

SYZYGY GROUP

3-Month-Report

/

03

31

2023

Interim Report

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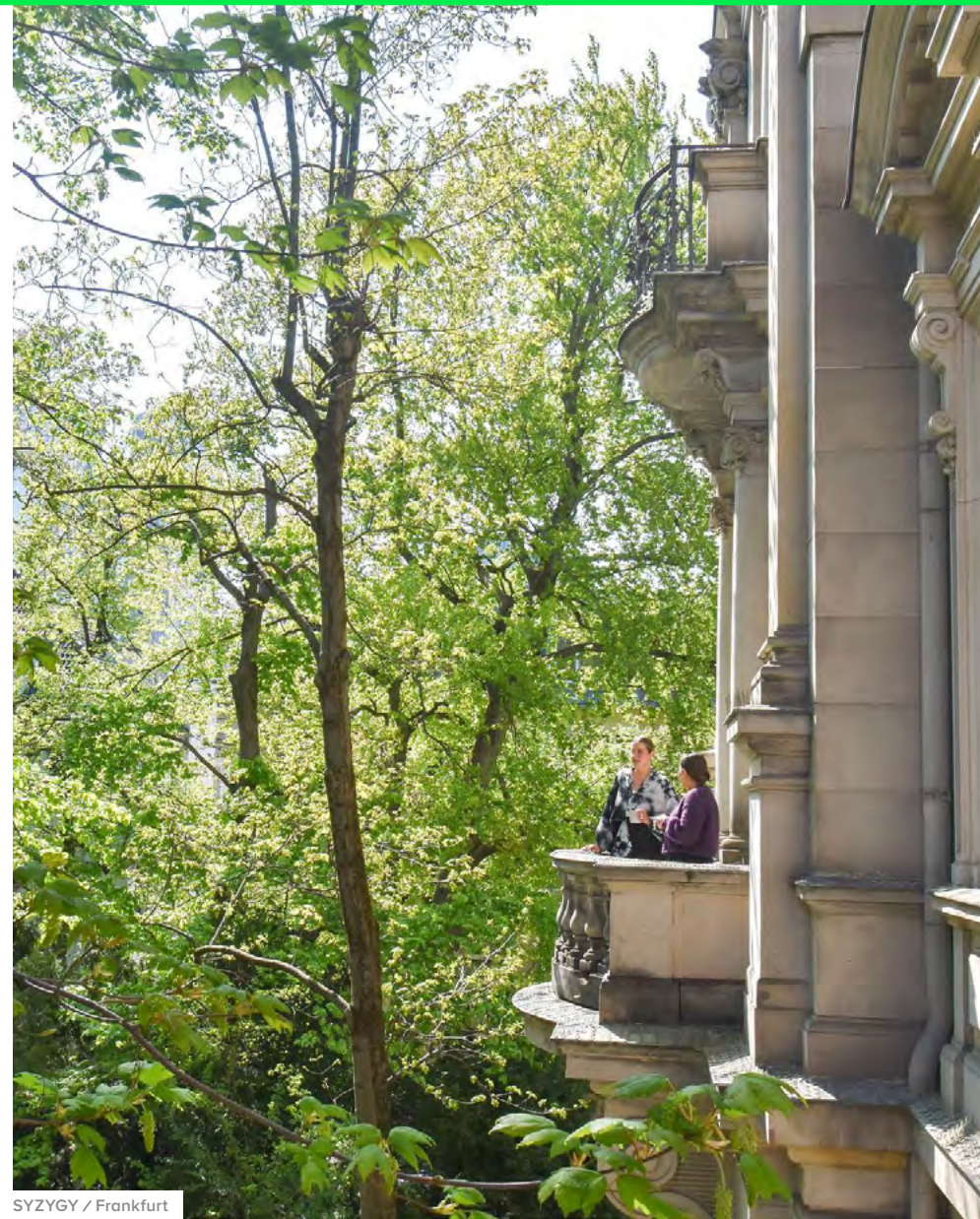
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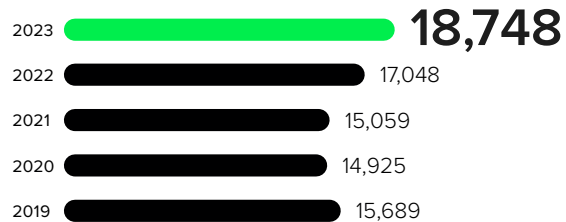
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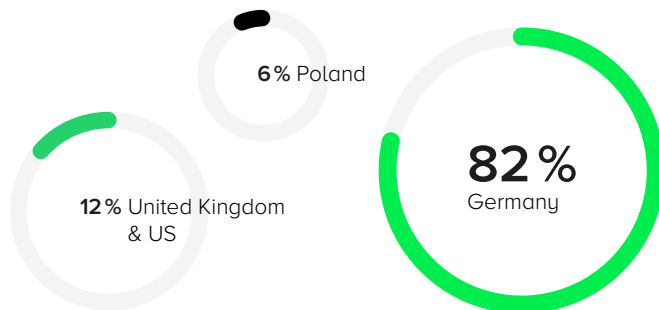


# Key financial figures

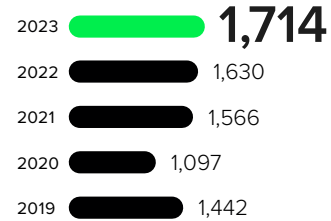
as per 03/31/2023



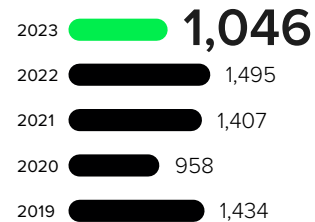
Development of sales (in kEUR)



Sales by segments



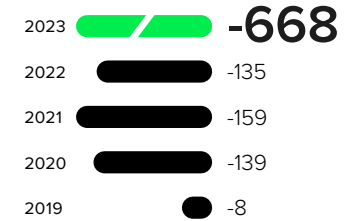
Operating income (in kEUR)



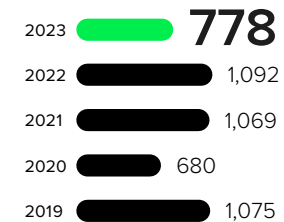
Income before taxes (in kEUR)



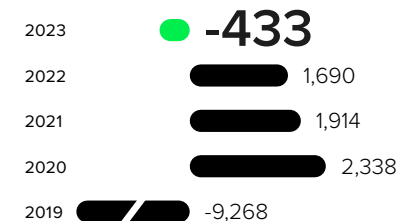
Earnings per share undiluted (in EUR)



Financial income (in kEUR)



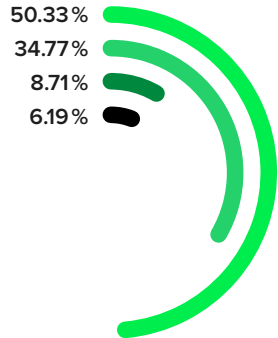
Net income (in kEUR)



Operating cash flow (in kEUR)

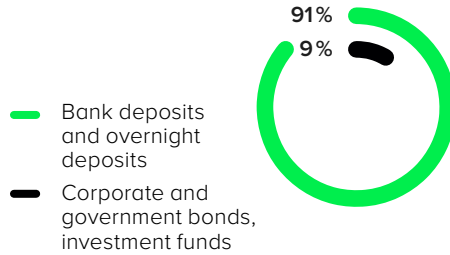


∞ The SYZYGY GROUP is a compelling **specialist for end-to-end solutions around digital transformation** of marketing and sales. ∞



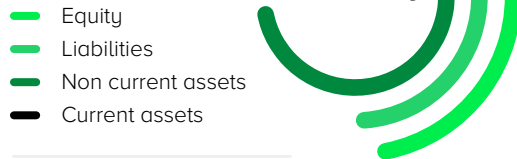
- WPP plc., St. Helier
- Private investors/others
- Institutional investors
- HANSAINVEST

Shareholder structure



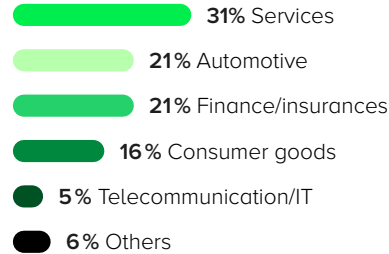
Portfolio structure of cash and marketable securities

- Bank deposits and overnight deposits
- Corporate and government bonds, investment funds

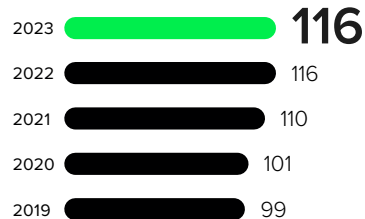


Balance sheet structure

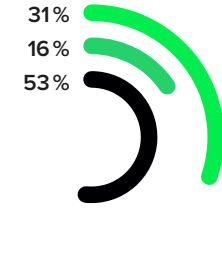
- Equity
- Liabilities
- Non current assets
- Current assets



Sales allocation by vertical markets

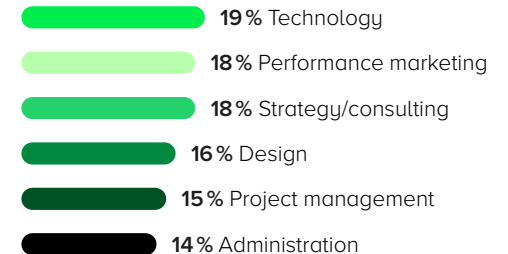


Sales by employee annualised (in kEUR)



Sales by clients' volume

- Top 5
- Top 6-10
- Others



Employees by function

## Business development and Group Management Report

### 1. General

The following Group Management Report provides information on the performance of the SYZYGY GROUP (hereinafter referred to as “SYZYGY”, the “Group”, the “SYZYGY GROUP” or the “Company”). The consolidated financial statements on which the Group Management Report is based have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial year corresponds to the calendar year.

### 2. Group profile

For information on the SYZYGY GROUP’s structure, strategy and management, please refer to the explanatory notes in the 2022 management report (2022 Annual Report, page 56 ff.).

	1. Quarter		
	2023	2022	Change
	kEUR	kEUR	
Sales	18,748	17,048	10%
Operating Income (EBIT)	1,714	1,630	5%
EBIT margin	9.1%	9.6%	-0.5 pp
Financial result	-668	-135	n.a.
Earnings before taxes (EBT)	1,046	1,495	-30%
Net income	778	1,092	-29%
Earnings per share (EUR)	0.06	0.08	-25%
Liquid assets and marketable securities	3,871	4,809	-20%
Operating cash flow	-433	1,690	-126%
Employees incl. freelancers	664	600	11%

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

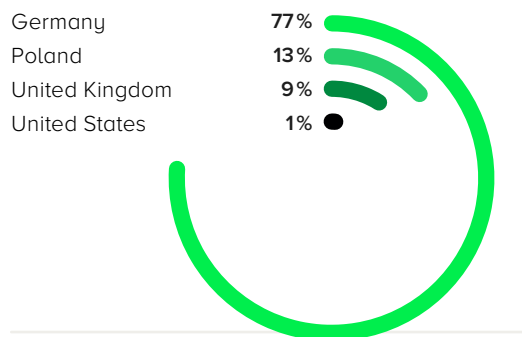
- Ars Thanea S.A.
- different GmbH
- SYZYGY Deutschland GmbH
- SYZYGY Digital Marketing Inc.
- SYZYGY Performance Marketing GmbH
- SYZYGY UK Ltd.
- Unique Digital Marketing Ltd.

### 2.1. Employees

The headcount at the SYZYGY GROUP increased in the period covered by the report. The SYZYGY GROUP had a total of 620 permanent employees as at March 31, 2023. This represents an increase of 16 employees compared with December 31, 2022, and a rise of 67 compared with the prior-year quarter. The number of employees in the German companies rose by 54 people compared with the prior-year quarter, while a total of 13 new employees were added in the international companies.

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

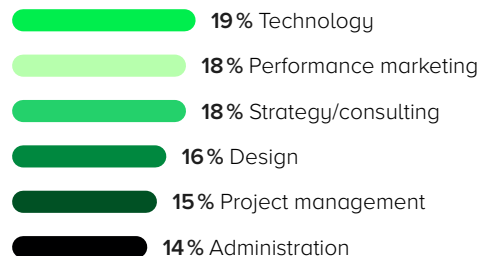
Employees	03/31/2023	03/31/2022
Germany	476	422
Poland	79	64
United Kingdom	57	61
United States	8	6
<b>Total</b>	<b>620</b>	<b>553</b>



Employees by region

The proportion of employees in each function/work area changed slightly and breaks down as follows:

Employees	03/31/2023	03/31/2022
Technology	116	99
Performance marketing	114	110
Strategy/consulting	112	102
Design	98	79
Project management	96	93
Administration	84	70
<b>Total</b>	<b>620</b>	<b>553</b>



Employees by function

On average over the period, 615 employees plus around 41 freelancers worked for the SYZYG GROUP. Annualised sales per head were therefore EUR 116,000 (previous year: EUR 116,000, with an average headcount of 552 employees and 45 freelancers).

## 2.2. Net assets, financial position and results of operations of the SYZYG GROUP

### 2.2.1. Results of operations

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

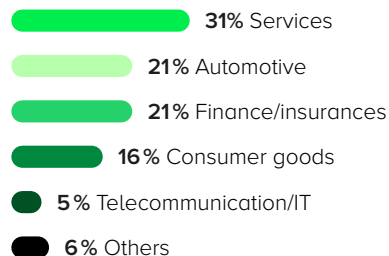
SYZYG GROUP sales increased by 10 per cent to EUR 18.7 million in the Q1 2023 reporting period. The Germany segment generated 13 per cent more sales, with its share of sales standing at 82 per cent. The United Kingdom & US segment and Poland posted declines in sales of 7 per cent and 8 per cent, respectively. This reduced the proportion of sales accounted for by the international companies to 18 per cent of total SYZYG GROUP sales.

Shifts in sales patterns gave rise to a number of changes compared to the previous year. Sales to clients in the services sector rose significantly by 11 percentage points, while sales to clients in the automotive industry were down 7 percentage points. This is mainly because growth from new and existing clients was generated primarily with clients in the services sector. The proportion of sales to clients in the consumer goods sector remained constant. Sales to clients in the financial and insurance sectors and to telecom/IT clients each posted a 1 percentage point decline.



Sales derived from companies that cannot be assigned to any of these five key areas were down by 2 per cent.

SYZGY generated 47 per cent of total sales with the ten largest clients. This corresponds to a drop of 2 percentage points compared with the same period in the previous year.



**Sales allocation by vertical markets**

**2.2.2. Operating expenses and depreciation**

The cost of sales increased at a slightly slower rate than sales, rising by 9 per cent to EUR 13.8 million (previous year: EUR 12.6 million). Gross margin thus increased slightly by 1 per cent to come in at 27 per cent.

General administrative expenses rose to EUR 2.4 million (previous year: EUR 2.0 million). Sales and marketing costs were flat at EUR 1.3 million (previous year: EUR 1.3 million).

Depreciation of fixed assets was unchanged at EUR 1.3 million (previous year: EUR 1.3 million).

**2.2.3. Operating income and EBIT margin**

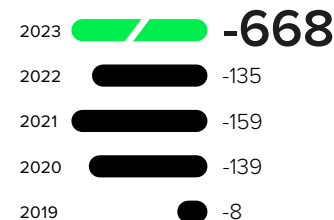
The SYZGY GROUP's operating profit rose by 5 per cent to EUR 1.7 million compared with the prior-year period (previous year: EUR 1.6 million), while the EBIT margin fell slightly to 9.1 per cent (previous year: 9.6 per cent). This is chiefly due to costs rising faster than sales. Building up additional capacity and integrating new employees were the main factors in this temporary increase in costs.



**Operating income (in kEUR)**

**2.2.4. Financial income**

SYZGY reported negative financial income of EUR 0.7 million for the first three months of 2023 (previous year: EUR 0.1 million). Financial expenses chiefly comprise pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases) and impairment on securities. The investment portfolio was largely liquidated, meaning that financial income was immaterial.



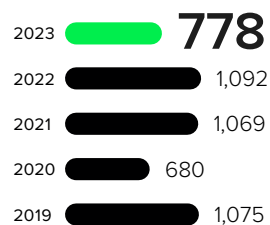
**Financial income (in kEUR)**



### 2.2.5. Income taxes, net income, earnings per share

Business performance at the SYZYGY GROUP is reflected in pre-tax income of EUR 1.1 million. In the same period of the previous year, the figure was EUR 1.5 million, meaning that pre-tax income declined by 30 per cent. After income taxes of EUR 0.3 million, net income was EUR 0.8 million.

Undiluted earnings per share were EUR 0.06, based on the average available 13,500,026 shares qualifying for participation in the profits and after deducting minority shares of EUR 36,000. This figure is EUR 0.02 down on the prior-year period (EUR 0.08).



Net income (in kEUR)



Earnings per share undiluted (in EUR)

### 2.2.6. Segment reporting

In accordance with IFRS 8, which is based on the management approach, SYZYGY is reporting segments differently from the previous year. The United Kingdom & US segment now includes SYZYGY Digital Marketing in addition to the British companies, because it is managed from the UK. The original Other segment has been renamed Poland and comprises Ars Thanea. The Germany segment remains unchanged.

SYZYGY / Warsaw





In the first quarter of 2023, the individual segments contributed to earnings as follows, compared with the same period in the previous year:

1. Quarter (in kEUR)	Germany		United Kingdom & US		Poland	
	2023	2022	2023	2022	2023	2022
Sales (unconsolidated)	15,098	13,417	2,245	2,419	1,405	1,529
Operative income (EBIT)	1,721	1,471	142	310	231	166
Operative income (EBIT) in %	11.4%	11.0%	6.3%	12.8%	16.4%	10.9%
Share of Group sales in % (consolidated)	82%	78%	12%	13%	6%	9%

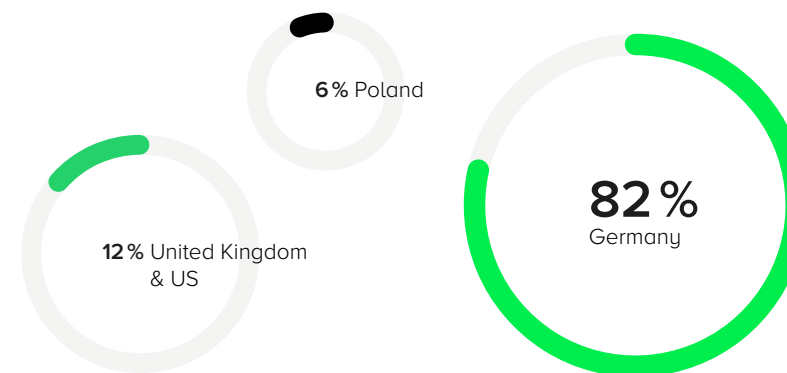
### 2.2.7. Financial position

SYZGY had liquidity reserves totalling EUR 3.9 million as at the balance sheet date, corresponding to a decline of EUR 5.0 million compared with December 31, 2022. Liquid funds decreased by EUR 4.3 million to EUR 3.5 million, while securities held declined from EUR 1.1 million to EUR 0.4 million. The change in liquid funds is largely due to the repayment of loans, which went down from EUR 8.0 million to EUR 4.0 million.

A total of 9 per cent of funds were invested in corporate bonds as at March 31, 2023, while 91 per cent were accounted for by bank deposits. The average residual maturity of the bonds was 12.2 years.

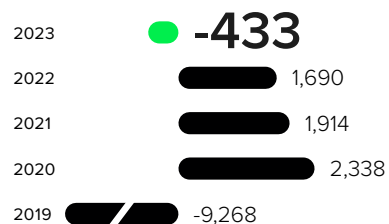


Income before taxes (in kEUR)



Sales by segments

Total cash flow of the SYZYGY GROUP was negative EUR 4.1 million as at the reporting date. Cash flow from business operations stood at EUR -0.4 million in the period under review. Net income of EUR 0.8 million, depreciation and amortisation of EUR 1.3 million and an increase in advance payments received of EUR 2.3 million were positive contributors in this respect. In contrast, operating cash flow was reduced by EUR 4.7 million due to the decline in accounts payable and other liabilities, along with a EUR 0.8 million rise in accounts receivable and other assets.



#### Operating cash flow (in kEUR)

Cash flow from investment operations was positive at EUR 1.2 million. This was mainly due to sales of securities totalling EUR 0.5 million and investments in intangible assets and fixed assets of EUR 0.9 million. Loans of EUR 4.0 million were repaid in the first quarter to boost cash flow from financing activities. A repayment of lease liabilities of EUR 0.9 million was also made.

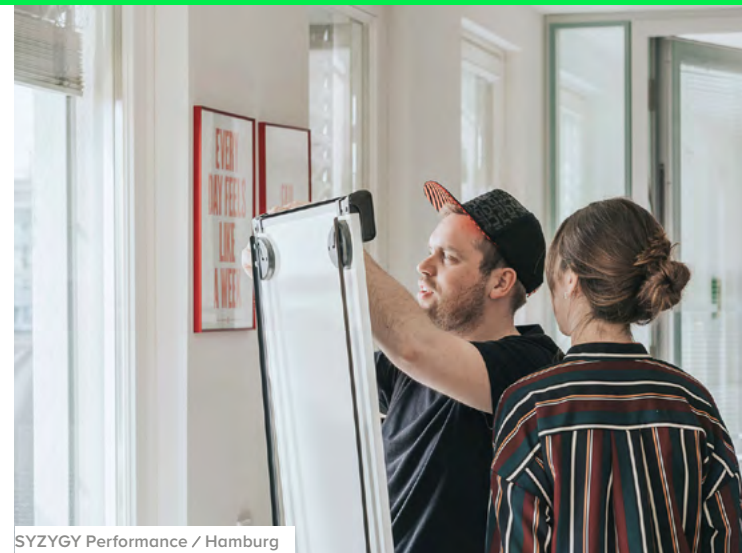
#### 2.2.8. Asset situation

Total assets of the SYZYGY GROUP decreased by EUR 4.4 million to EUR 94.8 million in the period under review compared to December 31, 2022, representing a fall of 4 per cent.

Non-current assets remained unchanged at EUR 71.6 million compared to the balance sheet date of December 31, 2022.

Current assets of EUR 23.3 million were below the level as at December 31, 2022 (EUR 27.6 million). This decline is largely attributable to the change in cash and cash equivalents, which fell by EUR 4.3 million. This was partly offset by an increase in accounts receivable of EUR 0.9 million.

At EUR 46.1 million, equity was up by EUR 1.0 million compared to December 31, 2022. The main reason here was an increase in retained earnings of EUR 7.3 million to EUR 8.1 million. Other comprehensive income also improved by EUR 0.3 million to EUR -2.8 million. This item mainly comprises unrealised rate changes for foreign exchange positions. The equity ratio increased to 49 per cent due to the reduction in total assets and a rise in equity.



SYZYGY Performance / Hamburg

Non-current liabilities were EUR 20.5 million and thus slightly above the level as at December 31, 2022 (EUR 20.4 million).

At EUR 28.2 million, current liabilities were below the level as at year-end 2022 (EUR 33.7 million). This mainly includes a decline of EUR 4.6 million in other current liabilities due to the repayment of loans. Accounts payable were also down by EUR 3.0 million. This was partly offset by a rise of EUR 2.2 million in contract liabilities.

### 2.3. Expected performance of the SYZYGY GROUP

The ongoing shift of marketing budgets to the digital channel and continuing investment in digitisation of sales and marketing processes are both factors that create a favourable backdrop for the SYZYGY GROUP. 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 SYZYGY GROUP's portfolio of services.

Based on the information available to date, the SYZYGY GROUP expects sales to grow by between 6 and 8 per cent in the 2023 financial year, with an anticipated EBIT margin of between 9 and 10 per cent. The EBIT margin is defined as the ratio of operating profit before interest and income taxes (EBIT) to sales revenue. This translates to EBIT for the SYZYGY GROUP of between EUR 6.8 million and EUR 7.6 million. The forecast EBIT figure does not include possible impairment of goodwill; no such impairment is anticipated. The Management Board of SYZYGY AG is therefore confirming the forecast made in the 2022 annual report.

Bad Homburg v. d. H., April 28, 2023  
SYZYGY AG

The Management Board



Management Board / Erwin Greiner (CFO), Franziska von Lewinski (CEO) and Frank Ladner (CTO)

SYZYGY AG, Bad Homburg v.d.H.

**Consolidated balance sheet** as at March 31, 2023

Assets	03/31/2023	03/31/2022	12/31/2022
	kEUR	kEUR	kEUR
<b>Non-current assets</b>			
Goodwill	43,121	54,894	43,037
Intangibles	200	297	211
Tangible Assets	26,581	28,490	26,640
Non-current financial assets	301	320	269
Other non-current assets	246	330	259
Deferred tax assets	1,138	1,635	1,221
<b>Total non-current assets</b>	<b>71,587</b>	<b>85,966</b>	<b>71,637</b>
<b>Current assets</b>			
Cash and cash equivalents	3,519	2,213	7,814
Marketable securities	352	2,596	1,088
Accounts receivable, net and contract assets	17,067	18,338	16,163
Prepaid expenses and other current assets	2,324	2,182	2,509
<b>Total current assets</b>	<b>23,262</b>	<b>25,329</b>	<b>27,574</b>
<b>Total assets</b>	<b>94,849</b>	<b>111,295</b>	<b>99,211</b>

Equity and liabilities	03/31/2023	03/31/2022	12/31/2022
	kEUR	kEUR	kEUR
<b>Equity</b>			
Common stock	13,500	13,500	13,500
Additional paid-in capital	27,058	27,058	27,058
Own shares	0	0	0
Accumulated other comprehensive income	-2,829	-2,583	-3,080
Retained earnings	8,081	18,680	7,338
<b>Equity attributable to shareholders of SYZYGY AG</b>	<b>45,810</b>	<b>56,655</b>	<b>44,816</b>
Minorities	315	291	279
<b>Total Equity</b>	<b>46,125</b>	<b>56,946</b>	<b>45,095</b>
<b>Non-current liabilities</b>			
Long-term liabilities	19,919	23,032	19,870
Other long-term Provisions	323	389	267
Deferred tax liabilities	293	667	265
<b>Total non-current liabilities</b>	<b>20,535</b>	<b>24,088</b>	<b>20,402</b>
<b>Current liabilities</b>			
Income tax accruals	574	720	363
Accrued expenses	4,083	4,499	4,435
Contract liabilities	8,311	6,800	6,078
Accounts payable	5,786	6,615	8,810
Other current liabilities	9,435	11,627	14,028
<b>Total current liabilities</b>	<b>28,189</b>	<b>30,261</b>	<b>33,714</b>
<b>Total liabilities and equity</b>	<b>94,849</b>	<b>111,295</b>	<b>99,211</b>

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

SYZYG AG, Bad Homburg v.d.H.

**Consolidated statement of comprehensive income** from January 1, 2023 to March 31, 2023

	January - March			
	2023	2022	Change	12/31/2022
	kEUR	kEUR		kEUR
<b>Sales</b>	<b>18,748</b>	<b>17,048</b>	<b>10%</b>	<b>70,612</b>
Cost of revenues	-13,767	-12,620	9%	-53,492
Sales and marketing expenses	-1,298	-1,323	-2%	-4,394
General and administrative expenses	-2,432	-2,014	21%	-9,757
Impairment losses, net of trade receivables and contract assets	-1	3	-133%	-34
Other operating income/expense, net	464	536	-13%	-8,140
<b>Operating profit (EBIT)</b>	<b>1,714</b>	<b>1,630</b>	<b>5%</b>	<b>-5,205</b>
Financial income	17	66	-74%	188
Financial expenses	-685	-201	241%	-1,036
<b>Income before income taxes (EBT)</b>	<b>1,046</b>	<b>1,495</b>	<b>-30%</b>	<b>-6,053</b>
Income taxes	-268	-403	-33%	-1,328
<b>Total net income of the period</b>	<b>778</b>	<b>1,092</b>	<b>-29%</b>	<b>-7,381</b>
thereof net income share to other shareholders	35	17	106%	118
thereof net income share to shareholders of SYZYG AG	743	1,075	-31%	-7,499
<b>Items that will not be reclassified to profit and loss</b>	<b>0</b>	<b>0</b>	<b>n.a.</b>	<b>0</b>

	January - March			
	2023	2022	Change	12/31/2022
	kEUR	kEUR		kEUR
<b>Items that will or may be reclassified to profit and loss</b>				
Currency translation adjustment from foreign business operations	100	-171	-158%	-613
Net unrealized gains/losses on marketable securities, net of tax	152	-224	-168%	-280
<b>Other comprehensive income</b>	<b>252</b>	<b>-395</b>	<b>-164%</b>	<b>-893</b>
<b>Comprehensive income</b>	<b>1,030</b>	<b>697</b>	<b>48%</b>	<b>-8,274</b>
thereof income share to other shareholders	36	14	157%	114
thereof income share to shareholders of SYZYG AG	994	683	46%	-8,388
Earnings per share from total operations (basic in EUR)	0.06	0.08	-25%	-0.56

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

SYZYGY AG, Bad Homburg v.d.H.

**Statement of changes in equity** as at March 31, 2023

In kEUR	Common stock	Additional paid-in capital	Own shares	Accum. other comprehensive income				Minority interest	Total equity
				Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZYGY AG		
<b>Jan. 01, 2022</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>17,605</b>	<b>-2,212</b>	<b>21</b>	<b>55,972</b>	<b>277</b>	<b>56,249</b>
Net income of the period				-7,499			-7,499	118	-7,381
Other comprehensive income					-609	-280	-889	-4	-893
<b>Comprehensive income</b>				<b>-7,499</b>	<b>-609</b>	<b>-280</b>	<b>-8,388</b>	<b>114</b>	<b>-8,274</b>
Dividend				-2,700			-2,700		-2,700
Payment from distribution				<b>-68</b>			-68		-68
Payment to minorities				0			0	-112	-112
<b>Dec. 31, 2022</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>7,338</b>	<b>-2,821</b>	<b>-259</b>	<b>44,816</b>	<b>279</b>	<b>45,095</b>

In kEUR	Common stock	Additional paid-in capital	Own shares	Accum. other comprehensive income				Minority interest	Total equity
				Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZYGY AG		
<b>Jan. 01, 2023</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>7,338</b>	<b>-2,821</b>	<b>-259</b>	<b>44,816</b>	<b>279</b>	<b>45,095</b>
Net income of the period				743			743	35	778
Other comprehensive income					99	152	251	1	252
<b>Comprehensive income</b>				<b>743</b>	<b>99</b>	<b>152</b>	<b>994</b>	<b>36</b>	<b>1,030</b>
<b>March 31, 2023</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>8,081</b>	<b>-2,722</b>	<b>-107</b>	<b>45,810</b>	<b>315</b>	<b>46,125</b>

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



SYZYGY AG, Bad Homburg v.d.H.

**Consolidated statement of cash flows** as at March 31, 2023

	January - March		
	2023	2022	2022
	kEUR	kEUR	kEUR
Period net income	778	1,092	-7,381
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Writedown of marketable securities	446	0	0
– Depreciation on fixed assets	1,270	1,347	16,758
– Profit (-) and loss (+) on sale of securities	50	2	236
– Profit (-) and loss (+) on sale of fixed assets	4	4	-78
– changes in Earn-Out liabilities	0	0	-240
– Profit (-)/Loss(+) on sale of fixed asset investments	0	0	-13
– Other non-cash income and expenses	-25	-50	-36
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	-789	2,729	4,390
– Customer advances	2,255	1,578	890
– Accounts payable and other liabilities	-4,699	-5,123	-1,652
– Tax accruals and payables, deferred taxes	277	111	-311
<b>Cash flows provided by operating activities</b>	<b>-433</b>	<b>1,690</b>	<b>12,563</b>

	January - March		
	2023	2022	2022
	kEUR	kEUR	kEUR
Changes in other non-current assets	10	-44	21
Investments in fixed assets	877	-276	-632
Purchases of marketable securities	0	-2,162	-2,162
Proceeds from sale of marketable securities	475	993	2,131
Changes from fixed asset investments	0	0	13
Interest expense on leasing liabilities	-137	-150	-570
<b>Cash flows used in investing activities</b>	<b>1,225</b>	<b>-1,639</b>	<b>-1,199</b>
Change in bank loans	-4,000	762	4,582
Repayment of lease obligations	-911	-889	-3,566
Dividend paid to minority shareholders	0	0	-180
Dividend paid to shareholders of SYZYGY AG	0	0	-2,700
Payments from changes in ownership interests in subsidiaries	0	0	-3,930
<b>Cash flows from financing activities</b>	<b>-4,911</b>	<b>-127</b>	<b>-5,794</b>
<b>Total</b>	<b>-4,119</b>	<b>-76</b>	<b>5,570</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7,814</b>	<b>2,115</b>	<b>2,115</b>
Exchange rate differences	-176	174	129
<b>Cash and cash equivalents at the end of the period</b>	<b>3,519</b>	<b>2,213</b>	<b>7,814</b>

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

## Selected explanatory Notes to the Consolidated Financial Statements

### Accounting

Pursuant to the provisions of section 50 (6) of the BörsO (Stock Exchange Directive) in conjunction with Article 37 w WpHG (German Securities Trading Act), the financial report of SYZYGY AG for the first three months of 2023 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 of December 31, 2022. The Management Report was prepared in accordance with the applicable requirements of the WpHG. The interim financial report has not been audited in accordance with section 37 (w) of the German Securities Trading Act (WpHG).

The accounting and consolidation principles are applied as described in the notes to the consolidated financial statements to the 2022 Annual Report. Balance sheet and statement of comprehensive income positions are presented following the same accounting policies as in the 2022 Annual Report. As a result, the following figures and notations should be read in accordance with the 2022 Annual Report.

### Business activities of the SYZYGY GROUP

The SYZYGY GROUP is a leading consultancy and implementation partner for digitisation, transformation and strategy in marketing and sales. It digitises structures and organisations, and develops new products, services and business models.

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

As operating entities, the subsidiaries are responsible for providing consultancy and other services. With branches in Bad Homburg v. d. H., Berlin, Frankfurt/Main, Hamburg, London, Munich, New York and Warsaw, they offer major companies a comprehensive range of services, from strategic consulting to project planning, concepts and

design to technical realisation of brand platforms, business applications, websites, hosting, online campaigns and mobile apps. Performance marketing services such as consulting and data analysis as well as search engine marketing/optimisation are also a major business area. In addition, SYZYGY helps clients meet customer experience and usability requirements and assists them at every stage of the user-centred design process. Digital illustrations, virtual reality (VR), augmented reality (AR) and animations round off the service portfolio.

The business focus is on the automotive, services, financial/ insurance, consumer goods and telecommunications/IT sectors.

### Scope of consolidation and principles

The consolidated financial statements are based on the financial statements of the companies consolidated in the Group, prepared in accordance with the accounting and valuation principles set out in International Financial Reporting Standards (IFRS) as they are to be applied in the European Union and in line with the supplementary provisions of Article 315e [1] of the Handelsgesetzbuch (HGB – German Commercial Code). The reporting dates for these companies correspond to the reporting date for the Group.

As of March 31, 2023, the following subsidiaries were included in the consolidated financial statements of SYZYG AG as the top-level parent company and fully consolidated. In the case of these companies, SYZYG AG can exercise the power of disposal, is exposed to fluctuating returns from the subsidiaries and can influence the level of returns due to its power of disposal:

- Ars Thanea S.A., Warsaw, Poland (Ars Thanea for short)
- different GmbH, Berlin, Germany (different for short)
- SYZYG Performance Marketing GmbH, Bad Homburg v.d.H., Germany (SYZYG Performance for short)
- SYZYG Deutschland GmbH, Bad Homburg v.d.H., Germany (SYZYG Deutschland for short)
- SYZYG Digital Marketing Inc., New York City, United States (SYZYG NY for short)
- SYZYG UK Ltd., London, United Kingdom (SYZYG UK for short)
- Unique Digital Marketing Ltd., London, United Kingdom (Unique Digital UK for short)

A subsidiary is incorporated into the consolidated financial statements from the date on which SYZYG AG gains control over the subsidiary until the date on which control by the Company ends.

The income generated by subsidiaries acquired or sold in the course of the year is recognised accordingly in the consolidated statement of comprehensive income from the actual date of acquisition or up to the actual date of disposal and is recorded under other comprehensive income.

The profit or loss and every component of other comprehensive income are attributable to the shareholders of SYZYG AG and the non-controlling shares. This remains the case even if it results in non-controlling shares posting a negative balance.

Information on general consolidation principles is provided in the 2022 annual report from page 101 onwards.

### Segment reporting

Application of IFRS 8 requires segment reporting in accordance with the Group's management approach. SYZYG thus bases segment reporting on geographical lines.

As the holding company, SYZYG AG mainly delivers services to the operating units and therefore needs to be considered separately as a provider of central functions. The United Kingdom & US segment consists of SYZYG UK, Unique Digital UK and SYZYG NY. The Germany segment comprises different, SYZYG Deutschland and SYZYG Performance.

Ars Thanea makes up the Poland segment. The previous year's figures were adapted to the new structure of the segments. In the previous year, Ars Thanea and SYZYG NY were presented under "Other segments", while the UK segment consisted only of SYZYG UK and Unique Digital UK.

The individual segments apply the same accounting principles as the consolidated entity. The criteria primarily used by SYZYG AG to assess the performance of the segments are sales and EBIT. Sales to third parties are allocated on the basis of the registered office of the company unit that makes the sale. Information on the geographical regions in relation to segment sales and non-current assets can be derived from the segment disclosures summarised below. Sales included in segment reporting consist of sales to external clients and inter-segment sales. Transactions within segments, which are charged at market prices, were eliminated.

Segment assets are equivalent to total assets plus the goodwill attributable to the respective segment, less receivables attributable to companies in the same segment.

Segment investments comprise investments in intangible assets and fixed assets.

Segment liabilities correspond to total liabilities excluding equity plus minority shares attributable to the respective segment, less liabilities attributable to companies in the same segment.

03/31/2023 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Billings	22,815	2,413	1,405	36	-50	<b>26,619</b>
Media costs	-7,717	-168	0	0	14	<b>-7,871</b>
Sales	15,098	2,245	1,405	36	-36	<b>18,748</b>
of which internal sales	-250	-14	264	36	-36	<b>0</b>
Operating income (EBIT)	1,721	142	231	-380	0	<b>1,714</b>
Financial income	45	-40	-3	-668	-2	<b>-668</b>
Earnings before tax (EBT)	1,766	102	228	-1,048	-2	<b>1,046</b>
Assets	67,293	17,813	9,985	80,185	-80,427	<b>94,849</b>
of which non-current assets	44,468	12,536	8,503	4,267	128	<b>69,902</b>
of which goodwill	28,757	8,096	6,268	0	0	<b>43,121</b>
Investments	248	1	828	107	0	<b>1,184</b>
Depreciation and amortisation	620	266	90	294	0	<b>1,270</b>
Segment liabilities	33,071	8,221	2,133	13,910	-8,611	<b>48,724</b>
Employees as per balance sheet date	425	65	79	51	0	<b>620</b>

03/31/2022 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Billings	25,129	3,687	1,529	43	-400	<b>29,988</b>
Media costs	-11,712	-1,268	0	0	40	<b>-12,940</b>
Sales	13,417	2,419	1,529	43	-360	<b>17,048</b>
of which internal sales	122	-4	242	0	-360	<b>0</b>
Operating income (EBIT)	1,471	310	166	-321	4	<b>1,630</b>
Financial income	-30	-53	-3	-49	0	<b>-135</b>
Earnings before tax (EBT)	1,441	257	163	-370	4	<b>1,495</b>
Assets	77,754	19,236	9,708	83,876	-79,279	<b>111,295</b>
of which non-current assets	56,400	14,015	7,962	5,117	187	<b>83,681</b>
of which goodwill	40,221	8,379	6,294	0	0	<b>54,894</b>
Investments	201	31	17	73	0	<b>322</b>
Depreciation and amortisation	683	296	89	279	0	<b>1,347</b>
Segment liabilities	33,010	9,146	1,940	17,740	-7,487	<b>54,349</b>
Employees as per balance sheet date	381	67	64	41	0	<b>553</b>

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

On October 27, 2020, the Annual General Meeting authorised the Management Board to acquire a maximum of 10 per cent of SYZYG's outstanding shares until October 26, 2025. SYZYG is authorised to resell or call in treasury shares, to offer them to employees of the Company as compensation, or to offer treasury shares to third parties in the course of acquiring companies.

As of March 31, 2023, SYZYG held no treasury shares, as in the previous year.

## Directors' dealings

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

### Management Board: Shares

(Number of shares)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
<b>As at: December 31, 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchases	0	0	10,000	<b>10,000</b>
Sales	0	0	0	<b>0</b>
<b>As at: March 31, 2023</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>

### Supervisory Board: Shares

(Number of shares)	Antje Neubauer	Dominic Grainger	Andrew Payne	Total
<b>As at: December 31, 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Purchases	0	0	0	<b>0</b>
Sales	0	0	0	<b>0</b>
<b>As at: March 31, 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

### Management Board: Phantom stocks

(Number of shares)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
<b>As at: December 31, 2022</b>	<b>250,000</b>	<b>100,000</b>	<b>100,000</b>	<b>450,000</b>
Additions	0	0	0	<b>0</b>
Disposals	0	0	0	<b>0</b>
<b>As at: March 31, 2023</b>	<b>250,000</b>	<b>100,000</b>	<b>100,000</b>	<b>450,000</b>

The Management Board members received phantom stocks as multi-year variable remuneration. These share price-based bonus agreements provide that 40 per cent (1st tranche) of allocated phantom stocks shall be exercisable two years after allocation, and 60 per cent (2nd tranche) three years after allocation. In each case, the difference between a base price on allocation of the phantom stocks and the share price on exercise of the phantom stocks will be paid out. The share price on exercise is determined as the average value over the 10 trading days prior to the exercise date, using XETRA closing prices in each case, in order to eliminate short-term price fluctuations. Similarly, when phantom stocks are issued, the average of the 10 trading days prior to allocation is used to determine the base price.

The first and second tranches may each be exercised within a timeframe of 12 months from the first exercise date, at the discretion of the Management Board. It follows that the first tranche may be exercised between 24 to 36 months after allocation, and the second tranche within 36 to 48 months after allocation.

The maximum payout amount from long-term profit participation is capped at 60 per cent of the price increase from the base price for the first tranche, and at 90 per cent of the price increase from the base price for the second tranche.

As of March 31, 2023, the Management Board members of SYZGY AG hold a total of 450,000 phantom stocks from the 2021 phantom stock programme, which was granted with effect from January 1, 2021.

### Shareholder structure

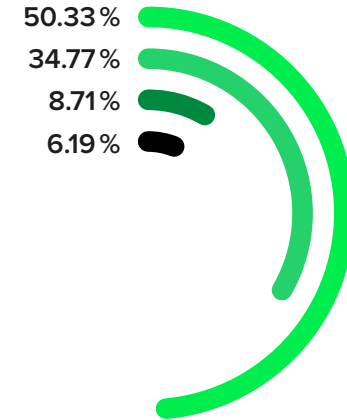
As of March 31, 2023, the shareholders' structure has not changed compared to December 31, 2022.

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

In thousand	Shares	per cent
WPP plc., St. Helier, Jersey	6,795	50.33
Private investors/others	4,694	34.77
Institutional investors	1,176	8.71
HANSAINVEST Hanseatische Investment GmbH, Hamburg	836	6.19
<b>Total</b>	<b>13,500</b>	<b>100.00</b>

Bad Homburg v.d.H., April, 28, 2023  
SYZGY AG

The Management Board



- █ WPP plc., St. Helier
- █ Private investors/others
- █ Institutional investors
- █ HANSAINVEST

### Shareholder structure



# Financial calendar 2023



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

04/28

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

07/28

9-Month-Report  
as per September, 30  
(english version: 11/08)

11/01

MKK – Munich  
Capital Market  
Conference (Munich)

05/03

General Annual  
Meeting 2023  
(virtual)

07/11

German  
Equity Forum  
(Frankfurt)

11/27-29

All dates are subjects to change.  
For current informations, see [szygyy-group.net](https://www.szygyy-group.net)

Contact  
Impress  
/

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**Chairwoman of the Supervisory Board**  
Antje Neubauer

**Management Board**  
Franziska von Lewinski (CEO)  
Erwin Greiner (CFO)  
Frank Ladner (CTO)

**Editorial Department**  
SYZYG Y GROUP

**Credits**  
SYZYG Y GROUP, Franziska Taffelt,  
Aneta Węstawska, Stefan Hönig, Per Schorn

The background is black with several thick, bright green curved lines. One large arc starts from the top left and curves towards the bottom center. Another large arc starts from the top right and curves towards the bottom right. A smaller arc is positioned between the two larger ones, starting from the top right and curving towards the bottom center. The text 'SYZYGY GROUP' is centered in the middle of the frame.

SYZYGY GROUP

[syzygy-group.net](http://syzygy-group.net)