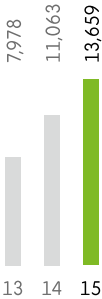


S/Z/G/

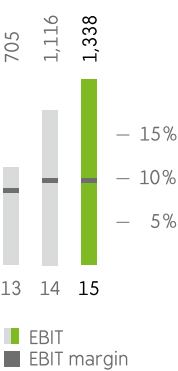


Key financial figures

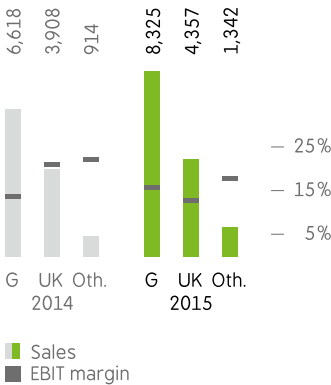
Sales
3M in kEUR



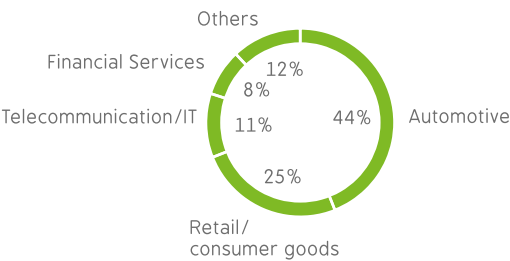
EBIT and EBIT margin
3M in kEUR



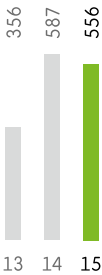
Sales and EBIT margin
by segments
3M in kEUR



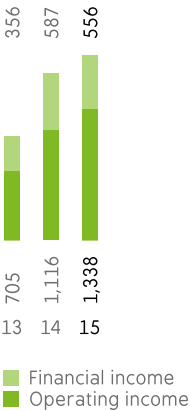
Sales allocation by
vertical markets



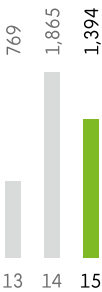
Financial income
3M in kEUR



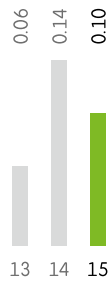
Income before taxes
(adjusted)
3M in kEUR



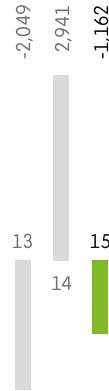
Net income
3M in kEUR



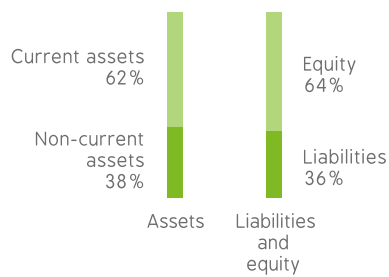
Earnings per share
3M in EUR



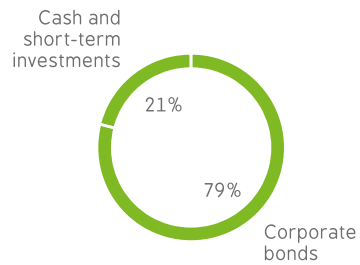
Development of
operating cash flows
3M in kEUR



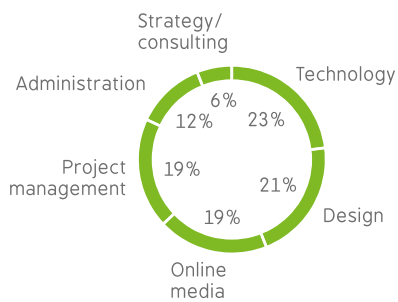
Balance sheet
structure



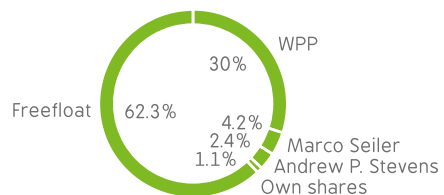
Portfolio structure of
cash and marketable
securities



Employees by
function



Shareholder
structure



| | | |
|----|---|--|
| 5 | / | General |
| 5 | / | Group profile |
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| 24 | / | Financial calendar 2015 |

Business development and management report

| | 1. Quarter | | Change |
|---------------------------|------------|--------|--------|
| | 2015 | 2014 | |
| | kEUR | kEUR | |
| Sales | 13,659 | 11,063 | 23% |
| EBITDA | 1,589 | 1,377 | 15% |
| EBITDA margin | 12% | 12% | – |
| EBIT | 1,338 | 1,116 | 20% |
| EBIT margin | 10% | 10% | – |
| Financial income | 556 | 587 | -5% |
| Net income | 1,394 | 1,865 | -25% |
| Earnings per share (EUR) | 0,10 | 0,14 | -29% |
| Employees as per March 31 | 472 | 394 | 20% |
| Liquid assets | 34,907 | 26,525 | 32% |
| Operating cash flow | -1,162 | 2,941 | – |

1. General

The following Group Management Report provides information on the performance of the SYZYGY Group (hereinafter referred to as "SYZYGY", the "Company" or the "Group"). 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

2.1 Business activities and structure

The SYZYGY Group is an international provider of creative, technological and media services for digital marketing. The Group had around 520 employees, including freelancers, at locations in Germany, the UK, Poland and the US as at the balance sheet date.

The Group consists of SYZYGY AG as the holding company and eight subsidiaries: Ars Thanea ska, Hi-ReSI Berlin GmbH, Hi-ReSI New York Inc, Hi-ReSI London Ltd, SYZYGY Deutschland GmbH, SYZYGY UK Ltd, unikedigital GmbH and Unique Digital Marketing Ltd.

The SYZYGY Group's operating units cover the entire digital marketing value chain: from strategic consulting to project planning, concepts and design to technical realisation of brand platforms, business applications, digital campaigns and mobile apps. Online marketing services such as media planning, search engine marketing/optimisation and affiliate programmes are also a major business area. Digital illustrations, animations and the development of games for smartphones and tablets round off the range of services.

The business focus is on the automotive, telecommunications/IT and consumer goods industries, as well as financial services.

2.2 Group management

The organisational structure of the SYZGY Group is decentralised. As the management holding company, SYZGY AG manages the subsidiaries on the basis of quantitative and qualitative targets (management by objectives). The management teams in the individual companies operate largely independently, within the constraints of their targets and budgets. A control and reporting system is in place for management and monitoring purposes within the Group. It compares the financial figures against the budget on a monthly basis, while also highlighting key opportunities and risks.

DRS 20 stipulates that financial and non-financial performance indicators must be included in reporting if they are also used for the Group's internal management.

Financial performance indicators

The main financial performance indicators used for managing the SYZGY Group are sales and earnings before interest and taxes (EBIT). They are presented and explained in detail in the following Management Report.

Non-financial performance indicators

SYZGY does not use any non-financial performance indicators for managing the Group or for management decision-making. In line with its style of corporate management, which is based on sustainable growth, SYZGY has nonetheless identified non-financial factors that are considered to be important for the long-term success of the Group. Some of these are listed below.

Employees

As a service provider, the Group's performance depends to a very significant extent on the skill and commitment of its employees. In order to retain them and gain new talent, SYZGY seeks to offer its staff an interesting, diverse and pleasant working environment. This includes regular internal and external training and development activities, attractive locations, cooperation with universities to promote the next generation of talent, and corporate events.

Awards

Winning prestigious awards for creative work and efficiency is an important indicator of the Group's performance. It also enhances the Group's attractiveness to (potential) clients and employees. SYZGY regularly participates in national and international competitions.

Marco Seiler, founder and CEO of the SYZGY Group, was awarded the highly regarded "Agency Person of the Year" prize in January 2015. It is conferred annually by marketing industry magazine Horizont.

Capacity for innovation

Digital marketing is in a constant state of flux. Innovative technologies and changes in user behaviour require ongoing adaptation of the service portfolio and the constant development of internal skillsets. With the aim of anticipating this change and playing an active role in shaping it, the SYZGY Group organises a **Digital Innovation Day**, at which international thought leaders and bestselling authors discuss innovation issues relating to digital marketing.

At operational level, regular training and development activities ensure that employees in software development, IT management, design, information architecture, consulting and project management are at all times familiar with the latest technologies, design principles and methods.

3. Economic report

3.1 General economic development

Most experts believe that the overall economic situation in the Eurozone remains fragile. Uncertainty and conflicts continue to weigh on the economy, especially the fighting in Ukraine, the unresolved debt problems in Greece and lower economic growth in China. On the plus side, support is being provided by a relatively dynamic US economy, falling prices for oil and energy and a weak Euro. This mix of factors suggests a somewhat higher level of activity going forward.

The Eurozone economy recovered slightly in the first quarter of 2015. The leading research institutes – ifo, Insee and Istat – believe that it performed somewhat better in the first quarter than in previous quarters, posting growth of 0.4 per cent. The rates of growth seen in the third and fourth quarters of 2014 were 0.2 and 0.3 per cent, respectively. In contrast, the Markit Purchasing Managers Index was down slightly in April 2015, after having climbed to an 11-month high in March.

The German economy likewise posted growth at the start of the year. The ifo Business Climate Index for Germany's commercial sector rose steadily in the first quarter of 2015. Survey respondents remained satisfied with the current business situation and outlook.

Several economic research institutes, such as the DIW in Berlin and IfW in Kiel, expect growth of around 1.8 per cent compared to the same quarter of the previous year.

The UK's economic climate remains positive. According to the British Chambers of Commerce, GDP grew by 0.5 per cent in the fourth quarter of 2014, with the momentum expected to have increased to 0.7 per cent in the first quarter of 2015. The principal drivers here are low energy and food prices, which stimulate personal spending, and the prospect of continuing low interest rates, which encourage corporate investment.

3.2 Advertising market performance

Statistics for the performance of the advertising market in the first quarter of 2015 were largely unavailable when this report was being prepared. However, given the general economic recovery and positive forecasts for the year 2015 as a whole, it can be assumed that companies are likely to increase their marketing budgets.

According to information provider Nielsen, for example, the gross advertising market in Germany saw sales growth of 4.0 per cent in 2014. Mobile advertising formats generated a particularly high growth rate of 72.5 per cent as companies increasingly incorporate this medium into their communications mix.

3.3 Employees

The headcount at the SYZYGY Group increased further in the period covered by the report. The SYZYGY Group had a total of 472 permanent employees as at March 31, 2015, 19 more than as at December 31, 2014, and 78 more than at the end of the corresponding quarter of the previous year. Strong growth in Group sales led to a proportionate expansion of the workforce.

The number of freelancers continued to rise, climbing from 45 to 50 as a result of this growth.

257 people (54%) worked in the four German companies and 138 (29%) in the UK agencies. Ars Thanea employed 70 members of staff (15%) as at the end of the quarter, while Hi-ReSI New York had 7 employees.

In terms of employees by function, there were no significant changes during the period under review. The technology section still comprises 23 per cent of employees. While the proportion of staff in the design section (21%), in project management (19%) and in strategy/consulting increased by one percentage point in each case, online marketing saw a drop of three percentage points to 19 per cent. As at year-end, 55 people worked in administration, which continued to account for 12 per cent of the workforce.

On average over the period, 520 people – including around 50 freelancers – worked for the SYZYGY Group. Annualised sales per head were therefore EUR 105,000 (previous year: EUR 103,000).

3.4 Investments, research and development

As in the previous year, SYZYGY invested around EUR 0.2 million in intangible assets and fixed assets in the first quarter of 2015. This consisted of investment in equipment for employees at the SYZYGY Group's various locations.

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

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

3.5.1 Results of operations

The SYZGY Group reports billings and sales. The sales figures are arrived at by deducting media costs from billings. Media costs are incurred in the online marketing subsidiaries as transitory items on the revenue and expenses side.

In the period under review, the SYZGY Group achieved very strong growth with regard to both figures. Billings were up 24 per cent to EUR 34.0 million, while sales advanced by 23 per cent to EUR 13.7 million. In both cases these were new records for a single quarter.

The key factors behind this strong performance include the acquisition of significant new clients, major growth of business with existing clients and the expansion of relationships with existing clients to new markets.

A positive aspect to note is that all segments made a significant contribution to the strong results.

SYZGY generated 44 per cent of its sales from clients in the automotive industry, 2 percentage points more than in the prior-year quarter. The consumer goods sector accounted for around 25 per cent of sales (previous year: 23%), while 11 per cent was generated with companies from the IT and telecommunications industry (previous year: 13%). The proportion of sales attributable to clients from the financial sector rose by one percentage point to 8 per cent. Some 12 per cent of sales came from firms that cannot be assigned to any of these four key areas. In absolute terms, growth was achieved across all industries.

SYZGY generated 64 per cent of total sales with its ten largest customers, 3 percentage points more than in the prior-year quarter.

3.5.2 Operating expenses and depreciation

The cost of sales rose by 27 per cent to EUR 9.9 million. This was slightly in excess of sales growth since a substantial amount of work was handled by freelancers due to the very strong order book. Gross margin thus fell by one percentage point to 28 per cent.

General administrative expenses of EUR 1.3 million were 16 per cent above the previous year's figure. The growth of the SYZGY Group requires additional expenditure on administration, although this expenditure is rising at a lower rate than sales growth.

Sales and marketing costs rose by a fifth to EUR 1.2 million, roughly in line with sales growth. The companies in the SYZGY Group are boosting their investment in business development and marketing campaigns in order to lay the foundation for further growth.

Depreciation of fixed assets amounted to EUR 0.3 million, as in the prior-year period.

3.5.3 Operating income and EBIT margin

The SYZGY Group's profitability is unchanged compared to the same quarter of the previous year, with an EBIT margin of 10 per cent. Operating income thus rose 20 per cent to EUR 1.3 million.

3.5.4 Financial income

SYZGY again generated strong financial income of EUR 0.6 million in the reporting period through active management of liquid funds. This figure matches the level of the prior-year period and corresponds to a return of 6.4 per cent on average available liquidity reserves. Financial income primarily comprises interest income from corporate bonds and gains realised on securities.

3.5.5 Income taxes, net income, earnings per share

Buoyant business performance at the SYZGY Group is reflected in pre-tax income of EUR 1.9 million. In the same quarter of the previous year, pre-tax income was EUR 2.4 million, including a one-off revaluation effect of EUR 0.7 million in respect of Ars Thanea. After eliminating this effect, pre-tax income rose by 11 per cent. After income taxes of EUR 0.5 million, net income was EUR 1.4 million.

Undiluted earnings per share were EUR 0.10 based on the average available 12,678,450 shares qualifying for participation in the profits and after deducting minority shares of EUR 0.1 million. In the same quarter of the previous year, earnings per share amounted to EUR 0.14, of which EUR 0.05 was attributable to the revaluation effect. The adjusted reference figure is therefore EUR 0.09, representing an increase of 11 per cent.

3.5.6 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 "Other segments". The latter include Ars Thanea and Hi-ReS! New York. Under IFRS 8.13, these companies are not big enough to be reported as geographically independent segments.

All segments performed very well in the period under review and contributed to the growth of the SYZGY Group.

The German agencies boosted their sales by 26 per cent to EUR 8.3 million. Operating income increased in step with sales to EUR 1.4 million, with the result that the EBIT margin rose to 16 per cent. This positive business performance was due in particular to winning the BMW Motorrad account and dynamic development of the Berlin Hi-ReS! subsidiary.

The UK segment continued to perform very well in the first quarter of 2015, with sales up 12 per cent to EUR 4.4 million. At EUR 0.6 million, operating income was down slightly, although an EBIT margin of 13 per cent still represented strong profitability. Expansion of the client relationship with Mazda to other international markets is continuing. The fact that we are now also working for AVIS USA significantly boosted business at our US subsidiary, leading to more sales being allocated to "Other segments".

Sales of EUR 1.3 million were generated in "Other segments", representing dynamic growth of 47 per cent. Operating income amounted to EUR 0.2 million, corresponding to an EBIT margin of 18 per cent.

The breakdown of sales by segment was as follows in the first quarter: 60 per cent of revenue was generated by the German companies, 31 per cent by the UK agencies and 9 per cent by Ars Thanea and Hi-ReSI New York. With regard to EBIT, 63 per cent came from the Germany segment, 26 per cent from the UK and 11 per cent from the other segments.

3.5.7 Financial position

SYZGY had liquidity reserves totalling EUR 34.9 million as at the balance sheet date, corresponding to a decrease of EUR 0.3 million or 1 per cent compared with December 31, 2014. While securities holdings rose by EUR 1.0 million to EUR 23.2 million, liquid funds were down by EUR 1.3 million to EUR 11.7 million (-10%).

67 per cent of funds were invested in corporate bonds, while 33 per cent were accounted for by bank deposits. The average residual maturity of the bonds was 7.6 years.

Total cash flow of the SYZGY Group was negative in the first quarter of 2015 at EUR -1.9 million. This decrease is accounted for by negative operating cash flow from business operations of EUR 1.2 million and investments in securities of EUR 0.8 million. As a consequence of strong cash flow in the previous year, which resulted in a drop in working capital due to the particular reporting date, balance sheet items comprising working capital returned to normal in the first quarter. The servicing of accounts payable and provisions in particular led to a cash outflow of EUR 4.7 million in the first quarter of 2015. Net income for the period of EUR 1.4 million and a decrease in other assets at EUR 1.3 million were positive factors in the first quarter. Further advance payments from clients had a positive impact of EUR 0.6 million.

Negative cash flow from investing activities of EUR 0.8 million was due to expansion of the securities portfolio.

3.5.8 Asset situation

Total assets of the SYZGY Group were almost unchanged at EUR 84.0 million. The increase of EUR 0.5 million compared to December 31, 2014 represents a one per cent rise.

Non-current assets increased by 4 per cent to EUR 31.8 million due to exchange rate differences.

Liquid funds fell by EUR 1.3 million, leading to a decline in current assets, while securities increased by EUR 1.0 million.

Despite continuing dynamic growth, accounts receivable remained constant at EUR 16.1 million (+0.2%).

At EUR 54.1 million, equity was EUR 3.0 million or 6 per cent above the figure as at December 31, 2014, corresponding to an equity ratio of 64 per cent.

The rise of EUR 1.6 million in cumulated other net income and the rise in retained earnings of EUR 1.3 million in particular had a positive impact. Other net income mainly comprises unrealised exchange rate changes and unrealised price changes on securities.

At EUR 26.4 million, current liabilities fell by EUR 2.5 million or 9 per cent compared to year-end 2014. This is mainly due to the servicing of obligations arising from the supply of goods and services (accounts payable and provisions).

4. Outlook

4.1 Forecasts

As with any private-sector business, the SYZGY 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.

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.

The SYZGY Group draws up its forecasts on the basis of its organic development.

Acquisitions can have a positive or negative effect on the future growth of the Group.

Business performance can also benefit from the acquisition of major new clients and from expanding existing client relationships by gaining additional budgets above and beyond scheduled projects.

4.2 General economic situation

SYZGY currently expects moderate growth in the Group's core markets. Overall, factors that are likely to promote economic growth predominate.

It is expected that Germany will again grow more strongly than other European countries. In its updated forecast, the German Council of Economic Experts estimates that the Eurozone will grow at a rate of 1.3 per cent; in Germany, GDP is expected to increase by 1.8 per cent. The forecast by the Halle Institute for Economic Research is comparable, at 2.0 per cent.

In the UK, the forecasts published by the British Chambers of Commerce average 2.7 per cent for the year as a whole. Since this growth is being driven primarily by private consumption and the property market, observers point to falling saving rates and rising levels of debt among private households as potential problems. Experts thus expect the recovery to weaken over the medium term.

4.3 Advertising market

The general state of the economy is one of the main factors that determines companies' willingness to invest in marketing campaigns. In view of the positive economic outlook at present, SYZGY expects advertising budgets to rise in 2015. It is also to be expected that online advertising will continue to grow as a proportion of total budgets.

For the overall German market, forecasts range from 1.4 to 2.0 per cent, according to estimates by PwC, Carat, Magna Global and eMarketer. The forecasts for online advertising published by the German Association for the Digital Economy (BVDW) assume growth of around 6.5 per cent.

Growth is expected to be somewhat higher in the UK, which is one of the top 5 advertising markets in the world, along with Germany. AA/WARC believes that advertising spend will increase by 5.6 per cent overall. Forecasts for online advertising suggest growth of 13.0 per cent, according to AA/WARC. In the UK, mobile advertising formats are experiencing very high growth rates of around 44 per cent. Almost half of all spending will thus be allocated to Internet advertising in the UK in 2015.

4.4 Expected performance of the SYZYGY Group

Two factors provide the SYZYGY Group with a very favourable backdrop for further growth: the generally positive macroeconomic outlook for Germany and the UK; and the ongoing shift of marketing budgets to the digital channel. Having said that, purely online advertising, to which the above statistics refer, represents just one aspect of the complex digital marketing sector and only makes up part of the Group's portfolio of services.

The SYZYGY Group is maintaining the forecast given in the Annual Report and expects to be able to increase its sales organically in the current financial year by around 20 per cent to approximately EUR 55.0 million. Operating income is expected to increase ahead of sales. The individual segments will contribute to this growth in roughly equal measure.

Earnings per share are likely to rise to EUR 0.40.

The results of the SYZYGY Group will be determined by the performance of the operating units and the future interest income of SYZYGY AG.

Bad Homburg v. d. H., April 30, 2015
SYZYGY AG

The Management Board

Consolidated balance sheet

| ASSETS | March 31, 2015 | March 31, 2014 | Dec. 31, 2014 |
|---|----------------|----------------|---------------|
| | kEUR | kEUR | kEUR |
| Non-current assets | | | |
| Goodwill | 26,514 | 23,115 | 25,362 |
| Fixed assets, net | 3,411 | 3,233 | 3,335 |
| Other assets | 681 | 597 | 635 |
| Deferred tax assets | 1,235 | 1,845 | 1,238 |
| Total non-current assets | 31,841 | 28,790 | 30,570 |
| Current assets | | | |
| Cash and cash equivalents | 11,691 | 8,419 | 13,017 |
| Marketable securities | 23,216 | 18,106 | 22,157 |
| Accounts receivable, net | 16,083 | 15,064 | 16,039 |
| Prepaid expenses and other current assets | 1,148 | 1,781 | 1,670 |
| Total current assets | 52,138 | 43,370 | 52,883 |
| Total assets | 83,979 | 72,160 | 83,453 |

| EQUITY AND LIABILITIES | March 31, 2015 | March 31, 2014 | Dec. 31, 2014 |
|--|----------------|----------------|---------------|
| | kEUR | kEUR | kEUR |
| Equity | | | |
| Common stock* | 12,828 | 12,828 | 12,828 |
| Additional paid-in capital | 20,300 | 20,294 | 20,294 |
| Own shares | -785 | -226 | -831 |
| Accumulated other comprehensive income | 2,615 | -374 | 1,042 |
| Retained earnings | 18,875 | 18,570 | 17,610 |
| Minorities | 220 | -165 | 91 |
| Total Equity | 54,053 | 50,927 | 51,034 |
| Non-current liabilities | | | |
| Long term liability | 3,373 | 1,644 | 3,373 |
| Deferred tax liabilities | 127 | 146 | 120 |
| Total non-current liabilities | 3,500 | 1,790 | 3,493 |
| Current liabilities | | | |
| Tax accruals and liabilities | 437 | 1,611 | 174 |
| Accrued expenses | 10,267 | 6,367 | 8,172 |
| Customer advances | 7,759 | 5,081 | 6,913 |
| Accounts payable | 6,403 | 5,903 | 11,467 |
| Other current liabilities | 1,560 | 481 | 2,200 |
| Total current liabilities | 26,426 | 19,443 | 28,926 |
| Total liabilities and equity | 83,979 | 72,160 | 83,453 |

* Contingent capital EUR 1,200,000 (previous year: EUR 1,200,000).
The accompanying notes are an integral part of the financial statements.

Consolidated statement of comprehensive income

| | 1. Quarter | | Dec. 31, 2014 | Change |
|---|---------------|---------------|----------------|-------------|
| | 2015 | 2014 | | |
| | kEUR | kEUR | kEUR | |
| Billings | 33,987 | 27,386 | 129,559 | 24% |
| Media costs | -20,328 | -16,323 | -82,484 | 25% |
| Sales | 13,659 | 11,063 | 47,075 | 23% |
| Cost of revenues | -9,888 | -7,807 | -34,288 | 27% |
| Sales and marketing expenses | -1,229 | -1,026 | -4,328 | 20% |
| General and administrative expenses | -1,331 | -1,150 | -5,130 | 16% |
| Other operating income/expense, net | 127 | 36 | 514 | 352% |
| Operating profit | 1,338 | 1,116 | 3,843 | 20% |
| Financial income, net | 556 | 587 | 2,157 | -5% |
| Special effects | 0 | 650 | — | -100% |
| Income before taxes | 1,894 | 2,353 | 6,000 | -20% |
| Income taxes | -500 | -488 | -1,261 | 2% |
| Total net income of the period | 1,394 | 1,865 | 4,739 | -25% |
| thereof net income share to other shareholders | 129 | 84 | 340 | 54% |
| thereof net income share to shareholders of SYZGY AG | 1,265 | 1,762 | 4,399 | -28% |
| Items that will not be reclassified to profit and loss: | 0 | 0 | 0 | n.a. |
| Items that will or may be reclassified to profit and loss: | | | | |
| Currency translation adjustment | 1,573 | 151 | 1,169 | 942% |
| Net unrealized gains/losses on marketable securities, net of tax | 0 | -170 | 228 | |
| Other comprehensive income | 1,573 | -19 | 1,397 | |
| Comprehensive income | 2,967 | 1,846 | 6,136 | 61% |
| thereof income share to other shareholders | 129 | 84 | 340 | 54% |
| thereof income share to shareholders of SYZGY AG | 2,838 | 1,762 | 5,796 | 61% |
| Earnings per share from total operations (basic in EUR) | 0.10 | 0.14 | 0.35 | -29% |
| Earnings per share from total operations (diluted in EUR) | 0.10 | 0.14 | 0.35 | -29% |

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

Statement of changes in equity

| | | | | | | | | Accum. other compre- hensive income | | |
|--|--------------------------------|--------------|-------------------------------|------------|-------------------|------------------------------|--------------------------------|---|-------------------|--------------|
| | Number of shares (in 1,000) | Common stock | Additional paid-in capital | Own shares | Retained earnings | Foreign exchange currency | Unrealised gains and losses | Equity attributable to shareholders of SYZGY AG | Minority interest | Total equity |
| | | KEUR | KEUR | KEUR | KEUR | KEUR | KEUR | KEUR | KEUR | KEUR |
| January 1, 2014 | 12,828 | 12,828 | 20,207 | -554 | 16,789 | -1,611 | 1,256 | 48,915 | -238 | 48,677 |
| Net income of the period | | | | | 4,399 | | | 4,399 | 340 | 4,739 |
| Other compre- hensive income | | | | | | 1,169 | 228 | 1,397 | 0 | 1,397 |
| Comprehensive income | | | | | 4,399 | 1,169 | 228 | 5,796 | 340 | 6,136 |
| Changes from first consolidation and in shares | | | | | | | | 0 | -11 | -11 |
| Dividend | | | | | -3,578 | | | -3,578 | | -3,578 |
| Sale of own shares | | | 87 | 328 | | | | 415 | | 415 |
| Purchase of own shares | | | | -605 | | | | -605 | | -605 |
| Dec. 31, 2014 | 12,828 | 12,828 | 20,294 | -831 | 17,610 | -442 | 1,484 | 50,943 | 91 | 51,034 |
| January 1, 2015 | 12,828 | 12,828 | 20,294 | -831 | 17,610 | -442 | 1,484 | 50,943 | 91 | 51,034 |
| Net income of the period | | | | | 1,265 | | | 1,265 | 129 | 1,394 |
| Other compre- hensive income | | | | | | 1,573 | 0 | 1,573 | | |
| Comprehensive income | | | | | 1,265 | 1,573 | 0 | 2,838 | 129 | 2,967 |
| Dividend | | | | | | | | 0 | | 0 |
| Sale of own shares | | | 6 | 46 | | | | 52 | | 52 |
| March 31, 2015 | 12,828 | 12,828 | 20,300 | -785 | 18,875 | 1,131 | 1,484 | 53,833 | 220 | 54,053 |

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

Consolidated statement of cash flows

| | 1. Quarter | | |
|--|---------------|---------------|---------------|
| | 2015 | 2014 | 2014 |
| | kEUR | kEUR | kEUR |
| Period net income | 1,394 | 1,865 | 4,739 |
| Adjustments to reconcile income from operations to net cash provided by operating activities | | | |
| – Writedown of marketable securities | 0 | 57 | 0 |
| – Depreciation on fixed assets | 251 | 261 | 2,554 |
| – Profit and loss on sale of securities | -334 | -275 | -1,034 |
| – Profit (-)/loss (+) on sale of fixed assets | 20 | 21 | 61 |
| – revaluation effects from first consolidation of Ars Thanea | 0 | -650 | -2,031 |
| – Other non-cash income and expenses | 840 | 475 | 841 |
| Changes in operating assets and liabilities: | | | |
| – Accounts receivable and other assets | 1,276 | -1,221 | -2,058 |
| – Customer advances | 584 | 2,054 | 3,680 |
| – Accounts payable and other liabilities | -4,706 | -174 | 6,141 |
| – Tax accruals and payables, deferred taxes | 313 | 528 | 1,517 |
| Cash flows provided by operating activities | -1,162 | 2,941 | 14,410 |
| Changes in other non-current assets | 295 | -10 | 122 |
| Investments in fixed assets | -270 | -244 | -1,380 |
| Purchases of marketable securities | -18,737 | -6,420 | -37,972 |
| Proceeds from sale of marketable securities | 17,972 | 5,930 | 34,817 |
| Acquisition of consolidated entities less liquid funds | 0 | -907 | -907 |
| Income from at equity investments | 0 | 10 | 10 |
| Cash flows used in investing activities | -740 | -1,641 | -5,310 |
| Dividend | 0 | 0 | -3,578 |
| Cash inflows from issuance of share capital from minority shareholders | 0 | -11 | -11 |
| Changes in treasury stock | 0 | 415 | -190 |
| Cash flows from financing activities | 0 | 404 | -3,779 |
| Total | -1,954 | 1,704 | 5,321 |
| Cash and cash equivalents at the beginning of the period | 13,017 | 6,728 | 6,728 |
| Exchange rate differences | 576 | -13 | 968 |
| Cash and cash equivalents at the end of the period | 11,691 | 8,419 | 13,017 |

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

Notes to the Consolidated Quarterly Financial Statements as at March 31, 2015

Accounting

Pursuant to the provisions of section 37 y WpHG (German Securities Trading Act) in conjunction with Article 37 w para. 2 WpHG, the financial report of SYZYGY AG for the first three months of 2015 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, 2014. The Management Report was prepared in accordance with the applicable requirements of the WpHG.

The same accounting and consolidation principles were applied as described in the notes to the financial statements in the 2014 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 2014. The financial figures and associated information must therefore be read in conjunction with the annual report on the consolidated financial statements for 2014.

Business activities of the SYZYGY Group

The SYZYGY Group is an international provider of creative, technological and media services for digital marketing.

SYZYGY AG acts as a management holding company by providing central services relating to strategy, planning, technology development, administration, accounting, IT infrastructure and finance. SYZYGY AG also supports the subsidiaries in new business activities and generates sales from projects with third parties.

As operating entities, the subsidiaries are responsible for providing consultancy and other services. With branches in Bad Homburg, Berlin, Frankfurt/Main, Hamburg, London, New York and Warsaw, the Group's subsidiaries cover the entire digital marketing value chain: from strategic consulting to project planning, concepts and design to technical realisation of brand platforms, business applications, websites, online campaigns and mobile apps. Online media services such as planning, search engine marketing/optimisation and affiliate programmes are also a major business area. Digital illustrations, animations and gaming round off the range of services.

The Group's business focus is on the automotive, telecommunications/IT, retail and consumer goods, and financial services industries.

Scope of consolidation and principles

As at March 31, 2015, the following subsidiaries were included in the consolidated financial statements of SYZYG AG and fully consolidated:

- (1) Ars Thanea ska, Warsaw, Poland
- (2) Hi-ReSI Berlin GmbH, Berlin, Germany
- (3) Hi-ReSI London Ltd, London, UK
- (4) Hi-ReSI New York Inc, New York City, United States
- (5) SYZYG Deutschland GmbH, Bad Homburg v.d.H., Germany
- (6) SYZYG UK Ltd, London, UK
- (7) uniquedigital GmbH, Hamburg, Germany
- (8) Unique Digital Marketing Ltd, London, UK

Information on general consolidation principles is provided in the 2014 annual report from page 64 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 criteria.

As holding company, SYZYGY AG mainly delivers services to the operating units and therefore needs to be considered separately. Sales that SYZYGY AG generates with third parties are reported under the Germany segment, as is the pro rata operating income.

The Germany segment comprises SYZYGY Deutschland GmbH, uniquedigital GmbH and Hi-ReSI Berlin GmbH. The UK segment consists of SYZYGY UK Ltd, Unique Digital Marketing Ltd and Hi-ReSI London Ltd. Due to their size, Hi-ReSI New York Inc and Ars Thanea ska fail to qualify as independent geographical segments. As they cannot be allocated to either of the geographical segments, they are summarised in other segments.

In prior year, the Germany segment additionally included Hi-ReSI Hamburg GmbH, whereas the UK segment also comprised mediopoly Ltd.

The individual segments apply the same accounting principles as the consolidated entity.

The criteria used by SYZYGY AG to assess the performance of the segments include sales and operating income (EBIT). Transactions between 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, less liabilities attributable to companies in the same segment.

| March, 31, 2015 kEUR | Germany | UK | Other segments | Central functions and consolidation | Total |
|-------------------------------------|---------|--------|----------------|---|---------|
| Billings | 18,173 | 7,677 | 8,502 | -365 | 33,987 |
| Media costs | -9,848 | -3,320 | -7,160 | 0 | -20,328 |
| Sales | 8,325 | 4,357 | 1,342 | -365 | 13,659 |
| of which internal sales | 86 | 98 | 36 | -220 | 0 |
| Operating income (EBIT) | 1,354 | 559 | 240 | -815 | 1,338 |
| Financial income | 26 | 6 | 1 | 523 | 556 |
| Income before taxes (EBT) | 1,430 | 515 | 241 | -292 | 1,894 |
| Assets | 31,720 | 28,811 | 15,436 | 8,012 | 83,979 |
| of which goodwill | 8,841 | 10,800 | 6,873 | 0 | 26,514 |
| Investments | 172 | 36 | 15 | 1 | 224 |
| Depreciations and amortisation | 159 | 51 | 40 | 1 | 251 |
| Segment liabilities | 21,048 | 6,582 | 8,263 | -5,967 | 29,926 |
| Employees as per balance sheet date | 236 | 138 | 77 | 21 | 472 |

| December 31, 2014 kEUR | Germany | UK | Other segments | Central functions and consolidation | Total |
|-------------------------------------|---------|--------|----------------|---|---------|
| Billings | 15,486 | 9,079 | 3,198 | -377 | 27,386 |
| Media costs | -8,868 | -5,171 | -2,284 | 0 | -16,323 |
| Sales | 6,618 | 3,908 | 914 | -377 | 11,063 |
| of which internal sales | 450 | 165 | 26 | -641 | 0 |
| Operating income (EBIT) | 945 | 810 | 203 | -842 | 1,116 |
| Financial income | 9 | -1 | 0 | 1,229 | 1,237 |
| Income before taxes (EBT) | 954 | 809 | 203 | 387 | 2,353 |
| Assets | 25,445 | 23,422 | 7,549 | 15,744 | 72,160 |
| of which goodwill | 8,841 | 10,765 | 3,509 | 0 | 23,115 |
| Investments | 65 | 43 | 259 | 2 | 369 |
| Depreciations and amortisation | 147 | 33 | 10 | 71 | 261 |
| Segment liabilities | 15,796 | 6,213 | 4,039 | -4,815 | 21,233 |
| Employees as per balance sheet date | 197 | 119 | 56 | 22 | 394 |

Treasury stock

SYZGY is authorised to sell 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.

During the first quarter of 2015, 8,281 treasury shares were transferred to the former shareholders of Hi-ReSI London. The profit on sale of treasury shares amounted to kEUR 6 and was accounted in other comprehensive income, not affecting net income.

As at March 31, 2015, SYZGY thus held 141,719 treasury shares at average acquisition costs of EUR 5.54.

Directors' dealings

Transactions in shares in their own organisation by board members of listed companies are called directors' dealings. In the period under review, the management board member Andrew P. Stevens sold 20,000 SYZGY shares at an average stock price of EUR 7.86. Apart from that, board members did not buy or sell any SYZGY shares.

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

Management Board: Shares

| <i>Number of shares</i> | Marco Seiler | Andrew P. Stevens | Erwin Greiner | Total |
|-------------------------|--------------|-------------------|---------------|---------|
| As at December 31, 2014 | 538,121 | 325,000 | 0 | 863,121 |
| Purchases | 0 | 0 | 0 | 0 |
| Sales | 0 | -20,000 | 0 | -20,000 |
| As at March 31, 2015 | 538,121 | 305,000 | 0 | 843,121 |

Supervisory Board: Shares

| <i>Number of shares</i> | Michael Mädel | Wilfried Beeck | Thomas Strerath | Total |
|-------------------------|---------------|----------------|-----------------|---------|
| As at December 31, 2014 | 20,000 | 120,000 | 0 | 140,000 |
| Purchases | 0 | 0 | 0 | 0 |
| Sales | 0 | 0 | 0 | 0 |
| As at March 31, 2015 | 20,000 | 120,000 | 0 | 140,000 |

Management Board: Options

| <i>Number of shares</i> | Marco Seiler | Andrew P. Stevens | Erwin Greiner | Total |
|-------------------------|--------------|-------------------|---------------|---------|
| As at December 31, 2014 | 72,000 | 120,000 | 60,000 | 252,000 |
| Additions | 0 | 0 | 0 | 0 |
| Disposals | 0 | -48,000 | 0 | -48,000 |
| As at March 31, 2015 | 72,000 | 72,000 | 60,000 | 204,000 |

SYZYG AG pays the difference between the exercise price and share price at the exercise date in cash instead of issuing new shares. Accordingly, the liabilities are recorded as accruals on a pro rata basis.

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

Shareholder structure

As at March 31, 2015, the shareholders' structure has slightly changed compared to December 31, 2014. The WPP Group still held 30 per cent, Marco Seiler continued to hold 4.2 per cent and Andrew P. Stevens now holds 2.4 per cent of the shares. Due to transferring shares to the former shareholders of Hi-Res! London in the course of the acquisition, treasury stock changed from 1.2 per cent to 1.1 per cent of shares. The free float was thus 62.3 per cent. As at the reporting date, the total number of shares was 12,828,450.

Bad Homburg v. d. H., April 30, 2015
SYZYG AG

The Management Board

Financial calendar 2015

| | | |
|--|---|----------------|
| General Annual Meeting, Frankfurt | / | May 29 |
| Interim Half-Year Report 2015 | / | July 31 |
| Zurich Capital Market Conference, Zurich | / | September 9 |
| Interim Report as per 09/30/2015 | / | October 30 |
| German Equity Forum, Frankfurt | / | November 23-25 |
| Capital Market Conference (MKK), Munich | / | December 8 |

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