abovementioned products, YOC offers all classic types of advertising in accordance with the international IAB and MMA standards.

In addition, the team of experts at YOC is able to develop additional functions such as responsive formats, enhanced tracking options or employing particular advertising media within the standard formats upon customer request.

For the management, optimisation and evaluation of a campaign, the measurement of viewability has advanced to becoming a decisive factor. In financial year 2017, YOC therefore further extended its technological infrastructure for measuring and evaluating the viewability of mobile advertising formats.

Moreover, the company entered into a cooperation with Oracle subsidiary MOAT in order to have an independent third party with great market acceptance constantly verify the above-average viewability and interaction rates of the YOC product lines.

The YOC products follow market-specific measurement standards (IAB and MRC), thus offering advertisers internationally comparable performance indicators for their success in digital advertising.

YOC consequently sets up alternative pricing models for its advertising clients based on the retrieved viewability data. Billing of a campaign here only follows when, for example, a video has been played fully within the field of vision of the user.

ADDITIONAL MOBILE ADVERTISING SERVICES

YOC offers effective advertising solutions for successful advertising campaigns to its advertising clients:

CREATIVE SERVICES

For more than a decade, YOC has advised advertisers on the right choice of mobile advertising formats and, as the case may be, also produced the advertising material.

Along with these services, our experts also provide their know-how when it comes to modulating campaigns on mobile devices.

RE-ENGAGEMENT

YOC's re-engagement solution is a complex measure to increase the branding effect and recognition factor of a brand or a product. In order to reach this goal, YOC uses data-driven user recognition to draw the user‘s attention to a brand by addressing him sequentially.

This solution can be further used to increase user rates of apps or to encourage potential customers of an online shop to buy a product.

YOC HUB

The business intelligence platform **YOC Hub** on the one hand facilitates the internal process management at YOC, and on the other serves as a tool for publishers to manage and optimise marketing activities.

In addition, the company-owned platform **VIS.X** is being operated by **YOC Hub**.

The enhanced support of the programmatic business segment through dedicated reporting simplifies the daily operating business. The comprehensive and independently configurable software interface of **YOC Hub** gives users an up-to-date overview of the marketing success of the YOC products.

DEVELOPMENT OF PROFITABILITY

REVENUE TREND AND OVERALL PERFORMANCE

In the first quarter of 2018, YOC Group recognised EUR 2.7 million in **total revenue** (Q1/2017: EUR 3.1 million). This corresponds to a decline by around 12 % year-on-year.

The group's **total output** was EUR 0.3 million below the previous year's level at EUR 3.0 million (Q1/2017: EUR 3.3 million).

GROSS INCOME

The successful transformation of YOC Group into a mobile premium programmatic provider has improved the group's earnings situation on the side of gross profits.

As a consequence, **material expenses** in the period under review developed at a disproportionately low rate compared to the revenue development, by -16 % to EUR 1.7 million (Q1/2017: EUR 2.0 million), leading to the gross margin increasing by around three per cent from 35 % to 38 %. The continued increase of the gross margin is an important element of the further sustained positive corporate development and at the same time reflects the adjusted market position of the company.

PERSONNEL EXPENSES AND PERSONNEL DEVELOPMENT

Compared to the previous year, the **average number of employees** (without Management Board) of YOC Group increased to 55 employees (Q1/2017: 49 employees).

As of 31 March 2018, YOC Group had 56 permanent employees. Compared to the previous year, this means a 12 % increase (Q1/2017: 50 permanent employees).

The **personnel expense** in the amount of EUR 1.0 million matches the expenditure of the previous year's reporting period (Q1/2017: EUR 1.0 million).

Due to the decline in revenue, the revenue per employee decreased by 22 % year-on-year to kEUR 49 (Q1/2017: kEUR 63).

OTHER OPERATING EXPENSES

In the first three months of the ongoing financial year 2018, the **other operating expenses** remained at the previous year's level at EUR 0.4 million (Q1/2017: EUR 0.4 million).

Overall, the cost-cutting measures implemented over the past years in various fields continued to take effect. As a consequence, the relation of other operating expenses to the total output remained almost the same at 14 %.

EBITDA

The **operating result before depreciation/amortisation (EBITDA)** remains unchanged at the previous year's level (Q1/2017: EUR -0.1 million).

POST-TAX PROFIT OR LOSS

YOC Group recognised **scheduled depreciation** in the amount of EUR 0.1 million (Q1/2017: EUR 0.1 million), a negative **financial result** in the amount of EUR 0.02 million (Q1/2017: EUR 0.02 million) as well as **taxes on income and revenue** in the amount of EUR 0.04 million (Q1/2017: EUR 0.01 million).

Earnings after tax (including corporate functions) thus came to EUR -0.3 million in the reporting period (Q1/ 2017: EUR -0.2 million).

FINANCIAL POSITION AND NET ASSETS

As of 31 March 2018, YOC Group's **cash and cash equivalents** amounted to kEUR 442.

The **operating cash flow** came to kEUR -419 in the period under review (Q1/2017: kEUR -343).

The **cash flow from investing activities** came to kEUR -123 in the first three months of the ongoing financial year 2018 (Q1/2017: kEUR -56).

Overall, the company invested kEUR 35 in internal development in connection with the further development of technological platforms and new products.

OPPORTUNITIES, RISKS AND OUTLOOK

OPPORTUNITIES AND RISKS

Being a service provider with an international focus, YOC Group is active in a dynamic market which naturally brings about certain corporate and branch-specific as well as financial risks. Main risks include market and competition risks, technological risks, liability risks, personnel risks, planning risks, organisational as well as financial and treasury risks.

These risks are influenced by our own business activities as well as external factors.

YOC Group has taken measures to detect such possible risks in time and to reduce them. To this end, an adequate risk management system has been developed which records and evaluates risks by means of a company-wide risk inventory at regular intervals and, if necessary, constantly monitors them.

YOC Group's risk policies which have been set by the Management Board remain unchanged and are a vital part of the corporate policy, in line with the pursuit of sustainable growth, growth in company value and securing the company's existence in the long-term.

For this purpose, necessary risks are consciously taken, while taking into account the risk-return-ratio, in order to make use of market opportunities and to exhaust the success potential inherent in them.

By means of anticipatory risk control as part of the internal control system, risks and opportunities can be detected and evaluated at an early stage so that a timely and appropriate response is possible, and efficient management can be guaranteed for the company's success.

The measures that are to be taken in line with risk control are being implemented in the respective operating units.

OUTLOOK

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

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

Against this backdrop, YOC saw the need for corresponding action in the past year:

By developing the new proprietary supply-side platform **VIS.X** in 2017, YOC not only offers highly effective advertising formats that meet the requirements of the Coalition for Better Ads (global initiative for the increased acceptance of digital advertising), but can now also trade them via platform-based programmatic sales channels. By binding premium publishers and their high-quality inventory, YOC moreover covers the strong demand for brand safety, i.e. for secure advertising environments, and will thereby in future participate in the further expansion of programmatic trade in Europe.

Following a revenue growth of more than 20 % each in the past two financial years 2016 and 2017, the main focus of the management is on stabilising the dynamic growth of the programmatic platform business and hence realising the defined corporate strategy.

To this end it is crucial that all YOC branches adapt the new market positioning and realise all relevant tasks. Meanwhile, we will continue to pursue the company's internationalisation.

By introducing its own technology platform **VIS.X**, the company will achieve a sustainable competitive edge as well as independence from third party providers through the programmatic trade of highly effective advertising products.

On top of this, aside from the existing business, further revenue will be generated successively in the programmatic real-time trade.

Despite the revenue decrease in the first quarter of the year, expectations for financial year 2018 remain positive.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

All figures in EUR

	Q1/2018	Q1/2017
Revenue	2.718.548	3.094.110
Own work capitalised	85.141	44.384
Other operating income	208.635	152.994
Total output	**3.012.324**	**3.291.488**
Expenses for goods and services	1.686.212	2.006.224
Personnel expenses	1.043.517	961.802
Other operating expenses	424.365	441.166
Earnings before interest, taxes, depreciation and amortization	**-141.770**	**-117.704**
Depreciation and amortisation expenses	74.843	70.223
Earnings before interest and taxes	**-216.613**	**-187.927**
Financial expenses	23.860	16.813
Financial result	-23.860	-16.813
Earnings before taxes	**-240.473**	**-204.740**
Income taxes	37.744	6.586
Net income continuing operations	**-278.217**	**-211.326**
Net income	**-278.217**	**-211.326**

EARNINGS PER SHARE

Earnings per share basic	**-0,08**	**-0,06**
Earnings per share diluted	**-0,08**	**-0,06**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net income	**-278.217**	**-211.326**
Net other comprehensive income to be reclassified through profit or loss in subsequent periods:		
Unrealised gains/losses from foreign currency translation	5.617	17.095
Total other comprehensive income	**5.617**	**17.095**
TOTAL COMPREHENSIVE INCOME	-272.600	-194.231

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

All figures in EUR

	31/03/2018	31/12/2017
ASSETS		
Non-current assets	**666.211**	**580.596**
Property, plant and equipment	87.690	84.824
Intangible assets	577.201	494.467
Deferred tax assets	1.320	1.305
Current assets	**2.672.665**	**4.134.506**
Trade receivables	2.048.919	3.052.041
Other receivables	181.369	98.222
Cash and cash equivalents	442.378	984.244
Total assets	**3.338.876**	**4.715.102**
EQUITY AND LIABILITIES		
Equity	**-4.364.114**	**-4.091.515**
Subscribed capital	3.292.978	3.292.978
Additional paid in capital	20.641.091	20.641.091
Retained earnings	-28.183.175	-27.904.959
Other comprehensive income from currency translation differences	-64.689	-70.306
Own shares	-50.319	-50.319
Non-current liabilities	**633.688**	**1.246.188**
Provisions	153.688	466.188
Other financial liabilities	480.000	780.000
Current liabilities	**7.069.302**	**7.560.429**
Prepayments received	35.955	50.403
Trade payables	2.637.024	2.625.519
Other liabilities	461.665	647.062
Other financial liabilities	3.150.612	4.091.684
Tax liabilities	55.570	42.411
Provisions	728.476	103.350
Total equity and liabilities	**3.338.876**	**4.715.102**

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

All figures in EUR

	Q1/2018	Q1/2017
Net income	**-278.217**	**-211.326**
Depreciation and amortisation	74.843	70.223
Taxes recognised in the income statement	37.744	6.586
Interest recognised in the income statement	23.860	16.813
Other non-cash income and expenses	-31.828	20.968
Cash-Earnings	**-173.598**	**-96.736**
Result from disposal of assets	0	76
Changes in receivables and other receivables	919.975	200.897
Changes in liabilities, prepayments and other liabilities	-1.431.435	-915.538
Changes in provisions	312.626	505.780
Interest paid	-22.006	-21.066
Income taxes paid	-24.417	-16.500
Cash flow from operating activities	**-418.855**	**-343.087**
Purchase of property, plant and equipment	-7.872	-10.727
Purchase of intangible assets	-30.000	0
Outflow from development costs	-85.141	-47.175
Disposal of assets	0	2.073
Cash flow from investing activities	**-123.013**	**-55.829**
Issuance of loans	0	500.000
Cash flow from financing activities	**0**	**500.000**
Net increase / decrease	**-541.868**	**101.084**
Cash and cash equivalents at the beginning of the period	**984.244**	**659.549**
Cash and cash equivalents at the end of the period	**442.378**	**760.633**

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

All figures in EUR

	SUBSCRIBED CAPITAL	ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME FROM CURRENCY TRANSLATION	OWN SHARES	TOTAL
as of 01/01/2017	**3.292.978**	**20.649.438**	**-27.382.819**	**-115.849**	**-50.319**	**-3.606.571**
Net income	0	0	-211.326	0	0	-211.326
Currency translation differences	0	0	0	17.095	0	17.095
Comprehensive income	**0**	**0**	**-211.326**	**17.095**	**0**	**-194.231**
as of 31/03/2017	**3.292.978**	**20.649.438**	**-27.594.144**	**-98.754**	**-50.319**	**-3.800.801**

as of 01/01/2018	**3.292.978**	**20.641.091**	**-27.904.959**	**-70.306**	**-50.319**	**-4.091.514**
Net income	0	0	-278.217	0	0	-278.217
Currency translation differences	0	0	0	5.617	0	5.617
Comprehensive income	**0**	**0**	**-278.217**	**5.617**	**0**	**-272.600**
as of 31/03/2018	**3.292.978**	**20.641.091**	**-28.183.176**	**-64.689**	**-50.319**	**-4.364.114**

» No shares are held by non-controlling shareholders

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

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

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

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

PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS, ACCOUNTING AND VALUATION METHODS

Principles for the preparation of the financial statements
YOC AG's interim report as of 31 March 2018 was prepared in compliance with the German Securities Trading Act (WpHG).

The interim consolidated financial statements were prepared as condensed financial statements pursuant to IAS 34 and comply with Section 315a of the German Commercial Code (HGB) in accordance with the rules of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the European Union and valid on the reporting date as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB.

The condensed and unaudited interim consolidated financial statements of YOC AG do not contain all the information and disclosures necessary for the preparation of complete financial statements at the end of the financial year.

It is therefore to be recommended to read the interim report along with the Annual Report 2017.

Accounting and valuation measures
On 24 July 2014, the IASB published the final standard **IFRS 9** Financial Instruments (IFRS 9 [2014]) which contains the results of all stages of the IFRS 9 project and replaces both IAS 39 Financial Instruments: Recognition and Measurement and all earlier versions of IFRS 9 Financial Instruments.

The standard contains new provisions on classification and measurement, on impairment and hedge accounting. IFRS 9 is to be applied for the first time for the financial year beginning on or after 01 January 2018.

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

IFRS 15 has been published in May 2014 and adopted by the EU on 22 September 2016. For financial years beginning on or after 01 January 2018, either the full retrospective application or a modified retrospective application is mandatory. An early application of the standard is permitted. It introduces a new model for recognising revenue in five analytical steps which shall be applied to all revenues from contracts with customers. The core principle of the standard is that a company shall recognise revenue at the time of transfer of goods or services to customers in the amount of the return which the company may expect in exchange for the transfer of these goods or services.

The basic principles in IFRS 15 offer a structured approach to evaluate and recognise revenue. The standard is to be applied in all kinds of companies across all branches and thus replaces all other existing regulations regarding revenue recognition (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services).

The new standard provides a five-step procedure by which the amount of revenue and the point or period of time of their realisation are to be determined.

The model is as follows: Identification of the customer agreement, identification of the individual performance obligations, determination of the transaction price, allocation of the transaction price to the individual performance obligations as well as recognition of revenues at fulfilment of individual performance obligations. The standard further contains a revised concept for determining principal-agent relationships and a resulting gross or net recognition of sales revenues. The new standard henceforth also requires qualitative and quantitative explanatory notes that go far beyond the current regulations.

The group apply IFRS 15 effective since 01 January 2018 without preparing the reference period under application of the new standard.

Based on individual contracts and its fundamental business model, the Group reviewed the applicability of the revised principles of revenue recognition and came to the judgement that there would be no necessity with view to the relevant contractual relationships

of financial year 2018 to recognise individual contractual relationships with clients different from the past revenue recognition.

Based on the existing business model, the Group further assumes that the first-time application of the standard will also neither result in changes to recognition nor to results.

IFRS 16 specifies how leases will be recognised, measured, presented and disclosed. The standard provides a single accounting model for the lessee. This requires lessees to recognise all assets and liabilities for leases unless the lease term is 12 months or less or it has a low value (in each case optional).

Lessors continue to classify leases as operating or finance leases for accounting purposes. The lessor's accounting model remains substantially unchanged from that in IAS 17 – Leases.

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

The present status of analysis does not lead us to expect any significant implications of the amended regulations for net assets, financial position and results of operation.

As regards the amount of operating leases currently not recognised as assets or liabilities.

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

The following table shows new and revised standards which are not yet mandatory in financial year 2018 or which have not yet gone through the EU endorsement process:

TITLE	TEMPORAL SCOPE	EU-ENDORSEMENT ENSUED?	APPLICATION FOR YOC?	IMPACT ON FINANCIAL STATEMENTS EXPECTED?
IFRS 9 - Financial instruments	01/01/2018	yes	yes	no significant impact
IFRS 15 - Revenue from contracts with customers	01/01/2018	yes	yes	under examination
IFRS 16 - Leases	01/01/2019	no	yes	under examination
Amendment of IFRS 10 and IAS 28 - Sales or contributions of assets between an investor and its associate / joint venture	indefinitely postponed	no	no	n/a

NOTES TO KEY DEVELOPMENTS IN THE STATEMENT OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

OTHER DISCLOSURES REGARDING FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, other current financial liabilities nearly match their fair value, mainly due to their short maturities.

In accordance with the principle of materiality, the fair value of these current items is equated with their book value.

The following table shows the carrying amounts and fair values of the financial assets and liabilities recognised in the interim financial statements as well as their classification according to IAS 39 and their level within the fair value hierarchy:

31/03/2018 (IN KEUR)	CARRYING AMOUNT	FAIR VALUE	MEASUREMENT CATEGORY IAS 39[1]	FAIR VALUE HIERARCHY
Financial assets				
Cash and cash equivalents	442	442	LaR	n/a
Trade receivables	2.049	2.049	LaR	n/a
Other assets	181	181	LaR	n/a
Financial liabilities				
Fixed rate borrowing	1.300	1.300	FLAC	n/a
Trade payables	2.637	2.637	FLAC	n/a
Other financial liabilities	2.331	2.331	FLAC	n/a

31/12/2017 (IN TEUR)	CARRYING AMOUNT	FAIR VALUE	MEASUREMENT CATEGORY IAS 39[1]	FAIR VALUE HIERARCHY
Financial assets				
Cash and cash equivalents	984	984	LaR	n/a
Trade receivables	3.052	3.052	LaR	n/a
Other assets	98	98	LaR	n/a
Financial liabilities				
Fixed rate borrowing	1.300	1.300	FLAC	n/a
Trade payables	2.626	2.626	FLAC	n/a
Other financial liabilities	3.572	3.572	FLAC	n/a

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

REVENUE TREND AND OVERALL PERFORMANCE

In the first quarter of 2018, YOC Group recognised kEUR 2,719 in **total revenue** (Q1/2017: kEUR 3,094). This corresponds to a decrease by around 12 % year-on-year. The group's **total output** was kEUR 279 below the previous year's level at kEUR 3,012 (Q1/2017: kEUR 3,291), due to the decrease in revenue.

GROSS INCOME

Material expenses decreased at a slightly lower rate compared to the development of revenues, by 16.0 % to kEUR 1,686 (Q1/2017: kEUR 2,006). The **gross margin** hence increased from 35.2 % to 38.0 %.

POST-TAX PROFIT OR LOSS

The **operating result before depreciation/amortisation (EBITDA)** is almost on the previous year's level at kEUR -142 (Q1/2017: kEUR -118).

SEGMENT REPORTING

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

1. Middle and Eastern Europe (before: D-A-CH)

2. Rest of Europe

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

Sales revenue is calculated based on the revenue generated by the subsidiaries in the respective countries.

Internal sales between the segments are predominantly obligations which are passed on without a surcharge. Internal sales within a segment are eliminated accordingly

The corporate functions item contains income and expenses that occurred in the parent company and cannot be directly allocated to any business segment, in particular levies and holding costs. On top of this, sales revenue is generated for the central yield optimisation of the international publisher portfolio of YOC Group and is recharged internally.

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

SEGMENT REPORTING (in kEUR)	MIDDLE AND EASTERN EUROPE	REST OF EUROPE	CORPORATE FUNCTIONS	CONSOLI-DATION	YOC GROUP
01/01/2018 - 31/03/2018					
External revenue	1.771	480	467	0	2.719
Internal revenue	386	59	194	-640	0
Total revenue	**2.157**	**539**	**661**	**-640**	**2.719**
Own work capitalised	0	0	85	0	85
Other operating income	73	47	280	-191	209
Total output	**2.231**	**586**	**1.026**	**-831**	**3.012**
Costs of goods sold	1.298	377	651	-639	1.686
Personnel expenses	389	249	406	0	1.044
Other operating expenses	247	130	238	-191	424
EBITDA	296	-169	-268	-1	-142
01/01/2017 - 31/03/2017					
External revenue	1.571	1.032	492	0	3.094
Internal revenue	317	182	353	-851	0
Total revenue	**1.888**	**1.213**	**845**	**-851**	**3.094**
Own work capitalised	0	0	44	0	44
Other operating income	113	51	186	-197	153
Total output	**2.000**	**1.264**	**1.075**	**-1.049**	**3.291**
Costs of goods sold	1.191	821	843	-849	2.006
Personnel expenses	332	228	401	0	962
Other operating expenses	256	182	202	-199	441
EBITDA	221	33	-371	-1	-118

In the **segment Middle and Eastern Europe** region, the total revenue including internal revenues increased by 14 % to kEUR 2,157 (previous year: kEUR 1,888). Meanwhile, the operating result in this segment increased by kEUR 75 to kEUR 296 (previous year: kEUR 221).

In the recent first quarter of 2018, the turnover from the Spanish market stagnated as compared to the previous year's reporting period. The revenue goals for Great Britain were, however, not met.

This is due to the implementation of the new product strategy for the British market taking longer than scheduled. We expect the Spanish and British branches to stabilise in the second half-year of 2018.

The **Rest of Europe segment's** sales revenue decreased by 55 % to kEUR 539 (previous year: kEUR 1,213). As a result, the EBITDA decreased by kEUR 202 to kEUR -169 (previous year: kEUR 33).

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

RECONCILIATION (in kEUR)	3M/2018	3M/2017
EBITDA	-142	-118
Depreciation and amortisation	-75	-70
Financial result	-24	-17
Net income before taxes	-240	-205
Taxes	-38	-7
Net income	-278	-211

As of 31 March 2018, trade and other receivables in the Middle and Eastern Europe region came to kEUR 1,266 (previous year: kEUR 1,058), in the Rest of Europe region to kEUR 579 (previous year: kEUR 1,091) and in the corporate functions section to kEUR 204 (previous year: kEUR 293).

Liabilities in the Middle and Eastern Europe region came to kEUR 1,425 (previous year: kEUR 824), in the Rest of Europe region to kEUR 789 (previous year: kEUR 996), and in the corporate functions section to kEUR 423 (previous year: kEUR 246).

CASH FLOW STATEMENT

As of 31 March 2018, **cash and cash equivalents** of YOC Group amounted to kEUR 442.

The **operating cash flow** came to kEUR -419 in the period under review (Q1/2017: kEUR -343).

Cash flow from investing activities came to kEUR -123 in the first three months of financial year 2018 (Q1/2017: kEUR -56).

Overall, the company invested kEUR 35 in internal development in connection with the further development of technological platforms and new products.

GUARANTEES, CONTINGENT LIABILITIES AND SIMILAR OBLIGATIONS

As in the annual consolidated statements from 31 December 2017, no guarantees, contingent liabilities and similar obligations exist.

RELATED PARTY DISCLOSURES

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

EVENTS AFTER THE INTERIM REPORTING PERIOD

As of the publication date of the interim report, no significant events occurred after 30 March 2018.

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