



INTERIM REPORT

THIRD QUARTER 2020

Berlin, 18 November 2020

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LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Since 2001, the YOC Group has been one of the leading independent providers of mobile advertising in Europe.

We have set ourselves the goal of creating an optimal digital advertising experience for advertisers, digital media content providers and mobile Internet users.

That is why we develop attention-grabbing digital advertising products that achieve sustained brand awareness and reach, appeal and inspire people. And this is why we have designed and developed **VIS.X®**, our proprietary trading platform.

VIS.X® is a next-generation programmatic supply-side platform that enables the efficient media trade of visible and attention-grabbing advertising products. Since 2018, **VIS.X®** has enabled our customers to purchase high-quality advertising inventory in combination with YOC's advertising products around the clock in an automated and therefore scalable manner in accordance with their advertising strategy.

At the same time **VIS.X®** helps our publisher partners to better monetize their media inventory.

The past few months have been turbulent, influencing the lives of people around the world and very challenging. With the Corona Pandemic, an unforeseen event has struck the global community of states, but also the world economy. The challenges are as diverse as they are enormous. No one, whether individual, institution or economic entity, remains unaffected.

The economic consequences of the international "shut-down measures" in particular have a strong impact and threaten entire macro-economies such as individual companies or business models.

We are also affected by the effects of the spread of the coronavirus. After two successful first months of the 2020 financial year, we have had to accept cancellations and declines in bookings since March.

However, we implemented countermeasures immediately at the beginning of the crisis and achieved significant cost savings.

After a decline in sales in the second quarter, we were already able to increase our sales revenues in the third quarter by 3 % to EUR 3.5 million compared to the third quarter of the previous year.

On the earnings side, however, we have developed disproportionately and achieved operating result before interest, taxes, depreciation and amortisation (EBITDA) of EUR 0.4 million in the third quarter of 2020 (2019: EUR -0.1 million).

To anticipate: We will not only overcome this crisis, but will continue to develop in a much stronger position.

In the last two years, we have been able to significantly accelerate our strategic thrust and expand our programmatic business on the basis of our proprietary technology platform **VIS.X®**. As a result, the trading volume of **VIS.X®** in the first nine months of the current fiscal year 2020 grew by a whopping 92 % year-on-year.

As a result, the total revenue at Group level is expected to amount to EUR 14.75 million to EUR 15.25 million for the fiscal year 2020. That means, Group revenues should be almost at the level of the previous year (2019: EUR 15.1 million) despite the economic effects of the Corona pandemic, which impacted the second quarter of 2020 in particular.

As a consequence of this revenue expectation, the Management Board of YOC AG expects operating result before interest, taxes, depreciation and amortisation (EBITDA) of probably EUR 1.0 million to EUR 1.5 million (2019: EUR 0.6 million) for the current fiscal year. Thus, despite the Corona Pandemic, the company's steady improvement in earnings continues.

Dear shareholders, despite the difficulties we are currently facing in the context of the corona crisis, we are positive about the future. We are sticking to our long-term strategy and continue to invest in innovations.

On the basis of our unique **VIS.X®** technology platform in combination with our self-developed advertising formats and our many years of know-how, we expect to emerge from the corona crisis with a strengthened competitive position.

I would like to thank you very much for the trust you have placed in us and look forward to continuing our cooperation with you.

All the best to you and your families. Stay healthy and safe.

Kind regards,



Dirk-Hilmar Kraus

CEO

YOC AT A GLANCE

REVENUE AND EARNINGS (IN KEUR)

Total Revenue
National
International
Corporate Functions
Gross profit margin (in %)
Total output
EBITDA
EBITDA margin (in %)
Earnings after tax
Earnings per share (diluted in EUR)
Earnings per share (basic in EUR)

9M/2020	9M/2019 (ADJUSTED)	CHANGE IN TOTAL	CHANGE IN %
9.845	10.176	-331	-3
6.125	5.789	337	6
3.779	4.219	-440	-10
-59	169	-229	-135
39,2	37,4	1,8 PP	5
10.282	10.561	-279	-3
785	-111	895	-710
7,6	-1,0	8,6 PP	n.a
-64	-814	750	92
-0,03	-0,23	0,20	87
-0,03	-0,21	0,18	86

EMPLOYEES

Average number of employees ¹⁾
Number of employees at end of September
Total revenue per employee (in kEUR)
Total output per employee (in kEUR)

9M/2020	9M/2019 (ADJUSTED)	CHANGE IN TOTAL	CHANGE IN %
52	45	7	16
52	50	2	4
189	226	-37	-16
198	235	-37	-16

FINANCIAL POSITION AND LIQUIDITY (IN KEUR)

Total assets
Cash flow from operative activities

9M/2020	9M/2019 (ADJUSTED)	CHANGE IN TOTAL	CHANGE IN %
5.404	6.472 ²⁾	-1.068	-17
59	188	-129	-69

When using rounded amounts and key figures, differences may occur due to commercial rounding.

The previous year's figures were adjusted due to the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1) Based on permanent employees on full-time

2) as of 31 December 2019

RANGE OF SERVICES AND PRODUCTS

With its growth of expertise since 2001, YOC develops innovative digital advertising formats, making them available through its supply-side platform **VIS.X®** for both traditional and automated real-time trade (programmatic advertising).

With its cutting-edge technology, developed in-house, along with a tremendous 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.

This way advertising clients reach their goals, while the self-developed, unobtrusive formats improve the user experience.

Our long-standing experience, transparent processes, our software and excellent service create trust in YOC and convince both customers and partners.

Many of the world's 500 largest advertisers use YOC technology. Our customers include well-known brands such as **Deutsche Telekom, Audi, McDonald's, L'Oréal, Volkswagen, Mercedes-Benz, Netflix, Coca-Cola, Samsung** and **Sky**.

Our 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 **Kurier, Bunte.de, Der Tagesspiegel, Grupa RMF** or **Eurosport**.

They trust in YOC due to our technological and market-specific skills as well as a long-standing profitable partnership.

The company positions itself as an ad technology provider with its proprietary supply side platform **VIS.X®** and with mobile advertising products and solutions in the core markets of Germany, Austria, Spain and Poland.

YOC develops its own scalable technological platform, delivering new products through all sales channels in demand, especially in the strongly growing and highly automated environment of programmatic advertising.

As a result of the modified technological framework parameters, YOC has over the past years assumed a stronger position in the market for digital advertising and undergone decisive changes.

To this end, the company has internalised important elements of the value chain in mobile advertising.

This includes the development of proprietary, high-performing advertising products that on the one hand unfold a strong advertising effect for advertisers and on the other do not intrude on the internet user's consumption of media content.

What is more, the company set up a comprehensive system landscape over the past years, consisting of self-developed, innovative software and prominent solutions by well-known external providers like Google, SAP or Salesforce. On this basis, YOC is able to serve all relevant sales channels in a scalable manner.

The mix of a modern and scalable supply-side platform, innovative advertising products and a high-performing technological infrastructure is the striking competitive feature by which YOC clearly stands out from other market participants.

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

VIS.X® YOC's supply side platform, which was launched at the beginning of 2018, is constantly being expanded and has established itself with a significant share of the company's sales.

This strategy aims at delivering the solution to one of the prevailing problems of the digital advertising market: satisfying the demand for the programmatic purchase of highly effective advertising formats.

Most of the platforms available in the market concentrate on standard products, so that the product lines developed by YOC in-house - as well as eye-catching advertising formats from several third-party providers - were not available for programmatic booking.

With **VIS.X®**, YOC has established a new programmatic trading venue for international, brand-safe inventory by premium publishers and is positioning itself in the market as a provider of high-quality advertising technology.

The platform combines the publishers' advertising inventory with YOC's own products via private marketplaces in an integral auction, thereby offering the advertisers all relevant products in one transaction.

In line with the buyers' targeting data and individual campaign goals, YOC provides the appropriate auctioning mechanisms for an efficient media purchase.

The purchasing process for advertisers, media agencies as well as their trading desks does not require further technological adaptations to the existing infrastructure.

Already available advertising media are transformed into YOC's in-house, promotionally effective products and delivered through **VIS.X®** in real time.

The technology developed by YOC thereby unfolds the full potential of programmatic advertising, making **VIS.X®** the ideal platform for effective digital advertising.

By integrating several hundred publishers and due to the high performance of **VIS.X®**, the trading desks are offered high scalability in real-time as well as international premium inventory for their media purchase.

The full inventory of one publisher is offered to all buyers at the same time. This ensures ideal monetising for the publishing partner. At the same time, the platform offers YOC's advertising client's premium inventory, high transparency as well as brand safety, leading to better advertising results. Hence, the use of **VIS.X®** provides the publishers, trading desks or advertisers with a sustainable competitive edge.

The company benefits from its independence from third-party suppliers, positioning itself as a strong technology provider with a scalable business model. This constantly drives the company to further develop the in-house supply-side platform (SSP) **VIS.X®** and thereby increase the platform's performance capacity.

VIS.X® is registered and protected as a European trademark by the European Patent Office since 2018.

PRODUCT LINES

The company successfully commercialises its product lines **YOC Understitial Ad®**, **YOC Inline Video Ad**, **YOC Mystery Ad®**, **YOC Mystery Scroller®** as well as **YOC Ads Plus**.

The aim of these products is to spread the advertising messages of advertisers among the end users in an effective and purposeful way.

The use of different methods of display, interactive elements as well as unobtrusive operating principles leads to a better acceptance with users.

Adding to this, other than traditional standard formats, the YOC products allow for enhanced methods of measuring different interaction and retrieval statistics. This is how, on the one hand, they contribute substantially to the measurability of marketing success for advertisers, while on the other hand enhancing the potential for optimising the advertising effect with the end users.

In particular those product variants with video components offer advertisers the possibility to advertise their brands and products audio-visually on mobile devices in a comprehensive and highly scalable manner.

The core characteristic of **YOC Understitial Ad®** is its effective but nonetheless unobtrusive placement in the content environment of a website. Advertisers reach the smartphone or desktop users with large-scale advertising material without disrupting them in their user habits.

In this advertising medium, YOC unites technological experience with expertise in targeting users in digital environments.

YOC Understitial Desktop Ad is just as unobtrusive in the editorial content as the mobile product, and it is opened successively by scrolling a page until it becomes fully visible. The online advertising format is available for HTML5, video or image content. Here, too, the intention not to intrude on the users' digital habits is the main focus.

Meanwhile, YOC improves monetising for publishers with this product extension, as advertising campaigns based on **YOC Understitial Ad®** are available both for mobile and online sale. On top of this, the development of **YOC Understitial Desktop Ad** strengthens the holistic communication approach of the advertisers.

YOC Inline Video Ad is an innovative digital advertising format which allows advertisers to place video ads on traditional websites without own video content. It is compatible with the standards of the branch (VAST and VPAID) and plays the video ad in high quality.

The special feature of this product is that it can be used anywhere and that no fixed placement within the publisher's website is required.

The integrated automatic start-stop system only lets the video play when the user is actually viewing it on his smart phone display or monitor, and it pauses as soon as it moves out of the visible range by scrolling.

This significantly improves the viewability and, as a consequence, the advertising effect for the advertiser.

YOC Mystery Ad® is a full-screen mobile advertising format which has won several awards. The product's special feature lies in the possibility of inviting the user to interact with the brand message through any number of creative elements. **YOC Mystery Ad®** hence offers comprehensive design options that guarantee to attract great attention with the users.

The advantage of the **YOC Mystery Scroller®** is its reactive scrolling technology: animations, effects and videos can be adapted to the user's scrolling behaviour.

YOC Mystery Scroller® is supported by all mobile browsers, only using around 30 % of the display. The ad remains visible at all times, without disturbing the reading flow. Due to its proactive nature, **YOC Mystery Scroller®** does not just play an advertising format but gives it a special touch without annoying transitions.

Aside from the mentioned YOC-owned products, the company also offers traditional advertising formats that follow the internationally applicable IAB and MMA standards. Moreover, the team of experts at YOC is able to develop additional functionalities such as responsive formats, enhanced tracking possibilities or the use of special advertising media within standard formats.

Measuring viewability has advanced to becoming a decisive factor for managing, optimising and analysing a campaign. In financial year 2020, YOC hence further extended its technological infrastructure for measuring and analysing the viewability of mobile ad formats.

The YOC products follow the standards of the market (IAB and MRC) and thereby offer advertisers internationally comparable performance indicators for the effectiveness of their digital advertising.

As a consequence, YOC provides alternative payment models for its advertising clients based on the collected viewability data. A campaign is only charged for when for example a video has been played in full length in the user's field of vision.

All YOC product lines, with the exception of the **YOC Inline Video Ad**, have been protected and registered with the European Patent Office for brand safety reasons.

EXPANSION OF THE PRODUCT PORTFOLIO TO INCLUDE YOC ADS PLUS

YOC Ads Plus are creative extensions of our proprietary high-impact products. We keep pursuing our mission of offering a better advertising experience for everyone.

The new product line includes a variety of formats, which can be individually adapted to the customer's wishes.

YOC STORY AD

The **YOC Story Ad** offers an extension of social campaigns into the premium mobile web. Pictures and videos are combined to a small series, which can be individually adapted with various extras such as GIFs, polls and stickers.

Advertisers can thereby tell their own story and create a new kind of advertising experience. For the user, the advertising experience is interactive and entertaining due to the different elements.

YOC AUGMENTED REALITY AD

Through the use of Augmented Reality, products can be virtually integrated into the lives of potential customers.

After activating the camera, users are given the opportunity to deal intensively with the advertised products and a simulation in the live environment can be tested.

The **YOC Augmented Reality Ad** thus creates a captivating, realistic product experience.

YOC LIVE POLL AD

The **YOC Live Poll Ad** engages users in real time by asking their preferences and displaying the results of a live voting to the users afterwards. The direct involvement with the advertiser's brand or products results in very intensive and direct communication with the target group.

YOC FLIP AD

By using the **YOC Flip Ad**, the displayed advertising creative changes according to the scrolling behaviour of the users, so that several pictures, videos and animations become visible. Amongst other, the advertising content can also be adapted to the current weather condition. This high level of interactivity attracts the user's attention without disturbing the reading flow.

YOC VOICE AD

Through voice-based interaction, the **YOC Voice Ad** adds a new communication channel to the company's product range and immerses the user directly in the advertised product world. The voice-controlled, highly effective ad format thus offers countless user-centred and persuasive possibilities for conveying an advertising message.

ADDITIONAL DIGITAL ADVERTISING SERVICES

YOC offers its advertising clients effective mobile and online advertising solutions for successful advertising campaigns:

CREATIVE SERVICES

For already more than a decade, YOC has advised advertisers on the right choice of mobile advertising formats and, as the case may be, also handles the production of advertising media. Aside from these services, the company's specialists also provide their expertise in managing the campaigns on digital devices.

YOC HUB

The business intelligence platform **YOC Hub** is both a tool for internal process management at YOC and for publishers to control and optimise their marketing activities. In addition, the company's own platform **VIS.X®** is controlled by **YOC Hub**.

The enhanced support of the programmatic business segment through dedicated reporting simplifies the daily operating business. Through the comprehensive and freely configurable software surface of **YOC Hub**, users gain an up-to-date overview of the YOC products' marketing success.

INTERIM CONSOLIDATED MANAGEMENT REPORT

BUSINESS DEVELOPMENT OF YOC GROUP DURING THE FIRST NINE MONTH OF 2020

KEY FIGURES

The closure of the UK site in 2019 requires the discontinued operation to be presented separately in accordance with the requirements of **IFRS 5** and the previous year's figures to be adjusted for better comparability.

In the first nine months of the current fiscal year 2020, **sales revenues** at Group level excluding discontinued operations in the UK market fell to EUR 9.8 million (9M/2019: EUR 10.2 million).

With a decline in turnover of around 3 % compared to the same period of the previous year, the YOC Group was thus able to steer the YOC Group comparatively lightly through the economic consequences of the COVID-19 pandemic.

Turnover on the **national market** increased by 6 % compared with the same period in the previous year. By contrast, the turnover generated by **international business** activities declined by 10 % in the first nine months of 2020.

In particular, the proprietary technology platform **VIS.X®**, which was launched on the market in fiscal year 2018, contributed to the sales development in the current fiscal year 2020 with continuously growing sales shares and achieved a sales growth of 92 % compared to the first nine months of 2019.

The **VIS.X®** trading platform enables the programmatic (automated) trading of YOC's highly effective advertising products and positions the company as a provider of high-quality advertising technology (Ad Technology).

In parallel with this development, the share of sales of internally developed Ad Tech products continued to rise, resulting in an increase in the company's **gross profit margin** in the reporting period to 39.2 % (9M/2019: 37.4 %).

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved pleasingly by EUR 0.9 million to EUR 0.8 million compared to the same period of the previous year (9M/2019: EUR -0.1 million).

The sustained improvement in profitability of previous years thus continued in the first nine months of 2020.

The **operating cash flow** in the reporting period amounted to EUR 0.1 million (9M/2019: EUR 0.2 million).

In addition to earnings after taxes, this resulted from the business-related change in working capital.

DEVELOPMENT OF PROFITABILITY

The following comments on the profit situation do not include the activities terminated in financial year 2019 and the subsidiary YOC Mobile Advertising Ltd, which was liquidated on 31 March 2020.

The profit component of the British subsidiary is shown under discontinued operations due to the separate presentation in accordance with **IFRS 5**.

The previous year's figures have been adjusted accordingly to improve comparability.

REVENUE TREND AND OVERALL PERFORMANCE

In the first nine months of 2020, **total revenue** fell by around 3 % year-on-year to EUR 9.8 million (9M/2019: EUR 10.2 million) as a result of the corona crisis.

After the outbreak of the corona pandemic, turnover growth in the first quarter of 2020 was still 18 % compared to the previous year, the YOC Group had to accept an increasing number of order cancellations and declines. The months of April and May 2020 in particular were significantly affected by the effects of the Corona Pandemic and the resulting reluctance of advertisers. In the third quarter just ended, however, sales revenues were up 3 % on the previous year.

At EUR 10.3 million, the Group's **total output** was also EUR 0.3 million below the level of the previous year (9M/2019: EUR 10.6 million).

GROSS PROFIT

Due to the significantly increasing revenue contribution of the technological platform **VIS.X®**, we achieved to improve the **gross profit margin** to 39.2 % (9M/2019: 37.4 %) in the reporting period.

In the context of the development over the past years, which was characterised by the increasing focus on technology as well as YOC's proprietary advertising product lines, the gross margin improved by ten per cent (2013: 29 %).

The further increase in the gross profit ratio is an important element in the sustained positive development of the company.

PERSONNEL EXPENSES AND STAFF DEVELOPMENT

Compared to the previous year, the **average number of employees** (excluding the Management Board) in the YOC Group rose to 52 (9M/2019: 45 employees).

As of 30 September 2020, the YOC Group had 52 **permanent employees**. This represents an increase of 4 % over the previous year (9M/2019: 50 permanent employees).

At EUR 0.3 million, **personnel expenses** of EUR 2.6 million are below the expense level of the same period of the previous year (9M/2019: EUR 2.9 million). The reason for this decline is the use of the possibilities created by the respective European Community states to reduce working hours (short-time working) to cut personnel expenses in the second quarter and partly in the third quarter of 2020.

OTHER OPERATING EXPENSES

In the first nine months of the current fiscal year 2020, **other operating expenses** of EUR 1.0 million were below the level of the previous year (9M/2019: EUR 1.4 million).

The cost control measures implemented in the past years thus continue to show their effect. In addition, the company reduced other operating expenses, as a countermeasure to the corona crisis.

EBITDA

Operating earnings before interest, taxes, depreciation and amortization (EBITDA) improved by EUR 0.9 million year-on-year to EUR 0.8 million (9M/2019: EUR -0.1 million).

Thus, the sustained improvement in profitability of previous years continued in the first nine months of fiscal year 2020.

NET INCOME

In the reporting period, **earnings after taxes** (including Corporate Functions) amounted to EUR -0.1 million (9M/2019: EUR -0.7 million).

In the first nine month of financial year 2020, the YOC Group recorded **scheduled depreciation and amortisation** of EUR 0.5 million (9M/2019: EUR 0.4 million).

The **financial result** was EUR -0.2 million compared to the same period of the previous year (9M/2019: EUR -0.2 million).

Taxes on income amounted to EUR 0.1 million in the reporting period (9M/2019: EUR 0.1 million).

POST-TAX RESULT DISCONTINUED OPERATIONS

The result of the discontinued subsidiary YOC Mobile Advertising Ltd amounted profits by altogether EUR 0.02 million (9M/2019: EUR -0.1 million) in the reporting period.

The Management Board in 2019 decided in consultation with the Supervisory Board to discontinue business at the British subsidiary YOC Mobile Advertising Ltd. Therefore, the liquidation of the company was filed for at the Companies House at the end of 2019. The liquidation took place on 31 March 2020.

The company reports the result from YOC Mobile Advertising Ltd as discontinued operations in accordance with **IFRS 5**.

POST-TAX RESULT YOC GROUP

The Group ends the first nine months of 2020 with a loss of EUR -0.1 million (9M/2019: EUR -0.8 million).

FINANCIAL POSITION AND NET ASSETS

As of 30 September 2020, YOC Group's **cash and cash equivalents** amounted to EUR 0.2 million. The company also has access to working capital lines with its principal banks totalling EUR 0.4 million.

OPERATING CASH FLOW

The **operating cash flow** is determined using the indirect method. The starting point for determining the operating cash flow is the net income after taxes in the reporting period, amounting to EUR -0.1 million (9M/2019: EUR -0.7 million).

The **operating cash flow** includes all cash transactions that are not attributable to investing or financing activities in fiscal year 2020.

The **operating cash flow** came to EUR 0.1 million in the reporting period (9M/2019: EUR 0.2 million). In addition to earnings after taxes, this resulted from the business-related change in working capital.

CASH FLOW FROM INVESTING ACTIVITIES

The **cash flow from investing activities** totalling EUR 0.6 million (9M/2019: EUR 0.4 million) primarily comprises capitalizable development costs in connection with the further development of the company's technological platforms and innovative products as well as external development costs.

In the fixed assets, the additions and disposals are balanced.

CASH FLOW FROM FINANCING ACTIVITIES

The **cash flow from financing activities** of EUR -0.2 million (9M/2020: EUR -0.2 million) results from the repayment of leasing liabilities and the balance of loans taken up and repaid.

SUMMARY OF THE RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

With a decline in turnover of about 3 % compared to the same period of the previous year, the YOC Group has so far come through the economic consequences of the COVID-19 pandemic relatively unscathed.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by EUR 0.9 million to EUR 0.8 million compared to the same period of the previous year (9M/2019: EUR -0.1 million).

The YOC Group's **total assets** fell to EUR 5.4 million due to seasonal factors (31 December 2019: EUR 6.5 million).

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

The use of the internet is already established to a high degree in the daily lives of people. The wide-ranging possibilities and the abundance in online contents result in the continued increase of the daily internet use.

Above all, people who are online with their mobile devices when they are on the move use the Internet much more intensively than the overall population: Among the under-50s, just over 90 percent use the Internet at least occasionally while on the move.¹⁾

In order to stay relevant for these generations, both publishers and advertisers need to present attractive offers for information and entertainment.

For publishers this means not to overstrain their users with advertisements, and ideally even offer them added value through creative formats.

Whereas for advertisers this means to know their target group well and address them in a creative way.

In this light, the call for creative and highly effective formats becomes even more relevant. Rich media formats allowing for the integration of a wide variety of media such as video, audio or HTML5 create higher interaction rates compared to standard banners, hence leading to a stronger and more positive brand awareness.

For several years, YOC has already positioned itself in this business field with a large number of attractive product lines and features, and it expects to participate in the growth of the market by providing interactive and highly effective advertising formats in the programmatic environment.

In the European context, the market currently scarcely offers supply-side platforms which can serve the demand for mobile programmatic advertising combined with highly effective advertising products.

Further reservations arose as many advertisers were concerned their ads could appear in environments with negative connotations.

This underlines even more the relevance of secure premium environments, and in particular their transparency.

This has given rise to a need for action at YOC: With the launch of the new proprietary supply-side platform **VIS.X®** in the year 2018, YOC does not merely offer highly effective advertising formats that comply with the rules of the Coalition for Better Ads²⁾, but can now also trade and deliver them platform-based via programmatic trading channels.

By binding premium publishers and their high-quality inventory, the company moreover covers the strong demand for brand safety, and hence secure advertising environments, and will thus participate in the further expansion of programmatic trade in Europe in the future.

The Management Board devotes special attention to stabilising the dynamic growth of the programmatic platform trade and thereby to implementing the defined business strategy. To this end it is necessary that all YOC branches adapt the new market positioning and implement all relevant tasks.

The proprietary platform **VIS.X®** allowed the company to gain a substantial competitive edge as well as independence from third-party providers through the programmatic trade of highly effective advertising products.

For the ongoing 2020 financial year, the company so far foresaw Group-wide **sales revenues** amounting to EUR 17.0 million to EUR 18.0 million, and an **operating result before interest, taxes, depreciation and amortisation (EBITDA)** amounting to EUR 1.0 million to EUR 1.5 million.

However, the world-wide spread of the novel coronavirus SARS-CoV-2 increased distinctly in the first quarter of 2020.

Due to the uncertainty as to the duration of the crisis, the full extent of its implications for society at the time being cannot be reliably quantified.

The further spread of the coronavirus SARS-CoV-2 is followed by negative impacts especially in the advertising industry.

The YOC AG Management Board with view to the unexpected decline in orders for the current second quarter of 2020 decided on 09 April 2020 not to uphold the forecast for the year 2020 as a whole and developed alternative planning scenarios.

On 14 October 2020, the YOC AG Management Board approved a guidance for 2020 taking into account the evaluation of the order book for the current fourth quarter of 2020 and the development in the first nine months of 2020.

According to this guidance **the total revenue at Group level** is expected to amount to EUR 14.75 million to EUR 15.25 million for the fiscal year 2020. That means, Group revenues should be almost at the level of the previous year (2019: EUR 15.1 million) despite the economic effects of the Corona pandemic, which impacted the second quarter of 2020 in particular.

As a consequence of this revenue expectation, the Management Board of YOC AG expects **operating result before interest, taxes, depreciation and amortisation (EBITDA)** of probably EUR 1.0 million to EUR 1.5 million (2019: EUR 0.6 million).

However, this assumes that there will be no second wave of Covid-19 infections with resulting economic impacts comparable to the second quarter 2020 in the markets relevant to the YOC Group.

Since July 2020, the company has had additional liquidity leeway at its disposal through the provision of working capital lines by its principal banks totalling EUR 0.4 million.

If necessary, YOC AG also has access to additional financing options.

1) <http://www.ard-zdf-onlinestudie.de/ardzdf-onlinestudie-2019/>. [20.05.2020].

2) Coalition for Better Ads. The Bad Ads Standards. <https://www.betterads.org/standards/>. [27.02.2020].

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Q3/2020 (UNAUDITED)

All figures in EUR

	Q3/2020	Q3/2019 (ADJUSTED)
Revenue	3.504.430	3.397.076
Own work capitalised	146.981	83.558
Other operating income	-7.913	28.915
Total output	3.643.498	3.509.549
Expenses for goods and services	2.087.933	2.113.330
Personnel expenses	848.313	916.090
Other operating expenses	327.227	580.141
Earnings before interest, taxes, depreciation and amortization	380.025	-100.012
Depreciation and amortisation expenses	198.138	139.843
Earnings before interest and taxes	181.887	-239.855
Financial expenses	55.955	67.852
Financial result	-55.955	-67.852
Earnings before taxes	125.932	-307.707
Income taxes	86.758	4.925
Net income continuing operations	39.174	-312.632
Net income discontinued operations	0	144
Net income	39.174	-312.488
Net income	39.174	-312.488

EARNINGS PER SHARE

Earnings per share basic	0,01	-0,10
Earnings per share diluted	0,01	-0,09

EARNINGS PER SHARE CONTINUING OPERATIONS

Earnings per share basic	0,01	-0,10
Earnings per share diluted	0,01	-0,09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net income	39.174	-312.488
Net other comprehensive income to be reclassified through profit or loss in subsequent periods:		
Unrealised gains/losses from foreign currency translation	5.401	6.316
Total other comprehensive income	5.401	6.316
Total comprehensive income	44.575	-306.172

When using rounded amounts and key figures, differences may occur due to commercial rounding. The previous year's figures were adjusted due to the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 9M/2020 (UNAUDITED)

All figures in EUR

	9M/2020	9M/2019 (ADJUSTED)
Revenue	9.844.986	10.176.348
Own work capitalised	346.535	232.700
Other operating income	90.472	152.043
Total output	10.281.993	10.561.091
Expenses for goods and services	5.983.874	6.370.876
Personnel expenses	2.562.950	2.874.054
Other operating expenses	950.330	1.426.711
Earnings before interest, taxes, depreciation and amortization	784.840	-110.550
Depreciation and amortisation expenses	539.274	392.866
Earnings before interest and taxes	245.566	-503.416
Financial expenses	199.554	171.376
Financial result	-199.554	-171.376
Earnings before taxes	46.012	-674.793
Income taxes	130.863	69.370
Net income continuing operations	-84.851	-744.163
Net income discontinued operations	21.065	-69.961
Net income	-63.786	-814.124
Net income	-63.786	-814.124

EARNINGS PER SHARE

Earnings per share basic	-0,02	-0,25
Earnings per share diluted	-0,02	-0,23

EARNINGS PER SHARE CONTINUING OPERATIONS

Earnings per share basic	-0,03	-0,23
Earnings per share diluted	-0,03	-0,21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net income	-63.786	-814.124
Net other comprehensive income to be reclassified through profit or loss in subsequent periods:		
Unrealised gains/losses from foreign currency translation	1.712	22.423
Total other comprehensive income	1.712	22.423
Total comprehensive income	-62.074	-791.701

When using rounded amounts and key figures, differences may occur due to commercial rounding. The previous year's figures were adjusted due to the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30/09/2020 (UNAUDITED)

All figures in EUR

	30/09/2020	31/12/2019
ASSETS		
Non-current assets	2.240.693	2.170.423
Property, plant and equipment	99.395	126.091
Intangible assets	1.336.504	1.043.944
Rights of use from leasing	804.794	1.000.388
Current assets	3.163.478	4.301.090
Trade receivables	2.679.453	3.024.147
Other receivables	277.582	285.129
Cash and cash equivalents	206.444	991.814
Total assets	5.404.171	6.471.513
EQUITY AND LIABILITIES		
Equity	-4.414.838	-4.352.765
Subscribed capital	3.292.978	3.292.978
Additional paid in capital	20.961.224	20.961.224
Retained earnings	-28.599.678	-28.535.893
Other comprehensive income from currency translation differences	-19.044	-20.756
Own shares	-50.319	-50.319
Non-current liabilities	2.582.325	3.194.498
Provisions	68.804	68.903
Liabilities from leasing	681.647	853.610
Other financial liabilities	1.831.874	2.271.985
Current liabilities	7.236.685	7.629.780
Prepayments received	174.163	901
Trade payables	2.393.083	3.810.615
Other liabilities	534.458	422.339
Other financial liabilities	2.202.995	3.113.313
Liabilities from leasing	233.454	224.350
Tax liabilities	187.744	58.262
Provisions	1.510.788	0
Total equity and liabilities	5.404.171	6.471.513

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT 9M/2020 (UNAUDITED)

All figures in EUR

	9M/2020	9M/2019
Net income continuing operations	-84.851	-744.164
Net income discontinued operations	21.065	-69.960
Depreciation and amortisation	539.274	399.378
Taxes recognised in the income statement	130.863	70.560
Interest recognised in the income statement	199.554	168.604
Other non-cash income and expenses	5.302	-25.907
Cash-Earnings	811.207	-201.489
Changes in receivables and other receivables	352.242	1.796.923
Changes in liabilities, prepayments and other liabilities	-2.442.887	-2.556.836
Changes in provisions	1.510.689	1.343.786
Changes in other assets and liabilities	0	10.503
Interest paid	-128.451	-111.233
Interest paid from leasing	-43.589	-24.275
Income taxes paid	0	-69.876
Cash flow from operating activities	59.211	187.504
Purchase of property, plant and equipment	-23.579	-14.206
Purchase of intangible assets	-161.998	-103.295
Outflow from development costs	-448.462	-269.522
Disposal of assets	20.906	6.576
Cash flow from investing activities	-613.133	-380.447
Repayment of lease liabilities	-206.448	-176.530
loan repayment	-225.000	-160.000
Issuance of loans	200.000	100.000
Cash flow from financing activities	-231.448	-236.530
Net increase / decrease	-785.370	-429.473
Cash and cash equivalents at the beginning of the period	991.814	664.228
Cash and cash equivalents at the end of the period	206.444	234.755

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30/09/2020 (UNAUDITED)

All figures in EUR

	SUBSCRIBED CAPITAL	ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME FROM CURRENCY TRANSLATION	OWN SHARES	TOTAL
as of 01/01/2019	3.292.978	20.961.224	-28.063.379	-35.111	-50.319	-3.894.606
Net income	0	0	-814.124	0	0	-814.124
Currency translation differences	0	0	0	22.423	0	22.423
Comprehensive income	0	0	-814.124	22.423	0	-791.701
as of 30/09/2019	3.292.978	20.961.224	-28.877.503	-12.688	-50.319	-4.686.307

as of 01/01/2020	3.292.978	20.961.224	-28.535.893	-20.756	-50.319	-4.352.765
Net income	0	0	-63.786	0	0	-63.786
Currency translation differences	0	0	0	1.712	0	1.712
Comprehensive income	0	0	-63.786	1.712	0	-62.074
as of 30/09/2020	3.292.978	20.961.224	-28.599.678	-19.044	-50.319	-4.414.838

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

➤ No shares are held by non-controlling shareholders.

NOTES TO THE CONSOLIDATED 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 30 September 2020 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 2019.

Standards and interpretations requiring mandatory application in the current financial year

In the ongoing financial year 2020, all standards that were mandatory as of 01 January 2020 were complied with.

Published standards and interpretations that are not yet mandatory

In October 2018, the IASB published changes to **IFRS 3**, "Business Combinations". The changes clarify how to determine whether a business or a group of assets was acquired.

The changed definition of a business emphasizes that the creation of outputs by a business focuses on goods and services provided to customers.

The previous definition focused on the return in the form of dividends, reduced cost and other economic uses for shareholders and others.

The differentiation between a business and a group of assets is substantial as the acquirer recognises goodwill or financial assets only when acquiring a business.

These changes become effective for the financial years beginning on or after 01 January 2020.

The implementation of the changes will have no significant impact on the consolidated financial statements. The provisions are yet to be incorporated into European law by the EU.

In May 2017, the IASB published **IFRS 17**, "Insurance Contracts", which regulates the accounting principles with regard to the recognition, measurement, presentation and disclosure for insurance contracts within the standard's scope of application.

IFRS 17 replaces the **IFRS 4** regulations which had given entities the possibility of a further application of national accounting standards. This led to the application of a multitude of different accounting principles.

IFRS 17 solved this problem of a lack in comparability of financial statements created by **IFRS 4** by requiring standardised accounting for all insurance contracts, thereby creating benefits for both investors and insurance companies. Insurance obligations are recognised by using current values instead of historical acquisition costs. The information is constantly updated, providing the addressees of financial statements with more useful information for decision making.

IFRS 17 becomes effective for any financial years beginning on or after 01 January 2021.

The implementation of the changes will have no significant impact on the consolidated financial statements. The provisions are yet to be incorporated into European law by the EU.

In January 2020, the IASB has adopted changes to **IAS 1** regarding a limited adjustment of the evaluation criteria for classifying liabilities as current or non-current. The changes to **IAS 1** only regard the recognition of liabilities in the presentation of the financial position, but not the amount or date of recognising assets, liabilities, expenses or earnings or corresponding information.

These changes mainly ensure that:

- the classification as non-current liability depends on the company's right as of the reporting date to defer settlement of the liability by at least twelve months following the end of the reporting period. This right must be substantive. Moreover, any conditions for exercising such a right must be fulfilled as of the reporting date, failing which it is deemed a current liability.
- the actual intention of the management to settle such a liability within twelve months following the reporting date is immaterial for the classification of a liability, and
- the settlement refers to the transfer of cash instruments, equity instruments or other financial assets or contributions to the counterparty.

These changes are to be applied from 01 January 2020. A premature application of these changes is permitted, provided they have been endorsed by the EU.

In October 2018, the IASB published changes to **IAS 8**, "Accounting Policies", changes in accounting estimates and errors. The changes aimed at standardising the definition of the concept of "materiality" in all standards and clarifying certain aspects of the definition.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The Group assumes that the changes to the definition of "materiality" have no significant impact on the consolidated financial statements.

Furthermore, the IASB has published several other announcements which are of no relevance to the company and which the company therefore does not expect to affect it. The YOC AG Management Board assumes that the above-mentioned standards and interpretations will be applied in the consolidated financial statements of the financial year in which they become mandatory if cases should occur in which they apply.

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.

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

CONSOLIDATED COMPANIES

The Management Board in financial year 2019 decided in consultation with the Supervisory Board to discontinue business at the British subsidiary YOC Mobile Advertising Ltd. Consequently, an application for liquidation of the company was submitted to Companies House at the end of 2019. The liquidation and deconsolidation took place on 31 March 2020.

Five companies were now consolidated in YOC Group:

FULLY CONSOLIDATED COMPANIES		SHARE IN %	HELD THROUGH NO.	BEGINNING SINCE
1.	YOC AG, Berlin, Germany	-	-	-
2.	YOC Mobile Advertising GmbH, Berlin, Germany	100 %	1	11/03/2009
3.	YOC Central Eastern Europe GmbH, Vienna, Austria	100 %	1	01/06/2009
4.	YOC Spain, S.L., Madrid, Spain	100 %	1	22/09/2009
5.	YOC Poland Sp. z o. o., Warsaw, Poland	100 %	1	08/02/2019

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

OTHER DISCLOSURES TO FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents,

30/09/2020

(IN KEUR)

FINANCIAL ASSETS

Cash and cash equivalents
Trade receivables
Other assets

FINANCIAL LIABILITIES

thereof long-term

Fixed rate borrowing
YOC Convertible Bond 2018 - 2020

thereof short-term

Trade payables
Fixed rate borrowing
Other financial liabilities

30/09/2019

(IN KEUR)

FINANCIAL ASSETS

Cash and cash equivalents
Trade receivables
Other assets

FINANCIAL LIABILITIES

thereof long-term

Fixed rate borrowing
YOC Convertible Bond 2018 - 2020

thereof short-term

Trade payables
Fixed rate borrowing
Other financial liabilities

trade receivables, other current assets and other current financial liabilities approximate their fair values mainly due to the short maturities of these instruments.

For reasons of materiality, the fair value of these short-term balance sheet items is equated with their carrying amount.

The following table shows the carrying amounts, fair values and categorisation in accordance with IFRS 9.

	CARRYING AMOUNT	FAIR VALUE (IFRS 9)
Cash and cash equivalents	206	206
Trade receivables	2.679	2.679
Other assets	278	278

Fixed rate borrowing	480	480
YOC Convertible Bond 2018 - 2020	1.352	1.352

Trade payables	2.393	2.393
Fixed rate borrowing	675	675
Other financial liabilities	1.528	1.528

	CARRYING AMOUNT	FAIR VALUE (IFRS 9)
--	----------------------------	--------------------------------

Cash and cash equivalents	235	235
Trade receivables	2.736	2.736
Other assets	182	182

Fixed rate borrowing	1.220	1.220
YOC Convertible Bond 2018 - 2020	1.305	1.305

Trade payables	2.822	2.822
Fixed rate borrowing	0	0
Other financial liabilities	1.733	1.733

REVENUE AND TOTAL OUTPUT

In the first nine months of 2020, **total revenues** of the YOC Group amounted to EUR 9.8 million (9M/2019: EUR 10.2 million). At EUR 10.3 million, the Group's **total output** was EUR 0.3 million below the level of the previous year (9M/2019: EUR 10.6 million).

GROSS PROFIT

In the reporting period, the **gross profit margin** improved to 39.2 % compared (9M/2019: 37.4 %).

EBITDA

Operating earnings before interest, taxes, depreciation and amortization (EBITDA) improved by EUR 0.9 million year-on-year to EUR 0.8 million (9M/2019: EUR -0.1 million).

Thus, the improvement in profitability of previous years continued in the first nine months of 2020.

SEGMENT REPORTING

Segment reporting is based on the internal management structure and internal reporting.

The Group is consequently sectioned into **Corporate Functions** and the following reportable business segments:

- **National**
- **International**

In order to form the above reportable business segments, the regions of Austria, Spain and Poland are combined in the **International segment**, as they have comparable economic characteristics and are also comparable in terms of products, services, customers, processes, structures and distribution methods.

Up until the half-year financial statements 2019, the Great Britain region was also recognised within the International Segment. By terminating the business activities and the related application pursuant to **IFRS 5**, the region was eliminated from the segment and the previous year's figures were adjusted accordingly.

The sales revenues are calculated based on the revenue generated by the national subsidiaries in the respective countries.

Internal revenues between the segments are mainly advance payments. Internal revenues within each segment are eliminated accordingly.

The **Corporate Functions segment** includes revenue and expense incurred in the parent company and not directly attributable to any business segment, in particular levies and holding costs. In addition, sales revenues in the area of central revenue optimisation of the international publisher portfolio of YOC Group are generated in the parent company and recharged internally.

With a decline in turnover of about 3 % compared to the same period of the previous year, the YOC Group has so far come through the economic consequences of the COVID-19 pandemic relatively unscathed. We have consistently introduced countermeasures to limit the overall impact of the Corona crisis.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by EUR 0.9 million year-on-year to EUR 0.8 million (9M/2019: EUR -0.1 million).

In the **National Segment** the total revenue was increased by around 6 % to kEUR 6,125 (9M/2019: kEUR 5,789).

As a consequence, **EBITDA** increased by kEUR 379 to kEUR 1,302 (9M/2019: kEUR 923) compared to the same period last year.

Revenues including internal revenues from **international business activities** fell by 10 % to kEUR 3,779 in the first nine months of 2020 (9M/2019: kEUR 4,219).

As a result, however, the segment contributed positive **EBITDA** to consolidated earnings of kEUR 533 (9M/2019: kEUR 165).

The **EBITDA** reconciles to the post-tax result as follows:

RECONCILIATION (IN KEUR)	9M/2020	9M/2019
EBITDA	785	-111
Depreciation and Amortisation	539	393
Financial Result	-200	-171
Net Income before Taxes	46	-675
Taxes	131	69
Net Income Continuing Operations	-85	-744
Net Income Discontinued Operations	21	-70
NET INCOME	-64	-814

As of 30 September 2020, trade and other receivables amounted to kEUR 826 (previous year: kEUR 1,418) in the **National Segment**, kEUR 864 (previous year: kEUR 712) in the **International Segment** and kEUR 989 (previous year: kEUR 606) in the **Corporate Functions Segment**.

Trade and other liabilities amounted to kEUR 1,385 (previous year: kEUR 1,689) in the **National Segment**, kEUR 634 (previous year: kEUR 731) in the **International Segment** and kEUR 374 (previous year: kEUR 402) in the **Corporate Functions Segment**.

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

SEGMENT REPORTING

(in kEUR)

	NATIONAL	INTER-NATIONAL	CORPORATE FUNCTIONS	CONSOLIDATION	YOC GROUP
--	----------	----------------	---------------------	---------------	-----------

01/01/2020 - 30/09/2020

External revenue	3.139	2.314	4.392	0	9.845
Internal revenue	2.986	1.465	735	-5.186	0
Total revenue	6.125	3.779	5.127	-5.186	9.845
Own work capitalised	0	0	347	0	347
Other operating income	92	60	556	-617	90
Total output	6.217	3.839	6.030	-5.804	10.282
Costs of goods sold	3.720	2.148	5.302	-5.187	5.984
Personnel expenses	791	624	1.147	0	2.563
Other operating expenses	404	533	630	-617	950
EBITDA	1.302	533	-1.050	0	785

01/01/2019 - 30/09/2019

External revenue	3.776	3.236	3.165	0	10.176
Internal revenue	2.013	983	425	-3.421	0
Total revenue	5.789	4.219	3.590	-3.421	10.176
Own work capitalised	0	0	233	0	233
Other operating income	132	52	647	-679	152
Total output	5.921	4.270	4.470	-4.100	10.561
Costs of goods sold	3.630	2.490	3.678	-3.427	6.371
Personnel expenses	809	822	1.243	0	2.874
Other operating expenses	558	793	733	-658	1.427
EBITDA	923	165	-1.184	-15	-111

CASH FLOW STATEMENT

As of 30 September 2020, YOC Group's **cash and cash equivalents** amounted to EUR 0.2 million.

The **operating cash flow** came to EUR 0.1 million in the reporting period (9M/2019: EUR 0.2 million).

The **cash flow from investing activities** totalling EUR 0.6 million (9M/2019: EUR 0.4 million) primarily comprises capitalizable development costs in connection with the further development of the company's technological platforms and innovative products as well as external development costs.

In the fixed assets, the additions and disposals are balanced.

The **cash flow from financing activities** in the amount of EUR -0,2 million (9M/2019: EUR -0,2 million) results from cash outflows due to loan repayments and loan taken as well as the repayment of lease.

OTHER DISCLOSURES

GUARANTEES, CONTINGENT LIABILITIES AND SIMILAR OBLIGATIONS

Depending on a specific exercise scenario, payment obligations may arise from the virtual stock option program under certain circumstances.

There are no other contingencies, warranties, contingent liabilities or similar obligations.

EVENTS AFTER THE INTERIM REPORTING PERIOD

The world-wide spread of the novel coronavirus SARS-CoV-2 constantly accelerated in the first half of 2020. In the face of the continuous evolution of the situation, the full extent of its implications for our society at the time being cannot be reliably quantified.

Due to the further dynamic evolution of the situation and with view to the unexpected decline in orders for the current second quarter of 2020, the YOC AG Management Board on 09 April 2020 decided not to uphold the forecast for the year 2020 as a whole.

On 14 October 2020, the YOC AG Management Board approved a guidance for 2020 taking into account the evaluation of the order book for the current fourth quarter of 2020 and the development in the first nine months of 2020.

According to this guidance the total revenue at Group level is expected to amount to EUR 14.75 million to EUR 15.25 million for the fiscal year 2020. That means, Group revenues should be almost at the level of the previous year (2019: EUR 15.1 million) despite the economic effects of the Corona pandemic, which impacted the second quarter of 2020 in particular.

As a consequence of this revenue expectation, the Management Board of YOC AG expects operating result before interest, taxes, depreciation and amortisation (EBITDA) of probably EUR 1.0 million to EUR 1.5 million (2019: EUR 0.6 million). However, this assumes that there will be no second wave of Covid-19 infections with resulting economic impacts comparable to the second quarter 2020 in the markets relevant to the YOC Group.

No other events with a significant impact on the net assets, financial position and results of operations occurred after the balance sheet date.

REPORT ON RISKS AND OPPORTUNITIES

The financial instruments of the YOC Group include trade accounts payable, cash and cash equivalents, other assets and trade accounts payable, other liabilities and the YOC convertible bond 2018–2022.

It is possible that the YOC convertible bond 2018–2022 was not or only partially converted into YOC shares on the repayment date. In this case, 112 % of the non-converted bonds would be repaid.

All other information on the company- and industry-specific and financial risks of the YOC Group and its management is provided in the risk report of the Group management report or the 2019 financial year, which forms part of the audit by the auditor.

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**).

YOC AG's obligations to their Management Board member Dirk-Hilmar Kraus in the amount of kEUR 180 have been carrying a 5 % interest rate p. a. since 01 January 2015 and are recognised in non-current financial liabilities.

In addition, Dirk-Hilmar Kraus has provided the company with a loan of kEUR 100 in the course of 2019 for financing the further growth of the company.

The loan carries an interest of 6 % p. a. and is recognised in current financial liabilities. This loan is due for repayment in July 2021.

Mr. Dirk-Hilmar Kraus provided the company with a loan of kEUR 200 in February 2020. This is subject to interest at 7 % p.a.

The total amount of loans provided to the company by Dirk-Hilmar Kraus was kEUR 480 (9M/2019: kEUR 280). The loans are not secured.

Beyond that, no significant business transactions with related companies or persons took place in the period under review.

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 in February 2020 and has been made permanently accessible to YOC AG's shareholders on the web page at www.yoc.com in the "Investor Relations" section.

STATEMENT OF RESPONSIBILITY BY THE MANAGEMENT BOARD

I assure, to the best of my knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 18 November 2020

A handwritten signature in blue ink, appearing to read 'Dirk-Hilmar Kraus', is written over a light blue horizontal line.

Dirk-Hilmar Kraus

The Management Board

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