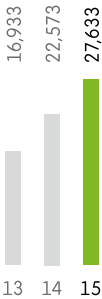


S/Z/G/

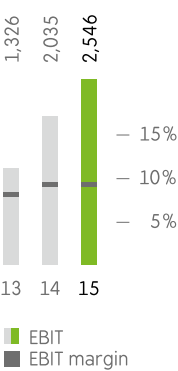


# Key financial figures

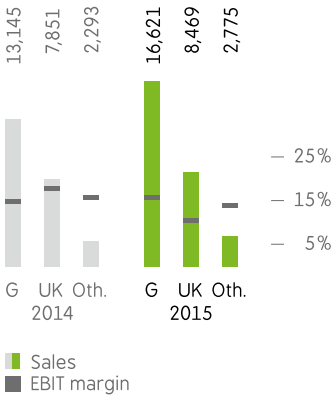
Sales  
6M in kEUR



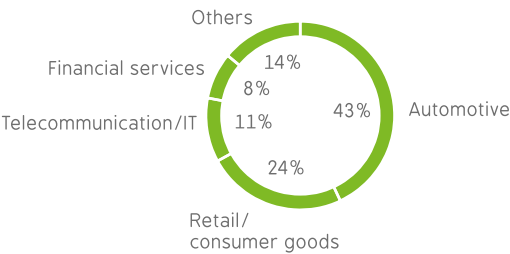
EBIT and EBIT margin  
6M in kEUR



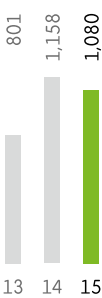
Sales and EBIT margin  
by segments  
6M in kEUR



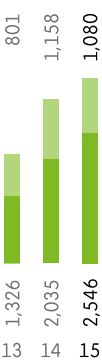
Sales allocation by  
vertical markets



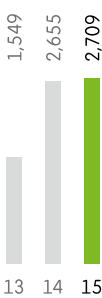
Financial income  
6M in kEUR



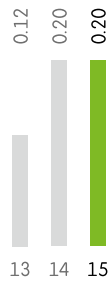
Income before taxes  
(adjusted)  
6M in kEUR



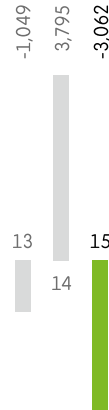
Net income  
6M in kEUR



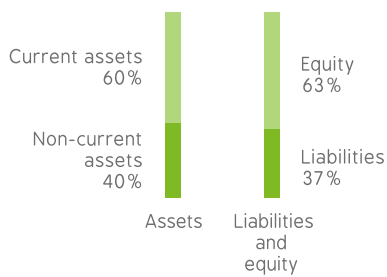
Earnings per share  
6M in EUR



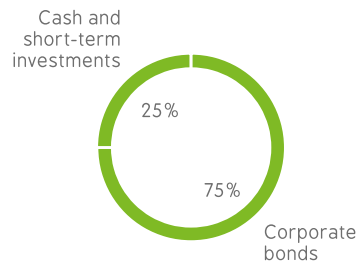
Development of operating  
cash flows  
6M in kEUR



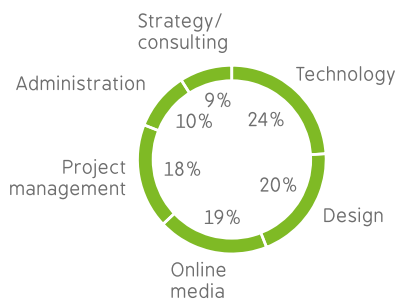
Balance sheet  
structure



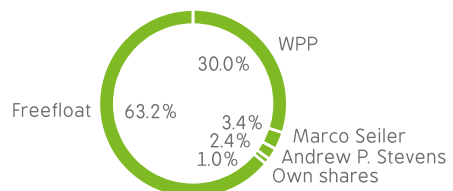
Portfolio structure of  
cash and marketable  
securities



Employees by  
function



Shareholder  
structure



5	/	General
5	/	Group profile
7	/	Economic report
12	/	Outlook
14	/	Consolidated balance sheet
15	/	Consolidated statement of comprehensive income
16	/	Statement of changes in equity
17	/	Consolidated statement of cash flows
18	/	Notes to the consolidated quarterly financial statements
24	/	Financial calendar 2015

## Business development and management report

	2. Quarter			January-June		
	2015	2014	Change	2015	2014	Change
	kEUR	kEUR		kEUR	kEUR	
Sales	13,974	11,510	21%	27,633	22,573	22%
EBITDA	1,501	1,170	28%	3,090	2,547	21%
EBITDA margin	11%	10%	1 pp	11%	11%	0 pp
EBIT	1,208	919	31%	2,546	2,035	25%
EBIT margin	9%	8%	1 pp	9%	9%	0 pp
Financial income	524	571	-8%	1,080	1,158	-7%
Net income	1,315	790	66%	2,709	2,655	2%
Earnings per share (EUR)	0,10	0,06	67%	0,20	0,20	0%
Employees incl. freelancers	528	460	15%	528	460	15%
Liquid assets	26,987	24,300	11%	26,987	24,300	11%
Operating cash flow	-1,900	854	–	-3,062	3,795	–

### 1. General

The following Group Management Report provides information on the performance of the SYZGY Group (hereinafter referred to as “SYZGY”, 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

#### 2.1. Business activities and structure

The SYZGY Group is an international provider of creative, technological and media services for digital marketing. Overall, the Group had around 530 employees, including freelancers, at locations in Germany, the UK, Poland and the US as at the balance sheet date.

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

The SYZGY 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, websites, 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 that provide an inspiring work environment and welcoming office space with room for creativity, interaction and personal contacts, an open and communicative management culture, flexible working hours, cooperation with universities to promote the next generation of talent, and corporate events.

### ***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.

## 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.

## 3. Economic report

### 3.1. General economic development

The business backdrop in the second quarter of 2015 was one of positive economic conditions. Following growth of 0.4 per cent in the first quarter of 2015, the wider Eurozone economy continued to expand in the second quarter of 2015. A 4-year high was reached, in spite of the escalating financial crisis in Greece. Experts nevertheless warn of the almost incalculable risks for the entire Eurozone if Greece were to face insolvency.

Oil price trends, the further escalation of geopolitical tensions in the Ukraine conflict and tightening of monetary policy in the US are weighing on the economy and the markets affected.

The continuing weakness of the euro is supporting exports, while low interest rates and the accompanying higher levels of lending are generating positive momentum in the Eurozone. World Bank economists raised their growth forecast to 1.5 per cent for 2015, up from the original figure of 1.1 per cent.

The leading research institutes – ifo, Insee and Istat – expect gross domestic product (GDP) to grow in real terms in the third and fourth quarters of 2015, rising by 0.5 per cent in each case.

The German economy started the year with two strong quarters. The ifo Business Climate Index for Germany's commercial sector fell slightly in June, following three rises in a row. Respondents' expectations became gloomier, with the majority now only slightly optimistic. In contrast, the ifo Business Climate Index for the service sector advanced again in June, reaching its highest level since July 2011. This indicates that service providers are expecting business to improve significantly in the coming months and are planning their employment strategy with expansion in mind.

Berlin-based economic research institute DIW expects a growth rate of around 0.5 per cent compared to the previous quarter and confirms that service sectors are driving current growth.

The economic climate remains positive in the UK, although the British Chambers of Commerce downgraded their growth forecast for 2015 from 2.7 per cent to 2.3 per cent following a weak first quarter. The main reasons for the weakness are the foreign trade deficit and decline in investment from 7.5 per cent in 2014 to 4.4 per cent in 2015. According to the British Chambers of Commerce, the drop is only temporary and medium-term expectations remain stable.

### 3.2. Advertising market performance

Statistics for the performance of the advertising market in the second quarter of 2015 were largely unavailable when this report was being prepared. SYZYGY also accepts that the validity of advertising statistics is limited since different survey methods produce widely different results and forecasts. Given the generally robust economy in the first two quarters of 2015 and positive forecasts for the year 2015 as a whole, it can nonetheless be assumed that companies have tended to increase their marketing budgets.

Information provider Nielsen reports that the German advertising market performed well in the first six months of the year compared to the same period of the previous year, growing 1.7 per cent. According to the study, German firms invested EUR 13.4 million gross in advertising. In the mobile advertising segment, sales were up 61.7 per cent. All experts agree that this trend is continuing and digital media will remain the driver of growth going forward.

According to the IPA Bellwether Report, at the end of the first quarter of 2015 the advertising industry in the UK had recorded stronger growth in the preceding four quarters than for any budget year during the last decade. Experts also expect that in 2015 the UK will become the first country in the world to invest half of all advertising budgets in digital media. Information service eMarketer expects more than GBP 16.2 billion to be available for advertising budgets in 2015.

### 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 482 permanent employees as at June 30, 2015, 10 more than as at March 31, 2015, and 62 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 was around 46 (based on FTEs) as at the reporting date, 6 more than in the first half of 2014.

271 people (56%) worked in the four German companies and 131 (27%) in the UK agencies. Ars Thanea employed 72 members of staff (15%) as at the end of the quarter, while Hi-ReSI New York had 8 employees.

In terms of employees by function, there were no significant changes during the period under review. The technology section now comprises 24 per cent of employees. The proportion of staff in the design section (20%) and in project management (18%) fell by one percentage point in each case. The proportion in strategy/consulting increased by one percentage point to 9 per cent. The online marketing section still comprises 19 per cent of employees. 50 people worked in administration as at the end of the reporting period. This corresponds to 10 per cent of the workforce and marks a fall of 2 per cent.

On average over the period, 534 people – including around 50 freelancers – worked for the SYZYGY Group. Annualised sales per head were therefore EUR 104,000 (previous year: EUR 103,000, with an average headcount of 440).



### **3.4. Investments, research and development**

SYZGY invested around EUR 0.6 million in intangible assets and fixed assets in the first half of 2015. 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 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 17 per cent to EUR 68.5 million compared to the same period of the previous year, while sales advanced by 22 per cent to EUR 27.6 million. In both cases these were new records for a half-year period.

The key factors contributing to this strong performance are the acquisition of significant new clients and major expansion of existing client relationships.

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

SYZGY generated 43 per cent of its sales from clients in the automotive industry, 4 percentage points more than in the same period of the previous year. The consumer goods sector accounted for around 24 per cent of sales (as in the previous year), while 11 per cent was generated with companies from the IT and telecommunications industry (previous year: 13 per cent). The proportion of sales attributable to clients from the financial sector

remained unchanged at 8 per cent. Some 14 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.

61 per cent of SYZGY's total sales were generated from its ten largest clients, a slight drop of 4 percentage points compared to the same period in the prior year.

#### **3.5.2. Operating expenses and depreciation**

The cost of sales rose by 25 per cent to EUR 20.1 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 two percentage points to 27 per cent.

At EUR 2.5 million, general administrative costs rose slightly by 5 per cent compared to the previous year's figure. The growth of the SYZGY Group requires additional expenditure on administration, although this expenditure is rising at a significantly lower rate than sales growth.

Sales and marketing costs totalled EUR 2.5 million in the first six months of 2015, remaining almost unchanged as sales rose (previous year: EUR 2.3 million). Investment in business development and marketing campaigns that was initiated in preceding periods has resulted in a number of new client accounts and interest from prospective clients.

Depreciation of fixed assets amounted to EUR 0.5 million, as in the prior-year period.

### **3.5.3. Operating income and EBIT margin**

The SYZGY Group's profitability rose by 25 per cent, increasing from EUR 2.0 million to EUR 2.5 million or 9.2 per cent compared to the same period of the previous year.

### **3.5.4. Financial income**

SYZGY again generated strong financial income of EUR 1.1 million in the reporting period through active management of liquid funds. This figure is marginally below the previous year's level and corresponds to an annualised return of around 7 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 3.6 million. In the same period of the previous year, the figure was EUR 3.5 million, meaning that pre-tax income increased by 3 per cent. After income taxes of EUR 0.9 million, net income was EUR 2.7 million.

Undiluted earnings per share were EUR 0.20 for the first half of 2015, based on the average available 12,694 thousand shares qualifying for participation in the profits and after deducting minority shares of EUR 0.2 million. This corresponds to the level of the same period in the prior year.

### **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-ReSI New York. Under IFRS 8.13, these companies are not big enough to be reported as geographically independent segments.

Growth of the SYZGY Group was driven chiefly by the German agencies and the companies in the "Other segments".

The German agencies made a particularly significant contribution in the first half of the year, boosting their sales by 26 per cent to EUR 16.6 million compared to the first half of 2014. Operating income saw disproportionate growth, climbing 43 per cent to EUR 2.7 million.

The UK segment continued to perform well in the period covered by the report, with sales up 8 per cent to EUR 8.5 million. At EUR 0.9 million, operating income was down slightly, although an EBIT margin of 11 per cent still represented strong profitability. The fact that the Company is now also working for AVIS USA significantly boosted business at the US subsidiary, leading to more sales being allocated to "Other segments".

Sales of EUR 2.8 million were generated in "Other segments", representing dynamic growth of 21 per cent. Operating income amounted to EUR 0.4 million, corresponding to an EBIT margin of 14 per cent.

The breakdown of sales by segment was as follows in the first half of 2015: 60 per cent of revenue was generated by the German companies, 30 per cent by the UK agencies and 10 per cent by Ars Thanea and Hi-ReSI New York. With regard to EBIT, 68 per cent came from the Germany segment, 22 per cent from the UK and 10 per cent from the other segments.

### 3.5.7. Financial position

SYZGY had liquidity reserves totalling EUR 26.9 million as at the balance sheet date, corresponding to a decrease of EUR 8.3 million or 23 per cent compared with December 31, 2014. Liquid funds were down EUR 6.3 million to EUR 6.7 million (-49 per cent), while securities holdings fell only slightly by 9 per cent, to EUR 20.3 million.

75 per cent of funds were invested in corporate bonds, while 25 per cent were accounted for by bank deposits. The average residual maturity of the bonds was 7.7 years.

Total cash flow of the SYZGY Group was negative as at the reporting date, at EUR -6.7 million. This decrease is mainly accounted for by negative operating cash flow from financing transactions, reflecting payment of the dividend of EUR -4.4 million, and negative operating cash flow from business operations of EUR -3.1 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 half of the year. The servicing of accounts payable and provisions also led to a cash outflow of EUR -3.8 million in the period covered by the report. The level of capital commitment

also increased due to a rise in trade receivables and other assets, at EUR -1.8 million. Net income for the period of EUR 2.7 million was a positive factor in the first half of the year. The reduction of advance payments from clients had a negative impact of EUR -1.1 million.

Positive cash flow from investing activities of EUR 0.8 million was due to a small reduction in the securities portfolio.

### 3.5.8. Asset situation

The SYZGY Group's total assets fell to EUR 79.7 million as at the reporting date. The decrease of EUR 3.8 million compared to December 31, 2014 represents a 5 per cent drop.

Non-current assets increased by around 5 per cent to EUR 32.1 million due to exchange rate differences.

In current assets, liquid funds fell by EUR 6.3 million to EUR 6.7 million and securities declined by EUR 1.9 million.

Due to dynamic business growth, accounts receivable rose by EUR 3.1 million to EUR 19.2 million.

At EUR 50.2 million, equity was EUR 0.8 million or 1.6 per cent below the figure as at December 31, 2014, corresponding to an equity ratio of 63 per cent.

Other accumulated net income was EUR 1.9 million, having risen by EUR 0.8 million. This item mainly comprises unrealised rate changes for foreign exchange positions and unrealised price changes on securities.

At EUR 26.0 million, current liabilities fell by EUR 3.0 million or 10 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 and the UK 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 digital channels. 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. All segments will contribute to this growth.

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.

#### **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, 2015  
SYZYGY AG

The Management Board

## Consolidated balance sheet

ASSETS	06/30/2015	06/30/2014	12/31/2014
	kEUR	kEUR	kEUR
<b>Non-current assets</b>			
Goodwill	26,643	23,467	25,362
Fixed assets, net	3,480	3,472	3,335
Other assets	702	615	635
Deferred tax assets	1,236	1,845	1,238
<b>Total non-current assets</b>	<b>32,061</b>	<b>29,399</b>	<b>30,570</b>
<b>Current assets</b>			
Cash and cash equivalents	6,737	7,362	13,017
Marketable securities	20,250	16,938	22,157
Accounts receivable, net	19,167	17,107	16,039
Prepaid expenses and other current assets	1,466	2,064	1,670
<b>Total current assets</b>	<b>47,620</b>	<b>43,471</b>	<b>52,883</b>
<b>Total assets</b>	<b>79,681</b>	<b>72,870</b>	<b>83,453</b>
EQUITY AND LIABILITIES	06/30/2015	06/30/2014	12/31/2014
	kEUR	kEUR	kEUR
<b>Equity</b>			
Common stock*	12,828	12,828	12,828
Additional paid-in capital	20,306	20,294	20,294
Own shares	-739	-226	-831
Accumulated other comprehensive income	1,852	842	1,042
Retained earnings	15,650	15,734	17,610
Minorities	317	-117	91
<b>Total Equity</b>	<b>50,214</b>	<b>49,355</b>	<b>51,034</b>
<b>Non-current liabilities</b>			
Long term liability	3,373	1,644	3,373
Deferred tax liabilities	144	142	120
<b>Total non-current liabilities</b>	<b>3,517</b>	<b>1,786</b>	<b>3,493</b>
<b>Current liabilities</b>			
Tax accruals and liabilities	665	1,755	174
Accrued expenses	9,271	4,724	8,172
Customer advances	6,079	4,378	6,913
Accounts payable	8,402	10,404	11,467
Other current liabilities	1,533	468	2,200
<b>Total current liabilities</b>	<b>25,950</b>	<b>21,729</b>	<b>28,926</b>
<b>Total liabilities and equity</b>	<b>79,681</b>	<b>72,870</b>	<b>83,453</b>

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

## Consolidated statement of comprehensive income

	2. Quarter			January-June		
	2015	2014	Change	2015	2014	Change
	kEUR	kEUR		kEUR	kEUR	
<b>Billings</b>	<b>34,536</b>	<b>31,360</b>	<b>10%</b>	<b>68,523</b>	<b>58,746</b>	<b>17%</b>
Media costs	-20,562	-19,850	4%	-40,890	-36,173	13%
<b>Sales</b>	<b>13,974</b>	<b>11,510</b>	<b>21%</b>	<b>27,633</b>	<b>22,573</b>	<b>22%</b>
Cost of revenues	-10,179	-8,192	24%	-20,067	-15,999	25%
Sales and marketing expenses	-1,266	-1,272	-0%	-2,495	-2,298	9%
General and administrative expenses	-1,158	-1,212	-4%	-2,489	-2,362	5%
Other operating income/expense, net	-163	85	–	-36	121	–
<b>Operating profit</b>	<b>1,208</b>	<b>919</b>	<b>31%</b>	<b>2,546</b>	<b>2,035</b>	<b>25%</b>
Financial income, net	524	571	-8%	1,080	1,158	-7%
Special items from first and de-consolidation	0	-315	-100%	0	335	-100%
<b>Income before taxes</b>	<b>1,732</b>	<b>1,175</b>	<b>47%</b>	<b>3,626</b>	<b>3,528</b>	<b>3%</b>
Income taxes	-417	-385	8%	-917	-873	5%
<b>Total net income of the period</b>	<b>1,315</b>	<b>790</b>	<b>66%</b>	<b>2,709</b>	<b>2,655</b>	<b>2%</b>
thereof net income share to other shareholders	97	48	102%	226	132	71%
thereof net income share to shareholders of SYZGY AG	1,218	742	64%	2,483	2,523	-2%
Items that will not be reclassified to profit and loss:	0	0	–	0	0	–
<b>Items that will or may be reclassified to profit and loss:</b>						
Currency translation adjustment	388	866	-55%	1,961	1,017	93%
Net unrealized gains/losses on mark. sec., net of tax	-1,151	350	–	-1,151	180	–
<b>Other comprehensive income</b>	<b>-763</b>	<b>1,216</b>	<b>–</b>	<b>810</b>	<b>1,197</b>	<b>-32%</b>
<b>Comprehensive income</b>	<b>552</b>	<b>2,054</b>	<b>-73%</b>	<b>3,519</b>	<b>3,852</b>	<b>-9%</b>
thereof income share to other shareholders	97	48	102%	226	132	71%
thereof income share to shareholders of SYZGY AG	455	2,006	-77%	3,293	3,720	-11%
Earnings per share from total operations (basic in EUR)	0.10	0.06	67%	0.20	0.20	0%
Earnings per share from total operations (diluted in EUR)	0.10	0.06	67%	0.20	0.20	0%

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
	Shares	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Januar 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
Januar 1, 2015	12,828	12,828	20,294	-831	17,610	-442	1,484	50,943	91	51,034
Net income of the period					2,483			2,483	226	2,709
Other compre- hensive income						1,961	-1,151	810		
Comprehensive income					2,483	1,961	-1,151	3,293	226	3,519
Dividend					-4,443			-4,443		-4,443
Sale of own shares			12	92				104		104
June 30, 2015	12,828	12,828	20,306	-739	15,650	1,519	333	49,897	317	50,214

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



## Consolidated statement of cash flows

	January-June		
	2015	2014	2014
	KEUR	KEUR	KEUR
Period net income	2,709	2,655	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	544	512	2,554
– Profit and loss on sale of securities	-520	-625	-1,034
– Profit (-)/loss (+) on sale of fixed assets	35	52	61
– Revaluation effects from first consolidation of Ars Thanea	0	-650	-2,031
– Other non-cash income and expenses	260	961	841
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	-1,836	-3,374	-2,058
– Customer advances	-1,089	1,318	3,680
– Accounts payable and other liabilities	-3,790	2,364	6,141
– Tax accruals and payables, deferred taxes	625	525	1,517
<b>Cash flows provided by operating activities</b>	<b>-3,062</b>	<b>3,795</b>	<b>14,410</b>
Changes in other non-current assets	457	-10	122
Investments in fixed assets	-573	-706	-1,380
Purchases of marketable securities	-28,617	-12,877	-37,972
Proceeds from sale of marketable securities	29,634	14,415	34,817
Acquisition of consolidated entities less liquid funds	0	-953	-907
Income from at equity investments	0	10	10
<b>Cash flows used in investing activities</b>	<b>901</b>	<b>-121</b>	<b>-5,310</b>
Dividend	-4,443	-3,578	-3,578
Cash inflows from issuance of share capital from minority shareholders	0	-11	-11
Changes in treasury stock	0	415	-190
<b>Cash flows from financing activities</b>	<b>-4,443</b>	<b>-3,174</b>	<b>-3,779</b>
<b>Total</b>	<b>-6,604</b>	<b>500</b>	<b>5,321</b>
Cash and cash equivalents at the beginning of the period	13,017	6,728	6,728
Exchange rate differences	324	134	968
<b>Cash and cash equivalents at the end of the period</b>	<b>6,737</b>	<b>7,362</b>	<b>13,017</b>

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

# Notes to the Consolidated Quarterly Financial Statements

## **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 six 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. The interim consolidated financial statements have not been subject to an auditor's review, in accordance with Article 37 w para. 5 WpHG.

## **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, Munich, 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 June 30, 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.

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.

06/30/2015	Germany	UK	Other segments	Central functions and consolidation	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Billings	34,626	14,423	19,706	-232	68,523
Media costs	-18,005	-5,954	-16,931	0	-40,890
Sales	16,621	8,469	2,775	-232	27,633
of which internal sales	93	220	72	-385	0
Operating income (EBIT)	2,736	903	387	-1,480	2,546
Financial income	59	9	1	1,011	1,080
Income before taxes (EBT)	2,795	912	388	-469	3,626
Assets	24,399	24,648	17,439	13,195	79,681
of which goodwill	8,841	11,095	6,707	0	26,643
Investments	472	41	51	9	573
Depreciations and amortisation	333	113	80	18	544
Segment liabilities	12,362	5,941	10,322	842	29,467
Employees as per balance sheet date	253	131	80	18	482

06/30/2014	Germany	UK	Other segments	Central functions and consolidation	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Billings	31,718	18,450	9,294	-716	58,746
Media costs	-18,573	-10,599	-7,001	0	-36,173
Sales	13,145	7,851	2,293	-716	22,573
of which internal sales	462	338	75	-875	0
Operating income (EBIT)	1,913	1,388	369	-1,635	2,035
Financial income	-2	2	1	1,157	1,158
Income before taxes (EBT)	1,911	1,390	370	-143	3,528
Assets	26,814	24,751	10,999	10,306	72,870
of which goodwill	8,841	11,099	3,527	0	23,467
Investments	261	139	428	1	829
Depreciations and amortisation	300	78	25	109	512
Segment liabilities	16,208	7,960	7,128	-7,781	23,515
Employees as per balance sheet date	204	128	67	21	420

### *Treasury stock*

SYZYG is authorised to resell or call in treasury shares or to offer treasury shares to third parties in the course of acquiring companies. Treasury shares do not entitle 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 half-year of 2015, 16,562 treasury shares were transferred to the former shareholders of Hi-ReSI London. The profit on sale of treasury shares amounted to kEUR 12 and was accounted in other comprehensive income, not affecting net income.

As at June 30, 2015, SYZYG thus held 133,438 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 Marco Seiler sold 106,842 SYZYG shares at an average stock price of EUR 9.13 and the management board member Andrew P. Stevens sold 20,000 SYZYG shares at an average stock price of EUR 7.86. Apart from that, board members did not buy or sell any SYZYG 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 per December 31, 2014	538,121	325,000	0	863,121
Purchases	0	0	0	0
Sales	-106,842	-20,000	0	-126,842
As per June 30, 2015	431,279	305,000	0	736,279

#### Supervisory board: shares

<i>Number of shares</i>	Michael Mädel	Wilfried Beeck	Ralf Hering	Total
As per December 31, 2014	20,000	120,000	0	140,000
Purchases	0	0	0	0
Sales	0	0	0	0
As per June 30, 2015	20,000	120,000	0	140,000

#### Management board: options

<i>Number of options</i>	Marco Seiler	Andrew P. Stevens	Erwin Greiner	Total
As per December 31, 2014	72.000	120.000	60.000	252.000
Granted	0	0	0	0
Exercised	0	-48.000	-24.000	-72.000
As per June 30, 2015	72.000	72.000	36.000	180.000

SYZGY 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 June 30, 2015, the shareholders' structure has slightly changed compared to December 31, 2014. The WPP Group still held 30 per cent, Marco Seiler now holds 3.4 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 1.0 per cent of shares. The free float was thus 63.2 per cent. As at the reporting date, the total number of shares was 12,828 thousand.

#### **Responsibility statement by the Legal Representatives in accordance with section 37y WpHG (German Security Trading Act) i.c.w. section 37w(2) no. 3 WpHG (Convenience translation)**

"To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year, in accordance with German proper accounting principles of interim consolidated reporting."

Bad Homburg v. d. H., July 31, 2015  
SYZGY AG

The Management Board

# Financial calendar 2015

Zurich Capital Market Conference, Zurich	/	September 9
Interim Report as per 09/30/2015	/	October 30
German Equity Forum, Frankfurt	/	November 23
Capital Market Conference (MKK), Munich	/	December 8

## **SYZYG AG**

Investor Relations  
Im Atzelnest 3  
61352 Bad Homburg (Germany)

Contact:  
Susan Wallenborn

**t** +49 6172 9488-252  
**e** [ir@syzygy.net](mailto:ir@syzygy.net)  
**i** [syzygy.net](http://syzygy.net)