

SYZYGY GROUP

Half-Year-Report



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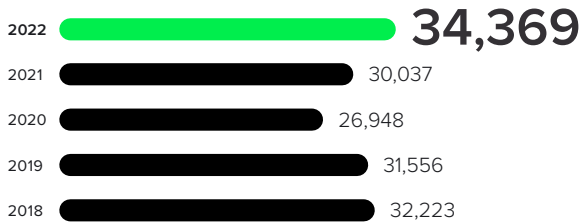
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2022

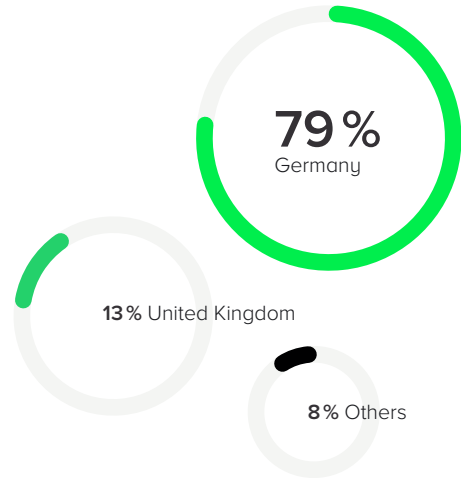
Interim Report

Key financial figures

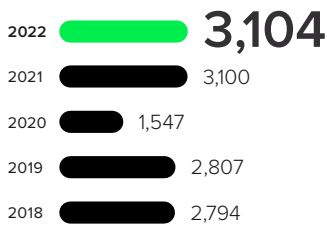
as per 06/30/2022



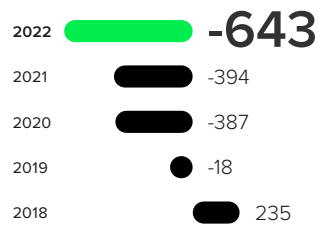
Development of sales
(in kEUR)



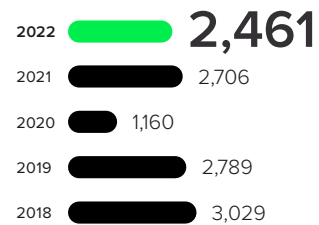
Sales by segments



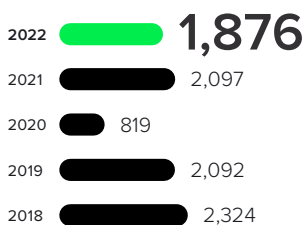
Operating income
(in kEUR)



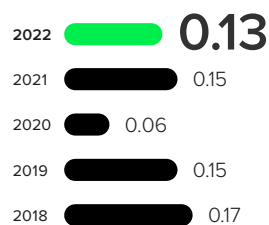
Financial income
(in kEUR)



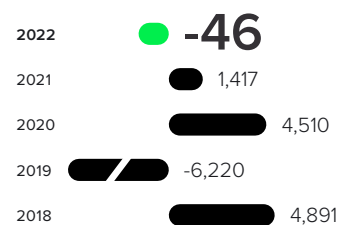
Income before taxes
(in kEUR)



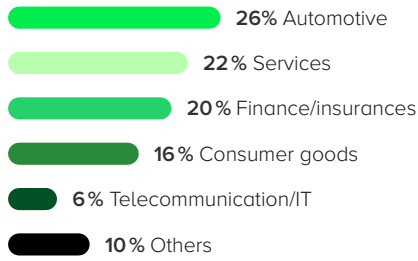
Net income
(in kEUR)



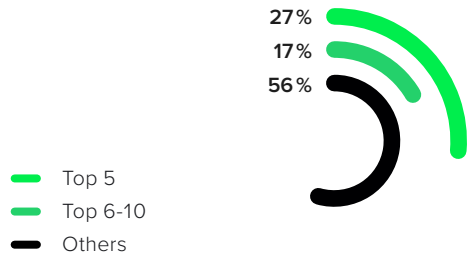
Earnings per share
diluted (in EUR)



Operating cash flow
(in kEUR)



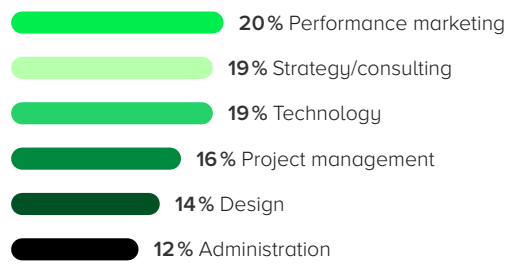
Sales allocation by vertical markets



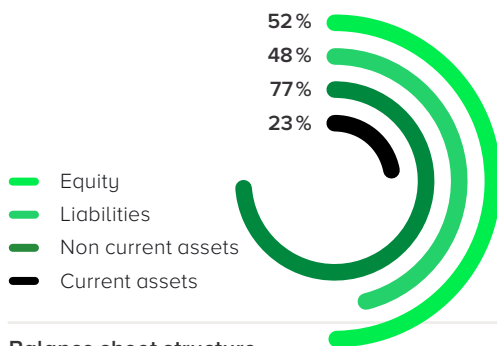
Sales by clients' volume



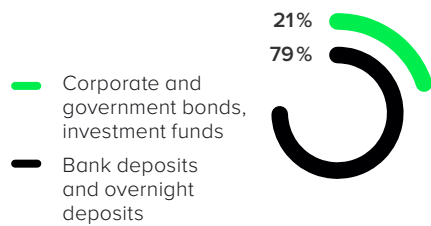
Sales by employee (annualised)
(in kEUR)



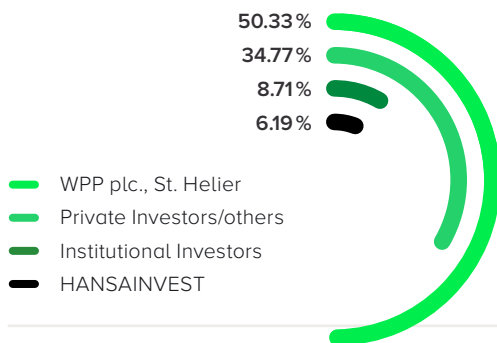
Employees by function



Balance sheet structure



Portfolio structure of cash and marketable securities



Shareholder structure



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Business development and management report

	2. Quarter			January - June		
	2022	2021	Change	2022	2021	Change
	in kEUR	in kEUR		in kEUR	in kEUR	
Sales	17,321	14,977	16%	34,369	30,037	14%
EBIT	1,477	1,534	-4%	3,104	3,100	0%
EBIT margin	8.5%	10.2%	-1.7 pp	9.0%	10.3%	-1.3 pp
Financial income	-508	-235	116%	-643	-394	63%
EBT	969	1,299	-25%	2,461	2,706	-9%
Net income	787	1,027	-23%	1,876	2,097	-11%
Earnings per share (EUR)	0.05	0.07	-29%	0.13	0.15	-13%
Employees incl. freelancers	628	522	20%	628	522	20%
Liquid assets and marketable securities	4,855	2,185	122%	4,855	2,185	122%
Operating cash flow	-1,736	-475	265%	-46	1,417	-103%

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 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 2021 management report (2021 Annual Report, page 58 ff.).

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 2021 management report (2021 Annual Report, page 60 ff.).

At a time when the global economy is still recovering from the COVID-19 pandemic, it could be on the cusp of a new crisis. The war in Ukraine has jeopardised the fragile global upturn, triggered a humanitarian crisis in Europe, driven up prices for food and commodities, slowed growth worldwide and exacerbated inflationary pressures. Geopolitical and economic uncertainties are curbing business confidence and investment, and further weakening the short-term economic outlook.

In January, the International Monetary Fund’s World Economic Outlook forecast global growth of 4.4 per cent in 2022, which it then revised downwards in April to 3.6 per cent for 2022 and 2023.

This forecast is, however, subject to considerable downside risks: possible escalation of the war in Ukraine, new waves of the pandemic and supply chain disruption caused by lockdowns in China are all weighing on the economic outlook. Tightening of monetary policy by central banks due to high inflationary pressure is another factor.

The International Monetary Fund (IMF) now expects inflation to average 6.6 per cent in advanced economies, with a rate of 9.5 per cent in emerging markets and developing economies.

Following a strong recovery in 2021, GDP is forecasted to grow by 2.6 per cent in real terms in the Eurozone in 2022 and by 1.6 per cent in 2023, according to the Organisation for Economic Cooperation and Development (OECD). Growth has been significantly constrained in the first half of 2022 by the war in Ukraine and lockdowns in China. These factors are also driving inflation even higher, with a figure of 7 per cent expected this year. This will put household spending under strain and is causing increased uncertainty. With the proposed embargo on Russian oil pushing up oil prices, growth is likely to remain subdued in 2023, while inflation is likely to decline only slowly. Risks to economic activity remain on the downside. Severe disruption to energy supplies, especially gas, would impair growth in Europe and push inflation even higher.

The war is having a major impact both on the Eurozone economy and on public finances. The latter are under additional strain due to the cost of supporting Ukrainian refugees (over 5 million in the European Union) until they are gradually integrated into the labour market or return home. The war is also affecting imports of key base metals and agricultural commodities, and impacting their prices globally. The tightening of sanctions on fossil fuels (coal, oil and – looking ahead – possibly also natural gas) could also have profoundly negative macroeconomic implications for Europe, especially in the countries which are most dependent on Russian energy.

The German economy is only slowly recovering from the pandemic, so the war in Ukraine and disruption to global supply chains are weighing heavily on economic activity in the country, with the Institute for the World Economy (IfW Kiel) expecting growth of 2.1 per cent in 2022. Growth in 2023 is expected to come in at 3.3 per cent. High energy prices are also pushing inflation rates to their highest levels in decades. Consumer price inflation is expected to be very high in 2022, at around 7.4 per cent. This is the highest level since records began, exceeding that of the reunification boom and comparable with rates seen during the oil crises in 1973/74 and 1981. In 2023, when supply bottlenecks ease and oil prices are no longer driving inflation, the rate will fall to 4.2 per cent.

The OECD expects economic growth of 1.9 per cent in 2022 and 1.7 per cent in 2023, with recovery held back by the war in Ukraine and the embargo on Russian oil. Rising inflation shrinks the purchasing power of private households and will undermine the upswing in personal spending. Investor and consumer confidence has slumped and supply chain bottlenecks have become more acute, delaying the recovery in industrial production and exports despite strong order books through to the end of 2022. The upturn could be further weakened by a sudden stop of gas imports from Russia or by continuing bottlenecks in China.

OECD data suggests that the UK's gross domestic product (GDP) will grow by 3.6 per cent, before stagnating in 2023. Inflation will continue to rise, peaking at more than 10 per cent at the end of 2022 due to persistent labour and supply shortages, together with high energy prices. Tighter monetary policy and easing of supply constraints in 2023 should help to gradually get it down to 4.7 per cent by the end of 2023. Wages are set to fall significantly in real terms, interest rates will rise and economic activity, especially foreign trade, will be hampered by uncertainty and additional costs as a result of Brexit.

After having posted strong GDP growth in the second half of 2021, the Polish economy is facing further downside risks due to the war in Ukraine. The OECD Economic Outlook forecasts GDP growth of 4.4 per cent in real terms for 2022, followed by 1.8 per cent in 2023. Growth in consumer spending and, to a lesser extent, in investment will slow considerably, partly offset by fiscal policy. Inflation is likely to peak towards the end of the year as the rise in energy prices slows and monetary policy is tightened. Annual headline inflation rose further to 11.4 per cent in April 2022, while core inflation reached 8.6 per cent. To cushion the impact of inflation on consumers, the Polish government suspended VAT on basic foodstuffs in February and cut duty on petrol and diesel from 23 to 8 per cent. These measures will remain in place for six months. Core inflation is forecast to decline, but is still expected to be high even at the end of 2023.

3.2. Advertising market performance

The global advertising market was affected by the declining risk posed by COVID-19, but especially by the geopolitical situation in Eastern Europe.

In its Advertising Expenditure Forecast, media agency Zenith predicts that global advertising expenditure will increase by 8 per cent in 2022. Zenith thus lowered its previous forecast only slightly by 1.1 percentage points. Global advertising growth will be driven primarily by the Winter Olympics, the mid-term elections in the US, and the FIFA World Cup in the pre-Christmas period, when advertising spend reaches its peak. After reaching this high level, growth will slow to 5.4 per cent in 2023, before the Summer Olympics and the US presidential election push it up to 7.6 per cent in 2024.

GroupM, part of the WPP network of holdings, remains optimistic in its forecasts for the 2022 advertising market. The "2022 Global Mid-Year Forecast", for example, predicts a rise in advertising sales of 8.4 per cent this year (excluding political advertising in the US).

Purely digital advertising media will increase their sales by 11.5 per cent in 2022 compared with the previous year. Total digital advertising, which includes digital channels linked to traditional media, is estimated to be worth USD 618 billion this year, or 73 per cent of the total amount.

The COVID pandemic, the Ukraine crisis and global economic weakness are factors that are also adversely affecting the German advertising market. Germany nevertheless remains the fifth largest advertising market in the world and the second largest in Europe. The Magna media network has lowered its growth forecast for 2022, reducing its previous estimate of 10.1 per cent in December to 6.1 per cent. Looking at GroupM's forecasts, advertising spend is expected to increase significantly this year by 9.1 per cent, up from 7.3 per cent, to reach around EUR 30.7 billion net.

Magna is lowering its December 2021 expectations for digital media from a rise of 15 per cent to 8.4 per cent, equivalent to EUR 18.6 billion. YouTube and Twitch are expected to post significant increases, at 15 and 12 per cent, respectively, whereas social media should see 5 per cent growth. E-commerce and retail media will be the main drivers of growth.

In the EMEA region, only the UK will grow more strongly than Germany. GroupM forecasts that the UK will grow by 9.3 per cent this year, taking spend to USD 49.3 billion. This is primarily due to the increasing expectations of growth in digital advertising, which continues to soar, being up by 45 per cent in 2021, with further growth of 10.4 per cent forecast for 2022. The latest AA/WARC data also upgrades the previous forecasts for 2022. The UK advertising market is expected to grow by 10.7 per cent this year, to GBP 35.3 billion, driven by a strong start to the year, higher CPMs (cost per 1,000 impressions) and greater demand in the run-up to the FIFA World Cup.

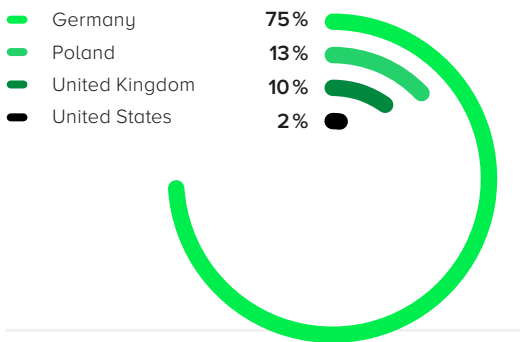
According to figures from Publicis Groupe Poland, the Polish advertising market was more buoyant in the first quarter of this year than in the same period of the last three years. Growth was higher partly due to a lower comparator than in the previous year, when COVID restrictions were still in place. Another factor is that there are uncertainties in the advertising market due to the outbreak of war in Ukraine. Publicis Groupe Poland forecasts growth of 4.8 per cent for the Polish advertising market. Digital media's share of the advertising market will rise from 44 to 45 per cent.

3.3. Employees

The headcount at the SYZYGY GROUP increased in the period covered by the report. The SYZYGY GROUP had a total of 567 permanent employees as at June 30, 2022. This represents an increase of 32 employees compared with December 31, 2021, and a rise of 63 compared with the prior-year quarter. The number of employees in the German companies grew by 43 people compared with the prior-year quarter, while the overall number of employees in the international companies increased by 20.

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

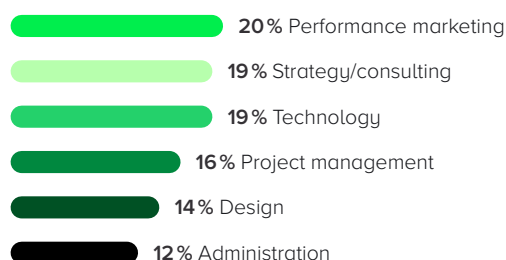
Employees	06/30/2022	06/30/2021
Germany	427	384
Poland	75	57
United Kingdom	56	59
United States	9	4
Total	567	504



Employees by region

The relative proportion of employees in each function/work area has not changed significantly and breaks down as follows:

Employees	06/30/2022	06/30/2021
Performance marketing	109	98
Strategy/consulting	107	106
Technology	107	90
Project management	93	76
Design	82	67
Administration	69	67
Total	567	504



Employees by function

On average over the period, 560 employees plus around 50 freelancers worked for the SYZYGY GROUP. Annualised sales per head were therefore EUR 113,000 (previous year: EUR 110,000, with an average headcount of 513 employees and 31 freelancers).

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

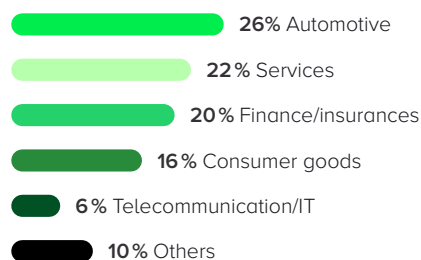
3.4.1. Results of operations

Sales figures for the SYZYGY GROUP are arrived at by deducting media costs from billings. Media costs are incurred in the performance marketing companies as transitory items on the revenue and expenses side.

SYZYGY GROUP sales increased by 14 per cent in the 2022 reporting period to reach EUR 34.4 million. The share of sales generated in Germany was 79 per cent. The UK segment accounted for 13 per cent of sales. Sales in the Other segment (Poland and the US) were up 26 per cent, contributing 8 per cent to total SYZYGY GROUP sales.

Sales by sector

Shifts in sales patterns gave rise to a number of changes compared to the previous year. Sales to clients in the services sector rose by 5 percentage points, while sales to companies in the consumer goods sector were up 2 percentage points. Sales to clients in the automotive industry were down by 5 percentage points, with a 1 percentage point decline in sales to clients in the financial and insurance sectors and to telecom clients. Companies that cannot be assigned to any of these five key areas accounted for 10 per cent, as before.



Sales allocation by vertical markets

SYZYGY generated 44 per cent of total sales with the ten largest clients. This figure is unchanged over the same period of the previous year.

3.4.2. Operating expenses and depreciation

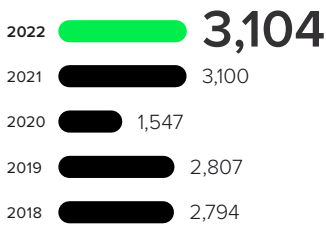
The cost of sales increased ahead of sales by 19 per cent to reach EUR 25.6 million (previous year: EUR 21.5 million). Gross margin decreased by 3 percentage points to 26 per cent due to costs rising faster than sales.

General administrative expenses increased at a lower rate than sales, rising by 7 per cent to reach EUR 4.3 million (previous year: EUR 4.0 million), as did sales and marketing costs (EUR 2.6 million; previous year: EUR 2.5 million).

Depreciation of fixed assets was unchanged at EUR 2.7 million (previous year: EUR 2.7 million).

3.4.3. Operating income and EBIT margin

The SYZYGY GROUP's operating profit remained unchanged at EUR 3.1 million compared with the prior-year period (previous year: EUR 3.1 million); the EBIT margin thus fell to 9.0 per cent (previous year: 10.3 per cent). This decline is chiefly due to the disproportionate increase in the cost of sales relative to sales. A major factor in this regard was the much greater use of freelancers, which was triggered by strong growth within the SYZYGY GROUP and more employees being on sick leave. Costs for sales and marketing and administration costs rose at a slightly slower rate than sales.

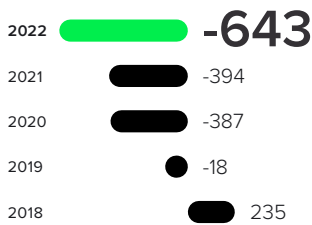


Operating income

(in kEUR)

3.4.4. Financial income

SYZYGY reported negative financial income of EUR 0.6 million for the first six months of 2022 (previous year: EUR 0.4 million). Financial expenses chiefly comprise borrowing costs, losses realised on the sale of securities, and pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases). Financial income of EUR 0.1 million (previous year: EUR 0.1 million) from investment in securities was only partially able to offset expenses.



Financial income

(in kEUR)

3.4.5. Income taxes, net income, earnings per share

Business performance at the SYZYGY GROUP is reflected in pre-tax income of EUR 2.5 million. In the same period of the previous year, the figure was EUR 2.7 million, meaning that pre-tax income was down by 9 per cent. After income taxes of EUR 0.6 million, net income was EUR 1.9 million.

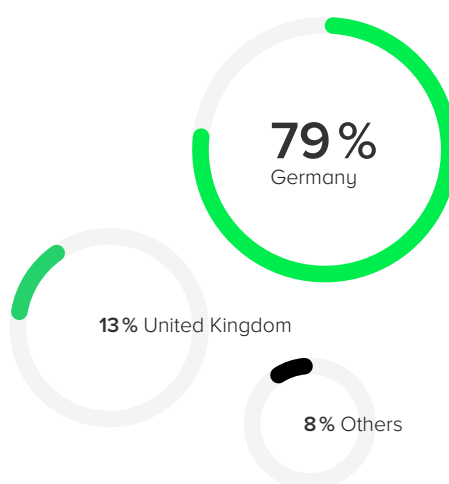
Undiluted earnings per share were EUR 0.13, based on the average available 13,500,000 shares qualifying for participation in the profits and after deducting minority income of EUR 86,000. This figure is EUR 0.02 below the level achieved in the prior-year period.



3.4.6. Segment reporting

In accordance with IFRS 8, which is based on the management approach, SYZYGY uses geographical criteria to report segments and thus distinguishes between Germany, the UK and the Other segment. The latter category includes Ars Thanea and SYZYGY Digital Marketing Inc. Under IFRS 8.13, these companies are not big enough to be reported as geographically independent segments.

In the first half of 2022, the individual segments contributed to earnings as follows, compared with the same period in the previous year:



Sales by segments

In kEUR	Germany		United Kingdom		Others	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Sales (unconsolidated)	27,156	23,604	4,542	4,318	3,560	2,825
Operating income (EBIT)	2,759	3,318	604	775	543	592
Operating income (EBIT) in %	10%	14%	13%	18%	15%	21%
Share of Group sales in % (consolidated)	79%	77%	13%	14%	8%	9%

3.4.7. Financial position

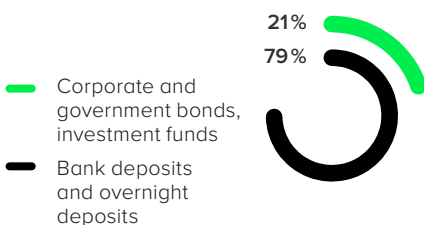
SYZGY had liquidity reserves totalling EUR 4.9 million as at the balance sheet date, corresponding to an increase of EUR 1.2 million compared with December 31, 2021. Liquid funds increased by EUR 1.7 million to EUR 3.8 million, while securities held declined from EUR 1.6 million to EUR 1.0 million. The change in liquid funds is largely due to cash inflows from a positive cash flow resulting from financing activities.

A total of 79 per cent of funds were accounted for by bank deposits as at June 30, 2022, with 21 per cent invested in securities.

Cash flow from business operations was slightly negative in the period under review. Net income of EUR 1.9 million, depreciation and amortisation of EUR 2.7 million and a decrease in accounts receivable of EUR 2.9 million and in advance payments received of EUR 0.3 million were positive contributors in this respect. In contrast, operating cash flow was reduced by EUR 7.9 million due to the decline in accounts payable and VAT liabilities.

Total cash flow of the SYZGY GROUP was EUR 1.6 million positive as at the reporting date.

Negative cash flow from investment operations of EUR 1.1 million was recorded. This result reflects investments in intangible assets and fixed assets of EUR 0.7 million and interest payments for lease obligations according to IFRS 16 of EUR 0.3 million.



Portfolio structure of cash and marketable securities

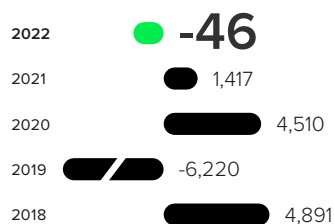
Cash flow from financing activities in the first half of the year included repayment of lease liabilities of EUR 1.8 million and of existing loans totalling EUR 1.0 million. This was offset by the short-term raising of money market loans of EUR 5.5 million, resulting in cash flow from financing activities of EUR 2.7 million.

3.4.8. Asset situation

Total assets of the SYZGY GROUP decreased by EUR 3.2 million to EUR 110.2 million in the period under review compared to December 31, 2021, representing a fall of 3 per cent.

Non-current assets declined by EUR 2.2 million to EUR 84.7 million compared to the balance sheet date of December 31, 2021 (EUR 86.9 million). This was primarily down to changes in fixed assets, which fell from EUR 29.3 million to EUR 27.4 million due to depreciation and amortisation. Small changes were seen in goodwill, which declined by EUR 0.2 million to EUR 54.8 million. The decline in goodwill is currency-related and is reflected in the differences arising from foreign currency translation.

Current assets of EUR 25.4 million were below the level as at December 31, 2021 (EUR 26.4 million). This decrease was due to accounts receivable, which were down by EUR 1.3 million, and to other current assets, down EUR 0.8 million, and securities, which fell EUR 0.6 million compared to December 31, 2021. This was in contrast to an increase in liquid funds of EUR 1.7 million to EUR 3.8 million (previous year: EUR 2.1 million).



Operating cash flow (in kEUR)

At EUR 57.4 million, equity was up by EUR 1.2 million compared to December 31, 2021. This growth stems from net income of EUR 1.9 million and the change in other net income of EUR -0.7 million. The latter is primarily due to currency translation adjustment from foreign business operations. The equity ratio increased to 52 per cent due to the reduction in total assets.

Non-current liabilities posted a fall of EUR 1.7 million compared to December 31, 2021, largely due to repayments on lease obligations in the amount of EUR 1.8 million.

At EUR 29.7 million, current liabilities were below the level as at year-end 2021 (EUR 32.4 million). This mainly includes a fall of EUR 5.7 million in accounts payable, while other current liabilities posted a rise of EUR 2.6 million.

3.5. Expected performance of the SYZYG GROUP

The ongoing shift of marketing budgets to the digital channel and continuing investment in digitisation of sales and marketing processes are both factors that create a favourable backdrop for the SYZYG GROUP. The repercussions of the COVID-19 pandemic present both opportunities and risks. While some clients are still curtailing their spending, the pandemic has also accelerated the trend towards digital transformation. As a result, opportunities will predominate over the medium term.

The SYZYG GROUP is raising its sales growth forecast for the year from 10 to 12 per cent. The forecast for the EBIT margin before special factors has been reduced to a range of between 8 and 10 per cent, instead of the previous expectation of 10 per cent.



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, 2022
SYZYG AG

The Management Board

SYZGY AG, Bad Homburg v.d.H.

Consolidated balance sheet as at June 30, 2022

Assets	06/30/2022	06/30/2021	12/31/2021
	kEUR	kEUR	kEUR
Non-current assets			
Goodwill	54,793	57,853	55,021
Intangibles	254	404	328
Tangible Assets	27,370	30,803	29,344
Non-current financial assets	252	200	380
Other non-current assets	373	319	287
Deferred tax assets	1,683	1,978	1,575
Total non-current assets	84,725	91,557	86,935
Current assets			
Cash and cash equivalents	3,843	1,845	2,115
Marketable securities	1,012	340	1,633
Accounts receivable, net and contract assets	19,453	18,936	20,757
Prepaid expenses and other current assets	1,141	3,025	1,892
Total current assets	25,449	24,146	26,397
Total assets	110,174	115,703	113,332
Equity and Liabilities			
	06/30/2022	06/30/2021	12/31/2021
	kEUR	kEUR	kEUR
Equity			
Common stock	13,500	13,500	13,500
Additional paid-in capital	27,058	27,058	27,058
Own shares	0	0	0
Accumulated other comprehensive income	-2,792	-2,226	-2,191
Retained earnings	19,395	15,672	17,605
Equity attributable to shareholders of SYZGY AG	57,161	54,004	55,972
Minorities	246	242	277
Total Equity	57,407	54,246	56,249
Non-current liabilities			
Long-term liabilities	22,066	31,389	23,744
Other long-term Provisions	371	490	345
Deferred tax liabilities	594	840	615
Total non-current liabilities	23,031	32,719	24,704
Current liabilities			
Income tax accruals	816	2,109	470
Accrued expenses	4,449	5,901	4,580
Contract liabilities	5,477	3,811	5,218
Accounts payable	4,008	7,435	9,722
Other current liabilities	14,986	9,482	12,389
Total current liabilities	29,736	28,738	32,379
Total liabilities and equity	110,174	115,703	113,332

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

SYZGY AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income as at June 30, 2022

	2. Quarter			January - June			12/31/2021
	2022	2021	Change	2022	2021	Change	
	kEUR	kEUR		kEUR	kEUR		kEUR
Sales	17,321	14,977	16%	34,369	30,037	14%	60,124
Cost of revenues	-12,936	-10,595	22%	-25,558	-21,456	19%	-41,178
Sales and marketing expenses	-1,295	-1,187	9%	-2,619	-2,455	7%	-4,217
General and administrative expenses	-2,310	-2,174	6%	-4,324	-4,041	7%	-10,658
Impairment losses, net of trade receivables and contract assets	3	8	-63%	6	-2	n.a.	-4
Other operating income/expense, net	694	505	37%	1,230	1,017	21%	2,312
Operating profit (EBIT)	1,477	1,534	-4%	3,104	3,100	0%	6,379
Financial income	38	11	245%	104	73	42%	81
Financial expenses	-546	-246	122%	-747	-467	60%	-1,066
Income before income taxes (EBT)	969	1,299	-25%	2,461	2,706	-9%	5,394
Income taxes	-182	-272	-33%	-585	-609	-4%	-1,261
Total net income of the period	787	1,027	-23%	1,876	2,097	-11%	4,133
thereof net income share to other shareholders	69	34	103%	86	72	19%	11
thereof net income share to shareholders of SYZGY AG	718	993	-28%	1,790	2,025	-12%	4,022
Items that will not be reclassified to profit and loss:	0	0	n.a.	0	0	n.a.	0
Items that will or may be reclassified to profit and loss:							
Currency translation adjustment from foreign business operations	-165	212	-178%	-336	588	-157%	608
Net unrealized gains/ losses on marketable securities, net of tax	-47	51	-192%	-270	24	-1,225%	35
Other comprehensive income	-212	263	-181%	-606	612	-199%	643
Comprehensive income	575	1,290	-55%	1,270	2,709	-53%	4,776
thereof income share to other shareholders	67	41	63%	81	74	9%	109
thereof income share to shareholders of SYZGY AG	508	1,249	-59%	1,189	2,635	-55%	4,667
Earnings per share from total operations (basic in EUR)	0.05	0.07	-29%	0.13	0.15	-13%	0.30

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

SYZYG AG, Bad Homburg v.d.H.

Statement of changes in equity as at June 30, 2022

	Common stock	Additional paid-in capital	Own shares	Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZYG AG	Minority interest	Total equity
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
01/01/2021	13,500	27,058	0	15,675	-2,822	-14	53,397	190	53,587
Net income of the period				4,022			4,022	111	4,133
Other comprehensive income					610	35	645	-2	643
Comprehensive income				4,022	610	35	4,667	109	4,776
Dividend				-2,025			-2,025	0	-2,025
Payment to minorities				-67			-67	-22	-89
12/31/2021	13,500	27,058	0	17,605	-2,212	21	55,972	277	56,249
01/01/2022	13,500	27,058	0	17,605	-2,212	21	55,972	277	56,249
Net income of the period				1,790			1,790	86	1,876
Other comprehensive income					-331	-270	-601	-5	-606
Comprehensive income				1,790	-331	-270	1,189	81	1,270
Payment to minorities				0			0	-112	-112
06/30/2022	13,500	27,058	0	19,395	-2,543	-249	57,161	246	57,407

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

SYZYG AG, Bad Homburg v.d.H.

Consolidated statement of Cash Flows

as at June 30, 2022

	January - June		
	2022	2021	2021
	kEUR	kEUR	kEUR
Period net income	1,876	2,097	4,133
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Depreciation on fixed assets	2,683	2,692	8,189
– Profit (-) and loss (+) on sale of securities	312	53	47
– Profit (-) and loss (+) on sale of fixed assets	4	3	7
– changes in Earn-Out liabilities	0	0	-3,004
– Profit (-)/Loss(+) on sale of fixed asset investments	0	0	0
– Other non-cash income and expenses	16	0	137
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	2,853	-3,585	-5,086
– Customer advances	261	310	1,729
– Accounts payable and other liabilities	-7,935	1,179	3,755
– Tax accruals and payables, deferred taxes	-116	-1,332	-1,767
Cash flows provided by operating activities	-46	1,417	8,140
Changes in other non-current assets	-89	43	75
Investments in fixed assets	-671	-1,388	-2,083
Purchases of marketable securities	-2,162	-5,872	-7,873
Proceeds from sale of marketable securities	2,160	5,669	6,309
Changes from fixed asset investments	0	-40	-340
Acquisition of consolidated entities less liquid funds	0	0	0
Interest expense on leasing liabilities	-293	-291	-600
Cash flows used in investing activities	-1,055	-1,879	-4,512
Change in bank loans	4,559	463	-1,592
Repayment of lease obligations	-1,775	-1,655	-3,383
Dividend paid to minority shareholders	-112	0	-89
Dividend paid to shareholders of SYZYG AG	0	-2,028	-2,025
Cash flows from financing activities	2,672	-3,220	-7,089
Total	1,571	-3,682	-3,461
Cash and cash equivalents at the beginning of the period	2,115	5,631	5,631
Exchange rate differences	157	-104	-55
Cash and cash equivalents at the end of the period	3,843	1,845	2,115

Operating cashflow includes paid interest in the amount of kEUR 354 (prior year: kEUR 362), received interest in the amount of kEUR 41 (prior year: kEUR 20) as well as received taxes in the amount of kEUR 3 (prior year: kEUR 0) and paid taxes in the amount of kEUR 712 (prior year: kEUR 1.831).

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

SYZYG AG, Bad Homburg v.d.H.

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 w WpHG (German Securities Trading Act), the financial report of SYZYG AG for the first three months of 2021 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 compliance with IAS 34 and in accordance with DRS 16. Accordingly, the company elected to produce a short-form report, compared with the consolidated financial statements as of December 31, 2021. The Management Report was prepared in accordance with the applicable requirements 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 2021 Annual Report. Balance sheet and statement of comprehensive income positions are presented following the same accounting policies as in the 2021 Annual Report. As a result, the following figures and notations should be read in accordance with the 2021 Annual Report.

Business activities of the SYZYG Group

The SYZYG 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.

SYZYG AG acts as a management holding company that provides its subsidiaries with central services relating to strategy, design, planning, accounting, IT infrastructure and finance. SYZYG 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, SYZYG 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

As of June 30, 2022, the following subsidiaries were included in the consolidated financial statements of SYZYG AG as the top-level parent company and fully consolidated. In the case of these companies, SYZYG 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
- (SYZYGY Deutschland for short)
- SYZYGY Digital Marketing Inc., New York City, United States (SYZYGY NY for short)
- SYZYGY Performance Marketing GmbH, Bad Homburg v.d.H., Germany
- (SYZYGY Performance for short)
- SYZYGY UK Ltd., London, United Kingdom (SYZYGY 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 2021 annual report from page 98 onwards.

Segment reporting

Application of IFRS 8 requires segment reporting in accordance with the Group's management approach. SYZYGY 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 UK segment comprises SYZYGY UK and Unique Digital UK. The Germany segment comprises different, SYZYGY Deutschland and SYZYGY Performance. Ars Thanea and SYZYGY NY do not fulfil the size criteria to qualify as an independent geographical segment and are thus presented under "Other segments".

The individual segments apply the same accounting principles as the consolidated entity. The criteria primarily used by SYZYGY AG to assess the performance of the segments are sales and EBIT. Sales to third parties are allocated on the basis of the registered office of the company unit that makes the sale. Information on the geographical regions in relation to segment sales and non-current assets can be derived from the segment disclosures summarised below. Sales included in segment reporting consist of sales to external clients and inter-segment sales. Transactions within segments, which are charged at market prices, were 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.

06/30/2022 (in kEUR)	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
Billings	45,272	6,623	3,581	92	-1,230	54,338
Media costs	-18,116	-2,081	-21	0	249	-19,969
Sales	27,156	4,542	3,560	92	-981	34,369
of which internal sales	176	-231	771	0	-716	0
Operating income (EBIT)	2,759	604	543	-802	0	3,104
Financial income	-161	-102	-8	75	-447	-643
Earnings before tax (EBT)	2,598	502	535	-727	-447	2,461
Assets	75,531	19,110	10,212	85,030	-79,709	110,174
of which non-current assets	55,905	13,602	7,854	4,897	159	82,417
of which goodwill	40,242	8,308	6,243	0	0	54,793
Investments	359	27	58	135	0	579
Depreciation and amortisation	1,365	574	182	562	0	2,683
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	29,635	8,774	2,842	19,301	-7,785	52,767
Employees as per balance sheet date	387	56	84	40		567

06/30/2021 (in kEUR)	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
Billings	37,452	12,581	5,686	61	-773	55,007
Media costs	-13,848	-8,263	-2,861	0	2	-24,970
Sales	23,604	4,318	2,825	61	-771	30,037
of which internal sales	299	32	411	29	-771	0
Operating income (EBIT)	3,318	775	592	-1,591	6	3,100
Financial income	-82	-99	-20	-95	-98	-394
Earnings before tax (EBT)	3,236	676	572	-1,686	-92	2,706
Assets	75,295	25,764	12,250	81,664	-79,270	115,703
of which non-current assets	60,337	14,679	8,363	5,412	269	89,060
of which goodwill	43,077	8,308	6,468	0	0	57,853
Investments	283	109	1,596	1,563	0	3,551
Depreciation and amortisation	1,450	600	188	459	-5	2,692
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	27,706	14,259	4,631	22,125	-7,264	61,457
Employees as per balance sheet date	348	59	61	36		504

Treasury stock

SYZYG 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 SYZYG 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 SYZYG's outstanding shares until October 26, 2025. SYZYG 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, 2022, SYZYG 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	Summe
As at: December 31, 2021	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
As at: June 30, 2022	0	0	0	0

Supervisory Board: Shares

Number of shares	Antje Neubauer	Dominic Grainger	Andrew Payne	Summe
Stand: 31. Dezember 2021	0	0	0	0
Käufe	0	0	0	0
Verkäufe	0	0	0	0
As at: June 30, 2022	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, 2021	250,000	100,000	100,000	450,000
Additions	0	0	0	0
Disposals	0	0	0	0
As at: June 30, 2022	250,000	100,000	100,000	450,000

The Management Board members received phantom stocks as multi-year variable remuneration. These share price-based bonus agreements provide that 40 per cent (1st tranche) of allocated phantom stocks shall be exercisable two years after allocation, and 60 per cent (2nd tranche) three years after allocation. In each case, the difference between a base price on allocation of the phantom stocks and the share price on exercise of the phantom stocks will be paid out. The share price on exercise is determined as the average value over the 10 trading days prior to the exercise date, using XETRA closing prices in each case, in order to eliminate short-term price fluctuations. Similarly, when phantom stocks are issued, the average of the 10 trading days prior to allocation is used to determine the base price.

The first and second tranches may each be exercised within a timeframe of 12 months from the first exercise date, at the discretion of the Management Board. It follows that the first tranche may be exercised between 24 to 36 months after allocation, and the second tranche within 36 to 48 months after allocation.

The maximum payout amount from long-term profit participation is capped at 60 per cent of the price increase from the base price for the first tranche, and at 90 per cent of the price increase from the base price for the second tranche.

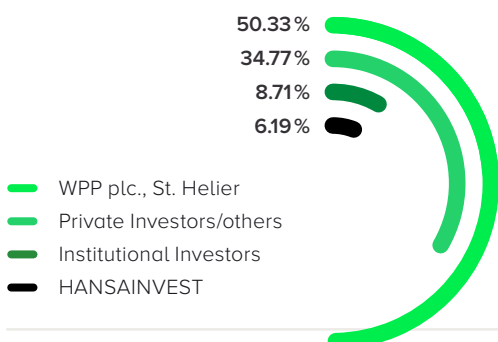
As of June 30, 2022, the Management Board members of SYZYGY AG hold a total of 450,000 phantom stocks from the 2021 phantom stock programme, which was granted with effect from January 1, 2021.

Shareholder structure

As of June 30, 2022, the shareholders' structure has changed slightly compared to December 31, 2021.

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

In thousand	Shares	per cent
WPP plc., St. Helier, Jersey	6,795	50.33
Institutional investors	1,176	8.71
HANSAINVEST	836	6.19
Private investors/others	4,693	34.77
Total	13,500	100.00



Shareholder structure

Bad Homburg v.d.H., July, 26, 2022
SYZYGY AG

The Management Board

Financial calendar 2022



3-Month-Report
as per March, 31
(english version: 05/06)

04/29

General Annual Meeting 2022
(virtually)

07/05

Half-Year-Report
as per June, 30
(english version: 08/05)

07/29



9-Month-Report
as per September, 30
(english version: 11/04)

10/28

MKK – Munich Capital Market Conference, Munich

11/15-16

German Equity Forum
(virtually)

11/28-30



**Contact
Impress**
/

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Supervisory Board**
Antje Neubauer

Management Board
Franziska von Lewinski (CEO),
Erwin Greiner (CFO),
Frank Ladner (CTO)

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