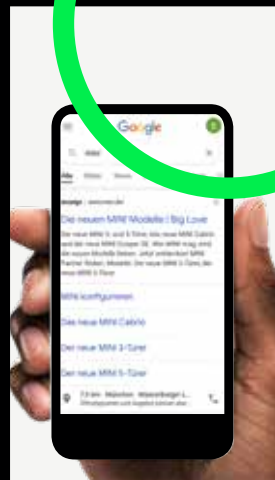
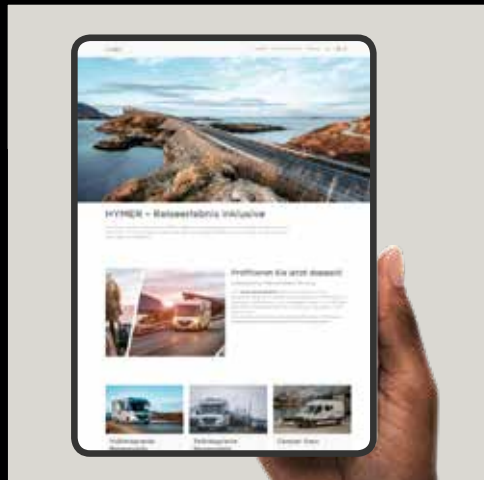
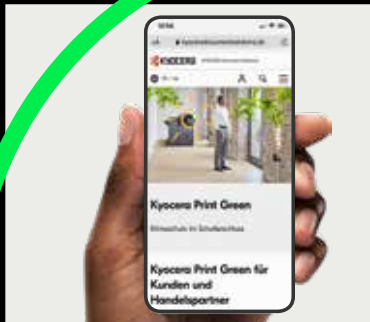


3M



2021

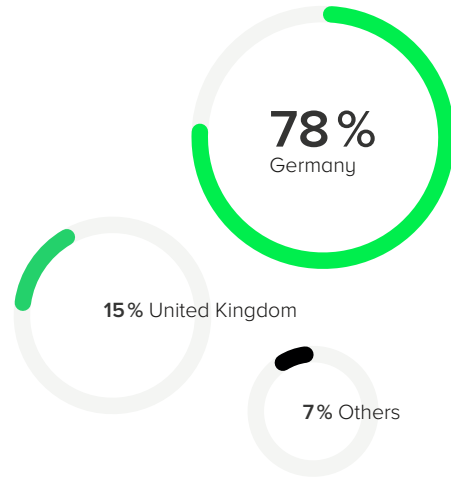
3-Month-Report as per 03/31

# Key financial figures

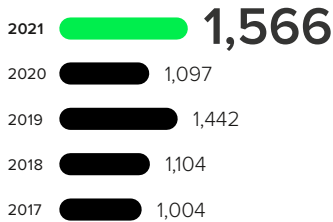
as per 03/31/2021



Development of sales  
(in kEUR)



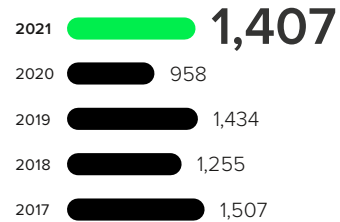
Sales by segments



Operating income  
(in kEUR)



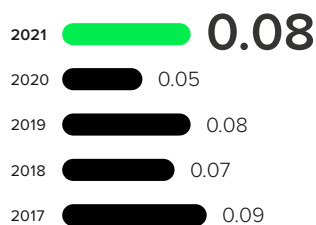
Financial income  
(in kEUR)



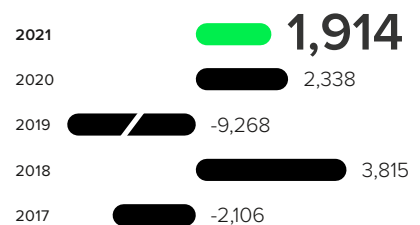
Income before taxes  
(in kEUR)



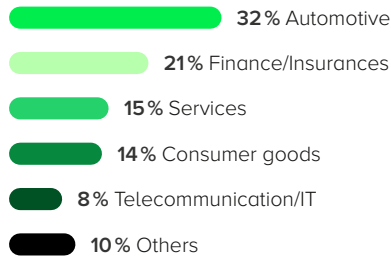
Net income  
(in kEUR)



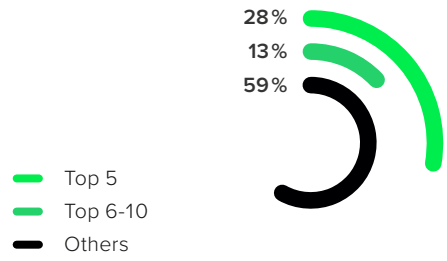
Earnings per share  
diluted (in EUR)



Operating cash flow  
(in kEUR)



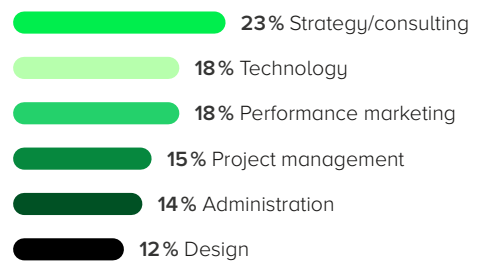
Sales allocation by vertical markets



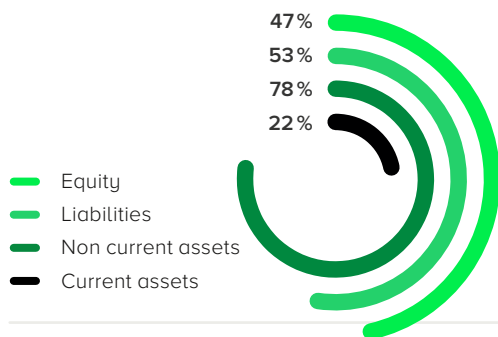
Sales by clients' volume



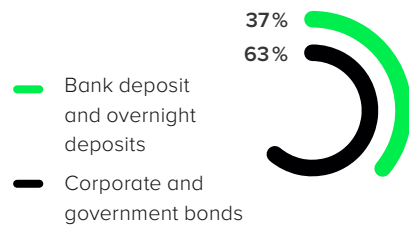
Sales by employee (annualised)  
(in kEUR)



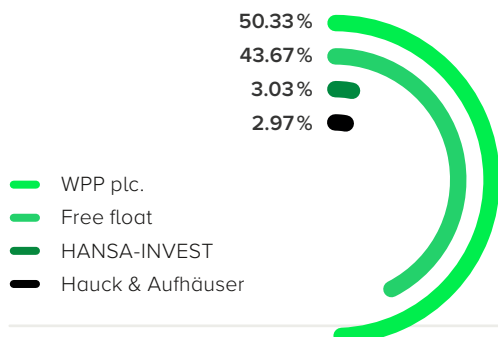
Employees by function



Balance sheet structure



Portfolio structure of cash and marketable securities



Shareholders' structure



## Content

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16	Selected explanatory notes
21	Financial calendar 2021 and contact

## Business development and management report

	1. Quarter		Change
	2021	2020	
	in kEUR	in kEUR	
Sales	15,059	14,925	1%
EBITDA	2,849	2,563	11%
EBITDA margin	18.9%	17.2%	1.7 pp
EBIT	1,566	1,097	43%
EBIT margin	10.4%	7.4%	3 pp
Financial income	-159	-139	-14%
EBT	1,407	958	47%
Net income	1,069	680	57%
Earnings per share (EUR)	0.08	0.05	60%
Employees incl. freelancers	546	589	-7%
Liquid assets	6,560	9,084	-28%
Operating cash flow	1,914	2,338	-18%

### 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.

### 2. Group profile

For information on the SYZYGY GROUP's structure, strategy and management, please refer to the explanatory notes in the 2020 management report (2020 Annual Report, page 68 ff.).

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

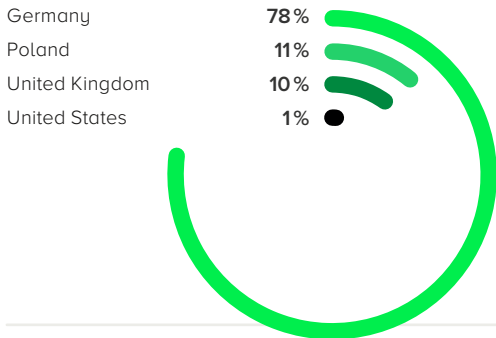
- Ars Thanea S.A.
- different GmbH
- SYZYGY Deutschland GmbH
- SYZYGY Digital Marketing Inc.
- SYZYGY Media GmbH
- SYZYGY Performance GmbH
- SYZYGY Performance Marketing GmbH
- SYZYGY UK Ltd.
- Unique Digital Marketing Ltd.

### 2.1. Employees

The headcount at the SYZYGY GROUP remained unchanged in the period covered by the report. The SYZYGY Group had a total of 514 permanent employees as at March 31, 2021. This is the same figure as at December 31, 2020 and represents a reduction of 33 people compared with the prior-year quarter. The number of employees in the German companies declined by 18 people compared with the prior-year quarter, while a total decrease of 15 employees was recorded across the international companies.

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

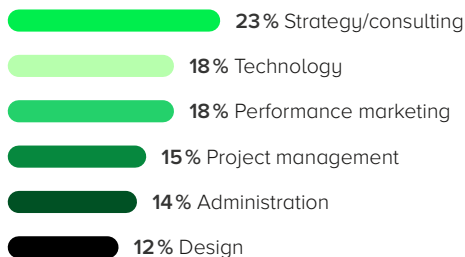
Employees	03/31/2021	03/31/2020
Germany	401	419
Poland	59	72
United Kingdom	51	50
United States	3	6
<b>Total</b>	<b>514</b>	<b>547</b>



### Employees by region

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

Employees	03/31/2021	03/31/2020
Strategy/consulting	119	124
Technology	93	98
Performance marketing	94	91
Project management	78	80
Administration	71	77
Design	59	77
<b>Total</b>	<b>514</b>	<b>547</b>



### Employees by function

On average over the period, 516 employees plus around 30 freelancers worked for the SYZYGY GROUP. Annualised sales per head were therefore EUR 110,000 (previous year: EUR 102,000, with an average headcount of 584 including 37 freelancers).

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

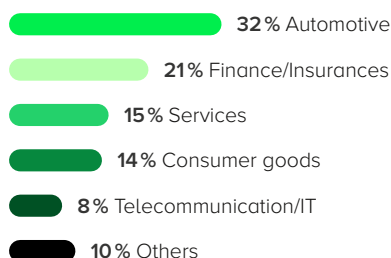
### 2.2.1. Results of operations

The 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 1 per cent in the 2021 period covered by the report to reach EUR 15.1 million. The proportion of sales generated in Germany was 78 per cent. The UK segment posted strong sales growth of 30 per cent, leading to the UK accounting for around 15 per cent of sales. Sales in the other segments (Poland and the US) were up 7 per cent, contributing 7 per cent to total SYZYGY GROUP sales.

### Sales by sector

Shifts in sales patterns gave rise to a number of changes compared to the previous year. Sales to clients in the automotive sector rose 4 per cent, sales to clients in the financial and insurance sectors were up 3 per cent, as well as clients in the consumer goods sector generated 2 per cent more sales and those in the telecommunications/IT industry 1 per cent more. In contrast, the proportion of sales in the services segment saw a decrease of 11 per cent. Sales derived from companies that cannot be assigned to any of these five key areas were up 1 per cent.



### Sales allocation by vertical markets

SYZYGY generated 41 per cent of total sales with the ten largest clients. This corresponds to a drop of 8 percentage points compared with the same period in the previous year.

### 2.2.2. Operating expenses and depreciation

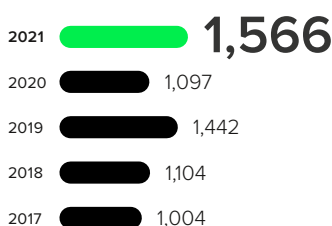
The cost of sales fell slightly, declining by 2 per cent to EUR 10.9 million (previous year: EUR 11.0 million). Gross margin increased accordingly by 2 per cent to 28 per cent due to the slight rise in sales.

General administrative expenses were flat at EUR 1.9 million (previous year: EUR 1.9 million), as were sales and marketing costs (EUR 1.3 million; previous year: EUR 1.3 million).

Depreciation of fixed assets decreased by EUR 0.2 million to EUR 1.3 million (previous year: EUR 1.5 million), mainly due to lower depreciation under IFRS 16.

### 2.2.3. Operating income and EBIT margin

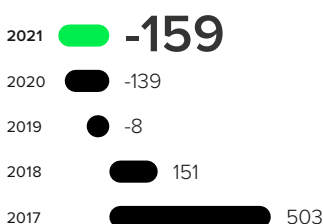
The SYZYGY GROUP's operating profit increased by 43 per cent compared with the same period of the previous year, rising from EUR 1.1 million to EUR 1.6 million; the EBIT margin rose accordingly to 10.4 per cent (previous year: 7.4 per cent). This rise is largely attributable to the slight growth in sales combined with cost savings. Following successful restructuring, profits were generated rather than the losses seen in the previous year, especially in the international business in the UK and US. Efficiency has also been boosted across all functional areas, with the overall result that a significant rise in profitability was achieved.



### Operating income (in kEUR)

### 2.2.4. Financial income

SYZYGY reported negative financial income of EUR 0.2 million for the first three months of 2021 (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). Financial income of EUR 0.1 million (previous year: EUR 0.1 million) from investment in securities remained at the previous year's level and 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 1.4 million. In the same period of the previous year, the figure was EUR 1.0 million, meaning that pre-tax income grew by 47 per cent. After income taxes of EUR 0.3 million, net income was EUR 1.1 million. The tax rate will be lower in 2021 as a substantial share of profits was generated in the international companies, which are taxed at lower rates.

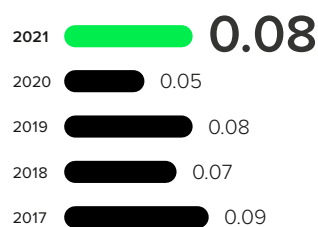
Undiluted earnings per share were EUR 0.08, based on the average available 13,500,000 shares qualifying for participation in the profits and after deducting minority shares of EUR 33,000. This figure is EUR 0.03 above the level achieved in the prior-year period.

### 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)



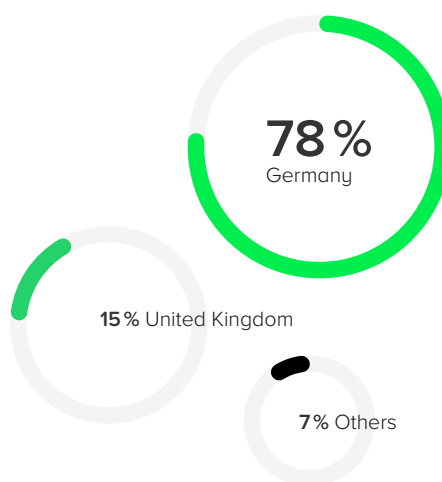
In the first quarter of 2021, the individual segments contributed to earnings as follows, compared with the same period in the previous year:

1. Quarter (in kEUR)	Germany		United Kingdom		Others	
	2021	2020	2021	2020	2021	2020
Sales (unconsolidated)	11,924	12,278	2,214	1,697	1,343	1,252
Operating income (EBIT)	2,018	1,580	469	-44	259	-127
Operating income (EBIT) in %	17%	12%	21%	-3%	19%	-14%
Share of Group sales (consolidated)	78%	81%	15%	11%	7%	8%

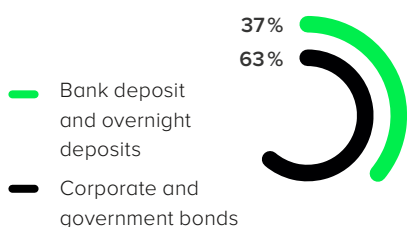
### 2.2.7. Financial position

SYZGY had liquidity reserves totalling EUR 6.6 million as at the balance sheet date, corresponding to an increase of EUR 0.8 million compared with December 31, 2020. Cash equivalents decreased by EUR 3.1 million to EUR 2.5 million, while securities held rose from EUR 0.2 million to EUR 4.1 million. The change in liquid funds is largely due to positive operating cash flow as well as the composition of said funds, and to acquiring/subscribing to new bond issues.

A total of 63 per cent of funds were invested in corporate bonds as at March 31, 2021, while 37 per cent were accounted for by bank deposits. The average residual maturity of the bonds was 10.2 years.



Sales by segments



Portfolio structure of cash and marketable securities



Total cash flow of the SYZYGY GROUP was negative EUR 2.9 million as at the reporting date. Cash flow from business operations stood at EUR 1.9 million in the period under review. Net income of EUR 1.1 million, depreciation and amortisation of EUR 1.3 million and an increase in accounts payable of EUR 1.3 million and in advance payments received of EUR 1.4 million were positive contributors in this respect. In contrast, operating cash flow was reduced by EUR 2.8 million due to the rise in accounts receivable and other assets.

Negative cash flow from investment operations of EUR 4.7 million was recorded. The acquisition of securities in the amount of EUR 5.4 million led to a corresponding outflow of funds. This was partly offset by sales of securities amounting to EUR 1.4 million. Cash flow from financing activities in the first quarter included the medium-term raising of money market loans of EUR 1.0 million as well as repayment of lease liabilities of EUR -0.8 million and existing loans of EUR -0.3 million.

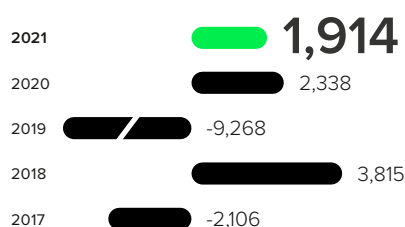
### 2.2.8. Asset situation

Total assets of the SYZYGY GROUP increased by EUR 5.4 million to EUR 118.1 million in the period under review compared to December 31, 2020, representing a rise of 5 per cent.

Non-current assets increased by EUR 1.4 million to EUR 91.7 million compared to the balance sheet date of December 31, 2020 (EUR 90.3 million). This was primarily due to an increase in fixed assets, which rose from EUR 30.2 million to EUR 31.4 million through the capitalisation of a new lease agreement in accordance with IFRS 16. Small changes were seen in goodwill, which went up by EUR 0.3 million to EUR 57.7 million. The increase in goodwill is currency-related and is reflected in the differences arising from foreign currency translation.

Current assets of EUR 26.4 million were substantially above the level as at December 31, 2020 (EUR 22.3 million). This growth is particularly due to the rise of EUR 2.3 million in accounts receivable and the increase of EUR 0.8 million in liquid funds.

At EUR 55.0 million, equity was up by EUR 1.4 million compared to December 31, 2020. The reason here was an increase in retained earnings of EUR 15.7 million to EUR 16.7 million. Other comprehensive income also rose by EUR 0.4 million to EUR -2.5 million. This item mainly comprises unrealised rate changes for foreign exchange positions. The equity ratio fell to 47 per cent due to the increase in total assets.



#### Operating cash flow

(in kEUR)



At EUR 29.9 million, current liabilities were above the level as at year-end 2020 (EUR 26.8 million). This mainly includes a rise of EUR 1.4 million in advance payments received and of EUR 1.3 million in other provisions.

### **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.

On the basis of the information currently available, the SYZGY GROUP expects sales growth of around 10 per cent in the 2021 financial year, combined with an EBIT margin in the high single-digit range, representing a significant increase in profitability. The Management Board of SYZGY AG is therefore confirming the forecast made in the 2020 annual report.

Bad Homburg v. d. H., April 26, 2021  
SYZGY AG

The Management Board

SYZGY AG, Bad Homburg v.d.H.

## Consolidated balance sheet

as at March 31, 2021

Assets	03/31/2021	03/31/2020	12/31/2020
	kEUR	kEUR	kEUR
<b>Non-current assets</b>			
Goodwill	57,693	57,695	57,349
Intangibles	452	722	493
Tangible Assets	31,381	31,950	30,206
Non-current financial assets	200	200	200
Other non-current assets	320	206	364
Deferred tax assets	1,616	2,647	1,662
<b>Total non-current assets</b>	<b>91,662</b>	<b>93,420</b>	<b>90,274</b>
<b>Current assets</b>			
Cash and cash equivalents	2,441	4,055	5,631
Marketable securities	4,119	5,029	153
Accounts receivable, net and contract assets	17,535	18,064	15,229
Prepaid expenses and other current assets	2,296	2,496	1,325
<b>Total current assets</b>	<b>26,391</b>	<b>29,644</b>	<b>22,338</b>
<b>Total assets</b>	<b>118,053</b>	<b>123,064</b>	<b>112,612</b>
<b>Equity and liabilities</b>			
	03/31/2021	03/31/2020	12/31/2020
	kEUR	kEUR	kEUR
<b>Equity</b>			
Common stock	13,500	13,500	13,500
Additional paid-in capital	27,058	27,069	27,058
Own shares	0	-407	0
Accumulated other comprehensive income	-2,481	-3,176	-2,836
Retained earnings	16,706	15,310	15,675
<b>Equity attributable to shareholders of SYZGY AG</b>	<b>54,783</b>	<b>52,296</b>	<b>53,397</b>
Minorities	224	-343	190
<b>Total Equity</b>	<b>55,007</b>	<b>51,953</b>	<b>53,587</b>
<b>Non-current liabilities</b>			
Long-term liabilities	32,387	37,006	31,405
Other long-term Provisions	202	75	202
Deferred tax liabilities	531	2,274	588
<b>Total non-current liabilities</b>	<b>33,120</b>	<b>39,355</b>	<b>32,195</b>
<b>Current liabilities</b>			
Income tax accruals	1,989	241	1,788
Accrued expenses	5,619	7,346	4,306
Contract liabilities	4,920	5,562	3,493
Accounts payable	7,602	9,260	8,000
Other current liabilities	9,796	9,347	9,243
<b>Total current liabilities</b>	<b>29,926</b>	<b>31,756</b>	<b>26,830</b>
<b>Total liabilities and equity</b>	<b>118,053</b>	<b>123,064</b>	<b>112,612</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 March 31, 2021

	January - March			Change 12/31/2020
	2021	2020		
	kEUR	kEUR		kEUR
<b>Sales</b>	<b>15,059</b>	<b>14,925</b>	<b>1 %</b>	<b>55,521</b>
Cost of revenues	-10,861	-11,040	2 %	-39,028
Sales and marketing expenses	-1,268	-1,275	1 %	-4,312
General and administrative expenses	-1,866	-1,887	1 %	-10,418
Impairment losses, net of trade receivables and contract assets	-10	30	n.a.	106
Other operating income/expense, net	512	344	49 %	2,130
<b>Operating profit (EBIT)</b>	<b>1,566</b>	<b>1,097</b>	<b>43 %</b>	<b>3,999</b>
Financial income	62	81	-23 %	433
Financial expenses	-221	-220	0 %	-1,130
<b>Income before income taxes (EBT)</b>	<b>1,407</b>	<b>958</b>	<b>47 %</b>	<b>3,302</b>
Income taxes	-338	-278	-22 %	-1,219
<b>Total net income of the period</b>	<b>1,069</b>	<b>680</b>	<b>57 %</b>	<b>2,083</b>
thereof net income share to other shareholders	38	27	41 %	24
thereof net income share to shareholders of SYZYG AG	1,031	653	58 %	2,059
<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>Items that will or may be reclassified to profit and loss:</b>				
Currency translation adjustment from foreign business operations	377	-950	n.a.	-1,120
Net unrealized gains/losses on marketable securities, net of tax	-26	-720	96 %	-204
<b>Other comprehensive income</b>	<b>351</b>	<b>-1,670</b>	<b>n.a.</b>	<b>-1,324</b>
<b>Comprehensive income</b>	<b>1,420</b>	<b>-990</b>	<b>n.a.</b>	<b>759</b>
thereof income share to other shareholders	33	4	725 %	7
thereof income share to shareholders of SYZYG AG	1,387	-994	n.a.	752
Earnings per share from total operations (basic in EUR)	0.08	0.05	60 %	0.15

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, 2021

	Common stock	Additional paid-in capital	Own shares	Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZYGY AG	Minority interest	Total equity
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
<b>January 01, 2020</b>	<b>13,500</b>	<b>27,069</b>	<b>-407</b>	<b>14,657</b>	<b>-1,719</b>	<b>190</b>	<b>53,290</b>	<b>-347</b>	<b>52,943</b>
Net income of the period				2,059			2,059	24	2,083
Other comprehensive income					-1,103	-204	-1,307	-17	-1,324
<b>Comprehensive income</b>				<b>2,059</b>	<b>-1,103</b>	<b>-204</b>	<b>752</b>	<b>7</b>	<b>759</b>
Payment to minorities				-446			-446	-66	-512
Sale of own shares		-11	407				396		396
Effects from changes in ownership interests				-595			-595	596	1
<b>December 31, 2020</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>
<b>January 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				1,031			1,031	38	1,069
Other comprehensive income					381	-26	355	-4	351
<b>Comprehensive income</b>				<b>1,031</b>	<b>381</b>	<b>-26</b>	<b>1,386</b>	<b>34</b>	<b>1,420</b>
<b>March 31, 2021</b>	<b>13,500</b>	<b>27,058</b>	<b>0</b>	<b>16,706</b>	<b>-2,441</b>	<b>-40</b>	<b>54,783</b>	<b>224</b>	<b>55,007</b>

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

SYZYG AG, Bad Homburg v.d.H.

## Consolidated statement of cash flows

as at March 31, 2021

	January - March		
	2021	2020	2020
	kEUR	kEUR	TEUR
Period net income	1,069	680	2,083
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Depreciation on fixed assets	1,283	1,466	5,655
– Profit (-) and loss (+) on sale of securities	-20	-10	-11
– Profit (-) and loss (+) on sale of fixed assets	2	0	446
– changes in Earn-Out liabilities	0	10	-443
– Profit (-)/Loss(+) on sale of fixed asset investments	0	0	0
– Other non-cash income and expenses	-54	24	42
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	-2,837	969	3,953
– Customer advances	1,405	24	-2,046
– Accounts payable and other liabilities	1,279	-745	-914
– Tax accruals and payables, deferred taxes	-213	-80	1,245
<b>Cash flows provided by operating activities</b>	<b>1,914</b>	<b>2,338</b>	<b>10,010</b>
Changes in other non-current assets	36	70	-95
Investments in fixed assets	-591	-279	-2,673
Purchases of marketable securities	-5,377	-3,258	-5,105
Proceeds from sale of marketable securities	1,369	988	8,333
Changes from fixed asset investments	0	0	-40
Acquisition of consolidated entities less liquid funds	0	-320	-3,308
Interest expense on leasing liabilities	-164	-177	-676
<b>Cash flows used in investing activities</b>	<b>-4,727</b>	<b>-2,976</b>	<b>-3,564</b>
Change in bank loans	736	4,736	1,951
Repayment of lease obligations	-817	-879	-3,381
dividend paid to minority shareholders	0	0	-512
dividend paid to shareholders of SYZYG AG	0	0	0
<b>Cash flows from financing activities</b>	<b>-81</b>	<b>3,857</b>	<b>-1,942</b>
<b>Total</b>	<b>-2,894</b>	<b>3,219</b>	<b>4,504</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,631</b>	<b>944</b>	<b>944</b>
Exchange rate differences	-296	-108	183
<b>Cash and cash equivalents at the end of the period</b>	<b>2,441</b>	<b>4,055</b>	<b>5,631</b>

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

SYZYG AG, Bad Homburg v.d.H.

## **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 SYZYG AG for the first three months of 2021 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, 2020. 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 2020 Annual Report. Balance sheet and Profit and Loss positions are presented following the same accounting policies as in the 2020 Annual Report. As a result, the following figures and notations should be read in accordance with the 2020 Annual Report.

### **Business activities of the SYZYG GROUP**

The SYZYG GROUP is a leading consultancy and implementation partner for transformation of marketing and sales.

SYZYG AG acts as a management holding company that provides its subsidiaries with central services relating to strategy, design, planning, technology development, accounting, IT infrastructure and finance. SYZYG 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 large global companies an integrated portfolio of solutions, from strategic consulting to project planning, concepts and design to technical realisation of brand platforms, business applications, websites, hosting, online campaigns and mobile apps. Online media services such as media planning, search engine marketing/optimisation and affiliate programmes are also a major business area.

In addition, SYZYG 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) and Augmented Reality (AR) as well as animations round off the range of services.

The Group's business focus is on the automotive, telecommunications/IT, services and consumer goods industries, as well as finance and insurances.



## Scope of consolidation and principles

As of March 31, 2021, the following subsidiaries were included in the consolidated financial statements of SYZYGY AG and fully consolidated:

- 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 of America (SYZYGY NY for short)
- SYZYGY Media GmbH, Hamburg, Germany (SYZYGY Media DE for short)
- SYZYGY Performance GmbH, Munich, Germany (SYZYGY Performance 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 consolidated from the date on which SYZYGY AG acquires control over the subsidiary until the date on which the control over the subsidiary ends. The results of the subsidiaries acquired or transferred during the year are included in the Consolidated Statement of Income and the Other Comprehensive Income from the time of acquisition or until the time of transfer, respectively.

The Profit and loss as well as the Other Comprehensive Income are attributed to the shareholders of SYZYGY AG and non-controlling interests. This principle must be followed, even if the non-controlling interests show a negative balance.

Information on general consolidation principles is provided in the 2020 annual report from page 100 onwards.

## Segment reporting

The application of IFRS 8 requires segment reporting in line with the Group's internal management approach. Following IFRS 8, SYZYGY reports on the segments according to geographical demarcation.

SYZYGY AG as a holding company mainly provides services to the operating units and must therefore be considered separately from them in the central function area. The segment Germany consists of different, SYZYGY Germany, SYZYGY Media, SYZYGY PER and SYZYGY Performance. The UK segment comprises SYZYGY UK and Unique Digital UK. SYZYGY NY and Ars Thanea are presented together under "Other Segments".

The individual segments apply the same accounting policies as the Group as a whole. SYZYGY AG assesses the performance of the segments primarily based on revenues and EBIT. The allocation of sales revenues to third parties is based on the location of the selling business unit. The information on the geographical areas in terms of segment sales revenue and non-current assets is derived from the segment information summarized below. The revenues reported in the segment reporting consist of revenues from external customers and inter-segment revenues. Transactions within the segments, which are generally invoiced at market prices, were eliminated.

Segment assets correspond to the sum of all assets plus goodwill attributable to the respective segment, less receivables attributable to companies in the same segment.

Segment investments comprise investments in intangible assets and property, plant and equipment.

Segment liabilities correspond to the total of all liabilities excluding equity, plus minority interests attributable to the respective segment and deferred taxes on the respective intangible assets, less liabilities attributable to companies in the same segment.

	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
<b>03/31/2021 (in kEUR)</b>						
Billings	19,660	5,898	2,012	32	-454	<b>27,148</b>
Media costs	-7,736	-3,684	-669	0	0	<b>-12,089</b>
Sales	11,924	2,214	1,343	32	-454	<b>15,059</b>
of which internal sales	196	31	227	0	-454	<b>0</b>
Operating income (EBIT)	2,018	469	259	-1,186	6	<b>1,566</b>
Financial income	-92	-54	-9	-4	0	<b>-159</b>
Earnings before tax (EBT)	1,926	415	250	-1,190	6	<b>1,407</b>
Assets	79,398	23,340	10,414	106,725	-101,824	<b>118,053</b>
of which non-current assets	61,878	14,931	8,195	5,306	-784	<b>89,526</b>
of which goodwill	43,091	8,308	6,294	0	0	<b>57,693</b>
Investments	237	31	1,558	1,004	0	<b>2,830</b>
Depreciation and amortisation	701	271	93	211	7	<b>1,283</b>
Impairment on goodwill	0	0	0	0	0	<b>0</b>
Segment liabilities	43,032	12,093	3,176	34,907	-30,162	<b>63,046</b>
Employees as per balance sheet date	367	51	62	34	0	<b>514</b>

	Germany	United Kingdom	Other segments	Central functions	Consolidation	Total
<b>03/31/2020 (in kEUR)</b>						
Billings	24,587	3,111	1,614	61	-375	<b>28,998</b>
Media costs	-12,309	-1,414	-362	0	12	<b>-14,073</b>
Sales	12,278	1,697	1,252	61	-363	<b>14,925</b>
of which internal sales	21	3	351	0	-375	<b>0</b>
Operating income (EBIT)	1,580	-44	-127	-365	53	<b>1,097</b>
Financial income	-42	-66	-4	-7	-20	<b>-139</b>
Earnings before tax (EBT)	1,538	-110	-131	-372	33	<b>958</b>
Assets	76,911	21,019	8,793	99,184	-82,843	<b>123,064</b>
of which non-current assets	61,853	15,482	6,715	5,864	453	<b>90,367</b>
of which goodwill	43,505	8,024	6,166	0	0	<b>57,695</b>
Investments	126	4	32	2,593	0	<b>2,755</b>
Depreciation and amortisation	722	298	140	265	41	<b>1,466</b>
Impairment on goodwill	0	0	0	0	0	<b>0</b>
Segment liabilities	36,539	10,459	1,541	33,729	-11,157	<b>71,111</b>
Employees as per balance sheet date	386	50	78	33	0	<b>547</b>

### Treasury stock

SYZGY is authorised to resell or call-in treasury shares or to offer treasury shares to third parties while 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.

On October 27, 2020, the Annual General Meeting authorised the Management Board to acquire a maximum of 10 percent of the Company'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 while acquiring companies.

In 2020 SYZGY sold all remaining treasury shares as part of the payment for the acquisition of additional shares of SYZGY Performance. The proportion of treasury shares in the share capital was 0.54 percent at the time of sale.

As of March 31, 2021 there are no treasury shares (previous Quarter: 73,528 treasury shares at an average acquisition cost of EUR 5.54) held at SYZGY.

### 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, 2020	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
<b>As at March 31, 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Supervisory Board: Shares

(Number of shares)	Wilfried Beeck	Dominic Grainger	Andrew Payne	Total
As at December 31, 2020	15,000	0	0	15,000
Purchases	0	0	0	0
Sales	0	0	0	0
<b>As at March 31, 2021</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</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	Lars Lehne	Total
As at March 31, 2020	0	33,000	48,000	144,000	<b>225,000</b>
Additions	250,000	100,000	100,000	0	<b>450,000</b>
Disposals	0	0	0	-144,000	<b>-144,000</b>
<b>as at March 31, 2021</b>	<b>250,000</b>	<b>133,000</b>	<b>148,000</b>	<b>0</b>	<b>531,000</b>

The phantom stock program was launched in 2015. The beneficiary receives the difference between the share price at grant and the share price at exercise of the phantom stock as a special payment. 40 percent of the phantom stocks granted (tranche 1) can be exercised at the earliest after 2 years and expire at the latest after 3 years, 60 percent of the phantom stocks granted (tranche 2) can be exercised at the earliest after 3 years and expire at the latest after 4 years. The maximum price increase is limited to 60 percent for tranche 1 and 90 percent for tranche 2. Further information can be found on page 87 of the 2020 Annual Report.

Effective January 1st, Franziska von Lewinski was appointed Group CEO for 3 years and Board members Erwin Greiner and Frank Ladner extended their contracts by 3 years. Accordingly, the board members received phantom stocks with a base price of EUR 5.68. Franziska von Lewinski received 250,000 phantom stocks, Erwin Greiner and Frank Ladner each received 100,000 phantom stocks. 40 percent of these stocks can be exercised from January 1st, 2023 onwards, the remaining 60 percent from January 1st, 2024 onwards.

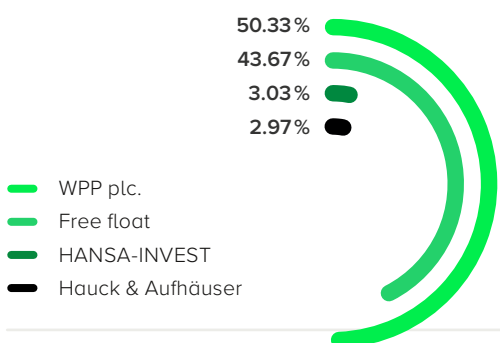
Erwin Greiner and Frank Ladner are still owning 48,000 and 33,000 phantom stocks (old stocks), which have been issued January 1st, 2018 and will dispose December 31st, 2021. The base price of these phantom stocks is EUR 11.25.

## Shareholders' structure

As of March 31, 2021, the shareholders' structure has not changed compared to December 31, 2020.

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

In thousand	Shares	per cent
WPP plc., St. Helier	6,795	50.33
Free float	5,896	43.67
HANSA-INVEST	408	3.03
Hauck & Aufhäuser Fund Services S.A.	401	2.97
<b>Total</b>	<b>13,500</b>	<b>100.00</b>



## Shareholders' structure

Bad Homburg v.d.H., April 26, 2021  
SYZYG AG

The Management Board

# Financial calendar 2021



**3-Month-Report**  
as per March, 31  
(english version: 05/07)

04/30

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

07/28

**9-Month-Report**  
as per September, 30  
(english version: 11/03)

10/27

**General Annual Meeting 2021**  
(virtually)

05/28

**German Equity Forum**  
(virtually)

11/22-24

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

12/08-09

**Contact**  
**Impress**  
/

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For current information, see [ir.syzygy.net](http://ir.syzygy.net)

