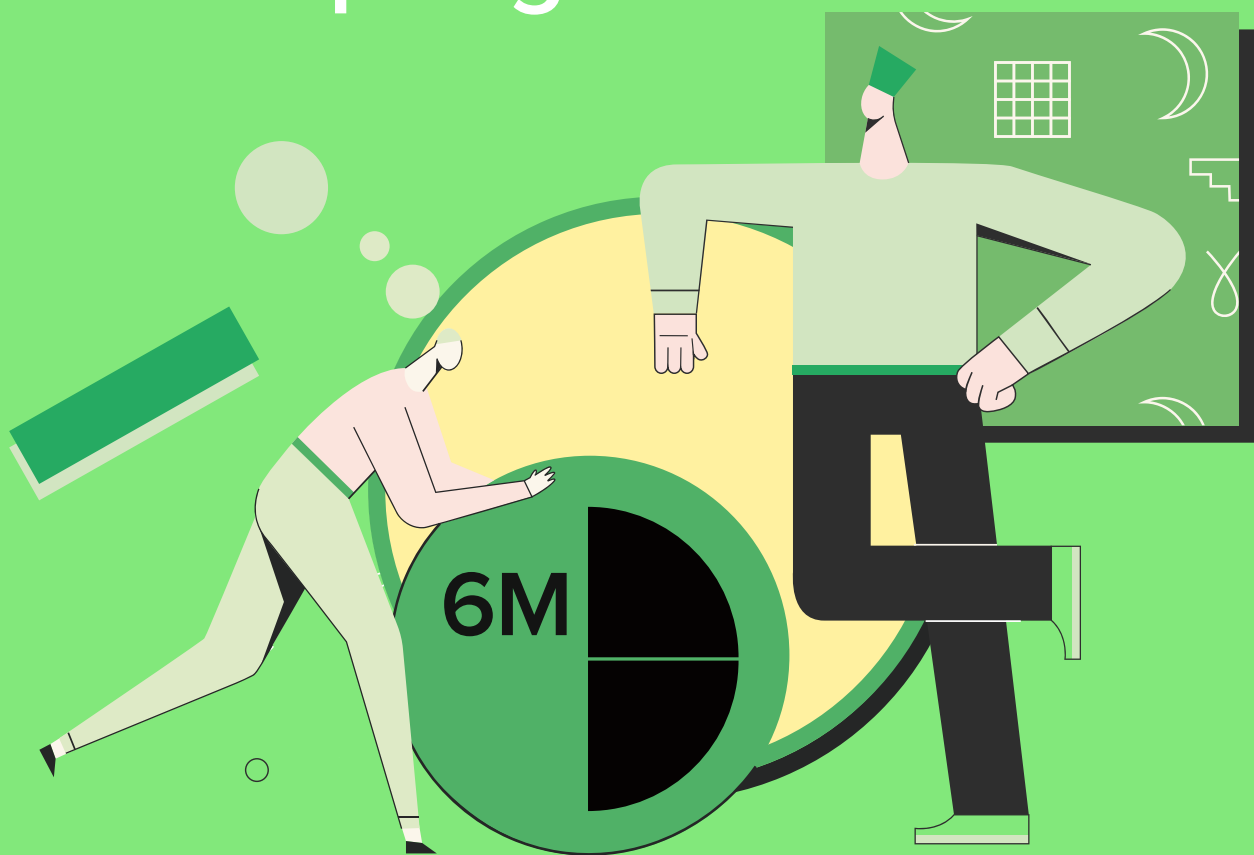


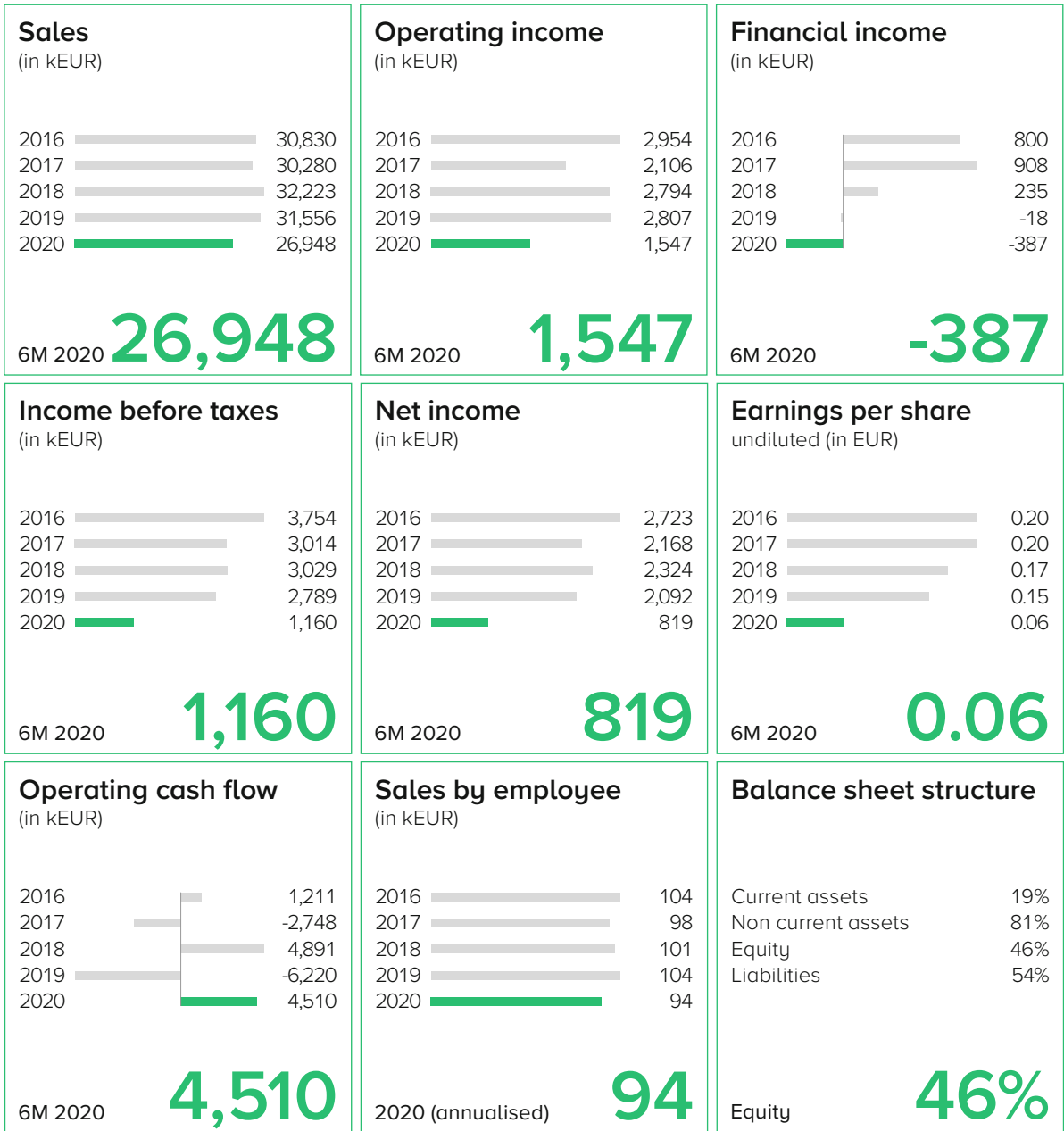
S/Z/G/

6-MONTH-REPORT AS PER JUNE 30, 2020

The human experience company



Key financial figures



Sales by segments

Germany	81%
United Kingdom	11%
Others	8%

Germany81%

Sales by clients' volume

Top 5	33%
Top 6-10	15%
Others	52%

Top 533%

Sales allocation by vertical markets

Automotive	29%
Services	22%
Finance/Insurances	19%
Consumer goods	12%
Telecommunication/IT	8%
Others	10%

Automotive29%

Employees by function

Strategy/Consulting	23%
Technology	19%
Performance Marketing	15%
Project Management	15%
Design	14%
Administration	14%

Strategy/Consulting23%

Shareholders' structure

WPP plc.	50.33%
HANSAINVEST	3.03%
Hauck & Aufhäuser	2.97%
Treasury stocks	0.54%
Free float	43.13%

WPP plc.50.33%



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Business development and management report

In kEUR	2. Quarter			January - June		
	2020	2019	Change	2020	2019	Change
Sales	12,024	15,877	-24%	26,948	31,566	-15%
EBITDA	1,894	2,616	-28%	4,454	5,269	-16%
EBITDA margin	15.8%	16.5%	-0.7 pp	16.5%	16.7%	-0.2 pp
EBIT	451	1,365	-67%	1,547	2,807	-45%
EBIT margin	3.8%	8.6%	-4.8 pp	5.7%	8.9%	-3.2 pp
Financial income	-249	-10	n.a.	-387	-18	n.a.
EBT	202	1,355	-85%	1,160	2,789	-58%
Net income	139	1,017	-86%	819	2,092	-61%
Earnings per share (EUR)	0.01	0.07	-86%	0.06	0.15	-60%
Employees incl. freelancers	543	605	-10%	543	605	-10%
Liquid assets	6,657	8,275	-20%	6,657	12,296	-46%
Operating cash flow	2,172	3,048	-29%	4,510	-6,220	n.a.

1. General

The following Group Management Report provides information on the performance of the SYZYGY Group (hereinafter referred to as "SYZYGY", the "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 notes in the 2019 management report (2019 Annual Report, page 38 ff.). From the Group's viewpoint, the following changes apply with regard to the above in the first half of 2020:

The SYZYGY Group strengthened its range of consultancy and innovation services by merging customer-centricity consultancy USEEDS° GmbH with strategy consultancy different GmbH in June 2020. The resulting company has 120 employees based in Berlin and Munich. The merger involves USEEDS° GmbH being absorbed as a legal entity into different GmbH.

The Group consists of SYZYGY AG as the holding company and nine subsidiaries:

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

3. Economic report

In the section below, we present additional information and highlight new developments compared with the 2019 management report (2019 Annual Report, page 39 ff.).

3.1. General economic development

The COVID-19 pandemic has had a profound impact on the global economy. While signs of recovery were apparent at the end of 2019, economic activity plummeted in the first quarter of 2020. The various containment measures reduced global economic activity in the first quarter, with gross domestic product falling by more than 3 percent in the early months of the year.

The International Monetary Fund (IMF) expects that global growth will have fallen by almost 10 percent in the first half of the year as a result of the COVID-19 pandemic. How quickly and strongly the global economy recovers will depend on the epidemiological trend and on how politics respond in terms of restrictions.

The economy is expected to grow strongly again in the second half of the year with support from monetary and fiscal policy, provided the development of the pandemic allows sustained and extensive easing of containment policies.

The IMF estimates that the global economy will shrink by 4.9 percent in 2020 and post growth of 5.4 percent the following year.

Actual results could turn out to be significantly weaker and slower, e.g. due to a second wave of the pandemic. Similarly, the development of an effective vaccine could enable a much faster economic recovery.

Economic performance of the Eurozone

The measures introduced in March 2020 to contain the COVID-19 pandemic led to lower production levels. Consumers, meanwhile, were unable to maintain their usual spending habits. As a consequence, economic output in the Eurozone fell by 3.6 percent in the first quarter of 2020. According to a forecast by the Ifo Institute, GDP is likely to have declined again by around 13 percent in the second quarter. As governments ease their restrictions, it is expected that value added as well as consumer spending and investment will recover markedly in the third quarter of 2020 (+8.8 percent). A decline in real GDP of -8.4 percent is expected for the current year, with expansion of 6.1 percent forecast for 2021.

Due to the hit to the economy, unemployment in the Eurozone is likely to rise from 7.6 percent in 2019 to 9.4 percent in 2020, according to the Ifo Institute (forecast for 2021: 8.9 percent).

In addition to the further course of the COVID-19 pandemic, the Brexit process and final negotiation of the trade agreement between the EU and the UK also remain a risk factor for the European economy.

Economic performance in Germany

The COVID-19 pandemic has plunged Germany into the deepest recession since the Federal Republic was founded. The result is a sharp drop in demand, disruption of supply chains, a drop in production, restricted mobility, restrictions in many service sectors and low availability of labour due to infection containment measures. Incomes and liquidity are being underpinned by wide-ranging government support schemes.

According to estimates by IfW Kiel, gross domestic product (GDP) will decline by 6.8 percent in 2020, followed by growth of 6.3 percent in the coming year.

The labour market is largely being protected from the impact through short-time working arrangements. The number of people unemployed will increase by an average of 430,000 to 2.7 million. Accordingly, the unemployment rate is set to rise from 5 percent in 2019 to 6.1 percent in 2021.

Economic performance in the UK

The British economy experienced an unprecedented collapse in April 2020. The economic consequences of lockdown are severe. Figures compiled by the Office for National Statistics indicate that GDP shrank by 20.4 percent in April compared to the previous month. The first quarter saw a decline of 2.0 percent, according to IfW Kiel. Government schemes are currently cushioning household and business incomes from the impact of the economic slump, but even with fiscal and monetary support a 9.1 percent drop is expected in 2020.

The uncertainty that still surrounds Brexit and the UK's withdrawal from the European Union could also hinder the economic recovery. The transition period, during which the existing economic relationship between the EU and the UK remains in place, expires at the end of 2020. The British government has ruled out extending the transition period. As a result, the economic recovery in the UK could be severely hampered by the introduction of tariffs and other trade barriers at the beginning of 2021.

Economic performance in the United States

As the virus spread, US gross domestic product (GDP) shrank by 1.3 percent in the first quarter, and is expected to have fallen by 12 percent in the second quarter. In view of the severity of the slump, GDP will probably not exceed the prior-year level until the end of next year. IfW Kiel expects GDP to be down 5.8 percent in 2020 and to rise by 4.2 percent in 2021. There are currently signs of a renewed escalation in the trade dispute with China. It remains to be seen how this trade dispute and the dispute with the EU will develop.

Economic performance in Poland

Poland is facing its first recession since 1991. Economic indicators have fallen to record lows due to the COVID-19 pandemic. Before the outbreak of the pandemic, Polish gross domestic product (GDP) was forecast to grow 3.1 percent. Now, a GDP slump of 11.4 percent is being pencilled in for the second quarter of 2020. Forecasts published at the end of June 2020 suggest that the economy will shrink 3.8 percent over the course of 2020.



3.2. Advertising market performance

The COVID-19 pandemic has also given rise to an unprecedented situation in the advertising industry worldwide. Many companies face an uncertain future, which is having a major impact on their advertising activities. The World Advertising Research Center (WARC) puts the cut in advertising investment caused by the coronavirus crisis at 8.1 percent in 2020. Changes in global advertising investment will affect traditional media, such as cinema, outdoor advertising and TV advertising, etc., much more than digital media channels.

Among the global centres of the advertising industry, Europe has been hit particularly hard. The WARC Global Adtrends report indicates that the decline in North America will be 3.7 percent, while Asia Pacific will have to digest a downturn of 7.7 percent. In Europe, on the other hand, advertising spend will fall 12.2 percent. This represents a drop of USD 18.1 billion, to USD 129.9 billion. The impact of the recession is particularly pronounced in Italy (-21.7 percent), France (-18.7 percent) and the UK (-16.4 percent). In contrast, Germany is still in a relatively strong position, down 6.1 percent.

In the current year, the rapid growth seen in online advertising has also slowed for the time being, with the segment forecast to grow by a mere 0.6 percent. More positive forecasts are being made for social media (+9.8 percent), online video (+5.0 percent) and search engine marketing (+0.9 percent). Conventional online advertising formats, by contrast, are likely to decline by 10.3 percent.

According to W&V Data, a total of around EUR 15 billion flowed into the various media channels in Germany in the first half of 2020, down 9 percent compared to the same period of the previous year. TV accounts for by far the largest share of advertising spend at EUR 6.68 billion, representing an 8.4 percent decline year-on-year.

Daily newspapers are in second place at EUR 2.13 billion, having closed the first half of the year 10 percent down. Online, in third place at EUR 1.74 billion, remains a success story among advertising platforms. It lost just one percent compared with the first half of the previous year.

The German advertising market should recover quickly, however, according to market analysis conducted by IPG subsidiary Magna. It is estimated that advertising spend in Germany will increase again by 7.8 percent in 2021. Growth is expected to be driven mainly by outdoor advertising and digital media. Major events such as the UEFA European Football Championship and the Olympic Games in Tokyo, which have been postponed, could also contribute to growth.

In the UK, eMarketer believes that advertising spend will amount to GBP 21.03 billion this year, a decrease of 7.5 percent compared to 2019. Digital advertising spend will remain relatively stable, rising by 0.3 percent to GBP 15.08 billion. Digital media will account for 71.7 percent of total advertising spend in 2020.

In the US, the GroupM media agency group expects advertising spend to decline by 13 percent in 2020. At present, online is expected to emerge best from the crisis, falling 3 percent. IPG subsidiary Magna expects digital to stabilise in the summer and recover in the second half of the year such that the year ends with a 2 percent increase at USD 130 billion. The upcoming presidential elections and the associated advertising spend should have a positive effect in this respect. Magna expects a recovery in US advertising sales in 2021, with an increase of 4 percent to USD 222 billion.

3.3. Employees

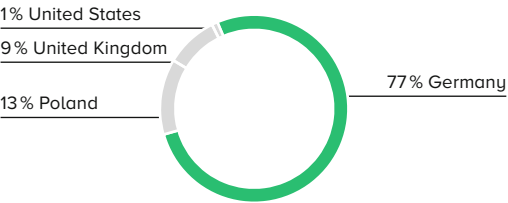
The headcount at the SYZGY Group declined in the period covered by the report. The SYZGY Group had a total of 519 permanent employees as at June 30, 2020. This represents a reduction of 28 people compared with March 31, 2020, and of 46 people compared with the first half of the previous year. The number of employees in the German companies is down by 19 people compared with the previous quarter, by 1 person in the UK and by a total of 8 people in Poland and the US.

The number of freelancers was around 24 (based on FTEs) as at the reporting date, 18 fewer than in the prior quarter of 2020.

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

Employees	30/06/2020	30/06/2019
Germany	400	402
Poland	66	78
United Kingdom	49	74
United States	4	11
Total	519	565

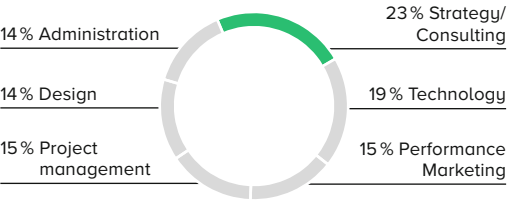
Employees by region



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

Employees	30/06/2020	30/06/2019
Strategy/consulting	119	112
Technology	96	94
Performance marketing	80	129
Project management	77	74
Design	74	76
Administration	73	80
Total	519	565

Employees by function



On average over the period, 537 people plus around 36 freelancers worked for the SYZGY Group. Annualised sales per head were therefore EUR 94,000 (previous year: EUR 104,000, with an average headcount of 565 and around 44 freelancers).

3.4. Investments, research and development

SYZGY invested around EUR 0.8 million (previous year: EUR 0.8 million) in intangible assets and fixed assets in the first half of 2020. This consisted of investment in equipment for employees at the SYZGY Group's various locations.

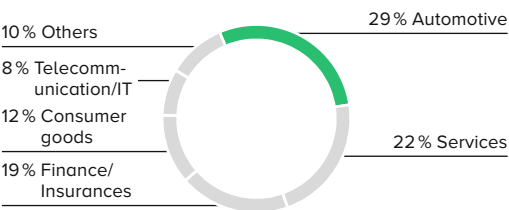
3.5. Net assets, financial position and results of operations of the SYZYGY Group

3.5.1. Results of operations

The 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.

Sales declined by 15 percent to EUR 26.9 million in the first half of 2020. In the core German market, sales decreased by 6 percent to EUR 22.3 million, with the EBIT margin remaining in double figures at 11 percent. This increases the proportion of sales generated in Germany to more than 80 percent. In the UK segment, the Group posted a 42 percent drop in sales. Sales in the other segments (Poland and the US) fell by 39 percent.

Sales allocation by vertical markets



Shifts in sales patterns gave rise to a number of changes compared to the previous year. Sales to clients in the automotive sector and the service industry each fell by 3 percent. Sales generated with clients in the consumer goods segment declined by two percentage points year-on-year. The proportion of sales in the telecommunications/IT segment remained at the same level as in the previous year. Two percent more sales were generated with clients from the financial and insurance segment in the period under review. Sales derived from companies that cannot be assigned to any of these five key areas were up 6 percent.

SYZYGY generated 48 percent of total sales with the ten largest clients. This corresponds to a drop of one percentage point compared with the same period in the previous year.

3.5.2. Operating expenses and depreciation

The cost of sales fell in line with sales, decreasing by 13 percent to EUR 20.1 million (previous year: EUR 23.1 million). Gross margin thus fell by two percentage points to 25 percent.

General administrative expenses declined by 5 percent to EUR 4.0 million (previous year: EUR 4.2 million). Sales and marketing costs decreased 10 percent to EUR 2.5 million in the period under review.

Depreciation of fixed assets increased by EUR 0.4 million to EUR 2.9 million (previous year: EUR 2.5 million).

3.5.3. Operating income and EBIT margin

The SYZYGY Group's operating profit declined by 45 percent, falling from EUR 2.8 million to EUR 1.5 million compared with the same period of the previous year; the EBIT margin fell accordingly to 5.7 percent (previous year: 8.9 percent).

3.5.4. Financial income

SYZYGY reported negative financial income of EUR 0.4 million in the first six month of 2020 (previous year: EUR 0.1 million). Financial expenses chiefly comprise pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases). Financial income of EUR 0.2 million (previous year: EUR 0.6 million) from investment in securities was only partially able to offset expenses.



3.5.5. Income taxes, net income, earnings per share

Business performance at the SYZYGY Group is reflected in pre-tax income of EUR 1.2 million. In the same period of the previous year, the figure was EUR 2.8 million, meaning that pre-tax income declined by 58 percent. After income taxes of EUR 0.3 million, net income was EUR 0.8 million.

Undiluted earnings per share were EUR 0.06, based on the average available 13,421,000 shares qualifying for participation in the profits and after deducting minority shares of EUR 5,000. This figure is EUR 0.09 below the level achieved in the prior-year period.

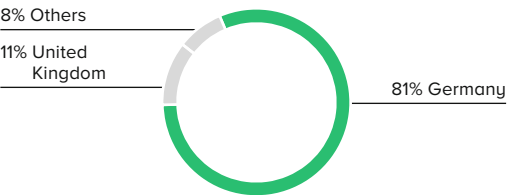
3.5.6. Segment reporting

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 six months of 2020, the individual segments contributed to earnings as follows, compared with the same period in the previous year:

	Germany		United Kingdom		Others	
6M (in kEUR)	2020	2019	2020	2019	2020	2019
Sales (unconsolidated)	22,268	23,622	3,065	5,316	2,145	3,540
Operating income (EBIT)	2,495	3,323	-95	-510	-374	371
Operating income (EBIT) in %	11.2	14.1	-3.1	-9.6	-17.4	10.5
Share of Group sales (consolidated) in %	81	73	11	16	8	11

Share of Group sales (consolidated)



3.5.7. Financial position

SYZGY had liquidity reserves totalling EUR 6.7 million as at the balance sheet date, corresponding to an increase of EUR 2.1 million compared with December 31, 2019. Liquid funds increased by EUR 2.7 million to EUR 3.6 million. In contrast, securities holdings declined from EUR 3.6 million to EUR 3.0 million. The change in liquid funds was significantly driven by positive performance of operating cash flow.

A total of 42 percent of funds were invested in corporate bonds as at June 30, 2020, while 58 percent were accounted for by bank deposits. The average residual maturity of the bonds was 4.9 years.

Total cash flow of the SYZGY Group was positive as at the reporting date, at EUR 2.9 million. Cash flow from business operations stood at EUR 4.5 million in the period under review. Net income of EUR 0.8 million, depreciation and amortisation of EUR 2.9 million and a fall in accounts receivable and other assets of EUR 6.9 million were positive contributors in this respect. In contrast, the fall of EUR 2.3 million in accounts payable and of EUR 4.2 million in advance payments received put pressure on operating cash flow.

Cash flow from investment operations was negative at EUR 2.8 million. The acquisition of consolidated companies (increase in shareholding) in the amount of EUR -1.9 million led to a corresponding outflow of funds. Cash flow from financing activities in the six months under review included the medium-term raising of money market loans of EUR 3.5 million and a change in lease obligations of EUR -1.7 million.

3.5.8. Asset situation

Total assets of the SYZGY Group fell by EUR 7.0 million to EUR 112.5 million in the period under review compared to December 31, 2019, representing a decrease of 6 percent.

Non-current assets fell by EUR 1.7 million to EUR 91.6 million compared to the balance sheet date of December 31, 2019 (EUR 93.3 million). Small changes were seen in other intangible assets and fixed assets, which decreased by EUR 0.6 million to EUR 31.3 million, and in goodwill, which declined by EUR 1.2 million to stand at EUR 57.2 million.

At EUR 21.0 million, current assets were substantially below the level as at December 31, 2019 (EUR 26.1 million). This decline is largely attributable to the change in accounts receivable, which fell by EUR 7.3 million due to lower sales in the second quarter of 2020.

At EUR 51.9 million, equity declined by EUR 1.0 million compared to December 31, 2019. The reason here was a decline in other net income of EUR -1.3 million to EUR -2.8 million. This item mainly comprises unrealised rate changes for foreign exchange positions. Profit reserves increased from EUR 14.7 million to EUR 15.0 million. The equity ratio has therefore risen to 46 percent.

At EUR 25.0 million, current liabilities were below the level as at year-end 2019 (EUR 28.2 million). This mainly includes a drop of EUR 4.2 million in advance payments received and a fall of EUR 2.5 million in accounts payable. Provisions and other liabilities increased by a total of EUR 3.0 million.

4. Outlook

4.1. Forecasts

As with any private-sector business, the SYZYGY Group is subject to factors over which it has no control. Changes in the general economic environment and sentiment, both actual and perceived, can have a positive or negative impact on the Group's growth.

The forecasts published in the management report in the 2019 Annual Report remain valid at the present time. Having said that, divergence due to the current macroeconomic uncertainty cannot be ruled out.

All statements about the future of the Group are based on information and findings that were known and available at the time this report was prepared. Since this information is subject to constant change, forecasts invariably involve a number of uncertainties. As a result, actual results may differ in subsequent periods.

4.2. Expected performance of the SYZYGY Group

The impact of the COVID-19 pandemic was apparent from March onwards, reaching its peak in the second quarter. Changes in our clients' spending behaviour led to a downturn in sales and made it more difficult to win new business. As governments ease their restrictions, it is expected that consumer spending and investment will recover substantially in the second half of 2020. The situation around the COVID-19 pandemic and its economic consequences remains very fluid.

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 SYZYGY Group.

On the basis of the information available to date, SYZYGY AG expects sales to fall by between 10 and 20 percent in the 2020 financial year. With regard

to profitability, we anticipate an EBIT margin (i.e. the quotient of EBIT and sales revenue) in the mid single-digit range. In Germany, sales will decline by a high single-digit amount, while the international companies will see a drop in sales of around 20 to 30 percent.

Any acquisitions, which are part of the SYZYGY Group's growth strategy, may affect these forecasts positively or negatively. The results of the SYZYGY Group will be determined by the performance of the operating units and the future interest income of SYZYGY AG.

The Management Board of SYZYGY AG is therefore confirming the forecast made in the 2019 annual report.

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 31, 2020
SYZYGY AG

The Management Board

Consolidated balance sheet

as at June 30, 2020

Assets in (kEUR)	06/30/2020	06/30/2019	12/31/2019
Non-current assets			
Goodwill	57,194	57,709	58,435
Other Fixed assets, net	31,340	32,420	31,913
Non-current financial assets	200	200	200
Other non-current assets	311	317	274
Deferred tax assets	2,508	89	2,511
Total non-current assets	91,553	90,735	93,333
Current assets			
Cash and cash equivalents	3,616	4,813	944
Marketable securities	3,041	3,462	3,642
Accounts receivable, net and contract assets	12,435	19,601	19,709
Prepaid expenses and other current assets	1,877	3,758	1,835
Total current assets	20,969	31,634	26,130
Total assets	112,522	122,369	119,463
Equity and Liabilities (in kEUR)	06/30/2020	06/30/2019	12/31/2019
Equity			
Common stock*	13,500	13,500	13,500
Additional paid-in capital	27,069	27,069	27,069
Own shares	-407	-407	-407
Accumulated other comprehensive income	-2,830	-2,085	-1,529
Retained earnings	15,025	12,974	14,657
Equity attributable to shareholders of SYZGY AG	52,357	51,051	53,290
Minorities	-343	-267	-347
Total Equity	51,926	50,672	52,943
Non-current liabilities			
Long term liability	33,397	42,108	36,018
Deferred tax liabilities	2,229	256	2,276
Total non-current liabilities	35,626	42,364	38,294
Current liabilities			
Income tax accruals	554	567	192
Accrued expenses	5,581	10,997	4,927
Contract liabilities	1,331	5,308	5,536
Accounts payable	6,533	11,247	9,007
Other current liabilities	10,971	1,214	8,564
Total current liabilities	24,970	29,333	28,226
Total liabilities and equity	112,522	122,369	119,463

*In prior year: contingent Capital kEUR 1,200.

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

SYZYGY AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income

as at June 30, 2020

In kEUR	2. Quarter			January - June			12/31/2019
	2020	2019	Change	2020	2019	Change	
Sales	12,024	15,877	-24%	26,948	31,566	-15%	64,243
Cost of revenues	-9,070	-11,720	-23%	-20,110	-23,113	-13%	-45,809
Sales and marketing expenses	-1,196	-1,483	-19%	-2,471	-2,743	-10%	-5,951
General and administrative expenses	-2,092	-2,352	-11%	-3,979	-4,193	-5%	-9,914
Impairment losses, net of trade receivables and contract assets	20	5	n.a.	50	7	n.a.	-82
Other operating income/expense, net	765	1,038	-26%	1,109	1,283	-14%	3,010
Operating profit (EBIT)	451	1,365	-67%	1,547	2,807	-45%	5,497
Financial income	76	412	-82%	158	566	-72%	721
Financial expenses	-325	-422	-23%	-545	-584	-7%	-1,024
Income before income taxes (EBT)	202	1,355	-85%	1,160	2,789	-58%	5,194
Income taxes	-63	-338	-81%	-341	-697	-51%	-1,654
Total net income of the period	139	1,017	-86%	819	2,092	-61%	3,540
thereof net income share to other shareholders	-22	24	-192%	5	41	-88%	73
thereof net income share to shareholders of SYZYGY AG	161	993	-84%	814	2,051	-60%	3,467
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	-120	-429	-72%	-1,070	40	n.a.	582
Net unrealized gains/ losses on marketable securities, net of tax	472	129	266%	-248	530	n.a.	544
Other comprehensive income	352	-300	-217%	-1,318	570	n.a.	1,126
Comprehensive income	491	717	-32%	-499	2,662	-119%	4,666
thereof income share to other shareholders	-16	28	-157%	-12	45	-127%	77
thereof income share to shareholders of SYZYGY AG	507	689	-26%	-487	2,617	-119%	4,589
Earnings per share from total operations (basic in EUR)	0.01	0.07	-86%	0.06	0.15	-38%	0.26

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

Statement of changes in equity

as at June 30, 2020

							Accum. other compre- hensive income			
	Number of shares	Common stock	Additional paid-in capital	Own shares	Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZYGY AG	Minority interest	Total equity
January 1, 2019	13,500	13,500	27,069	-407	16,774	-2,297	-354	54,285	-284	54,001
Adjustments from first-time adoption IFRS 9							268			268
January 1, 2019, adjusted	13,500	13,500	27,069	-407	17,042	-2,297	-354	54,553	-284	54,269
Net income of the period					3,467			3,467	73	3,540
Other comprehensive income						578	544	1,122	4	1,126
Comprehensive income					3,467	578	544	4,589	77	4,666
Dividend					-5,370			-5,370	0	-5,370
Payment to minorities					-482			-482	-140	-622
December 31, 2019	13,500	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
January 1, 2020	13,500	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
Adjustments from first-time adoption IFRS 16								0	0	0
January 1, 2020, adjusted	13,500	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
Net income of the period					814			814	5	819
Other comprehensive income						-1,053	-248	-1,301	-17	-1,318
Comprehensive income					814	-1,053	-248	-487	-12	-499
Dividend					0			0	0	0
Payment to minorities					-446			-446	-66	-512
Effects of changes in shareholdings									-6	-6
June 30, 2020	13,500	13,500	27,069	-407	15,025	-2,772	-58	52,357	-431	51,926

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, 2020

In kEUR	January - June		
	2020	2019	2019
Period net income	819	2,093	3,540
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Depreciation on fixed assets	2,907	2,539	5,381
– Profit (-) and loss (+) on sale of securities	60	-98	-114
– Profit (-) and loss (+) on sale of fixed assets	159	67	3,175
– changes in Earn-Out liabilities	-394	-650	-1,345
– Profit (-)/Loss(+) on sale of fixed asset investments	0	0	0
– Other non-cash income and expenses	0	98	31
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	6,864	-1,236	415
– Customer advances	-4,208	-4,144	-3,937
– Accounts payable and other liabilities	-2,252	-4,288	-11,066
– Tax accruals and payables, deferred taxes	555	-601	-538
Cash flows provided by operating activities	4,510	-6,220	-4,458
Changes in other non-current assets	-38	-22	23
Investments in fixed assets	-764	-808	-2,114
Purchases of marketable securities	-3,258	-3,584	-6,870
Proceeds from sale of marketable securities	3,495	11,590	14,806
Changes from fixed asset investments	-46	-40	-40
Acquisition of consolidated entities less liquid funds	-1,862	-1,352	-1,352
Interest expense on leasing liabilities	-350	0	-682
Cash flows used in investing activities	-2,823	5,784	3,771
Change in bank loans	3,472	-288	-1,054
Repayment of lease obligations	-1,743	0	-3,227
dividend paid to minority shareholders	-512	-622	-622
dividend paid to shareholders of SYZYG AG	0	-5,370	-5,370
Cash flows from financing activities	1,217	-6,280	-10,273
Total	2,904	-6,716	-10,960
Cash and cash equivalents at the beginning of the period	944	11,519	11,519
Exchange rate differences	-232	10	385
Cash and cash equivalents at the end of the period	3,616	4,813	944

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

Operating cashflow includes paid interest in the amount of kEUR 415 (prior year: kEUR 53), received interest in the amount of kEUR 129 (prior year: kEUR 583) as well as received taxes in the amount of kEUR 642 (prior year: kEUR 56) and paid taxes in the amount of kEUR 577 (prior year: kEUR 719).

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 (2) WpHG (German Securities Trading Act), the financial report of SYZGY AG for the first six months of 2020 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 at December 31, 2019. 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).

With the following exceptions, the accounting and consolidation principles are applied as described in the notes to the consolidated financial statements to the 2019 Annual Report.

Business activities of the SYZGY Group

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

SYZGY Group is one of the leading consulting- and implementation partners for the transformation in Sales and Marketing. 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 large global companies an integrated portfolio of solutions, 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 consultancy and analysis of data as well as search engine marketing/optimisation are also a major business area. In addition, SYZGY helps clients meet customer experience and usability requirements and assists them at every stage of the user-centred design process. Digital illustrations and animations round off the range of services. The Group's business focus is on the automotive, telecommunications/IT, services and consumer goods industries, as well as finance and insurances.

Scope of consolidation and principles

As at June 30, 2020, the following subsidiaries were included in the consolidated financial statements of SYZGY AG and fully consolidated:

- Ars Thanea S.A., Warsaw, Poland (Ars Thanea for short)
- Different GmbH, Berlin, Germany (different for short)
- SYZGY Berlin GmbH, Berlin, Germany (SYZGY BER for short)
- SYZGY Deutschland GmbH, Bad Homburg v. d. H., Germany (SYZGY Deutschland for short)
- SYZGY Digital Marketing Inc., New York City, United States of America (SYZGY NY for short)
- SYZGY Media GmbH, Hamburg, Germany (SYZGY Media)
- SYZGY Performance GmbH, Munich, Germany (SYZGY Performance for short)
- SYZGY UK Ltd, London, United Kingdom (SYZGY UK for short)
- Unique Digital Marketing Ltd, London, United Kingdom (Unique Digital UK for short)
- USEEDS° GmbH, Berlin, Germany (USEEDS for short)

Information on general consolidation principles is provided in the 2019 annual report from page 68 onwards.

Changes in Shareholdings

Effective January 1, 2020 SYZGY has acquired a further 10 percent of the shares in USEEDS, leading to a shareholding of 100 percent. The entry in the commercial register took place on March 28, 2020. Furthermore, SYZGY AG has – after acquiring the additional 10 percent of USEEDS shares – contributed the share in USEEDS to different and merged the two companies. The shareholding of different has thereby grown to 77.5 percent. The merge was done on June 18, 2020, the entry into the commercial register took place on June 29, 2020. This merger was done with effect from January 1, 2020 (merger date), meaning that USEEDS is merged into different retrospectively. For the sake of completeness, USEEDS is still listed as a fully consolidated entity.

Additionally, SYZGY bought another 15.71 percent of the shares of SYZGY Performance on April 2, 2020, increasing the total shareholding to 75.2 percent, the entry into the commercial register took place on April 9, 2020, effective as of January 1, 2020. Lastly, an additional 0.6 percent of the shares of SYZGY Berlin have been bought increasing the total shareholding to 99.4 percent, entered into the commercial register on July 9, 2020, effective as of January 1, 2020.

Segment reporting

The application of IFRS 8 requires segment reporting in line with the Group's internal management approach. Against this backdrop, SYZGY reports on the segments according to geographical demarcation.

SYZGY AG as a holding company mainly provides services to the operating units and must therefore be considered separately from them in the central function area. The segment Germany consists of different, SYZGY Berlin, SYZGY Germany, SYZGY Media, SYZGY Performance and USEEDS. The UK segment comprises SYZGY UK and Unique Digital UK. SYZGY NY and Ars Thanea are presented together under "Other Segments".

The individual segments apply the same accounting policies as the Group as a whole. SYZGY AG assesses the performance of the segments primarily on the basis of revenues and EBIT. The allocation of revenues to third parties is based on the location of the selling business unit. The information on the geographical areas in terms of segment sales and non-current assets is derived from the segment information summarized below. The revenues reported in the segment reporting consist of revenues from external customers and inter-segment revenues. Transactions within the segments, which are generally invoiced at market prices, were eliminated.

06/30/2020 (in kEUR)	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
Billings	41,613	5,953	3,335	112	-672	50,341
Media costs	-19,345	-2,888	-1,190	0	30	-23,393
Sales	22,268	3,065	2,145	112	-642	26,948
of which internal sales	88	7	570	6	-671	0
Operating income (EBIT)	2,495	-95	-374	-489	10	1,547
Financial income	-117	-126	-10	923	-1,057	-387
Earnings before tax (EBT)	2,378	-221	-384	434	-1,047	1,160
Assets	70,019	19,739	9,033	95,827	-82,096	112,522
of which non-current assets	60,854	14,797	6,619	5,853	411	88,534
of which goodwill	43,092	7,811	6,291	0	0	57,194
Investments	270	5	33	2,856	0	3,164
Depreciation and amortisation	1,539	578	267	533	-10	2,907
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	30,055	9,595	2,111	29,342	-10,507	60,596
Employees as per balance sheet date	369	49	70	31	0	519

06/30/2019 (in kEUR)	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
Billings	50,223	9,446	19,365	17	-929	78,122
Media costs	-26,602	-4,129	-15,825	0	0	-46,556
Sales	23,622	5,316	3,540	17	-929	31,566
of which internal sales	323	58	548	0	-929	0
Operating income (EBIT)	3,323	-510	371	-363	-14	2,807
Financial income	-100	-128	-9	219	0	-18
Earnings before tax (EBT)	3,223	-638	362	-144	-14	2,789
Assets	78,585	26,660	15,406	90,805	-89,087	122,369
of which non-current assets	54,583	15,877	7,405	11,695	569	90,129
of which goodwill	43,155	7,953	6,601	0	0	57,709
Investments	9,630	7,054	769	10,900	0	28,353
Depreciation and amortisation	1,272	594	268	326	79	2,539
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	30,448	12,339	7,406	35,819	-14,315	71,697
Employees as per balance sheet date	378	74	89	24	0	565

Segment assets correspond to the sum of all assets plus goodwill attributable to the respective segment, less receivables attributable to companies in the same segment.

Segment investments comprise investments in intangible assets and property, plant and equipment.

Segment liabilities correspond to the total of all liabilities excluding equity, plus minority interests attributable to the respective segment and deferred taxes on the respective intangible assets, less liabilities attributable to companies in the same segment.

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 the Company to any dividend or voting rights. The extent of the share buyback is shown as a separate item to be deducted from equity.

On May 29, 2015, the Annual General Meeting authorised the Management Board to acquire a maximum of 10 percent of the Company's outstanding shares until May 28, 2020. 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 at June 30, 2020, SYZGY held 73,528 treasury shares at an average acquisition cost of EUR 5.54.

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	Lars Lehne	Erwin Greiner	Frank Ladner	Total
As at December 31, 2019	10,000	0	0	10,000
Purchases	0	0	0	0
Sales	0	0	0	0
As at June 30, 2020	10,000	0	0	10,000

Lars Lehne has left the board as of March 31, 2020.

Supervisory Board: Shares

Number of shares	Wilfried Beeck	Dominic Grainger	Andrew Payne	Total
As at December 31, 2019	10,000	0	0	10,000
Purchases	5,000	0	0	5,000
Sales	0	0	0	0
As at June 30, 2020	10,000	0	0	15,000

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

Management Board: Phantom stocks

Number of shares	Lars Lehne	Erwin Greiner	Frank Ladner	Total
As at December 31, 2019	144,000	80,000	55,000	279,000
Additions	0	0	0	0
Disposals	0	0	0	0
As at June 30, 2020	144,000	80,000	55,000	279,000

The phantom stock program was launched in 2015. The beneficiary receives the difference between the share price at grant date and the share price at exercise date of the phantom stock as a special payment. 40 percent of the phantom stocks granted (tranche 1) can be exercised at the earliest after 2 years and expire at the latest after 3 years, 60 percent of the phantom stocks granted (tranche 2) can be exercised at the earliest after 3 years and expire at the latest after 4 years. The maximum price increase is limited to 60 percent for tranche 1 and 90 percent for tranche 2.

The base price is EUR 9.13 for Lars Lehne and EUR 11.25 for Erwin Greiner and Frank Ladner. The maximum price increase is limited to 60 percent for tranche 1 and 90 percent for tranche 2.

Further information can be found on page 57 of the 2019 Annual Report.

Shareholders' structure

As at June 30, 2020, the shareholders' structure has not changed compared to December 31, 2019.

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

In Thousand	Shares	percent
WPP plc., St. Helier	6,795	50.33
HANSAINVEST	408	3.03
Hauck & Aufhäuser Fund Services S.A.	401	2.97
Free Float	5,822	43.13
Treasury Stocks	74	0.54
Total	13,500	100.00

Bad Homburg v. d. H., July 31, 2020
SYZYG AG

The Management Board

2020 Financial calendar

9-Month-Report (English version: 11/02) 10/26	Annual General Meeting, Frankfurt 10/27
German Equity Forum, Frankfurt 11/16-18	MKK – Munich Capital Market Conference 12/8-9

All dates are subjects to change.
For current information, see ir.syzygy.net

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