

SYZYGY GROUP

Half-Year Report

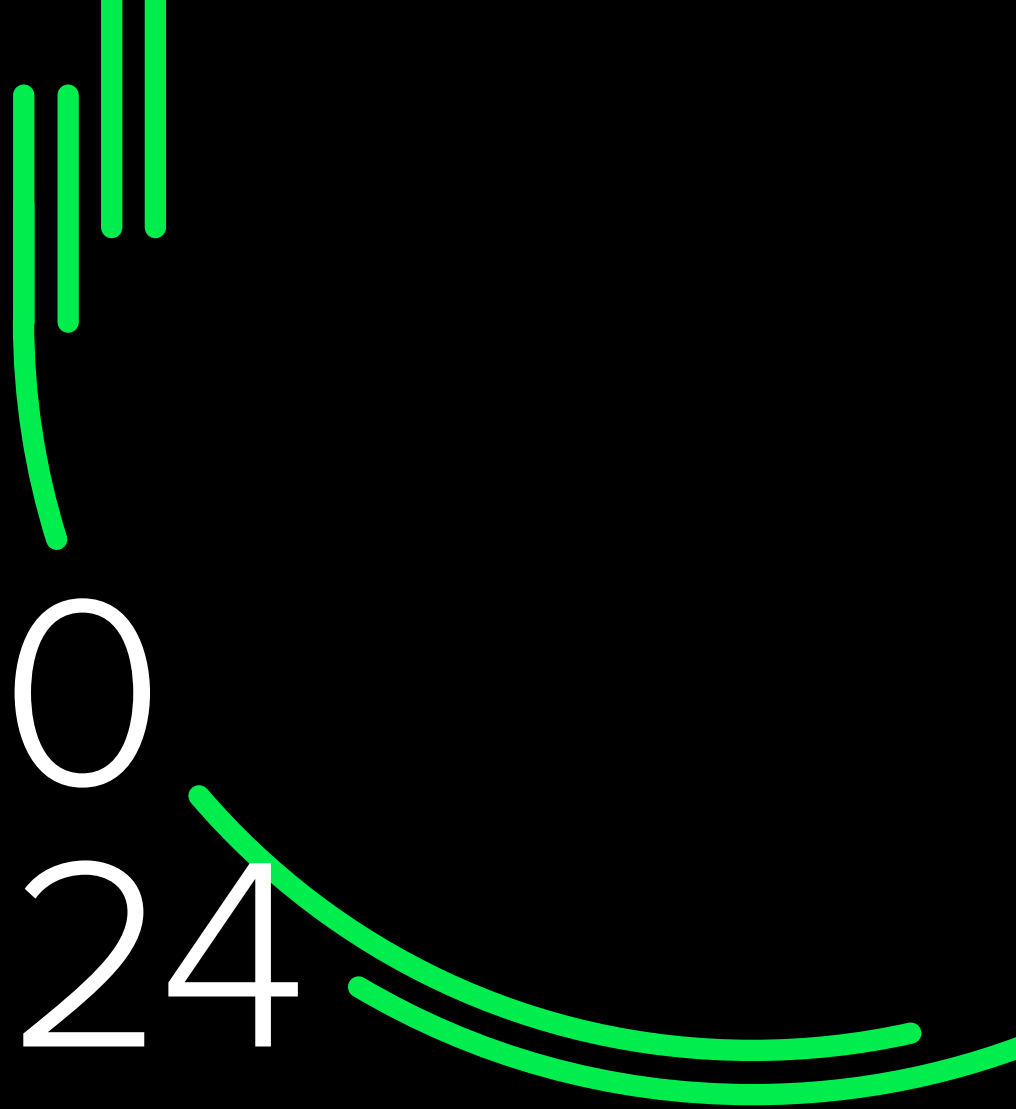
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06

30

2024

Interim Report



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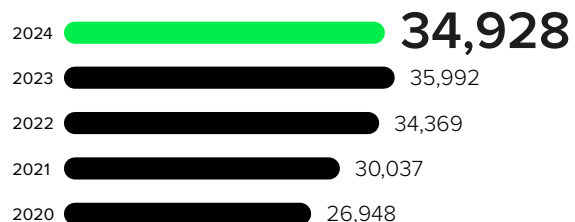
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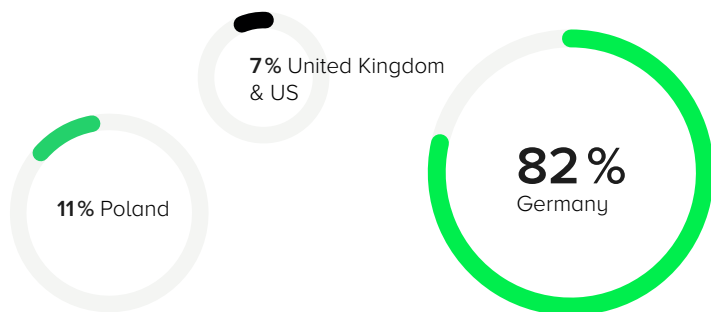
SYZGY Performance / Hamburg

Key financial figures

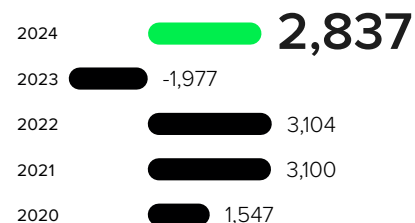
as per 06/30/2024



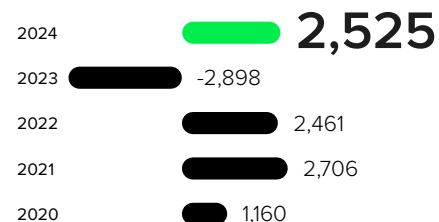
Development of sales (in kEUR)



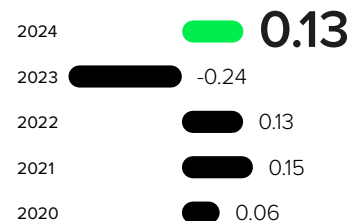
Sales by segments



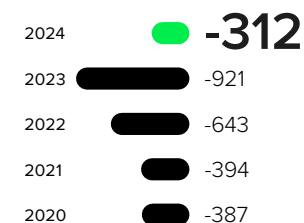
Operating income (in kEUR)



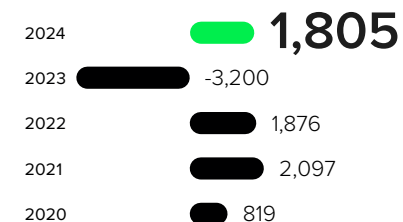
Income before taxes (in kEUR)



Earnings per share undiluted (in EUR)



Financial income (in kEUR)



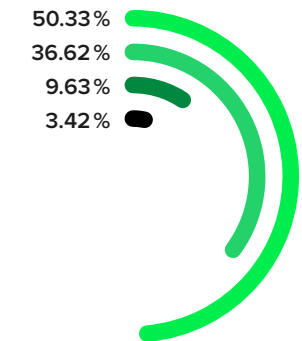
Net income (in kEUR)



Operating cash flow (in kEUR)



Despite the subdued economic environment, the SYZYGY GROUP recorded a significant upturn in the new business activities, although the corresponding expenses for new business development had an impact on EBIT.

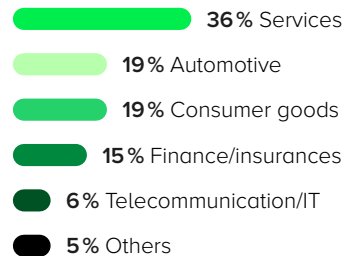
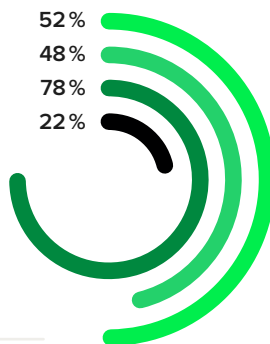


- WPP plc., St. Helier
- Private investors/others
- Institutional investors
- HANSAINVEST

Shareholder structure

- Equity
- Liabilities
- Non current assets
- Current assets

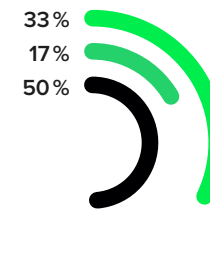
Balance sheet structure



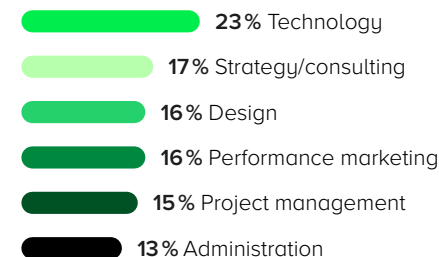
Sales allocation by vertical markets



Sales by employee annualised (in kEUR)



Sales by clients' volume



Employees by function



Business development and Group Management Report

1. General

The following Group Management Report provides information on the performance of the SYZYGY GROUP (hereinafter referred to as “SYZYGY”, the “Group”, the “SYZYGY GROUP” or the “Company”). The consolidated financial statements on which the Group management report is based have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial year corresponds to the calendar year.

2. Group profile

For information on the SYZYGY GROUP’s structure, strategy and management, please refer to the explanatory notes in the 2023 group management report (Annual Report 2023, page 56 ff.).

In kEUR	2. Quarter			January - June		
	2024	2023	Change	2024	2023	Change
Sales	17,371	17,244	1%	34,928	35,992	-3%
EBIT (before goodwill write-downs)	1,216	515	136%	2,837	2,228	27%
EBIT margin (before goodwill write-downs)	7.0%	3.0%	4 pp	8.1%	6.2%	1.9 pp
EBIT (incl. goodwill write-downs)	1,216	-3,690	n.a.	2,837	-1,977	n.a.
EBIT margin (incl. goodwill write-downs)	7.0%	-21.4%	28.4 pp	8.1%	-5.5%	13.6 pp
Financial income	-144	-253	43%	-312	-921	66%
Income of the period (before taxes)	1,072	-3,943	n.a.	2,525	-2,898	n.a.
Net income	768	-3,978	n.a.	1,805	-3,200	n.a.
Earnings per share (in EUR)	0.06	-0.30	n.a.	0.13	-0.24	n.a.
Liquid assets and marketable securities	637	4,623	-86%	637	4,623	-86%
Operating cash flow	-2,550	537	n.a.	-249	104	n.a.
Employees incl. freelancers	598	671	-11%	598	671	-11%
Freelancer	32	57	-44%	32	57	-44%

The Group consists of Syzygy AG as the holding company and seven subsidiaries:

- Ars Thanea S.A.
- different GmbH
- syzygy Deutschland GmbH
- SYZYGY Digital Marketing Inc.
- Syzygy Performance Marketing GmbH
- SYZYGY UK Ltd.
- Unique Digital Marketing Ltd.

3. Economic report

3.1. General economic development

In the section below, we present additional information and highlight new developments compared with the 2023 management report (Annual Report 2023, page 65 ff.).

There are signs of an improvement in the global outlook, even if growth remains low. The effects of the tightening of monetary policy conditions are still being felt, particularly on the property and credit markets.



Nevertheless, the global economy is proving to be relatively resilient. Inflation is falling faster than expected and private sector confidence is improving. The imbalances between supply and demand on the labour markets are decreasing, while unemployment remains at or near record lows. With inflation falling, real incomes are beginning to improve and trade growth is showing positive trends. Developments continue to vary from country to country. Weaker results in many advanced economies, particularly in Europe, contrast with strong growth in the USA and in many emerging markets.

Despite tougher financial conditions and other negative factors, such as the Russian war of aggression against Ukraine and the developing conflicts in the Middle East, global gross domestic product (GDP) growth is forecast at 3.1 per cent and 3.2 per cent in 2025, according to the Organisation for Economic Co-operation and Development (OECD). In its Economic Outlook from May 2024, the OECD forecasts inflation of 5 per cent for 2024 and 3.4 per cent for 2025.

The OECD's forecasts are largely in line with those of the International Monetary Fund (IMF), which in its World Economic Outlook of April 2024 predicts global economic growth of 3.2 per cent for 2024 and 2025, unchanged from 2023. In the advanced economies, growth will increase slightly from 1.6 per cent (2023) to 1.8 per cent (2025), while it will fall from 4.3 per cent (2023) to 4.2 per cent in the emerging and developing countries. The long-term forecast for global growth is at a historic low of 3.1 per cent. Global inflation will fall from 6.9 per cent (2023) and 5 per cent (2024) to 3.4 per cent (2025). By the end of 2025, inflation in most major economies should return to the central banks' target values.

The OECD forecasts gross domestic product (GDP) growth of 0.7 per cent in 2024 and 1.5 per cent in 2025 for the eurozone. The IMF also expects growth to recover to 0.8 per cent in 2024 and 1.5 per cent in 2025.

Overall, the forecasts show a slow recovery of the German economy, which is, however, being hampered by ongoing structural challenges and political uncertainties. While inflation is falling significantly and growth is picking up slightly, investor confidence remains subdued due to the uncertainties surrounding the financing of green investments and structural problems. The International Monetary Fund (IMF) and the OECD are forecasting weak growth of just 0.2 per cent for the current year, the weakest among the leading western G7 countries. In January, the expectation was still 0.5 per cent. However, the fund expects the German economy to grow by 1.3 per cent again in 2025 (OECD: 1.1 per cent). The ifo economic forecast for summer 2024 is more optimistic: Germany's price-adjusted gross domestic product (GDP) will increase by 0.4 per cent this year and by 1.5 per cent next year. The inflation rate will fall significantly from 5.9 per cent in 2023 to 2.2 per cent in 2024 and further to 1.7 per cent in 2025.

According to the OECD's current forecast, GDP growth in the UK will be 0.4 per cent in 2024 and rise to 1.0 per cent in 2025. During this period, the impact of earlier monetary policy tightening will weaken.



Core inflation will be 3.3 per cent in 2024 and 2.5 per cent in 2025. The unemployment rate will rise to 4.7 per cent by 2025 as the labour market cools. However, the actual extent of underutilisation remains uncertain. GDP growth in the US is expected to reach 2.6 per cent in 2024 before slowing to 1.8 per cent in 2025. This is due to the economy's adjustment to high borrowing costs and weakening domestic demand.

The Polish economy is slowly recovering. The OECD forecasts that real GDP growth will rise to 2.9 per cent by 2024, supported by real wage increases and fiscal policy measures, despite weaker investment. The reintroduction of VAT on food and higher regulated energy prices will cause overall inflation to rise to 4.8 per cent by the end of 2024, before falling to 3.5 per cent by the end of 2025. GDP growth of 3.4 per cent is forecast for 2025, driven by EU funds and strong foreign direct investment, although consumption growth will be dampened by inflation and the decline in fiscal support.

3.2. Advertising market performance

The following comments on the forecast development of advertising expenditure are subject to the same reservations as those already discussed in section 4.4 of the Management Report 2023 (Annual Report 2023, page 66 ff.). They provide an indication of general trends and shifts in media budgets, but are only suitable as a yardstick for assessing the expected development of the SYZYGY GROUP to a very limited extent.

Despite the current global geopolitical tensions and economic challenges, the biannual forecasts from media companies such as Dentsu and GroupM paint a more optimistic picture for the global advertising industry in 2024 compared to the end of 2023, driven by digital growth, the recovery of key markets such as China and the accelerated use of retail media, CTV advertising and artificial intelligence.

According to the new Dentsu Global Ad Spend Report, global advertising investments are expected to increase by around 5.0 per cent to a net USD 754.4 billion by 2024. This indicates a continuation of the growth trend. A more detailed analysis shows that the improved investment prospects are particularly evident in the UK, Germany, the USA, Japan and France.

Furthermore, an additional boost is expected from the US presidential election, which is likely to account for around a third of the additional advertising expenditure in 2024 (approx. USD 11 billion).

In contrast, GroupM's Global Midyear Forecast predicts that global advertising revenue will increase by 7.8 per cent to USD 989.8 billion in 2024, with a further increase of 6.8 per cent expected for 2025. Artificial intelligence (AI) is playing an increasingly important role in this. By 2029, AI could account for 94.1 per cent of advertising revenue, three years earlier than previously forecast. Machine-generated content in advertising will also become increasingly important.

According to Dentsu, global spending on digital advertising has exceeded previous growth expectations. It is expected to rise to 59.6 per cent by 2024. Double-digit growth is expected for retail media and paid social. Search will remain an important spending driver.

Dentsu's Ad Spend Report shows that the German advertising market is recovering. While advertising spend in Germany still recorded slight growth of 0.6 per cent in 2023, a clearly positive trend is expected for the current year. The analysts have revised their forecast for 2024 upwards: instead of 1.8 per cent growth, they now expect 3.4 per cent.



A positive trend can also be seen in the following two years, when net advertising investment will initially increase by 3.3 per cent (2025) and 3.2 per cent (2026). This puts Germany in fourth place in a Western European comparison. The media company GroupM expects growth of 4.1 per cent.

Dentsu analysts forecast year-on-year growth of 6.0 per cent for the UK (GroupM: 4.9 per cent), mainly due to a sharp increase in digital advertising investment, which accounts for more than three quarters of spending. Growth of 4.5 per cent is forecast for 2025, with the UK advertising market expected to reach USD 50.1 billion. The UK Digital Ad Spending 2024 report shows that digital advertising accounts for 82.6 per cent of total media spend in the UK. Within digital advertising, retail media is the most important growth driver.

According to Dentsu, the US advertising market will develop more dynamically and record the strongest growth at 5.9 per cent (GroupM: 5.8 per cent), compared to 2.2 per cent in 2023. The presidential election in November is expected to generate an additional USD 11 billion in advertising expenditure across various channels.

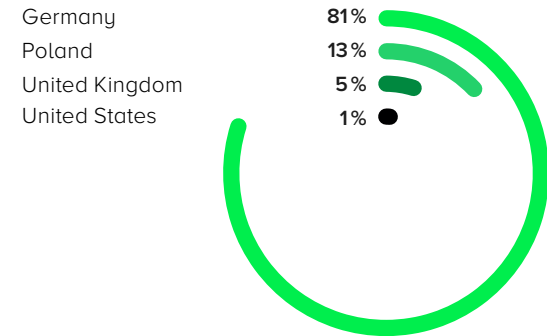
According to the Dentsu Ad Spend Forecast, the Polish advertising market will grow by 7.3 per cent to USD 2.8 billion by 2024, with spending on digital advertising increasing by 10 per cent. Despite the positive forecasts, advertisers remain cautious and the market recovery will not be felt immediately. Unpredictable economic and political events could slow down growth. The market is being driven by increased investment in innovation, digital development and major sporting events. Overall, there is more optimism than in the previous year and Poland is on the verge of economic stabilisation.

3.3. Employees

The SYZYG GROUP's headcount decreased during the reporting period: As at 30 June 2024 the SYZYG GROUP had 566 permanent employees. This is a decrease of 23 employees compared to the reporting date of December 31, 2023 and a decrease of 48 employees compared to the same quarter of the previous year. This is a decrease of 18 employees in the German companies compared to the same quarter of the previous year, while the international companies recorded an overall decrease of 30 employees.

The following table shows the distribution of permanent employees by geography:

Employees	06/30/2024	06/30/2023
Germany	458	476
Poland	75	76
United Kingdom	29	58
United States	4	4
Total	566	614

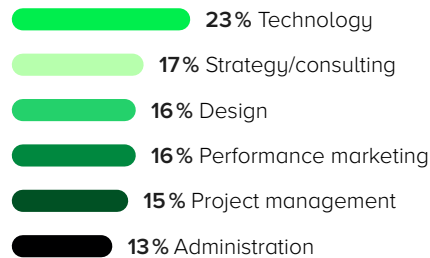


Employees by region



The employees by function or area of work shows a significant increase in employees in technology function, while all other areas are slightly declining:

Employees	06/30/2024	06/30/2023
Technology	130	117
Strategy/consulting	96	109
Design	91	98
Performance marketing	91	111
Project management	86	96
Administration	72	83
Total	566	614



Employees by function

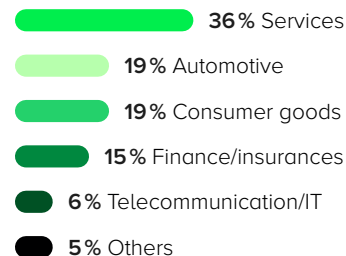
On average, 570 employees and around 37 freelancers worked for the SYZGY GROUP during the period. This results in annualised sales per employee of EUR 116,000 (previous year: EUR 108,000, with an average of 618 employees and 46 freelancers).

3.4. Net assets, financial position and results of operations of the SYZGY GROUP

3.4.1. Results of operations

The SYZGY GROUP's sales are calculated by reducing the billings by media costs incurred by the performance marketing companies as transitory items on the income and expenditure side.

The SYZGY GROUP's sales decreased in the reporting period 2024 by -3 per cent to EUR 34.9 million. The share of sales generated in Germany amounts to 82 per cent. The Poland segment contributed 11 per cent of the sales generated. The UK & US segment contributed 7 per cent of the SYZGY GROUP's total sales.



Sales allocation by vertical markets

Compared to the previous year, the following changes occurred due to shifts in sales: Sales with customers in the service sector increased by 5 percentage points, with companies in the consumer goods sector by 4 percentage points and in the telecommunications sector by 1 percentage point.



SYZGY / Frankfurt

Turnover with customers from the automotive sector fell by 2 percentage points and from the finance and insurance sectors by 6 percentage points. Companies that cannot be allocated to any of these five core sectors also fell by 2 percentage points to 5 per cent.

SYZYG generated 50 per cent of total sales with its ten largest customers. This is 2 percentage points above the previous year's level.

3.4.2. Operating expenses and depreciation and amortisation

The cost of services rendered fell disproportionately to sales by -5 per cent to EUR 26.7 million (previous year: EUR 28.0 million.). The gross margin rose accordingly by 2 percentage points to 24 per cent due to the slightly disproportionate fall in acquisition costs.

General administration costs and sales and marketing costs both fell slightly below the previous year's level.

At EUR 2.2 million, depreciation and amortisation was lower than in the previous year (EUR 2.6 million). Furthermore, no impairment losses were recognised on goodwill (previous year: EUR 4.2 million).

3.4.3. Operating income and EBIT margin

The operating profit before goodwill impairment rose compared to the same period of the previous year to a positive figure of EUR 2.8 million (previous year: EUR 2.2 million), with the EBIT margin rising accordingly to 8.1 per cent (previous year: 6.2 per cent). In the same period of the previous year, impairment losses on goodwill totalling EUR 4.2 million were recognised, resulting in a negative outcome of EUR 4.2 million.

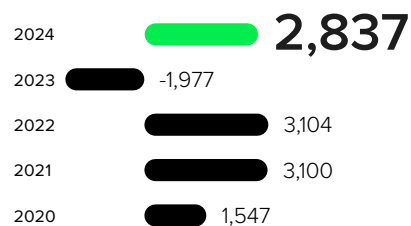
3.4.4. Financial income

After six months, the SYZYG GROUP reported a negative financial result of EUR -0.3 million (previous year: EUR -0.9 million), which resulted from financing costs and pro rata interest expenses for long-term contracts in accordance with IFRS 16 (primarily rental agreements).

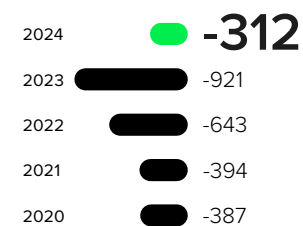
3.4.5. Income taxes, net income, earnings per share

The SYZYG GROUP's business performance is reflected in pre-tax earnings of EUR 2.5 million. In the same period of the previous year, the pre-tax result was EUR -2.9 million negative - primarily due to impairment losses on goodwill. This corresponds to an increase in earnings before taxes of EUR 4.8 million. 0.7 million. This results in a consolidated profit of EUR 1.8 million (previous year: EUR -3.2 million).

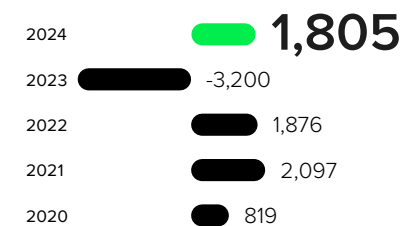
On the basis of the average of 13,500,026 shares entitled to dividends and after deduction of minority interests in the amount of kEUR 106 basic earnings per share totalled EUR 0.13 (previous year: EUR -0.24); this is EUR 0.37 higher than in the same period of the previous year.



Operating income (in kEUR)



Financial income (in kEUR)



Net income (in kEUR)

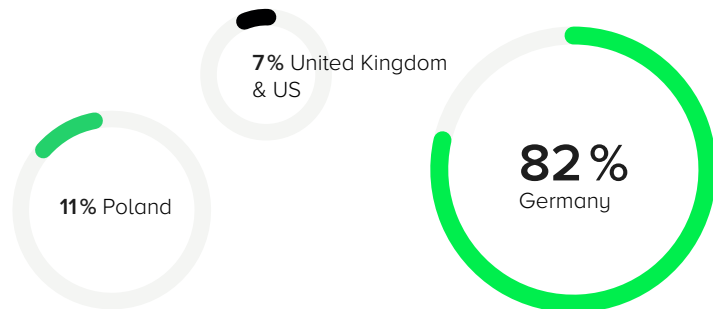


3.4.6. Segment reporting

In accordance with IFRS 8, which is based on the management approach, SYZGY reports segments according to geographical criteria and distinguishes between the Germany, UK & US and Poland segments.

The individual segments contributed in the first half of 2024 compared to the same period of the previous year as follows:

2. Quarter (in kEUR)	Germany		United Kingdom & US		Poland	
	2024	2023	2024	2023	2024	2023
Sales (unconsolidated)	28,842	29,008	2,480	4,247	3,778	2,765
Operative income (EBIT)	2,912	-1,933	25	317	675	441
Operative income (EBIT) in %	10%	-7%	1%	7%	18%	16%
Share of Group sales in % (consolidated)	82%	82%	7%	12%	11%	6%



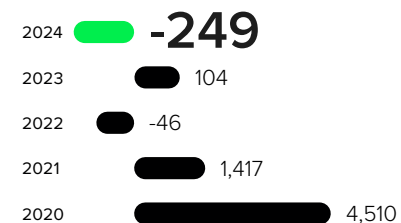
Sales by segments

3.4.7. Financial position

SYZGY had liquidity reserves totalling EUR 0.6 million as at the balance sheet date, which corresponds to a decrease of EUR 3.4 million as at December 31, 2023. The change in cash and cash equivalents is mainly due to the repayment of trade payables and loan repayments.

Cash and cash equivalents as at June 30, 2024 in full amount to bank balances.

Cash flow from operating activities was slightly negative at EUR -0.2 million in the reporting period. This is mainly due to a decrease in trade payables of EUR -3.3 million and advance payments received of EUR -4.2 million, while the consolidated result (EUR 1.8 million), depreciation and amortisation (EUR 2.2 million) and payments received from the settlement of receivables (EUR 4.2 million) had a positive impact on cash flow.



Operating cash flow (in kEUR)



Cash flow from investing activities was positive at EUR 0.1 million, with investments in intangible assets and property, plant and equipment totalling EUR 0.4 million having a negative impact on cash flow.

The repayment of lease liabilities totalling EUR 1.9 million and the reduction in existing liabilities to banks by EUR 1.0 million are the main items in the cash flow from financing activities. Accordingly, cash flow from financing activities led to a cash outflow of EUR -3.3 million and is negative overall.

This results in a negative total cash flow for the SYZYGY GROUP of EUR -3.4 million as at the reporting date.

3.4.8. Financial position

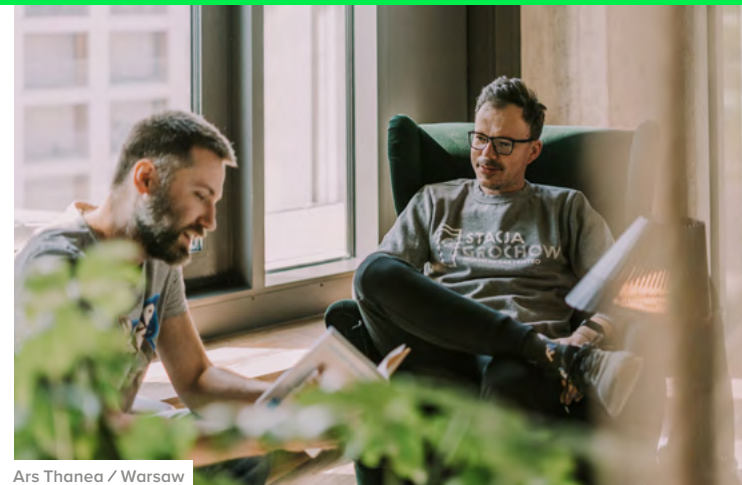
The SYZYGY GROUP's total assets increased in the reporting period compared to December 31, 2023 by EUR 6.8 million to EUR 80.5 million. Which corresponds to a decrease of 8 per cent.

Non-current assets decreased by EUR 0.5 million to EUR 62.6 million compared to the balance sheet date of December 31, 2023 (EUR 63.1 million). This was mainly due to scheduled depreciation of property, plant and equipment and right-of-use assets in the amount of EUR 2.2 million, while investments in property, plant and equipment and currency effects partially compensated for this decline.

At EUR 17.9 million, current assets are EUR 6.3 million below the level as at December 31, 2023 (EUR 24.2 million). This decrease is mainly due to the decrease in cash and cash equivalents by EUR 3.6 million, a decrease in trade receivables by EUR 3.6 million and a decrease in other non-financial assets by EUR 0.6 million. In contrast, contract assets increased by EUR 1.3 million.

At EUR 42.2 million, shareholders' equity is EUR 2.0 million higher compared to December 31, 2023. The positive consolidated result of EUR 1.8 million and, to a lesser extent, foreign currency translation of EUR 0.3 million contributed to this development. The equity ratio therefore rose from 46 per cent to 52 per cent as a result of the increase in equity and the lower balance sheet total.

Liabilities were reduced by EUR 8.8 million in the reporting period, with non-current liabilities showing a slight decrease of EUR 0.3 million compared to December 31, 2023 recorded.



Ars Thanea / Warsaw

At EUR 21.1 million, current liabilities were significantly lower than at the end of 2023 (EUR 29.6 million). This mainly includes the decrease in contract liabilities by EUR 4.2 million, trade payables by EUR 2.7 million and other current liabilities by EUR 1.0 million.



3.5. Expected performance of the SYZYG GROUP

The sustained shift of marketing budgets to the digital channel and continued investment in the digitalisation of sales and marketing processes offer the SYZYG GROUP a fundamentally good framework. Pure online advertising, to which the above statistics refer, is just one facet of the complex digital marketing and represents only one part of the SYZYG GROUP's range of services. Overall, the economic environment in the markets relevant to the SYZYG GROUP is subdued. The low economic growth continues to lead to restrained spending behaviour on the part of the customers relevant to SYZYG. The development of new business in the second quarter of 2024 suggests a slightly more dynamic sales trend. However, expenditure on new business development is higher than expected.

Based on the information available to date, the SYZYG GROUP continues to expect sales in the 2024 financial year to be at the previous year's level, with an EBIT margin of around 9 per cent before goodwill amortisation now being assumed. The EBIT margin is defined as the ratio of earnings before interest and taxes (EBIT) to sales. Possible impairments of goodwill are not included in the forecast EBIT figure and are not expected. The Management Board of Syzygy AG thus confirms the forecast published in the 2023 Annual Report.



Management Board / Erwin Greiner (CFO) and Frank Ladner (CTO)

3.6. Responsibility statement by the legal representatives in accordance with section 37y WpHG (German Securities Trading Act) in conjunction with section 37w para. 2 no. 3 WpHG

“To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the Group management report 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.”

Bad Homburg v.d.H., July 26, 2024
Syzygy AG

The Management Board

Frank Wolfram (CEO)

Frank Ladner (CTO)

Erwin Greiner (CFO)



Syzygy AG, Bad Homburg v.d.H.

Consolidated balance sheet as at June 30, 2024

Assets	06/30/2024	06/30/2023*	12/31/2023
	kEUR	kEUR	kEUR
Non-current assets			
Goodwill	39,171	39,441	38,913
Intangibles	165	194	173
Tangible Assets	4,413	5,884	4,801
Right of use Assets	15,084	20,156	14,953
Non-current financial assets	2,893	898	3,352
Deferred tax assets	904	1,116	928
Total non-current assets	62,630	67,689	63,120
Current assets			
Cash and cash equivalents	637	4,481	4,007
Marketable securities	0	142	0
Accounts receivable, net and contract assets	10,257	13,426	13,868
Contract assets	3,203	2,691	1,894
Prepaid expenses and other current assets	2,875	2,615	3,453
Other financial assets	879	4	960
Total current assets	17,851	23,359	24,182
Total assets	80,481	91,048	87,302

Equity and Liabilities	06/30/2024	06/30/2023*	12/31/2023
	kEUR	kEUR	kEUR
Equity			
Common stock	13,500	13,500	13,500
Additional paid-in capital	20,728	27,058	20,728
Accumulated other comprehensive income	-1,823	-2,174	-2,123
Retained earnings	9,482	4,069	7,783
Equity attributable to shareholders of Syzygy AG	41,887	42,453	39,888
Minorities	302	240	331
Total Equity	42,189	42,693	40,219
Non-current liabilities			
Longterm Lease Liabilities	15,806	18,708	16,157
Other long-term Provisions	599	605	624
Long-term financial liabilities	456	574	429
Deferred tax liabilities	314	289	267
Total non-current liabilities	17,175	20,176	17,477
Current liabilities			
Finance liabilities	3,500	7,000	4,500
Lease Liabilities	3,863	3,814	3,791
Income tax accruals	811	277	730
Accrued expenses	784	1,074	498
Contract liabilities	2,434	6,307	6,624
Accounts payable	6,938	7,230	9,667
Other non-financial liabilities	2,787	2,477	3,796
Total current liabilities	21,117	28,179	29,606
Total liabilities and equity	80,481	91,048	87,302

The accompanying notes are an integral part of the financial statements.

* Updated presentation, on the retroactive change made as a result of errors.



Szygyy AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income from January 1, to June 30, 2024

	2. Quarter			January - June			
	2024	2023	Change	2024	2023	Change	2023
	kEUR	kEUR		kEUR	kEUR		kEUR
Sales	17,371	17,244	1%	34,928	35,992	-3%	71,742
Cost of revenues	-13,424	-14,241	-6%	-26,668	-28,008	-5%	-57,353
Sales and marketing expenses	-1,243	-1,295	-4%	-2,503	-2,593	-3%	-4,762
General and administrative expenses	-1,955	-1,953	0%	-4,067	-4,245	-4%	-8,407
Other operating income	512	877	-42%	1,554	1,343	16%	3,295
Other operating expenses	-45	-117	-62%	-407	-261	56%	-435
Goodwill Impairment	0	-4,206	-100%	0	-4,205	-100%	-4,736
EBIT	1,216	-3,691	n.a.	2,837	-1,977	n.a.	-656
Financial income	48	10	380%	118	27	337%	141
Financial expenses	-192	-263	-27%	-430	-948	-55%	-1,434
Income before income taxes (EBT)	1,072	-3,944	n.a.	2,525	-2,898	n.a.	-1,949
Income taxes	-304	-34	794%	-720	-302	138%	-814
Total net income of the period	768	-3,978	n.a.	1,805	-3,200	n.a.	-2,763
thereof net income share to other shareholders	44	34	29%	106	69	54%	152
thereof net income share to shareholders of Szygyy AG	724	-4,012	n.a.	1,699	-3,269	n.a.	-2,915

The accompanying notes are an integral part of the financial statements.



Syzygy AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income from January 1, to June 30, 2024

	2. Quarter			January - June			
	2024	2023	Change	2024	2023	Change	2023
	kEUR	kEUR		kEUR	kEUR		kEUR
Items that will or may be reclassified to profit or loss:							
Currency translation adjustment from foreign business operations	80	615	-87%	304	715	-57%	737
Net unrealized gains/losses on marketable securities, net of tax	0	51	-100%	0	203	-100%	240
Other comprehensive income	80	666	-88%	304	918	-67%	977
Comprehensive income	848	-3,312	n.a.	2,109	-2,282	n.a.	-1,786
thereof income share to other shareholders	44	45	-2%	111	81	37%	172
thereof income share to shareholders of Syzygy AG	804	-3,357	n.a.	1,998	-2,363	n.a.	-1,958
Earnings per share from total operations (basic in EUR)	0.06	-0.30	n.a.	0.13	-0.24	n.a.	-0.22

The accompanying notes are an integral part of the financial statements.



Syzygy AG, Bad Homburg v.d.H.

Statement of changes in equity from January 1, to June 30, 2024

In kEUR	Common stock	Additional paid-in capital	Own shares	Accum. other comprehensive income				Minority interest	Total equity
				Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of Syzygy AG		
Jan. 01, 2023	13,500	27,058	0	7,338	-2,821	-259	44,816	279	45,095
Net income of the period				-2,915			-2,915	152	-2,763
Other comprehensive income					717	240	957	20	977
Comprehensive income				-2,915	717	240	-1,958	172	-1,786
Withdrawal from the capital reserves		-6,330	6,330						
Dividend			-2,970				-2,970	0	-2,970
Payment to minorities							0	-120	-120
Dec. 31, 2023	13,500	20,728	0	7,783	-2,104	-19	39,888	331	40,219

In kEUR	Common stock	Additional paid-in capital	Own shares	Accum. other comprehensive income				Minority interest	Total equity
				Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of Syzygy AG		
Jan. 01, 2024	13,500	20,728	0	7,783	-2,104	-19	39,888	331	40,219
Net income of the period				1,699			1,699	106	1,805
Other comprehensive income					300	0	300	4	304
Comprehensive income				1,699	300	0	1,999	110	2,109
Payment to minorities							0	-139	-139
June 30, 2024	13,500	20,728	0	9,482	-1,804	-19	41,887	302	42,189

The accompanying notes are an integral part of the financial statements,



Syzygy AG, Bad Homburg v.d.H.

Consolidated statement of cash flows as at June 30, 2024

	January - June		
	2024	2023	2023
	kEUR	kEUR	kEUR
Period net income	1,805	-3,200	-2,763
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Writedown of marketable securities	0	446	0
– Depreciation on fixed assets	2,173	2,553	5,244
– Goodwill Impairment	0	4,205	4,736
– Profit (-) and loss (+) on sale of securities	0	135	633
– Profit (-) and loss (+) on sale of fixed assets	2	17	-287
– Other non-cash income and expenses	-20	38	21
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	2,759	166	375
– Contract liabilities	-4,207	245	560
– Accounts payable and other liabilities	-3,280	-4,219	-1,050
– Tax accruals and payables, deferred taxes	519	-282	-402
Cash flows provided by operating activities	-249	104	7,067

	January - June		
	2024	2023	2023
	kEUR	kEUR	kEUR
Changes in other non-current assets	537	-329	-12
Investments in fixed assets	-405	-422	-695
Proceeds from sale of marketable securities	0	690	835
Changes from fixed asset investments	16	0	51
Cash flows used in investing activities	148	-61	179
Proceeds from borrowings	5,500	14,500	24,000
Repayment of borrowings	-6,500	-15,500	-27,500
Repayment of lease obligations	-1,947	-1,824	-3,778
Interest expense on leasing liabilities	-261	-281	-531
Dividend paid to minority shareholders	-139	-120	-120
Dividend paid to shareholders of Syzygy AG	0	0	-2,970
Cash flows from financing activities	-3,347	-3,225	-10,899
Total	-3,448	-3,182	-3,653
Cash and cash equivalents at the beginning of the period	4,007	7,814	7,814
Exchange rate differences	78	-151	-154
Cash and cash equivalents at the end of the period	637	4,481	4,007

The accompanying notes are an integral part of the financial statements.

Operating cashflow includes paid interest in the amount of kEUR 164 (prior year: kEUR 116), received interest in the amount of kEUR 40 (prior year: kEUR 39) as well as received taxes in the amount of kEUR 77 (prior year: kEUR 11) and paid taxes in the amount of kEUR 260 (prior year: kEUR 572).



Selected explanatory Notes to the Consolidated Financial Statements

Accounting

Pursuant to the provisions of section 50 (6) of the BörsO (Stock Exchange Directive) in conjunction with Article 37 y WpHG (German Securities Trading Act), the financial report of Syzygy AG for the first six months of 2024 comprises interim consolidated financial statements and an interim Group Management Report. The interim consolidated financial statements were prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) for interim financial reporting as applicable within the European Union. The unaudited interim financial statements were prepared in accordance with the provisions of IAS 34 and in compliance with DRS 16. Accordingly, the company elected to produce a short-form report, compared with the consolidated financial statements as of December 31, 2023. The management report was prepared in accordance with the applicable provisions of the WpHG. The interim financial report has not been audited in accordance with section 37 (w) of the German Securities Trading Act (WpHG).

The accounting and consolidation principles are applied as described in the notes to the consolidated financial statements to the 2023 Annual Report. Balance sheet and statement of comprehensive income positions are presented following the same accounting policies as in the 2023 Annual Report. The previous year's quarterly figures have been adjusted to the current structure. As a result, the following figures and notations should be read in accordance with the 2023 Annual Report.

Business activities of the SYZYGY GROUP

The SYZYGY GROUP is a leading consultancy and implementation partner for digitisation, transformation and strategy in marketing and sales. It digitises structures and organisations, and develops new products, services and business models.

Syzygy AG acts as a management holding company that provides its subsidiaries with central services relating to strategy, design, planning, accounting, IT infrastructure and finance. Syzygy AG also supports the subsidiaries in their new business activities.

As operating entities, the subsidiaries are responsible for providing consultancy and other services. With branches in Bad Homburg v.d.H., Berlin, Frankfurt/Main, Hamburg, London, Munich, New York and Warsaw, they offer major companies a comprehensive range of services, from strategic consulting to project planning, concepts and

design to technical realisation of brand platforms, business applications, websites, hosting, online campaigns and mobile apps. Performance marketing services such as consulting and data analysis as well as search engine marketing/optimisation are also a major business area. In addition, the SYZYGY GROUP helps clients meet customer experience and usability requirements and assists them at every stage of the user-centred design process. Digital illustrations, virtual reality (VR), augmented reality (AR) and animations round off the service portfolio.

The business focus is on the automotive, services, financial/ insurance, consumer goods and telecommunications/IT sectors.

Scope of consolidation and principles

The consolidated financial statements are based on the financial statements of the companies consolidated in the Group, prepared in accordance with the accounting and valuation principles set out in International Financial Reporting Standards (IFRS) as they are to be applied in the European Union and in line with the supplementary provisions of Article 315e [1] of the Handelsgesetzbuch (HGB – German Commercial Code). The reporting dates for these companies correspond to the reporting date for the Group.



As of June 30, 2024, the following subsidiaries were included in the consolidated financial statements of Syzygy AG as the top-level parent company and fully consolidated. In the case of these companies, Syzygy AG can exercise the power of disposal, is exposed to fluctuating returns from the subsidiaries and can influence the level of returns due to its power of disposal:

- Ars Thanea S.A., Warsaw, Poland (Ars Thanea for short)
- different GmbH, Berlin, Germany (different for short)
- syzygy Deutschland GmbH, Bad Homburg v.d.H., Germany (SYZYG Germany for short)
- SYZYG Digital Marketing Inc., New York City, United States of America (SYZYG NY for short)
- Syzygy Performance Marketing GmbH, Bad Homburg v.d.H., Germany (SYZYG Performance for short)
- SYZYG UK Ltd, London, United Kingdom (SYZYG UK for short)
- Unique Digital Marketing Ltd, London, United Kingdom (Unique Digital UK for short)

A subsidiary is incorporated into the consolidated financial statements from the date on which Syzygy AG gains control over the subsidiary until the date on which control by the Company ends.

The income generated by subsidiaries acquired or sold in the course of the year is recognised accordingly in the consolidated statement of comprehensive income from the actual date of acquisition or up to the actual date of disposal and is recorded under other comprehensive income.

The profit or loss and every component of other comprehensive income are attributable to the shareholders of Syzygy AG and the non-controlling shares. This remains the case even if it results in non-controlling shares posting a negative balance. Information on general consolidation principles is provided in the 2023 annual report from page 108 onwards.

Information on the general consolidation principles can be found in the notes to the annual report for 2023 under section 1.4 Consolidation principles.

Segment reporting

The application of IFRS 8 requires segment reporting in accordance with the Group's management approach. SYZYG thus bases segment reporting on geographical lines.

As the holding company, Syzygy AG mainly delivers services to the operating units and therefore needs to be considered separately as a provider of central functions.

The Germany segment consists of different, SYZYG Deutschland and SYZYG Performance. The United Kingdom and US segment comprises SYZYG UK, Unique Digital UK and SYZYG NY. Ars Thanea represents the Poland segment.

The individual segments apply the same accounting policies as the Group as a whole. Syzygy AG assesses the performance of the segments primarily on the basis of sales and EBIT. The allocation of sales to third parties is based on the location of the business unit that manages and invoices the customer. Information on the geographical areas in relation to segment sales revenues and non-current assets can be found in the segment information summarised below. The sales revenue recognised in the segment reporting consists of sales revenue from external customers and intersegment sales. Transactions within the segments, which are generally recognised at market prices, have been eliminated.

Segment assets are equivalent to total assets plus the goodwill attributable to the respective segment, less receivables attributable to companies in the same segment.

Segment investments comprise investments in intangible assets and fixed assets.



Segment liabilities correspond to total liabilities excluding equity plus minority shares attributable to the respective segment, less liabilities attributable to companies in the same segment.

01/01-06/30/2024 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Sales	28,842	2,480	3,778	0	-172	34,928
of which internal sales	-311	-3	486	0	-172	0
Goodwill Impairment	0	0	0	0	0	0
EBIT	2,912	25	675	-775	0	2,837
Financial income	16	61	5	1,793	-1,757	118
Financial expenses	-144	-96	-13	-178	1	-430
Earnings before tax (EBT)	2,784	-10	667	840	-1,756	2,525
Income taxes	-62	3	-135	-320	-206	-720
Profit after tax (EBT)	2,722	-7	532	520	-1,962	1,805
Assets	54,269	16,296	10,866	77,160	-78,110	80,481
of which non-current assets	36,727	10,040	8,894	2,996	176	58,833
of which goodwill	24,022	8,379	6,770	0	0	39,171
Investments	110	1,534	69	54	0	1,767
Depreciation and amortisation	1,204	147	215	607	0	2,173
Segment liabilities	25,198	6,621	2,601	7,138	-3,266	38,292
Employees as per balance sheet date	413	33	75	45	0	566

01/01-06/30/2023 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Sales	29,008	4,247	2,765	38	-66	35,992
of which internal sales	-478	-16	521	38	-65	0
Goodwill impairment	-4,205	0	0	0	0	-4,205
EBIT	-1,933	317	441	-802	0	-1,977
Financial income	238	2	5	2,228	-2,446	27
Financial expenses	-169	-80	-13	-975	289	-948
Earnings before tax (EBT)	-1,864	239	433	451	-2,157	-2,898
Income taxes	8	38	-114	-234	0	-302
Profit after tax (EBT)	-1,856	277	319	217	-2,157	-3,200
Assets	62,914	16,974	10,472	84,863	-84,175	91,048
of which non-current assets	39,973	12,674	8,816	4,082	130	65,675
of which goodwill	24,552	8,309	6,580	0	0	39,441
Investments	576	97	821	223	0	1,717
Depreciation and amortisation	1,238	539	182	594	0	2,553
Segment liabilities	33,374	7,843	2,683	17,280	-12,825	48,355
Employees as per balance sheet date	425	62	76	51	0	614



Treasury stock

SYZGY is authorised to resell or call in treasury shares or to offer treasury shares to third parties in the course of acquiring companies. Treasury shares do not entitle SYZGY to any dividend or voting rights. The extent of the share buyback is shown as a separate item to be deducted from equity.

On October 27, 2020, the Annual General Meeting authorised the Management Board to acquire a maximum of 10 per cent of SYZGY's outstanding shares until October 26, 2025. SYZGY is authorised to resell or call in treasury shares, to offer them to employees of the Company as compensation, or to offer treasury shares to third parties in the course of acquiring companies.

As of June 30, 2024, SYZGY held no treasury shares, as in the previous year.

Directors' Dealings

Current holdings of shares and transactions carried out in the period under review are disclosed in the following tables:

Management Board: Shares

Number of shares	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
As at: December 31, 2023	0	0	20,000	20,000
Purchases	0	0	0	0
Sales	0	0	0	0
As at: June 30, 2024	0	0	20,000	20,000

Supervisory Board: Shares

Number of shares	Antje Neubauer	Dominic Grainger	Shahid Sadiq	Total
As at: December 31, 2023	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
As at: June 30, 2024	0	0	0	0

The members of the Management Board and Supervisory Board do not hold any options.

Management Board: Phantom stocks

Number of shares	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
As at: December 31, 2023	150,000	60,000	60,000	270,000
Additions	0	100,000	100,000	200,000
Disposals	0	0	0	0
As at: June 30, 2024	150,000	160,000	160,000	470,000



The Management Board members received phantom stocks as multi-year variable remuneration. These share price-based bonus agreements stipulate that 40 per cent (tranche 1) and 60 per cent (tranche 2) of the allocated phantom stocks can be exercised two years and three years after allocation respectively. In each case, the difference between a base price at the time of allocation of the phantom stocks and the share price when the phantom stocks are exercised is paid out. The share price on exercise is calculated as the average value of the last ten trading days prior to the exercise date, in each case closing prices in XETRA, in order to eliminate short-term price fluctuations. Similarly, when phantom stocks are issued, the average of the last ten trading days prior to allocation is used to determine the base price.

The first and second tranches can each be exercised at the discretion of the Management Board within a time frame of 12 months from the first exercise date. This means that the tranche 1 can be exercised between 24 and 36 months after allocation and the tranche 2 within 36 to 48 months after allocation.

The maximum payout amount of the long-term profitsharing bonus is capped at 60 per cent share price growth from the base price for the tranche 1 and 90 per cent share price growth from the base price for the tranche 2.

As of June 30, 2024, the members of the Management Board of Syzygy AG held a total of 470,000 phantom stocks,

including 270,000 phantom stocks from the 2021 phantom stock programme, which was granted on January 1, 2021 and expires on December 31, 2024, and 200,000 phantom stocks from the 2024 programme, which was granted on January 1, 2024 and expires on December 31, 2027 and December 31, 2028. 200,000 phantom stocks from the 2024 programme, which was granted on January 1, 2024 with a term until December 31, 2027 or December 31, 2028. The base price of the 2021 phantom stock programme is EUR 5.68 and the base price of the 2024 phantom stock programme is EUR 3.20.

Shareholder structure

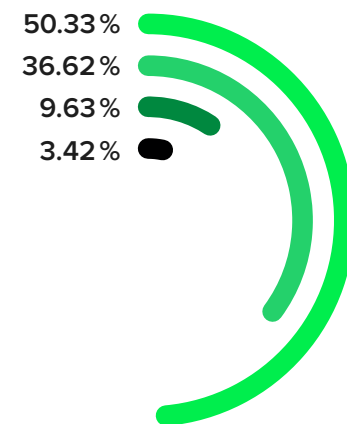
As of June 30, 2024, the shareholders' structure has not changed compared to December 31, 2023.

The shareholders' structure of the Company at the reporting date was as follows:

In thousand	Shares	per cent
WPP plc., St. Helier	6,795	50.33
Private investors/others	4,943	36.62
Institutional investors	1,300	9.63
HANSAINVEST	462	3.42
Total	13,500	100.00

Bad Homburg v.d.H., July 26, 2024
Syzygy AG

The Management Board



- █ WPP plc., St. Helier
- █ Private investors/others
- █ Institutional investors
- █ HANSAINVEST

Shareholder structure



Financial calendar 2024



3-Month-Report
as per March 31

(english version: 04/30)

04/24

MKK – Munich
Capital Market
Conference (Munich)

04/25

Half-Year Report
as per June 30

(english version: 08/02)

07/26

General Annual
Meeting 2024
(virtually)

07/09

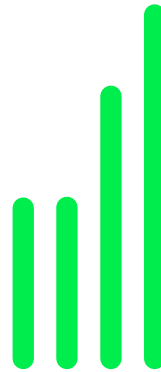
9-Month-Report
as per September 30

(english version: 11/05)

10/29

German
Equity Forum
(Frankfurt)

11/25-27



All dates are subjects to change.
For current informations, see [syzygy-group.net](https://www.syzygy-group.net)

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Chairwoman of the Supervisory Board

Antje Neubauer

Management Board

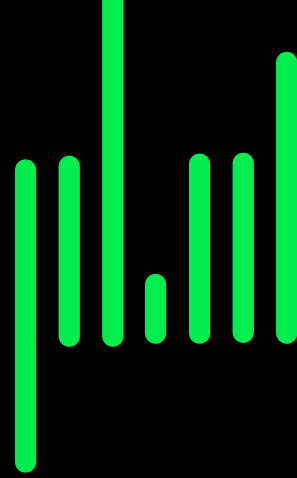
Frank Wolfram (CEO)
Erwin Greiner (CFO)
Frank Ladner (CTO)

Editorial Department

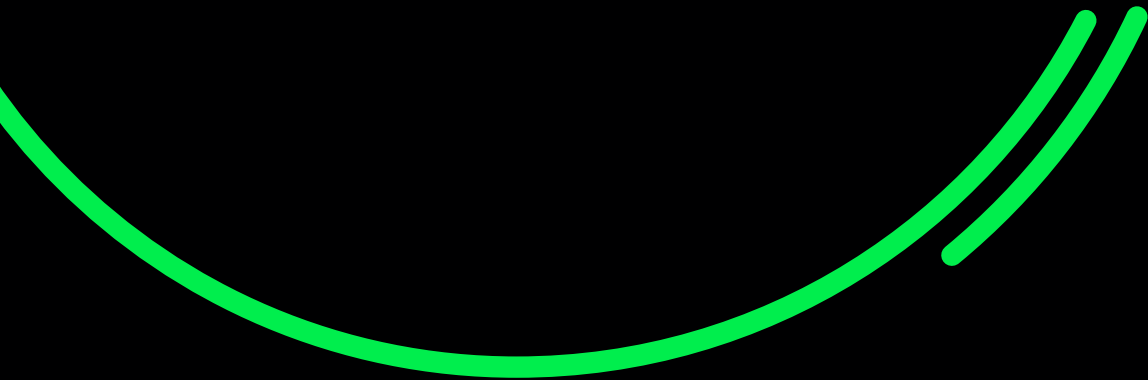
SYZYGY GROUP

Credits

SYZYGY GROUP, Ruben Rheintländer,
Martina van Kann



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