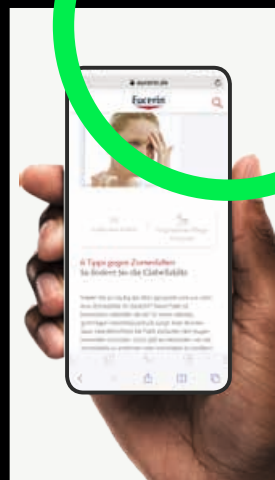
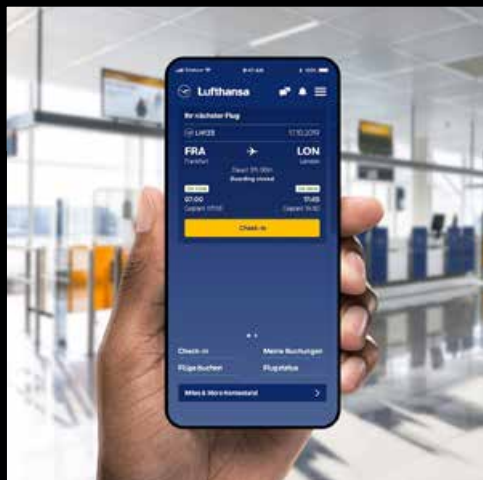
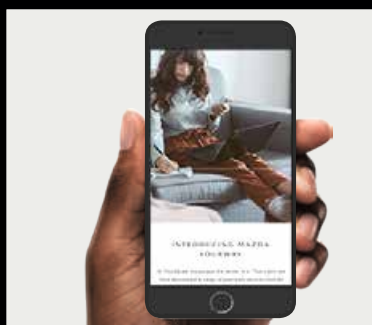


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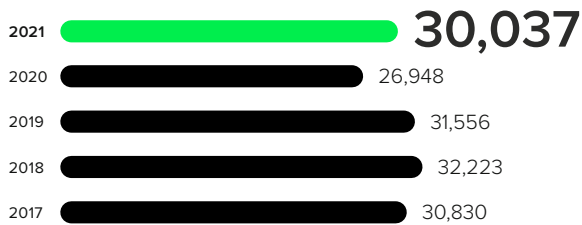


2021

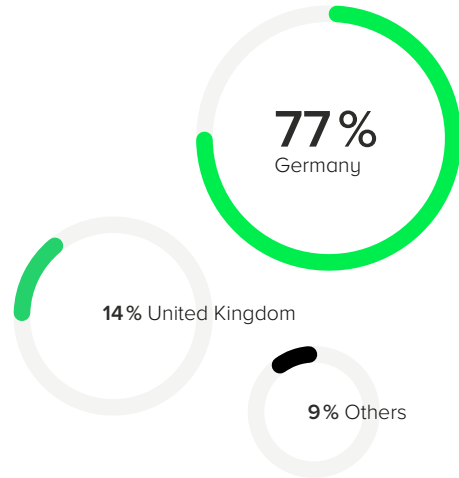
Half-Year-Report as per 06/30

Key financial figures

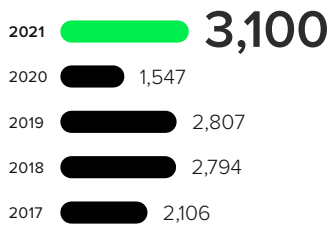
as per 06/30/2021



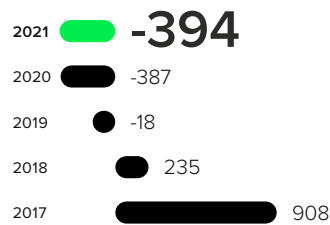
Development of sales
(in kEUR)



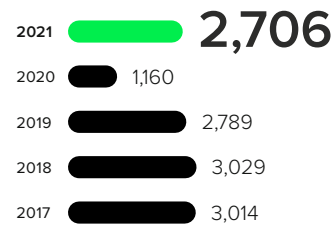
Sales by segments



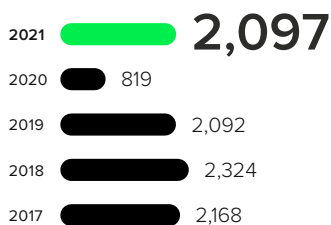
Operating income
(in kEUR)



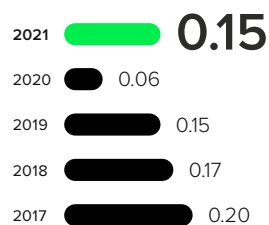
Financial income
(in kEUR)



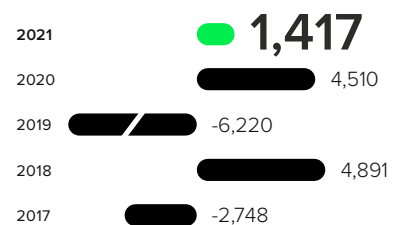
Income before taxes
(in kEUR)



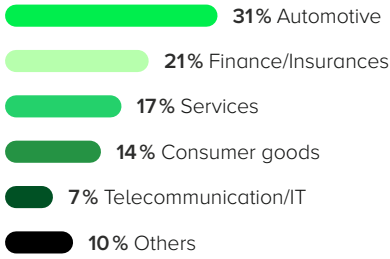
Net income
(in kEUR)



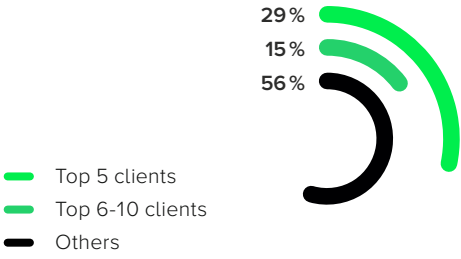
Earnings per share
undiluted (in EUR)



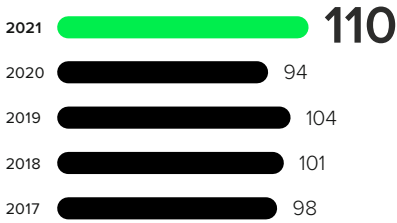
Operating cash flow
(in kEUR)



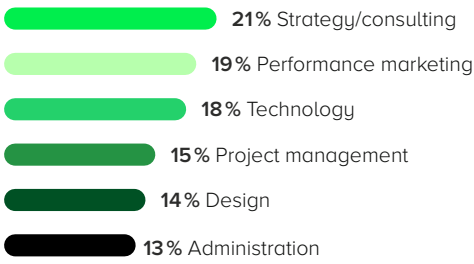
Sales allocation by vertical markets



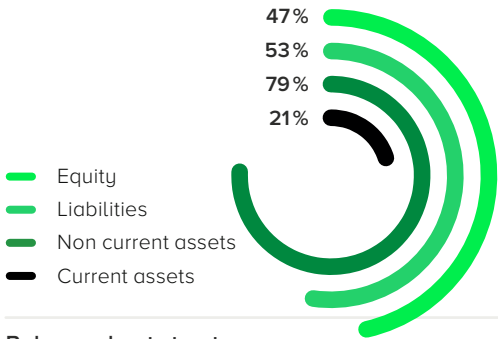
Sales by clients' volume



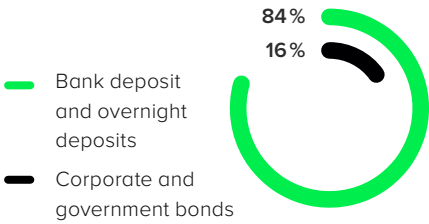
Sales by employee (annualised)
(in kEUR)



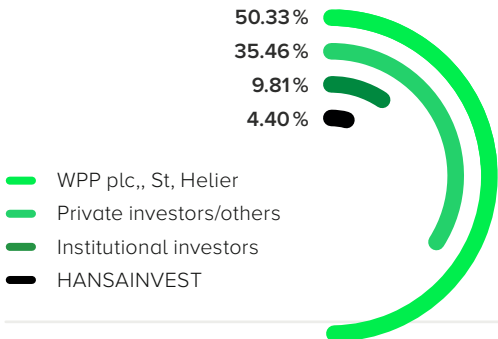
Employees by function



Balance sheet structure



Portfolio structure of cash
and marketable securities



Shareholders' structure



Content

2	Key financial figures as per 06/30/2021
5	Business development and group management report
14	Consolidated balance sheet
15	Consolidated statement of comprehensive income
16	Statement of changes in equity
17	Consolidated statement of cash flows
18	Selected explanatory notes
23	Financial calendar 2021 and contact

Business development and management report

In kEUR	2. Quarter			January - June		
	2021	2020	Change	2021	2020	Change
Sales	14,977	12,024	25%	30,037	26,948	11%
EBITDA	2,943	1,894	55%	5,792	4,454	30%
EBITDA margin	19.7%	15.8%	3.9 pp	19.3%	16.5%	2.8 pp
EBIT	1,534	451	240%	3,100	1,547	100%
EBIT margin	10.2%	3.8%	6.4 pp	10.3%	5.7%	4.6 pp
Financial income	-235	-249	-6%	-394	-387	2%
EBT	1,299	202	543%	2,706	1,160	133%
Net income	1,027	139	639%	2,097	819	156%
Earnings per share (EUR)	0.07	0.01	600%	0.15	0.06	150%
Employees incl. freelancers	522	543	-4%	522	543	-4%
Liquid assets	2,185	6,657	-67%	2,185	6,657	-67%
Operating cash flow	-475	2,172	-122%	1,417	4,510	-69%

1. General

The following Group Management Report provides information on the performance of the SYZYGY GROUP (hereinafter referred to as “SYZYGY”, the “GROUP”, the 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 2020 management report (2020 Annual Report, page 68 ff.). From the Group’s viewpoint, the following changes apply with regard to the above in the first half of 2021:

In the second quarter, SYZYGY Media GmbH and SYZYGY Performance GmbH were merged into SYZYGY Performance Marketing GmbH with effect from January 1, 2021. SYZYGY holds 100 per cent of the shares in this company.

The SYZYGY 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

In the section below, we present additional information and highlight new developments compared with the 2020 management report (2020 Annual Report, page 68 ff.).

3.1. General economic development

More than a year into the pandemic, the global outlook remains uncertain. New mutations of the virus are raising concerns about further waves of infection, while the rising vaccination rate and increased testing are allowing the lifting of some restrictions in everyday life. Economic recovery is patchy across countries and sectors due to differences in pandemic-related disruption and the varying levels of political support.

The International Monetary Fund's (IMF) World Economic Outlook forecasts global growth of 6 per cent in 2021, slowing to 4.4 per cent in 2022. The upward revision by 0.5 and 0.2 percentage points, respectively, compared to the October forecast reflects the additional fiscal support in some major economies, the anticipated vaccine-driven recovery in the second half of 2021 and the continuing adjustment of economic activity to reduced mobility. This outlook is subject to considerable uncertainty around the course of the pandemic, the effectiveness of political support for a return to normality through vaccination and how financial conditions change.

In the current year, the economy in Europe will not recover as strongly as the most dynamic regions worldwide. The frontrunners are the US, which is expected to grow by 6.4 per cent in 2021 and 3.5 per cent in 2022, and China, which is expected to expand by 8.4 per cent and 5.6 per cent, respectively.

The European Commission's forecasts for the Eurozone show an improved economic outlook, with a growth rate of 4.8 per cent this year and 4.5 per cent in 2022. The Eurozone is expected to return to pre-crisis levels in the last quarter of this year, one quarter earlier than previously expected. The OECD Economic Outlook 2021 likewise predicts economic growth in the second half of the year as a result of the gradual lifting of restrictions. This growth will be driven by consumer spending, considerable fiscal support and strong demand from foreign markets, especially from the United States. Unemployment is projected to fall to almost pre-crisis levels by 2022. Swift and effective implementation of the EU economic stimulus package would provide further support for the recovery.

Given the progress made on the vaccination front and the resulting decline in the number of infections, the economy will experience a marked recovery during the course of the year. According to estimates by IfW Kiel, gross domestic product (GDP) will grow by 3.9 per cent in 2021 and by 4.8 per cent in the following year. The recovery of the German economy will also support the labour market, with the number of people in employment remaining broadly flat as an annual average. The workforce is expected to increase by around 750,000 in the coming year. Accordingly, the unemployment rate is set to fall from 5.8 per cent in 2021 to 5.3 per cent in 2022. Inflation is expected to reach 2.6 per cent in 2021 for the full year, due to special factors such as the German government's climate package and rising energy prices overall. In 2022, inflation is likely to be 1.9 per cent.

The OECD forecasts strong GDP growth of 7.2 per cent in 2021 and 5.5 per cent in 2022 for the UK economy. In view of the rapid progress of the vaccination roll-out in the UK, lockdown restrictions were eased earlier than planned. Growth will be driven by a rebound in consumer spending, especially in the services sector. GDP is expected to return to pre-pandemic levels by the start of 2022. However, increased border costs will continue to impact foreign trade now that the country is no longer in the EU single market. Unemployment is expected to peak at the end of 2021 after the withdrawal of the Job Retention Scheme. Inflation is set to rise as a result of past increases in commodity prices and strong GDP growth, but should remain below the 2 per cent inflation target.

Poland is making progress in the battle against the COVID-19 pandemic. Declining case numbers are being accompanied by positive news on the economy. In its spring 2021 forecast, the European Commission revised its figure for growth of gross domestic product (GDP) in 2021 to 4 per cent in real terms, instead of the 3.1 per cent previously expected. Rising investment is helping to fuel the upturn. In this context, the new funding from the European Union's (EU) Multiannual Financial Framework 2021-2027 and the EU's Reconstruction Fund is having a substantial impact.

3.2. Advertising market performance

The decline in global advertising expenditure as a result of the COVID-19 pandemic will be reversed much more quickly than originally forecast by advertising researchers. As such, the advertising market will post significant growth in 2021.

In its Global Ad Trends report, for example, WARC forecasts net advertising expenditure of USD 665 billion worldwide this year, representing a 12.6 per cent increase over the previous year. Advertising agency Dentsu reckons that global spending in 2021 will increase by 10.4 per cent, reaching USD 634 billion. The reasons cited by the advertising researchers include the postponed Olympic Games in Tokyo and the UEFA European Championship.

In the coming year, global advertising spending is expected to climb again by 8.2 per cent to more than USD 700 billion according to WARC, or see weaker growth of 7.2 per cent according to Dentsu.

The recovery in the advertising market can be attributed to increasing digitisation and shifts in consumer behaviour, with advertising spending likewise moving online. For the year as a whole, WARC believes that spending will continue to grow strongly in e-commerce (up 35.2 per cent), search (up 26.2 per cent), online video (up 17.7 per cent) and social media (up 13.1 per cent). Globally, digital will grow by 15.6 per cent according to Dentsu figures, and account for a 50 per cent share of the worldwide advertising market this year.

The German advertising market also looks set to post strong growth in 2021, despite the challenges still associated with COVID. Magna's Ad Forecast predicts an 11 per cent increase in net advertising spend in the German market in 2021, to reach EUR 26 billion (WARC forecast: up 9 per cent). Expenditure is expected to increase again by 5 per cent in 2022. The primary drivers of growth are digital media, which are forecast to boost their advertising revenues by 19 per cent to EUR 14.9 billion net, corresponding to 57 per cent of total spend. Magna is of the view that all digital forms of advertising will grow: search (up 17 per cent), online video (up 25 per cent) and social media (up 28 per cent).

WARC’s forecasts suggest that the UK is on track to achieve the strongest advertising market recovery of any major global market in 2021, positioning the UK economy to rebound strongly from the pandemic. Advertising spend is forecast to rise by 15.2 per cent this year, reaching GBP 27 billion in total. This will make up for the GBP 1.8 billion decline in 2020. Online display including social media and online video will also post accelerated growth of 13.4 per cent this year, as will paid search (up 18.4 per cent). These two sectors combined are expected to account for two thirds (66.4 per cent) of all UK ad spend this year, an increase of 10 percentage points from a 56.2 per cent share in 2019.

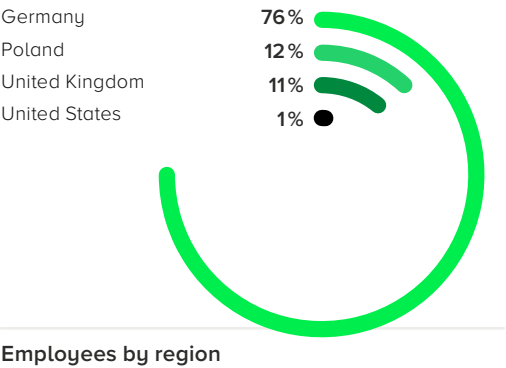
The Zenith agency and Publicis Groupe Poland forecast growth of 5.8 per cent and 8.5 per cent respectively for the Polish advertising market in 2021. According to the latest Publicis Groupe report, advertisers are set to continue shifting their budgets online, taking its market share to 44.2 per cent.

3.3. Employees

The headcount at the SYZGY GROUP declined slightly in the period covered by the report. SYZGY had a total of 504 permanent employees as at June 30, 2021. This represents a fall of 10 employees compared with December 31, 2020, and a reduction of 15 compared with the first half of last year. The number of employees in the German companies decreased by 16 people compared with the first half of last year, while the overall number of employees in the international companies increased by one.

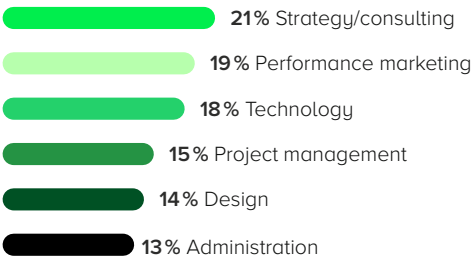
The following table shows the distribution of permanent employees by region:

Employees	06/30/2021	06/30/2020
Germany	384	400
United Kingdom	59	49
Poland	57	66
United States	4	4
Total	504	519



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

Employees	06/30/2021	06/30/2020
Strategy/consulting	106	119
Performance marketing	98	80
Technology	90	96
Project management	76	77
Design	67	74
Administration	67	73
Total	504	519



Employees by function

On average over the period, 513 employees plus around 31 freelancers worked for the SYZGY GROUP. Annualised sales per head were therefore EUR 110,000 (previous year: EUR 94,000, with an average headcount of 537 including 36 freelancers).

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

3.4.1. Results of operations

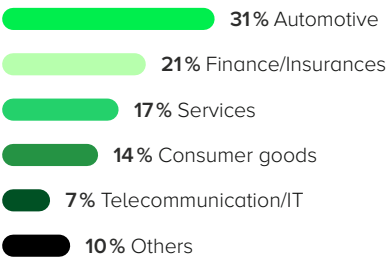
The sales figures for the SYZGY GROUP are arrived at by deducting media costs from billings. Media costs are incurred in the performance marketing companies as transitory items on the revenue and expenses side.

SYZGY GROUP sales increased by 11 per cent in the 2021 reporting period to reach EUR 30.0 million. The share of sales generated in Germany was 77 per cent. The UK segment posted strong sales growth of 41 per cent, with the UK now accounting for almost 14 per cent of sales. Sales in the Other segment (Poland and the US) were up 32 per cent, contributing 9 per cent to total SYZGY 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 automotive sector, the financial and insurance sector and the consumer goods sector each rose by 2 percentage points. By contrast, clients from the services sector saw a drop of 5 percentage points; clients from the telecommunications industry were also down 1 percentage point. Companies that cannot be assigned to any of these five key areas accounted for 10 per cent, as before.

SYZGY generated 44 per cent of total sales with the ten largest clients. This corresponds to a drop of 4 percentage points compared with the same period in the previous year.



Sales allocation by vertical markets

3.4.2. Operating expenses and depreciation

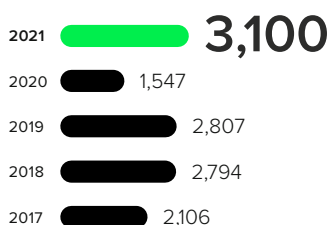
The cost of sales increased along with sales by 7 per cent, to reach EUR 21.5 million (previous year: EUR 20.1 million). Gross margin increased by 4 percentage points to 29 per cent due to sales outstripping costs.

General administrative expenses were flat at EUR 4.0 million (previous year: EUR 4.0 million) as were sales and marketing costs (EUR 2.5 million; previous year: EUR 2.5 million).

Depreciation of fixed assets decreased by EUR 0.2 million to EUR 2.7 million (previous year: EUR 2.9 million).

3.4.3. Operating income and EBIT margin

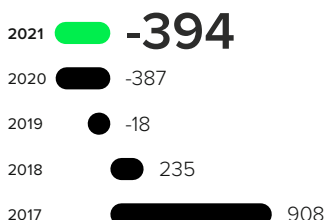
The SYZYGY GROUP's operating profit increased by 100 per cent compared with the same period of the previous year, climbing from EUR 1.5 million to EUR 3.1 million; the EBIT margin rose accordingly to 10.3 per cent (previous year: 5.7 per cent). This growth is chiefly due to the disproportionate increase in sales compared with the cost of sales, while marketing and sales costs remained the same, as did administrative expenses. Overall, the steps taken in the previous year to reduce costs are having an ongoing impact on profitability.



Operating income
(in kEUR)

3.4.4. Financial income

SYZYGY reported negative financial income of kEUR 394 for the first six months of 2021 (previous year: kEUR 387). Financial expenses chiefly comprise pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases). Financial income of kEUR 73 (previous year: kEUR 158) 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 2.7 million. In the same period of the previous year, the figure was EUR 1.2 million, meaning that pre-tax income grew by 133 per cent. After income taxes of EUR 0.6 million, net income was EUR 2.1 million.

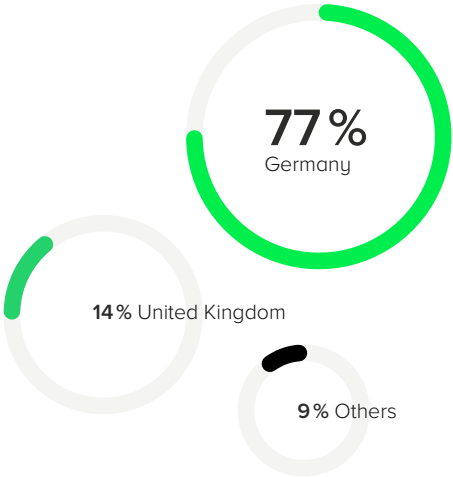
Undiluted earnings per share were EUR 0.15, based on the average available 13,500,000 shares qualifying for participation in the profits and after deducting minority shares of EUR 72,000. This figure is EUR 0.09 above the level achieved in the prior-year period.



3.4.6. Segment reporting

In accordance with IFRS 8, which is based on the management approach, SYZGY uses geographical criteria to report segments and thus distinguishes between Germany, the UK and the Other segment. The latter category includes Ars Thanea and SYZGY 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 2021, the individual segments contributed to earnings as follows, compared with the same period in the previous year:



Sales by segments

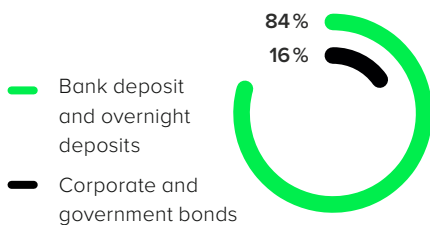
In kEUR	Germany		United Kingdom		Others	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Sales (unconsolidated)	23,604	22,268	4,318	3,065	2,825	2,145
Operating income (EBIT)	3,318	2,495	775	-95	592	-374
Operating income (EBIT) in %	14.1%	11.2%	17.9%	-3.1%	21.0%	-17.4%
Share of Group sales (consolidated) in %	77%	81%	14%	11%	9%	8%

3.4.7. Financial position

SYZGY had liquidity reserves totalling EUR 2.2 million as at the balance sheet date, corresponding to a decline of EUR 3.6 million compared with December 31, 2020. Liquid funds decreased by EUR 3.8 million to EUR 1.8 million, while securities held rose from EUR 0.2 million to EUR 0.3 million. The change in liquid funds is largely due to cash inflows from positive operating cash flow and cash outflows resulting from the dividend paid to SYZGY shareholders, as well as investments in intangible assets and fixed assets.

A total of 84 per cent of funds were accounted for by bank deposits as at June 30, 2021; 16 per cent were invested in a fund to make future payments for phased retirement.

Total cash flow of the SYZGY GROUP was negative EUR 3.7 million as at the reporting date. Cash flow from business operations stood at EUR 1.4 million in the period under review. Net income of EUR 2.1 million, depreciation and amortisation of EUR 2.7 million and an increase in accounts payable of EUR 1.2 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 3.6 million due to the rise in accounts receivable and other assets.



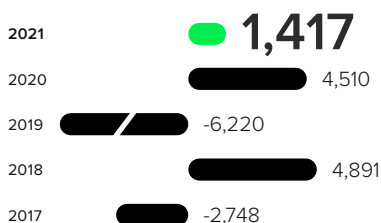
Portfolio structure of cash and marketable securities

Negative cash flow from investment operations of EUR 1.9 million was recorded. The balance of EUR 0.2 million from the acquisition and sale of securities led to a corresponding outflow of funds. Cash flow from financing activities in the first half of the year included a dividend distribution to shareholders amounting to EUR 2.0 million, and repayment of lease liabilities of EUR 1.7 million and of existing loans of EUR 0.5 million. This was offset by the medium-term raising of money market loans of EUR 1.0 million.

3.4.8. Asset situation

Total assets of the SYZGY GROUP increased by EUR 3.1 million to EUR 115.7 million in the period under review compared to December 31, 2020, representing a rise of 3 per cent.

Non-current assets increased by EUR 1.3 million to EUR 91.6 million compared to the balance sheet date of December 31, 2020 (EUR 90.3 million). This was primarily due to changes in fixed assets, which rose from EUR 30.2 million to EUR 30.8 million through the capitalisation of a new lease agreement in accordance with IFRS 16. Small changes were seen in goodwill, which went up by EUR 0.5 million to EUR 57.9 million. The increase in goodwill is currency-related and is reflected in the differences arising from foreign currency translation.



Operating cash flow
(in kEUR)



Current assets of EUR 24.1 million were above the level as at December 31, 2020 (EUR 22.3 million). This rise was largely due to accounts receivable, which increased by EUR 3.7 million, and to growth in other current assets of EUR 1.7 million. This was offset by a drop in liquid funds of EUR 3.6 million to EUR 2.2 million (previous year: EUR 5.8 million).

At EUR 54.2 million, equity was up by EUR 0.7 million compared to December 31, 2020. This growth stems from net income of EUR 2.1 million, the dividend distribution of EUR 2.0 million and the change in other net income of EUR 0.6 million. The latter is primarily due to currency translation adjustment from foreign business operations. The equity ratio fell to 47 per cent due to the increase in total assets.

At EUR 28.7 million, current liabilities were above the level as at year-end 2020 (EUR 26.8 million). This mainly includes a rise of EUR 1.6 million in other provisions and of EUR 0.3 million in income tax liabilities.

3.5. Expected performance of the SYZYGY GROUP

The ongoing shift of marketing budgets to digital channels and continuing investment in digitisation and transformation of sales and marketing processes are both factors that create a favourable backdrop for the SYZYGY 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.

SYZYGY AG is raising its profitability forecast to an EBIT margin of around 10 per cent (previously: EBIT margin in the high single-digit range) and is confirming its sales forecast for growth of some 10 per cent. The expected sales growth will be delivered by all units, both national and international, with all segments also contributing to profitability.

Bad Homburg v.d.H., July 28, 2021
SYZYGY AG

The Management Board

SYZGY AG, Bad Homburg v.d.H.

Consolidated balance sheet

as at June 30, 2021

Assets	06/30/2021	06/30/2020	12/31/2020
	kEUR	kEUR	kEUR
Non-current assets			
Goodwill	57,853	57,194	57,349
Intangibles	404	625	493
Tangible Assets	30,803	30,715	30,206
Non-current financial assets	200	200	200
Other non-current assets	319	311	364
Deferred tax assets	1,978	2,508	1,662
Total non-current assets	91,557	91,553	90,274
Current assets			
Cash and cash equivalents	1,845	3,616	5,631
Marketable securities	340	3,041	153
Accounts receivable, net and contract assets	18,936	12,435	15,229
Prepaid expenses and other current assets	3,025	1,877	1,325
Total current assets	24,146	20,969	22,338
Total assets	115,703	112,522	112,612

Equity and Liabilities	06/30/2021	06/30/2020	12/31/2020
	kEUR	kEUR	kEUR
Equity			
Common stock	13,500	13,500	13,500
Additional paid-in capital	27,058	27,069	27,058
Own shares	0	-407	0
Accumulated other comprehensive income	-2,226	-2,830	-2,836
Retained earnings	15,672	15,025	15,675
Equity attributable to shareholders of SYZGY AG	54,004	52,357	53,397
Minorities	242	-,431	190
Total Equity	54,246	51,926	53,587
Non-current liabilities			
Long-term liabilities	31,389	33,322	31,405
Other long-term Provisions	490	75	202
Deferred tax liabilities	840	2,229	588
Total non-current liabilities	32,719	35,626	32,195
Current liabilities			
Income tax accruals	2,109	554	1,788
Accrued expenses	5,901	5,581	4,306
Contract liabilities	3,811	1,331	3,493
Accounts payable	7,435	6,533	8,000
Other current liabilities	9,482	10,971	9,243
Total current liabilities	28,738	24,970	26,830
Total liabilities and equity	115,703	112,522	112,612

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, 2021

	2. Quarter			January - June			12/31/2020
	2021	2020	Change	2021	2020	Change	
	kEUR	kEUR		kEUR	kEUR		kEUR
Sales	14,977	12,024	25%	30,037	26,948	11%	55,521
Cost of revenues	-10,595	-9,070	17%	-21,456	-20,110	7%	-39,028
Sales and marketing expenses	-1,187	-1,196	-1%	-2,455	-2,471	-1%	-4,312
General and administrative expenses	-2,174	-2,092	4%	-4,041	-3,979	2%	-10,418
Impairment losses, net of trade receivables and contract assets	8	20	-60%	-2	50	-104%	106
Other operating income/expense, net	505	765	-34%	1,017	1,109	-8%	2,130
Operating profit (EBIT)	1,534	451	240%	3,100	1,547	100%	3,999
Financial income	11	76	-86%	73	158	-54%	433
Financial expenses	-246	-325	-32%	-467	-545	-14%	-1,130
Income before income taxes (EBT)	1,299	202	543%	2,706	1,160	133%	3,302
Income taxes	-272	-63	332%	-609	-341	79%	-1,219
Total net income of the period	1,027	139	639%	2,097	819	156%	2,083
thereof net income share to other shareholders	34	-22	n.a.	72	5	1,340%	24
thereof net income share to shareholders of SYZGY AG	993	161	517%	2,025	814	149%	2,059
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	212	-120	n.a.	588	-1,070	n.a.	-1,120
Net unrealized gains/losses on marketable securities, net of tax	51	472	-89%	24	-248	n.a.	-204
Other comprehensive income	263	352	-25%	612	-1,318	n.a.	-1,324
Comprehensive income	1,290	491	163%	2,709	-499	n.a.	759
thereof income share to other shareholders	41	-16	n.a.	74	-12	n.a.	7
thereof income share to shareholders of SYZGY AG	1,249	507	146%	2,635	-487	n.a.	752
Earnings per share from total operations (basic in EUR)	0.07	0.01	600%	0.15	0.06	150%	0.15

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

SYZYGY AG, Bad Homburg v.d.H.

Statement of changes in equity

as at June 30, 2021

	Accum. other compre- hensive income								
	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
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
January 01, 2020	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
Net income of the period				2,059			2,059	24	2,083
Other comprehensive income					-1,103	-204	-1,307	-17	-1,324
Comprehensive income				2,059	-1,103	-204	752	7	759
Payment to minorities				-446			-446	-66	-512
Sale of own shares		-11	407				396		396
Effects from changes in ownership interests				-595			-595	596	1
December 31, 2020	13,500	27,058	0	15,675	-2,822	-14	53,397	190	53,587
January 01, 2021	13,500	27,058	0	15,675	-2,822	-14	53,397	190	53,587
Net income of the period				2,025			2,025	72	2,097
Other comprehensive income					586	24	610	2	612
Comprehensive income				2,025	586	24	2,635	74	2,709
Dividend				-2,028			-2,028	0	-2,028
Payment to minorities							0	-22	-22
June 30, 2021	13,500	27,058	0	15,672	-2,236	10	54,004	242	54,246

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, 2021

	January - June		
	2021	2020	2020
	kEUR	kEUR	kEUR
Period net income	2,097	819	2,083
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Depreciation on fixed assets	2,692	2,907	5,655
– Profit (-) and loss (+) on sale of securities	53	60	-11
– Profit (-) and loss (+) on sale of fixed assets	3	159	446
– changes in Earn-Out liabilities	0	-394	-443
– Profit (-)/Loss(+) on sale of fixed asset investments	0	0	0
– Other non-cash income and expenses	0	0	42
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	-3,585	6,864	3,953
– Customer advances	310	-4,208	-2,046
– Accounts payable and other liabilities	1,179	-2,252	-914
– Tax accruals and payables, deferred taxes	-1,332	555	1,245
Cash flows provided by operating activities	1,417	4,510	10,010
Changes in other non-current assets	43	-38	-95
Investments in fixed assets	-1,388	-764	-2,673
Purchases of marketable securities	-5,872	-3,258	-5,105
Proceeds from sale of marketable securities	5,669	3,495	8,333
Changes from fixed asset investments	-40	-46	-40
Acquisition of consolidated entities less liquid funds	0	-1,862	-3,308
Interest expense on leasing liabilities	-291	-350	-676
Cash flows used in investing activities	-1,879	-2,823	-3,564
Change in bank loans	463	3,472	1,951
Repayment of lease obligations	-1,655	-1,743	-3,381
dividend paid to minority shareholders	0	-512	-512
dividend paid to shareholders of SYZYG AG	-2,028	0	0
Cash flows from financing activities	-3,220	1,217	-1,942
Total	-3,682	2,904	4,504
Cash and cash equivalents at the beginning of the period	5,631	944	944
Exchange rate differences	-104	-232	183
Cash and cash equivalents at the end of the period	1,845	3,616	5,631

The accompanying notes are an integral part of the financial statements.
Operating cashflow includes paid interest in the amount of kEUR 362 (prior year: kEUR 415), received interest in the amount of kEUR 20 (prior year: kEUR 583) as well as received taxes in the amount of kEUR 0 (prior year: kEUR 642) and paid taxes in the amount of kEUR 1.831 (prior year: kEUR 577).

SYZYG AG, Bad Homburg v.d.H.

Selected explanatory Notes to the Consolidated Financial Statements

Accounting

Pursuant to the provisions of section 50 para. 6 of the FwB Exchange Rules in conjunction with section 37 y para. 2 of the WpHG (German Securities Trading Act), the financial report of SYZYG AG for the first six 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 at December 31, 2020. The Management Report was prepared in accordance with the applicable requirements of the WpHG. The consolidated interim report has not been subject to an auditor's review in accordance with section 37 w para. 7 of the WpHG.

The same accounting and consolidation principles were applied as described in the notes to the financial statements in the 2020 annual report. Individual items in the balance sheet and consolidated statement of comprehensive income are likewise presented using the same valuation principles as described and applied in the annual report for 2020. The financial figures and associated information must therefore be read in conjunction with the annual report on the consolidated financial statements for 2020.

Business activity of the Group

The SYZYG GROUP is a leading consultancy and implementation partner for transformation of marketing and sales.

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 at June 30, 2021, 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)
- SYZYG Deutschland GmbH, Bad Homburg v.d.H., Germany (SYZYG Deutschland for short)
- SYZYG Digital Marketing Inc., New York City, United States (SYZYG NY for short)
- SYZYG Performance Marketing GmbH, Bad Homburg v. d. H., Germany
(SYZYG PER 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 allocable 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 2020 annual report from page 100 onwards.

Changes in shareholdings

SYZYGY AG contributed 100 per cent of the shares in both SYZYGY Media GmbH and SYZYGY Performance GmbH to SYZYGY Performance Marketing GmbH and merged the three companies. The merger agreement was signed on April 15, 2021 and entered in the Commercial Register on May 7, 2021. The merger took effect from January 2, 2021 (merger date), with the result that SYZYGY Media GmbH and SYZYGY Performance GmbH have been absorbed into SYZYGY Performance Marketing GmbH with retroactive effect.

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 PER. Ars Thanea and SYZYGY NY do not fulfil the size criteria to qualify as an independent geographical segment and are thus presented under "Other segment".

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.

06/30/2021 (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

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

Own shares

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.

In the 2020 financial year, SYZYG used all of its treasury shares as consideration for the acquisition of further shares in SYZYG Performance. The proportion of treasury shares in common stock was 0.54 per cent at the time of sale.

As at June 30, 2021, SYZYG held no treasury shares (first half of last year: 73,528 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)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
As at December 31, 2020	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
As at June 30,2021	0	0	0	0

Supervisory Board: Shares

(Number of shares)	Wilfried Beeck	Dominic Grainger	Andrew Payne	Total
As at December 31, 2020	15,000	0	0	15,000
Purchases	0	0	0	0
Sales	0	0	0	0
As at June 30,2021	15,000	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)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Lars Lehne	Total
As at December 31, 2020	0	33,000	48,000	144,000	225,000
Additions	250,000	100,000	100,000	0	450,000
Disposals	0	0	0	-144,000	-144,000
As at June 30, 2021	250,000	133,000	148,000	0	531,000

The phantom stock plan was set up in 2015. Under this arrangement the eligible employee receives the difference between the share price on the date of granting and the share price on exercise of the phantom stocks as a special payment. 40 per cent of the phantom stocks granted (Tranche 1) are not exercisable until at least 2 years have elapsed and will lapse after 3 years at the latest, while 60 per cent of the phantom stocks granted (Tranche 2) are not exercisable until at least 3 years have elapsed and will lapse after 4 years at the latest. The maximum price increase is limited to 60 per cent for Tranche 1 and to 90 per cent in the case of Tranche 2. Further information on the terms is available in the Annual Report from page 87 onward.

CEO Franziska von Lewinski was appointed for three years with effect from January 1, 2021, while the Management Board contracts of Management Board members Erwin Greiner and Frank Ladner were extended for 3 years. The Management Board members were accordingly granted phantom stocks which have a base price of EUR 5.68. Franziska von Lewinski was granted 250,000 phantom stocks, while Erwin Greiner and Frank Ladner were each granted 100,000 phantom stocks. Of these, 40 per cent may be exercised from January 1, 2023 onward, and a further 60 per cent starting from January 1, 2024.

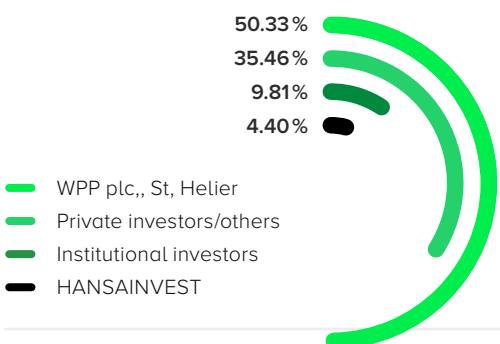
Erwin Greiner and Frank Ladner still hold 48,000 and 33,000 phantom stocks, respectively (legacy holdings). These were issued with effect from January 1, 2018 and will lapse on December 31, 2021. The base price of these phantom stocks is EUR 11.25.

Shareholders' structure

As at June 30, 2021, the shareholders' structure was slightly changed compared to December 31, 2020.

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

In thousand	Shares	per cent
WPP plc., St. Helier	6,795	50.33
Private investors/others	4,787	35.46
Institutional investors	1,324	9.81
HANSAINVEST	594	4.40
Total	13,500	100.00



Shareholders' structure

Bad Homburg v.d.H., July 28, 2021
SYZGY AG

The Management Board

Financial calendar 2021



**3-Month-Report
as per March, 31**
(english version: 05/07)

04/30

**Half-Year-Report
as per June, 30**
(english version: 08/04)

07/28

**9-Month-Report
as per September, 30**
(english version: 11/03)

10/27

**General Annual
Meeting 2021**
(virtually)

05/28

German Equity Forum
(virtually)

11/22-24

**MKK – Munich Capital Market
Conference, Munich**

12/08-09

Contact Impress

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For current information, see ir.syzygy.net

