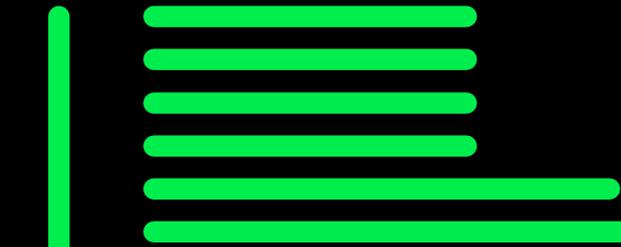


SYZYGY GROUP

# 9-Month-Report



09 

 30

2022

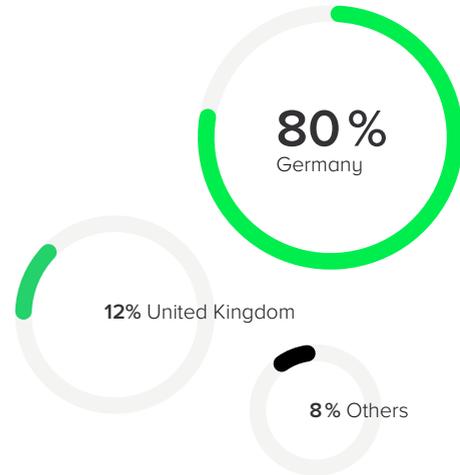
Interim Report

# Key financial figures

as per 09/30/2022



Development of sales  
(in kEUR)



Sales by segments



Operating income  
(in kEUR)



Financial income  
(in kEUR)



Income before taxes  
(in kEUR)



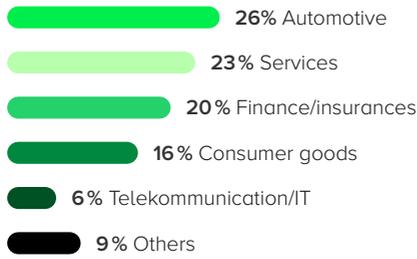
Net income  
(in kEUR)



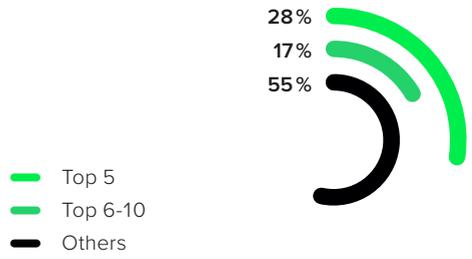
Earnings per share  
diluted (in EUR)



Operating cash flow  
(in kEUR)



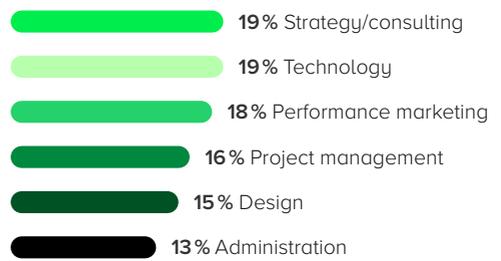
Sales allocation by vertical markets



Sales by clients' volume



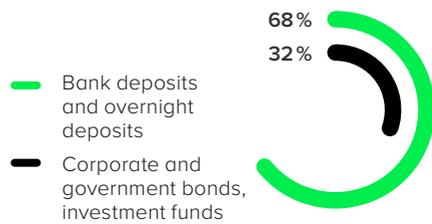
Sales by employee (annualised)  
(in kEUR)



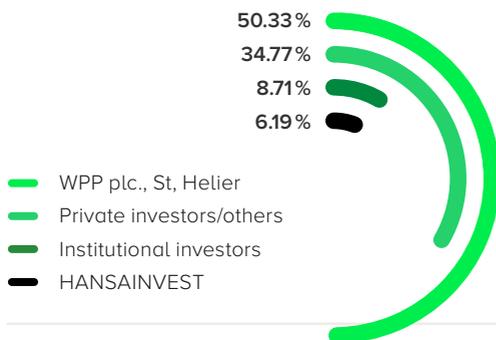
Employees by function



Balance sheet structure



Portfolio structure of cash and marketable securities



Shareholder structure



## Content

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## Business development and management report

In kEUR	3. Quarter			January - September		
	2022	2021	Change	2022	2021	Change
Sales	18,343	14,622	25%	52,712	44,658	18%
EBIT	1,644	1,518	8%	4,752	4,616	3%
EBIT margin	9.0%	10.4%	-1.4 pp	9.0%	10.3%	-1.3 pp
Financial income	-47	-172	-73%	-690	-565	22%
EBT	1,597	1,346	19%	4,062	4,051	0%
Net income	1,160	1,043	11%	3,039	3,139	-3%
Earnings per share (EUR)	0.08	0.08	0%	0.22	0.23	-4%
Liquid assets and marketable securities	3,338	1,731	93%	3,338	1,731	93%
Operating cash flow	3,732	-708	n.a.	3,689	709	420%
Employees incl. freelancers	637	545	17%	637	545	17%

### 1. General

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

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. Group profile

For information on the SYZYGY GROUP's structure, strategy and management, please refer to the explanatory notes in the 2021 management report (2021 Annual Report, page 58 ff.). From the Group's viewpoint, the following changes apply with regard to the above in the first nine months of 2022:

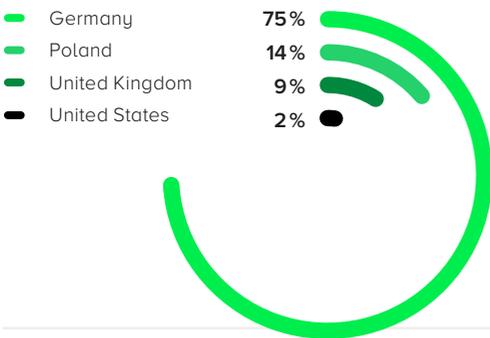
The remaining outstanding shares in different GmbH were acquired in the third quarter. With effect from January 1, 2022, SYZYGY increased its shareholding from 77.5 per cent to 100 per cent.

#### 2.1. Employees

The headcount at the SYZYGY GROUP rose sharply in the period covered by the report. The SYZYGY GROUP had a total of 588 permanent employees as at September 30, 2022. This represents an increase of 53 employees compared with December 31, 2021, and a rise of 82 compared with the prior-year quarter. The number of employees in the German companies rose by 63 people compared with the prior-year quarter, while the number of employees in the international companies increased by 19 overall.

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

Employees	09/30/2022	09/30/2021
Germany	442	379
Poland	83	64
United Kingdom	55	58
United States	8	5
<b>Total</b>	<b>588</b>	<b>506</b>



**Employees by region**

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

Employees	09/30/2022	09/30/2021
Technology	112	88
Strategy/consulting	111	103
Performance marketing	104	101
Project management	96	80
Design	90	67
Administration	75	67
<b>Total</b>	<b>588</b>	<b>506</b>



**Employees by function**

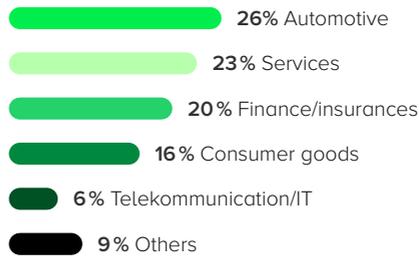
On average over the period, 568 employees plus around 69 freelancers worked for the SYZYGY GROUP. Annualised sales per head were therefore EUR 110,000 (previous year: EUR 109,000, with an average headcount of 509 including 37 freelancers).

**2.2. Net assets, financial position and results of operations of the SYZYGY GROUP**

**2.2.1. Results of operations**

Sales figures for the SYZYGY 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.

SYZYGY GROUP sales increased by 18 per cent in the reporting period to reach EUR 52.7 million. The share of sales generated in Germany was 80 per cent, with sales growth of 18 per cent. The UK segment posted sales growth of 16 per cent, with the UK now accounting for 12 per cent of sales. Sales in the Other segment (Poland and the US) were up 29 per cent, contributing 8 per cent to total SYZYGY GROUP sales.



**Sales allocation by vertical markets**

Shifts in sales patterns gave rise to a number of changes compared to the previous year. Business with clients from the services sector increased by 4 percentage points, while sales to clients in the consumer goods sector rose by 3 percentage points. By contrast, sales to clients in the automotive sector were down by 5 percentage points. Sales to clients in the financial and insurance sector and to telecom clients likewise each posted a 1 percentage point decline. Companies that cannot be assigned to any of these five key areas accounted for the same percentage as in the previous year.

SYZGY generated 45 per cent of total sales with the ten largest clients. This corresponds to an increase of 1 percentage point compared with the same period in the previous year.

### 2.2.2. Operating expenses and depreciation

The cost of sales increased ahead of sales by 24 per cent to reach EUR 39.2 million (previous year: EUR 31.6 million). Gross margin decreased by 3 percentage points to 26 per cent due to the cost of sales rising faster than sales.

General administrative expenses and sales and marketing costs each rose by 11 per cent to EUR 6.8 million (previous year: EUR 6.1 million) and EUR 4.1 million (previous year: EUR 3.7 million), respectively.

Depreciation of fixed assets was unchanged at EUR 4.0 million (previous year: EUR 4.0 million).

### 2.2.3. Operating income and EBIT margin

The SYZGY GROUP's operating profit increased by 3 per cent compared with the same period of the previous year, climbing from EUR 4.6 million to EUR 4.8 million; the EBIT margin fell accordingly to 9.0 per cent (previous year: 10.3 per cent). This decline is chiefly due to the disproportionate increase in the cost of sales relative to sales. Above-target growth means greater investment in hiring new employees and in making the associated organisational changes, which will lead to a temporary dilution of the EBIT margin.



**Operating income**  
(in kEUR)

### 2.2.4. Financial income

SYZGY reported negative financial income of kEUR 690 for the first nine months of 2022 (previous year: kEUR 565). Financial expenses chiefly comprise pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases). Financial income of kEUR 195 (previous year: kEUR 101) from investment in securities was only partially able to offset expenses.



**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 4.1 million, which was unchanged over the previous year. After income taxes of EUR 1.0 million, net income was EUR 3.0 million.

Undiluted earnings per share were EUR 0.22, based on the average available 13,500,000 shares qualifying for participation in the profits and after deducting minority shares of EUR 135,000. This figure is EUR 0.01 below the level achieved in the prior-year period.

### 2.2.6. Segment reporting

In accordance with IFRS 8, which is based on the management approach, SYZYGY uses geographical criteria to report segments and thus distinguishes between Germany, the UK and the Other segment. The latter category includes Ars Thanea and SYZYGY Digital Marketing Inc. Under IFRS 8.13, these companies are not big enough to be reported as geographically independent segments.



**Net income**  
(in kEUR)

**Earnings per share**  
undiluted (in EUR)

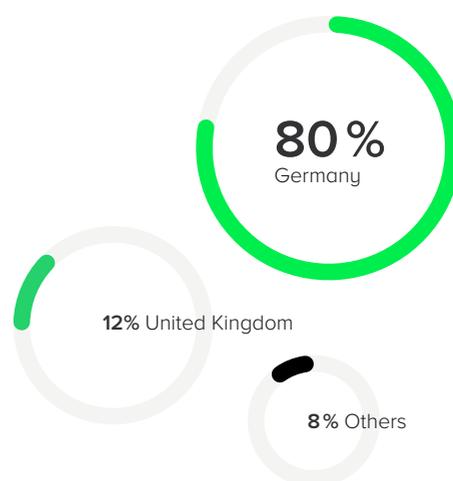
In the first nine months of 2022, the individual segments contributed to earnings as follows, compared with the same period in the previous year:

3. Quarter (in kEUR)	Germany		United Kingdom		Others	
	2022	2021	2022	2021	2022	2021
Sales (unconsolidated)	41,627	35,391	6,884	5,954	5,535	4,293
Operating income (EBIT)	4,494	4,896	852	838	843	880
Operating income (EBIT) in %	10.8%	13.8%	12.4%	14.1%	15.2%	20.5%
Share of Group sales in % (consolidated)	80%	78%	12%	13%	8%	9%

### 2.2.7. Financial position

SYZGY had liquidity reserves totalling EUR 3.3 million as at the balance sheet date, corresponding to a decline of EUR 0.4 million compared with December 31, 2021. Liquid funds increased by EUR 0.2 million to EUR 2.3 million, while securities held declined from EUR 1.6 million to EUR 1.1 million. The change in liquid funds is largely due to cash inflows from positive operating cash flow and cash outflows resulting from the dividend paid to SYZGY shareholders, as well as investments in intangible assets and fixed assets.

A total of 68 per cent of funds were accounted for by bank deposits as at September 30, 2022; 32 per cent were invested in securities and funds to make future payments for phased retirement, among other purposes.



Sales by segments



Income before taxes  
(in kEUR)

Total cash flow of the SYZYGY GROUP was neutral at EUR 0.0 million as at the reporting date, with cash flow from business operations standing at EUR 3.7 million in the period under review. Net income of EUR 3.0 million, depreciation and amortisation of EUR 4.0 million, a decrease in accounts receivable of EUR 1.7 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 7.2 million due to the decline in accounts payable and in other liabilities.

Negative cash flow from investment operations of EUR 3.4 million was recorded. The acquisition of consolidated companies led to an outflow of funds amounting to EUR 2.0 million, while investments in intangible assets and fixed assets of EUR 0.9 million also adversely affected cash flow from investment operations. Cash flow from financing activities included a dividend distribution to shareholders in the first half of the year amounting to EUR 2.7 million and repayment of lease liabilities of EUR 2.7 million. This was partly offset by a positive balance from changes in bank loans amounting to EUR 5.3 million.

## 2.2.8. Asset situation

Total assets of the SYZYGY GROUP decreased by EUR 4.9 million to EUR 108.5 million in the period under review compared to December 31, 2021, representing a fall of 4 per cent.

Non-current assets declined by EUR 3.6 million to EUR 83.3 million compared to the balance sheet date of December 31, 2021 (EUR 86.9 million). The key factor in this respect was the EUR 2.8 million decline in fixed assets due to depreciation, and the decrease of EUR 0.3 million in deferred tax assets.

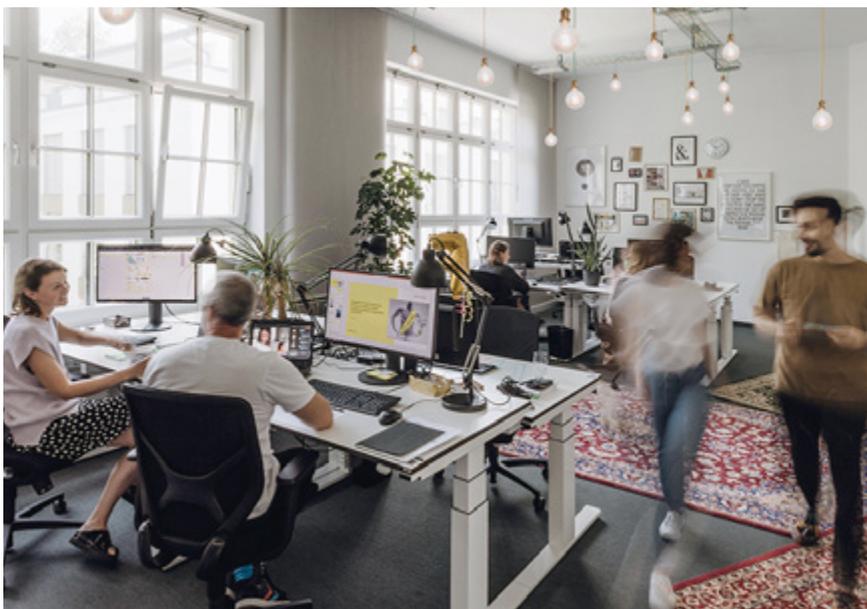
Current assets of EUR 25.2 million were below the level as at December 31, 2021 (EUR 26.4 million). This was primarily due to the fall in liquidity reserves, which were down EUR 0.4 million, and a decline of EUR 1.5 million in accounts receivable. In contrast, other current assets rose to EUR 2.5 million (previous year EUR 1.9 million).

At EUR 55.2 million, equity was down by EUR 1.1 million compared to December 31, 2021. Net income of EUR 3.0 million was offset by the dividend distribution of EUR 2.7 million and a negative change in other net income of EUR 1.2 million. The latter is primarily due to currency translation adjustment from foreign business operations. The equity ratio increased by 1 percentage point to 51 per cent due to the relatively sharp drop in total assets.

At EUR 32.9 million, current liabilities were slightly above the level as at year-end 2021 (EUR 32.4 million). This mainly includes a rise of EUR 3.5 million in other current liabilities and of EUR 2.3 million in contract liabilities. This was offset by a drop in accounts payable of EUR 6.3 million.



**Operating cash flow**  
(in kEUR)



### 2.3. Expected performance of the SYZGY 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 SYZGY GROUP. The repercussions of the COVID-19 pandemic present both opportunities and risks. While some clients are still curtailing their spending, the pandemic has also accelerated the trend towards digital transformation. As a result, opportunities will predominate over the medium term. The general economic environment, with high inflation and imponderables resulting from the war in Ukraine, is adding to the uncertainty when planning for the next year.

The SYZGY GROUP is raising its sales growth forecast for 2022 again, increasing it from the 12 per cent forecast in July 2022 to 15 per cent. The forecast for the EBIT margin before special factors remains unchanged and involves a range of between 8 and 10 per cent, instead of the previous expectation of 10 per cent.

Bad Homburg v.d.H., October 28, 2022  
SYZGY AG

The Management Board

SYZGY AG, Bad Homburg v.d.H.

## Consolidated balance sheet as at September 30, 2022

Assets	09/30/2022	09/30/2021	12/31/2021
	kEUR	kEUR	kEUR
<b>Non-current assets</b>			
Goodwill	54,240	57,596	55,021
Intangibles	220	359	328
Tangible Assets	26,536	29,892	29,344
Non-current financial assets	237	200	380
Other non-current assets	373	354	287
Deferred tax assets	1,715	2,018	1,575
<b>Total non-current assets</b>	<b>83,321</b>	<b>90,419</b>	<b>86,935</b>
<b>Current assets</b>			
<b>Cash and cash equivalents</b>	<b>2,259</b>	<b>413</b>	<b>2,115</b>
Marketable securities	1,079	1,318	1,633
Accounts receivable, net and contract assets	19,269	21,460	20,757
Prepaid expenses and other current assets	2,546	3,493	1,892
<b>Total current assets</b>	<b>25,153</b>	<b>26,684</b>	<b>26,397</b>
<b>Total assets</b>	<b>108,474</b>	<b>117,103</b>	<b>113,332</b>
<b>Equity and Liabilities</b>	<b>09/30/2022</b>	<b>09/30/2021</b>	<b>12/31/2021</b>
	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	-3,416	-2,486	-2,191
Retained earnings	17,741	16,622	17,605
<b>Equity attributable to shareholders of SYZGY AG</b>	<b>54,883</b>	<b>54,694</b>	<b>55,972</b>
Minorities	285	262	277
<b>Total Equity</b>	<b>55,168</b>	<b>54,956</b>	<b>56,249</b>
<b>Non-current liabilities</b>			
Long-term liabilities	19,519	30,707	23,744
Other long-term Provisions	352	468	345
Deferred tax liabilities	583	822	615
<b>Total non-current liabilities</b>	<b>20,454</b>	<b>31,997</b>	<b>24,704</b>
<b>Current liabilities</b>			
Income tax accruals	1,068	2,259	470
Accrued expenses	5,037	5,818	4,580
Contract liabilities	7,489	1,642	5,218
Accounts payable	3,403	8,856	9,722
Other current liabilities	15,855	11,575	12,389
<b>Total current liabilities</b>	<b>32,852</b>	<b>30,150</b>	<b>32,379</b>
<b>Total liabilities and equity</b>	<b>108,474</b>	<b>117,103</b>	<b>113,332</b>

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

SYZYG AG, Bad Homburg v.d.H.

## Consolidated statement of comprehensive income as at September 30, 2022

	3. Quarter			January - September			12/31/2021
	2022	2021	Change	2022	2021	Change	
	kEUR	kEUR		kEUR	kEUR		kEUR
<b>Sales</b>	<b>18,343</b>	<b>14,622</b>	<b>25%</b>	<b>52,712</b>	<b>44,658</b>	<b>18%</b>	<b>60,124</b>
Cost of revenues	-13,647	-10,178	34%	-39,203	-31,634	24%	-41,178
Sales and marketing expenses	-1,507	-1,263	19%	-4,125	-3,719	11%	-4,217
General and administrative expenses	-2,452	-2,076	18%	-6,775	-6,117	11%	-10,658
Impairment losses, net of trade receivables and contract assets	-20	-39	-49%	-14	-41	-66%	-4
Other operating income/expense, net	927	452	105%	2,157	1,469	47%	2,312
<b>Operating profit (EBIT)</b>	<b>1,644</b>	<b>1,518</b>	<b>8%</b>	<b>4,752</b>	<b>4,616</b>	<b>3%</b>	<b>6,379</b>
Financial income	91	27	237%	195	101	93%	81
Financial expenses	-138	-199	-31%	-885	-666	33%	-1,066
<b>Income before income taxes (EBT)</b>	<b>1,597</b>	<b>1,346</b>	<b>19%</b>	<b>4,062</b>	<b>4,051</b>	<b>0%</b>	<b>5,394</b>
Income taxes	-437	-303	44%	-1,023	-912	12%	-1,261
<b>Total net income of the period</b>	<b>1,160</b>	<b>1,043</b>	<b>11%</b>	<b>3,039</b>	<b>3,139</b>	<b>-3%</b>	<b>4,133</b>
thereof net income share to other shareholders	49	25	96%	135	97	39%	11
thereof net income share to shareholders of SYZYG AG	1,111	1,018	9%	2,904	3,042	-5%	4,022
<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>	<b>0</b>	<b>n.a.</b>	<b>0</b>
<b>Items that will or may be reclassified to profit and loss:</b>							
Currency translation adjustment from foreign business operations	-565	-254	122%	-902	334	n.a.	608
Net unrealized gains/losses on marketable securities, net of tax	-68	-11	518%	-338	13	n.a.	35
<b>Other comprehensive income</b>	<b>-633</b>	<b>-265</b>	<b>139%</b>	<b>-1,240</b>	<b>347</b>	<b>n.a.</b>	<b>643</b>
<b>Comprehensive income</b>	<b>527</b>	<b>778</b>	<b>-32%</b>	<b>1,799</b>	<b>3,486</b>	<b>-48%</b>	<b>4,776</b>
thereof income share to other shareholders	40	20	100%	121	94	29%	109
thereof income share to shareholders of SYZYG AG	487	758	-36%	1,678	3,392	-51%	4,667
Earnings per share from total operations (basic in EUR)	0.08	0.08	0%	0.22	0.23	-4%	0.30

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

SYZYG AG, Bad Homburg v.d.H.

## Statement of changes in equity as at September 30, 2022

	Common stock	Additional paid-in capital	Own shares	Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZYG AG	Minority interest	Total equity
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
<b>01/01/2021</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>15,675</b>	<b>-2,822</b>	<b>-14</b>	<b>53,397</b>	<b>190</b>	<b>53,587</b>
Net income of the period				4,022			4,022	111	4,133
Other comprehensive income					610	35	645	-2	643
<b>Comprehensive income</b>				<b>4,022</b>	<b>610</b>	<b>35</b>	<b>4,667</b>	<b>109</b>	<b>4,776</b>
Dividend				-2,025			-2,025	0	-2,025
Payment to minorities				-67			-67	-22	-89
<b>12/31/2021</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>
<b>01/01/2022</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				2,904			2,904	135	3,039
Other comprehensive income					-887	-338	-1,225	-15	-1,240
<b>Comprehensive income</b>				<b>2,904</b>	<b>-887</b>	<b>-338</b>	<b>1,679</b>	<b>120</b>	<b>1,799</b>
Dividend				-2,700			-2,700	0	-2,700
Payment to minorities				-68			-68	-112	-180
<b>09/30/2022</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>17,741</b>	<b>-3,099</b>	<b>-317</b>	<b>54,883</b>	<b>285</b>	<b>55,168</b>

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

SYZGY AG, Bad Homburg v.d.H.

## Consolidated statement of Cash Flows as at September 30, 2022

	January - September		
	2022	2021	12/31/2021
	kEUR	kEUR	kEUR
Period net income	3,039	3,139	4,133
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Depreciation on fixed assets	4,026	4,033	8,189
– Profit (-) and loss (+) on sale of securities	236	47	47
– Profit (-) and loss (+) on sale of fixed assets	-4	3	7
– Changes in Earn-Out liabilities	-240	0	-3,004
– Other non-cash income and expenses	2	-40	137
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	1,682	-6,205	-5,086
– Customer advances	2,293	-1,843	1,729
– Accounts payable and other liabilities	-7,222	3,217	3,755
– Tax accruals and payables, deferred taxes	-123	-1,642	-1,767
<b>Cash flows provided by operating activities</b>	<b>3,689</b>	<b>709</b>	<b>8,140</b>
Changes in other non-current assets	-98	6	75
Investments in fixed assets	-875	-1,707	-2,083
Purchases of marketable securities	-2,162	-7,463	-7,873
Proceeds from sale of marketable securities	2,087	6,272	6,309
Changes from fixed asset investments	0	-40	-340
Acquisition of consolidated entities less liquid funds	-1,965	0	0
Interest expense on leasing liabilities	-433	-448	-600
<b>Cash flows used in investing activities</b>	<b>-3,446</b>	<b>-3,380</b>	<b>-4,512</b>
Change in bank loans	5,331	2,198	-1,592
Repayment of lease obligations	-2,668	-2,506	-3,383
Dividend paid to minority shareholders	-180	-89	-89
Dividend paid to shareholders of SYZGY AG	-2,700	-2,028	-2,025
<b>Cash flows from financing activities</b>	<b>-217</b>	<b>-2,425</b>	<b>-7,089</b>
<b>Total</b>	<b>26</b>	<b>-5,096</b>	<b>-3,461</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,115</b>	<b>5,631</b>	<b>5,631</b>
Exchange rate differences	118	-122	-55
<b>Cash and cash equivalents at the end of the period</b>	<b>2,259</b>	<b>413</b>	<b>2,115</b>

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

SYZYGY AG, Bad Homburg v.d.H.

## Selected explanatory Notes to the Consolidated Financial Statements

### Accounting

Pursuant to the provisions of section 53 para. 6 of the FWB Exchange Rules in conjunction with section 115 para. 2 to para. 4 of the WpHG (German Securities Trading Act), the financial report of SYZYGY AG for the first nine months of 2022 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, 2021. The Management Report was prepared in accordance with the applicable requirements of the WpHG. The consolidated interim report has not been subject to an auditor's review in accordance with section 115 para. 5 of the WpHG.

The same accounting and consolidation principles were applied as described in the notes to the financial statements in the 2021 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 2021. The financial figures and associated information must therefore be read in conjunction with the annual report on the consolidated financial statements for 2021.

### Business activity of the 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

As at September 30, 2022, the following subsidiaries were included in the consolidated financial statements of SYZYGY AG as the top-level parent company and fully consolidated. In the case of these companies, SYZYGY 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)
- SYZYGY Deutschland GmbH, Bad Homburg v.d.H., Germany (SYZYGY Deutschland for short)
- SYZYGY Digital Marketing Inc., New York City, United States (SYZYGY NY for short)
- SYZYGY Performance Marketing GmbH, Bad Homburg v.d.H., Germany (SYZYGY PER for short)
- SYZYGY UK Ltd., London, United Kingdom (SYZYGY UK for short)
- Unique Digital Marketing Ltd., London, United Kingdom (Unique Digital UK for short)

A subsidiary is incorporated into the consolidated financial statements from the date on which SYZYGY AG gains control over it 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 SYZYGY AG and the non-controlling shares. This remains the case even if it results in non-controlling shares posting a negative balance.

Information on general consolidation principles is provided in the 2021 annual report from page 98 onwards.

## Changes in shareholdings

SYZYGY AG has acquired the remaining 22.5 per cent of the shares in different GmbH. Its holding is thus now 100 per cent as at the balance sheet date. The shares were acquired on September 13, 2022, with economic effect from January 1, 2022. Half of the purchase price of kEUR 3,929 has already been paid in cash. The remaining half, amounting to kEUR 1,965, is recognised under “Other current liabilities” as at the balance sheet date and will be paid in the fourth quarter of 2022. Due to the provisions of the purchase agreement, the expected payment obligations were reduced by kEUR 240. The change was recognised in the consolidated statement of comprehensive income under “Other operating income/expense, net”.

## IFRS 16 disclosures

Since January 1, 2019, the SYZYGY GROUP as a lessee has dealt with all leases as follows: it has recognised the rights of use to the leased assets as assets, and the payment obligations entered into over the term of the leases as liabilities at present value.

As at the balance sheet date, SYZYGY reported carrying amounts of the rights of use totalling kEUR 20,086 (previous year: kEUR 22,747) and liabilities of kEUR 22,703 (previous year: kEUR 25,210). In the current financial year, the SYZYGY GROUP recognised amortisation of rights of use totalling kEUR 2,654 (previous year: kEUR 2,694), additions to rights of use amounting to kEUR 587 (previous year: kEUR 1,609) and interest expenses resulting from lease liabilities of kEUR 433 (previous year: kEUR 448).

## Segment reporting

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

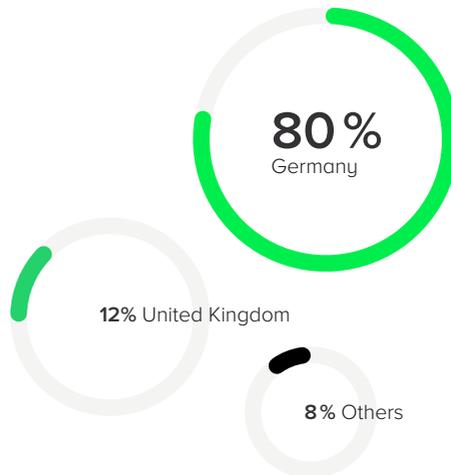
As the holding company, SYZYGY AG mainly delivers services to the operating units and therefore needs to be considered separately as a provider of central functions. The UK segment comprises SYZYGY UK and Unique Digital UK. The Germany segment comprises different, SYZYGY Deutschland and SYZYGY PER. Ars Thanea and SYZYGY NY do not fulfil the size criteria to qualify as independent geographical segments and are thus presented under "Other segment".

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

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

Segment investments comprise investments in intangible assets and fixed assets.

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



Sales by segments

	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
<b>09/30/2022 (in kEUR)</b>						
Billings	66,203	9,679	5,557	92	-2,344	<b>79,187</b>
Media costs	-24,576	-2,795	-22	0	918	<b>-26,475</b>
Sales	41,627	6,884	5,535	92	-1,426	<b>52,712</b>
of which internal sales	523	-688	1,327	0	-1,162	<b>0</b>
Operating income (EBIT)	4,494	852	843	-1,434	-3	<b>4,752</b>
Financial income	-259	-147	-9	1,358	-1,633	<b>-690</b>
Earnings before tax (EBT)	4,235	705	834	-76	-1,636	<b>4,062</b>
Assets	77,527	17,654	9,795	82,088	-78,590	<b>108,474</b>
of which non-current assets	55,654	12,895	7,618	4,703	126	<b>80,996</b>
of which goodwill	40,171	8,024	6,045	0	0	<b>54,240</b>
Investments	798	65	160	227	0	<b>1,250</b>
Depreciation and amortisation	2,043	865	271	848	-1	<b>4,026</b>
Impairment on goodwill	0	0	0	0	0	<b>0</b>
Segment liabilities	30,356	8,373	2,465	18,542	-6,430	<b>53,306</b>
Employees as per balance sheet date	399	55	91	43		<b>588</b>
<b>09/30/2021 (in kEUR)</b>						
Billings	58,120	18,827	8,933	162	-1,173	<b>84,869</b>
Media costs	-22,729	-12,873	-4,640	0	31	<b>-40,211</b>
Sales	35,391	5,954	4,293	162	-1,142	<b>44,658</b>
of which internal sales	371	35	613	82	-1,101	<b>0</b>
Operating income (EBIT)	4,896	838	880	-2,001	3	<b>4,616</b>
Financial income	-164	-153	-27	1,270	-1,491	<b>-565</b>
Earnings before tax (EBT)	4,732	685	853	-731	-1,488	<b>4,051</b>
Assets	75,171	24,673	11,285	82,222	-76,248	<b>117,103</b>
of which non-current assets	59,857	14,305	8,119	5,327	239	<b>87,847</b>
of which goodwill	43,026	8,237	6,333	0	0	<b>57,596</b>
Investments	520	146	1,619	1,727	0	<b>4,012</b>
Depreciation and amortisation	2,157	889	283	709	-5	<b>4,033</b>
Impairment on goodwill	0	0	0	0	0	<b>0</b>
Segment liabilities	26,535	14,414	3,590	21,745	-4,137	<b>62,147</b>
Employees as per balance sheet date	345	58	69	34		<b>506</b>

## Own shares

SYZGY 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 SYZGY 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 SYZGY's outstanding shares until October 26, 2025. SYZGY 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 September 30, 2022, SYZGY 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
As at: December 31, 2021	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
<b>As at: September 30, 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Supervisory Board: Shares

(Number of shares)	Antje Neubauer	Dominic Grainger	Andrew Payne	Total
As at: December 31, 2021	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
<b>As at: September 30, 2022</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
As at: December 31, 2021	250,000	100,000	100,000	450,000
Additions	0	0	0	0
Disposals	0	0	0	0
<b>As at: September 30, 2022</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 shall 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 at September 30, 2022, the Management Board members of SYZYGY AG hold a total of 450,000 phantom stocks from the 2021 phantom stock programme, which was granted with effect from January 1, 2021. The base price of phantom stocks issued is EUR 5.68.



## Shareholder structure

As at September 30, 2022, the shareholders' structure was slightly changed compared to December 31, 2021.

The shareholder 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
HANSAINVEST Hanseatische Investment GmbH, Hamburg	4,693	34.77
Institutional investors	1,176	8.71
Private investors/others	836	6.19
<b>Total</b>	<b>13,500</b>	<b>100.00</b>



### Shareholder structure

Bad Homburg v.d.H., October 28, 2022  
SYZGY AG

The Management Board

# Financial calendar 2022



**3-Month-Report**  
as per March, 31

(english version: 05/06)

04/29

**General Annual Meeting 2022**  
(virtually)

07/05



**Half-Year-Report**  
as per June, 30

(english version: 08/05)

07/29

**9-Month-Report**  
as per September, 30

(english version: 11/04)

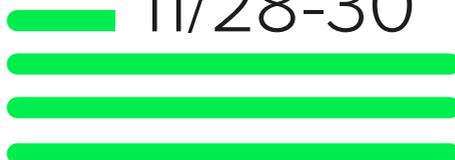
10/28

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

11/15-16

**German Equity Forum**  
(virtually)

11/28-30



**Contact Impress**



**SYZYG / GROUP**

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**Chairwoman of the Supervisory Board**  
Antje Neubauer

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

**Text / Redaktion**  
SYZYG GROUP

**Photography**  
SYZYG GROUP, Adobe Stock,  
Aneta Pomieczynska, Daniel Meyer

All dates are subjects to change.

For current information, see [syzygy-group.net/en/financial-calendar/](https://syzygy-group.net/en/financial-calendar/)

