

SYZYGY GROUP

Bad Homburg, January 31, 2023

SYZYGY GROUP posts record sales in 2022: total sales up by 17 per cent to EUR 70.6 million

Proposed dividend: EUR 0.22 per share (+10 per cent compared to previous year)

- Sales of EUR 70.6 million, increase of +17 per cent or EUR 10.5 million year-on-year
- Operating income of EUR 6.3 million, corresponding to an operating EBIT margin of around 9 per cent
- Goodwill written down in the amount of EUR 11.4 million due to the sharp rise in interest rates leading to higher discount rates
- Proposed dividend for 2022 financial year: EUR 0.22 per share (+10 per cent compared to previous year)
- Outlook for 2023: Sales growth of around 6–8 per cent with an EBIT margin of around 9–10 per cent

Provisional figures indicate that SYZYGY GROUP generated record sales of EUR 70.6 million in the 2022 financial year, with operating profitability (EBIT margin) coming in at 8.9 per cent. The Group's operating income of around EUR 6.3 million before goodwill write-downs is the same as in the prior year. Organic sales growth of 17 per cent was accompanied by investment in higher staffing levels and in building the organisation.

The Germany segment saw a significant increase in sales, which rose 17 per cent to reach EUR 55.0 million, with an EBIT margin of 10 per cent. This core market thus accounts for almost 80 per cent of sales.

The international companies continued to perform well. UK and US sales increased by around 13 per cent to reach EUR 9.6 million, combined with an EBIT margin of 14 per cent. Sales in Poland were up 26 per cent at EUR 6.0 million, with an EBIT margin of 13 per cent.

All the subsidiaries in the SYZYGY GROUP thus contributed both to sales growth and to operating profit.

Largely due to the sharp rise in interest rates, which resulted in higher discount rates, the SYZYGY GROUP wrote down goodwill in the amount of EUR 11.4 million. This led to the one-off posting of negative EBIT of EUR -5.1 million and to negative net income of EUR -7.5 million. The SYZYGY GROUP's operating financial situation, cash flow and dividend strategy remain unaffected by this write-down.

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In 2023, the SYZYGY GROUP will make strategic acquisitions a higher priority, with the aim of expanding its portfolio of services. Operating cash flow of EUR 12.6 million, the high equity ratio of 46 per cent and the company's strong credibility provide the necessary foundation for this strategy.

"The SYZYGY GROUP continues to offer its clients, employees and investors stability in a difficult global market environment. The top line organic growth indicates that we are well positioned in the digitisation market. We are correspondingly optimistic about the future. As such, we are considering new strategic options to expand our service portfolio," said Franziska von Lewinski, CEO of the SYZYGY GROUP.

Proposed dividend for the 2022 financial year

Based on the operating EPS of EUR 0.28 (before goodwill write-downs) the SYZYGY GROUP remains committed to sharing business performance appropriately with its shareholders and at the same time maintaining the continuity of dividends. The Management Board and Supervisory Board have accordingly decided to propose a dividend of EUR 0.22 per share at the Annual General Meeting on July 11, 2023. This represents an increase of EUR 0.02 or 10 per cent compared with the previous year.

Forecast

The SYZYGY GROUP expects sales growth of around 6–8 per cent in the 2023 financial year, combined with an EBIT margin in a range between 9 and 10 per cent.

kEUR	2022	2021	Change
Sales	70,600	60,124	17%
EBIT (before goodwill write-downs)	6,292	6,379	-1%
EBIT-Margin (before goodwill write-downs)	+8.9%	10.6%	-1.7pp
EBIT (inc. goodwill write-downs)	-5,135	6,379	n.a.
EBIT-Margin (inc. goodwill write-downs)	-7.3%	10.6%	n.a.
Financial income	-907	-985	-8%
Net income before tax	-6,042	5,394	n.a.

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Net income	-7,543	4,133	n.a.
Earnings per share (EUR)	-0.56	0.30	n.a.

The full annual report for 2022 will be available from March 31, 2023 at www.syzygy-group.net/investors.

About the SYZYG GROUP

The SYZYG GROUP has around 600 specialists dedicated to digitisation of brands and business processes. Together, we build long-lasting customer relationships through better digital experiences. The SYZYG GROUP was established in 1995 and has a presence across four countries in Bad Homburg, Berlin, Frankfurt, Hamburg, Munich, London, New York and Warsaw.

As a public company, SYZYG AG has been listed on the Prime Standard of the Frankfurt Stock Exchange since 2000.

The SYZYG GROUP comprises leading consultancy and implementation partner for marketing and sales transformation **SYZYG**, enterprise technology specialist **SYZYG Techsolutions**, performance marketing and media specialist **SYZYG Performance**, VR specialist **SYZYG Xrealities**, strategy consultancy **different** and design studio **Ars Thanea**.

The SYZYG GROUP companies support clients such as BMW, Bosch, Germany's Federal Press Office, Commerzbank, Consorsbank, Daimler, Deliveroo, Eucerin, Frankfurt Book Fair, Fisker, Hymer, Kyocera, Lufthansa, Mazda, Miles & More, MINI Deutschland, mobile.de, o2, PayPal, Porsche, Volkswagen, Wempe and Wirex.

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