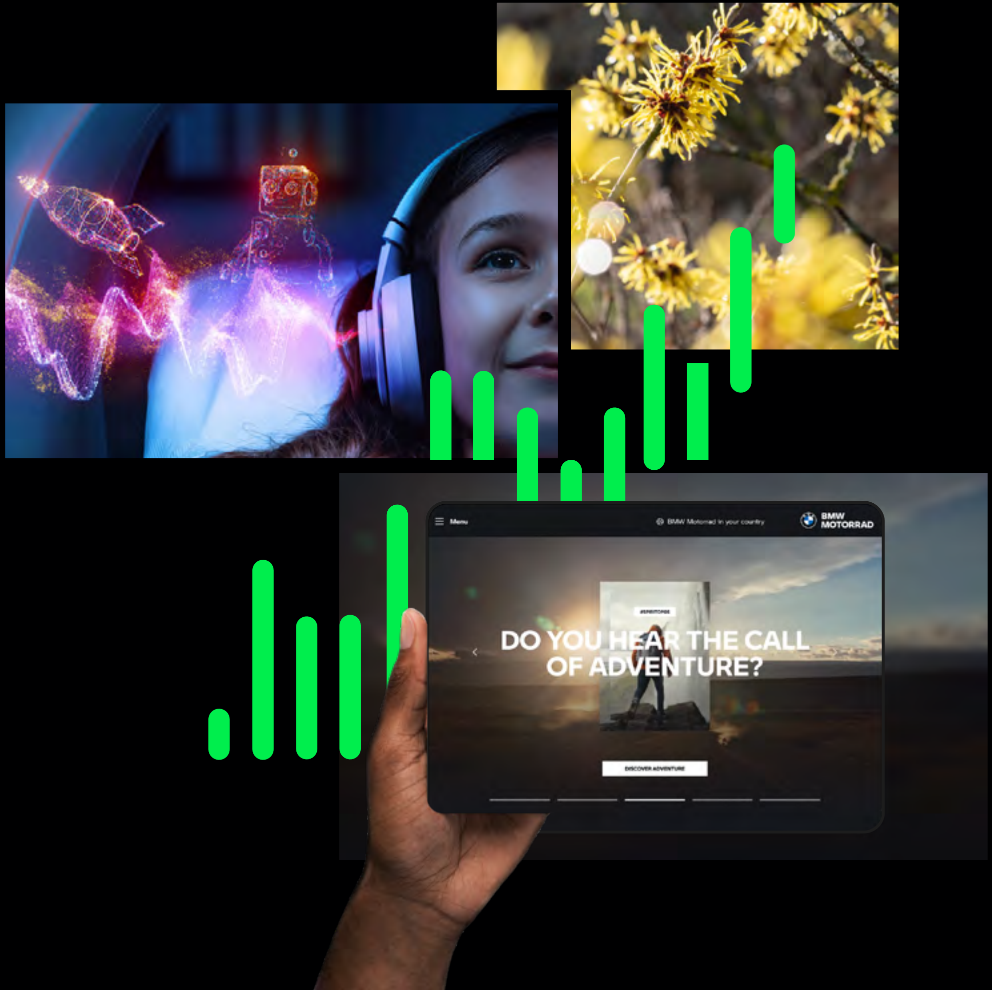
SYZYGY AG

Annual Report

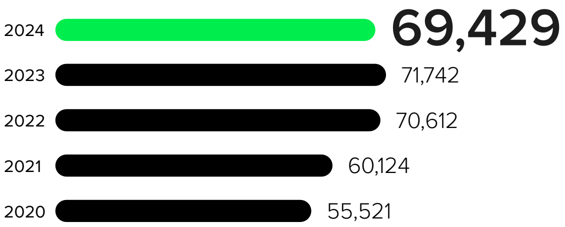
2024



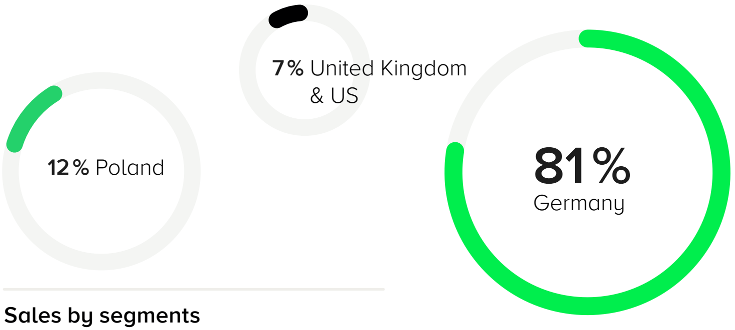
Content

SYZYGY & Ars Thanea / Poland

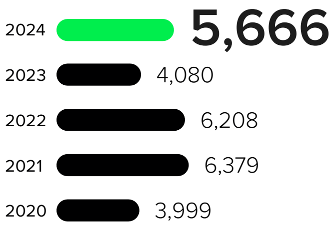
Key financial **figures**



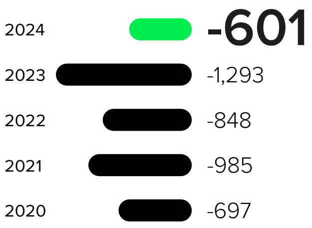
Development of sales (in kEUR)



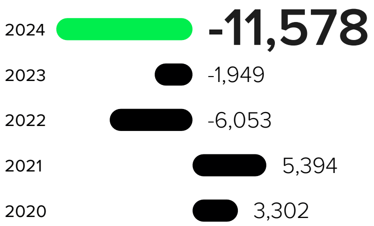
Sales by segments



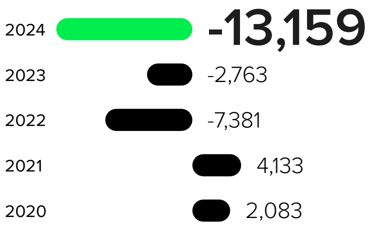
Operating income before goodwill write-downs (in kEUR)



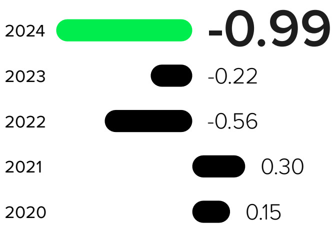
Financial income (in kEUR)



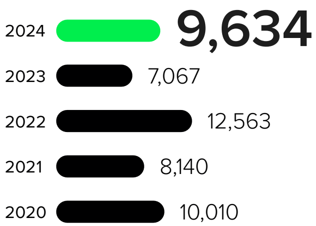
Income before taxes (in kEUR)



Net income (in kEUR)

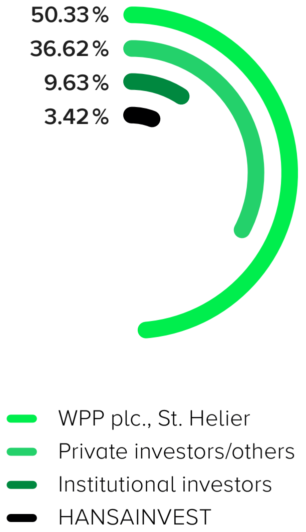


Earnings per share undiluted (in EUR)

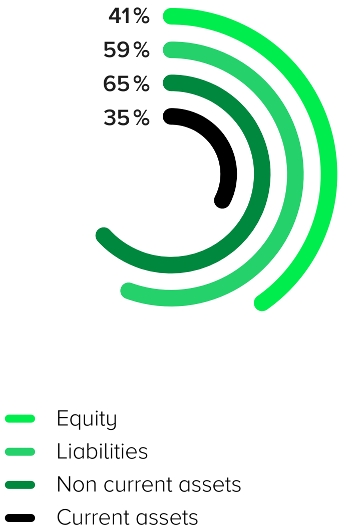


Operating cash flow (in kEUR)

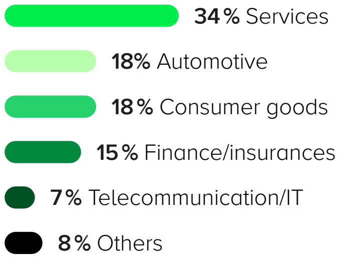
> **The results are in line with our expectations** given the ongoing difficult economic situation in our core market, Germany.



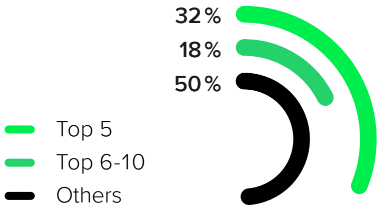
Shareholder structure



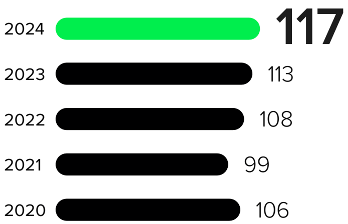
Balance sheet structure



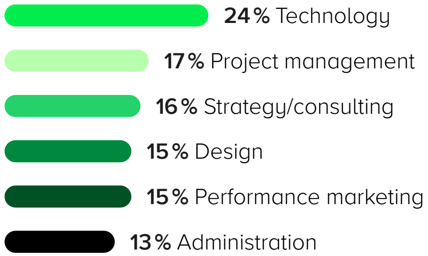
Sales allocation by vertical markets



Sales by clients' volume



Sales by employee (in kEUR)



Employees by function

Letter from the **Management Board**

Dear shareholders,
dear colleagues,
dear friends of Syzygy AG,

With effect from July 1, 2024, Frank Wolfram was appointed CEO by the Supervisory Board of Syzygy AG. This move sees Frank Wolfram returning to his professional roots. As a former board member and Chief Technology Officer in the period 2000 to 2012, he was part of Syzygy AG's successful IPO and helped drive the company's growth strategy, as well as leading a number of clients such as Daimler, Deutsche Bank, Mazda and O_2 Telefónica.

As one of the leading consultancy and implementation partners for digital experiences, the SYZYGY Group is now once again being led by a three-member senior management team: Frank Wolfram as Chief Executive Officer, and the established board members Erwin Greiner as Chief Financial Officer (CFO) and Frank Ladner as Chief Technology Officer (CTO).

Mangement Board of Syzygy AG

“Optimising digital experiences **is a team effort.**”

diffferent / Berlin

Business performance

The 2024 financial year was the second year in a row to be marked by a weak economic environment, with Germany remaining stuck in recession. Clients from the automotive sector in particular were very cautious in their spending. This in turn had a considerable impact on diffferent, our strategy consultancy business. In addition, our UK entity lost a major account, resulting in a significant decline in sales. We did, however, continue to see momentum and significant growth in the development and operation of digital platforms and in our technology services. Our Polish subsidiary also had an exceptionally successful year, with high sales growth accompanied by strong profitability.

Overall, the SYZYGY Group posted a slight 3 per cent decline in sales at EUR 69.4 million, thereby slightly missing its annual forecast. However, we were able to boost our operating profitability – before goodwill write-downs – to an EBIT margin of 8 per cent, representing a 39 per cent rise in operating profit compared to the previous year.

Due to the challenging market conditions in Germany and the drop in sales in the UK, we decided to write down goodwill by a total of EUR 16.6 million, thus taking pressure off the balance sheet. As the SYZYGY Group's operational viability and cash flow are unaffected by this goodwill write-down, the company's cash position remains very strong, and we were able to reduce financial liabilities to just EUR 1.0 million in the financial year.

Our core SYZYGY brand and technology specialist SYZYGY Techsolutions continued to perform very strongly, achieving high growth rates. Our performance marketing specialist SYZYGY Performance, meanwhile, managed to hold its own. We were able to partly compensate for the situation at diffferent, Following a thorough review and planning process, we made further capacity adjustments to align the cost structure of diffferent with the latest developments.

69.4 Mio. EUR Sales

Overall the Germany region saw sales decline by 2 per cent to EUR 56.4 million, with operating profitability coming in at 12 per cent. The core German market thus proved to be stable overall and now accounts for 81 per cent of total sales.

SYZYGY & Ars Thanea / Poland

Operative EBIT margin in the core german market

12%

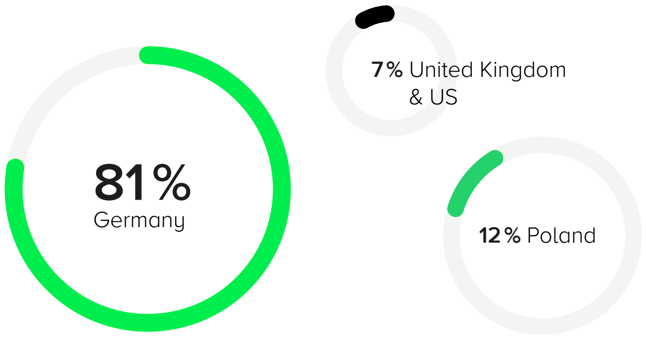
“Given the persistently weak economic situation **in our core German market, the results meet our expectations.**”

Operative EBIT margin in Poland

12%

In the UK and US, we posted a 39 per cent drop in sales to EUR 5.1 million, due to the loss of a key client account. We took early action to cut costs in response, focusing on rental space and overheads. This enabled an EBIT margin of 2 per cent to be achieved.

In contrast, our Polish specialist for creative production, Ars Thanea, and SYZYGY Poland both performed exceptionally well. Sales were up 34 per cent year-on-year at EUR 8.2 million, with an EBIT margin of 12 per cent.



Sales by segments

We are committed to sharing business performance appropriately with you, our shareholders, and to distributing dividends.

Due to negative consolidated net income and thus negative net earnings in the single-entity financial statements of Syzygy AG, it is not possible to make a dividend payment in respect of the 2024 financial year – despite high cash flows and a strong cash position. Our intention is to distribute the bulk of consolidated earnings for the 2025 financial year.

SYZYGY / Frankfurt

Strategic direction

As a leading consultancy and implementation partner for digital experiences, the SYZYGY Group offers a complete portfolio of services in terms of both breadth, ranging from strategic consulting to performance marketing, and depth, spanning everything from experience design to managed hosting. Our aim is to configure the best possible range of services to meet specific client requirements. This requires a flexible approach and cross-disciplinary, cross-location teamwork. Our 'Fit for Collab' initiative is aimed at bolstering our ability to collaborate with our WPP network partners and within our clients' partner ecosystems.

Together with Scholz & Friends Family, a member of the WPP network, we have put together an integrated range of GovTech-related services to tap into the growth area of digitalising the public sector.Looking at the technology field, we have expanded our strategic partnerships. SYZYGY Techsolutions was named Solution Partner of the Year – Continental Europe in 2024 by digital experience platform provider Optimizely.
One focus of our strategic initiatives is on generative artificial intelligence. We advise our clients on the ways they can use AI, implement AI-aided digital experience solutions and deploy our proprietary AI agents to boost the efficiency of our internal processes.

SYZYGY Warsaw / Partner of Dare IT

Our aim is to unlock growth opportunities in the area of AI applications. For more information, see the “Our future – SYZYGY Next” section of this annual report.

We are guided in our business activities by the United Nations’ Sustainable Development Goals relating to training and continuing education, equality, the work environment and climate action.

SYZYGY Techsolutions, for example, is a supporting member of Women in Tech, a non-profit that promotes diversity and equality in technical professions within the German-speaking countries. SYZYGY Warsaw has for many years been a partner of Dare IT, a mentoring programme that provides support for women entering the IT industry.

We are also involved in WPP Stella, a community for women in the WPP network. Our traditional TECH Camp was again held in 2024, combining creative hackathons, outdoor activities and celebrating together. In total, the SYZYGY Group offset 250 tonnes of CO_2 in the past financial year by acquiring carbon certificates, the proceeds of which are used for the benefit of climate action projects. Additionally, as part of the Herzenswald project our staff worked with family and friends to plant 300 trees. A detailed description of our key environmental, social and governance activities is presented in the image section of this annual report and in the Group’s non-financial statement in the management report.

Outlook

In einem weiterhin zurückhaltenden wirtschaftlichen In an economic environment that remains constrained, especially in Germany, our core market, the SYZYGY Group expects a high single-digit percentage decline in sales and an EBIT margin of around 7 per cent for the 2025 financial year. Our attention will be focussed on our strategic initiatives involving the public sector and AI, which we expect to deliver growth opportunities.

Outlook for 2025: Declining sales with an EBIT margin of around

7%

> In our 30th anniversary year, we are leveraging the momentum of **innovation in AI to drive our future growth.**

Management Board of Syzygy AG / Erwin Greiner (CFO), Frank Wolfram (CEO) and Frank Ladner (CTO)

Acknowledgements

We would like to thank all SYZYGY Group clients for the trust they have placed in us, and you, valued shareholders, for your loyalty. Special thanks go to our employees, who show huge commitment every day and are actively helping to shape the future of the SYZYGY Group, and to their families.

We would also like to thank the Supervisory Board for its effective, appreciative and farsighted work throughout the year. We wish you and all of us at the SYZYGY Group a successful 2025 and look forward to continuing our collaboration, partnership and shared journey.

Bad Homburg, March 2025
Syzygy AG

The Management Board

Erwin Greiner (CFO)	Frank Wolfram (CEO)	Frank Ladner (CTO)

We are the **SYZYGY Group**

/

One of the leading consultancy and implementation partners for comprehensive digital experiences.

SYZYGY / Frankfurt

Curious. Analytical. Strategic.
We combine human-centric thinking with a deep understanding of brands, products and technologies.

We think in terms of customer journeys and ecosystems, with regard to both content and processes. Our work is based on creativity and curiosity. We apply agile methods to achieve our goals faster.

Data drives us, in a positive way. It is the basis for our analytical decisions and serves a higher purpose: delivering a better digital experience.

We provide well-informed advice. Develop customised strategies. Translate them into targeted actions. Implement them. Orchestrate them. Activate them. Measure the success. Learn.

Positive digital experiences.
For greater business impact.

SYZYGY Performance / Hamburg

syzygy-group.net/en/about

SYZYGY

SYZYGY / PERFORMANCE

SYZYGY / TECHSOLUTIONS

Consulting and implementation partner
for digital experiences.

diffferent

Strategy consultancy
for new growth

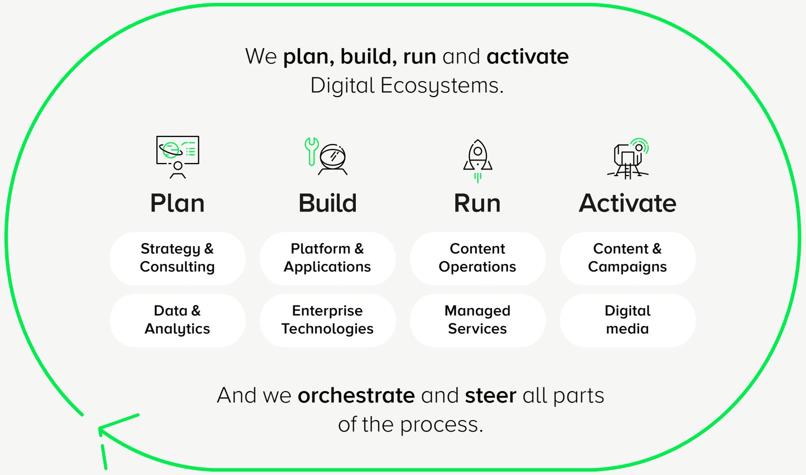
Ars Thanea

Design & Crafts Studio

SYZYGY

Holistic digital experience

We think and create inspiring digital experiences by supporting brands and companies throughout the entire process – from strategic planning to target group activation. Holistically managed and orchestrated, and all from a single source. Or scaled and integrated into an existing partner ecosystem.



Digital experience End-to-end services

Plan

The strategic foundation
Find the right insights! We identify user needs, analyse markets and develop strategies and concepts that align people, brands and business needs. Customer journey mapping, data-driven strategy development and advice on platform and technology solutions are at the core of our work. And, all as a natural continuum of measuring, analyzing, and optimizing.

Build

Digital products with impact
Building digital platforms requires the perfect integration of user experience, design and technology. Our expertise includes modular, scalable architectures, iterative development and performance-optimised interfaces for e-commerce, brands, and personalized product experiences.

Run

Continuous quality
A digital ecosystem is constantly evolving. We guarantee smooth operation and continuously improve performance through data-based iterations, A/B testing and customer experience monitoring. We always keep our clients' needs in focus and think beyond the next service ticket.

Activate

Target group-specific activation
Digital solutions must be visible and relevant. We ensure relevant traffic with data-driven marketing strategies, personalised communication approaches and creative content formats. We generate meaningful traffic – whether through SEO, SEA, performance media, or brand campaigns. We continuously measure, analyze, and optimize.

diffferent

Strategy consultancy

We advise companies and organizations, listen, ask questions, think from multiple perspectives and look for new solutions for sustainable business models and portfolios, organizational forms and structures as well as visions and brand experiences.

In doing so, we guarantee our clients **success** that is **not only economically profitable, but also socially and ecological meaningful.**

Design & Craft

We combine **design, technology** and **storytelling** to create extraordinary visual experiences.

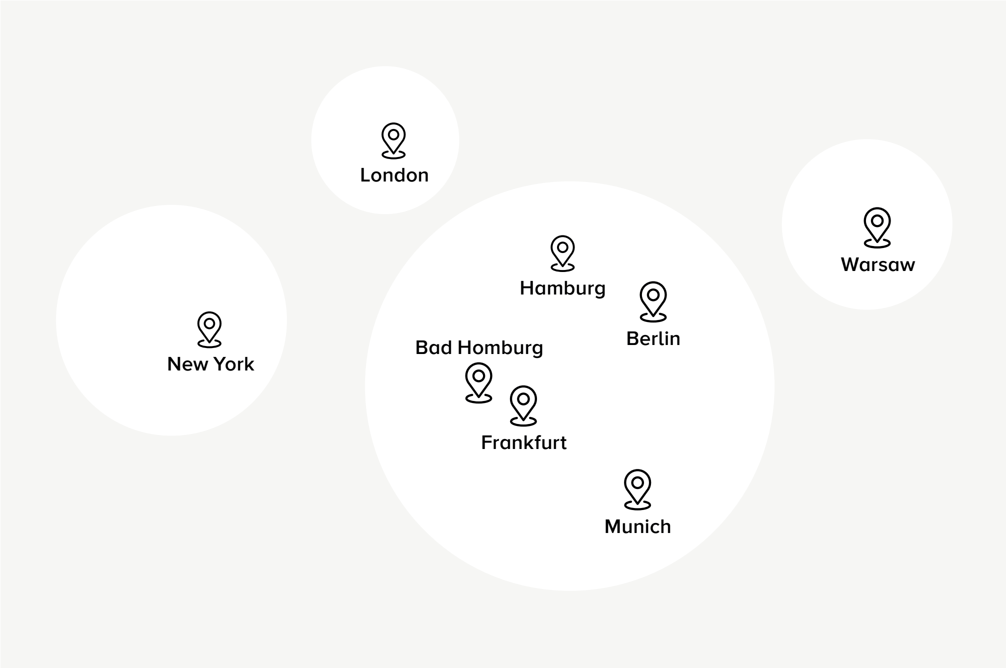
We use **high-quality CGI, VFX, motion design and interactive solutions** to showcase brands in innovative ways. Our team of **creatives, technical experts and strategists** develop immersive campaigns, animations and digital content at the highest level. In doing so, we are constantly setting new standards by combining artistic excellence with the latest technology.

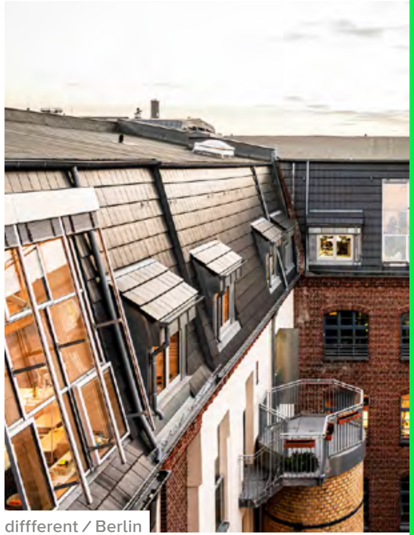
diffferent / Berlin

Ars Thanea / Poland

We service our clients out of **8 offices in 4 countries.**

Depending on the task and the expertise required, we form integrated cross-location teams.





diffferent / Berlin

SYZYGY / Frankfurt

69+ Mio. EUR Sales

550+ Employees

Our clients are our partners.

We understand ourselves as part of the team.

We maintain long-term relationships with prestigious brands, major corporations and mid-sized businesses.

Our clients come from a wide range of industries: Automotive, Transport, Financial Services, Technology, Construction, Healthcare, FMCG, eCommerce and public authorities.

Our values
Our compass

/

SYZYGY & Ars Thanea / Poland

Values show who we are.
They help to guide us in everyday life.

Our overarching values provide direction on how we interact with each other, how we carry out our work, how we cooperate with clients and partners, and how we run our agency.

These values represent us as a Group and also as individuals. It is therefore important to live them and make them a reality. **After all, even the most important values are worthless if they don't have a noticeable impact in our day-to-day lives.**

* **Responsible**
* **Collaborative**
* **Curious**

Our values

“**Our values** aren't just words on slides – **they shape how we work with each other every day.**”

Frank Wolfram (CEO, Syzygy AG)

✳ Responsible

Our attitude
We take responsibility.
For our clients and their business.
For our agency and our people.
For ourselves. For our planet.

We are straight talking. We are friendly
and treat people as equals.
We always look for the best possible solution.

We keep our promises. No excuses.
We believe that responsibility,
openness and honesty are fundamental
for trust and success.

The guiding principles for our actions are **four of the UN's Sustainable Development Goals (SDGs).**


SYZYGY / Frankfurt

We report transparently on our key **environmental, social and governance (ESG) topics.**

E

Environmental

Energy consumption and the company's responsible use of resources with regard to our carbon footprint

S

Social

Recruiting, retaining and supporting talent

Health and well-being

Diversity and equal opportunities

Data privacy and data security

G

Governance

Strengthening corporate culture and business ethics

Transparency on preventing corruption and bribery

Data privacy and data security

Our key ESG topics

Diversity.
Equal opportunities.
Inclusion.

We believe that every individual has unique abilities and talents. We support and promote that: **diversity, equal opportunities and inclusion (DEI) are pillars of our corporate culture – and of our success.**

All employees are valued. Irrespective of age, ethnic origin or ideology. Without prejudice. Each individualskillset and every qualification helps us to move forward.

SYZYGY Techsolutions / Bad Homburg

Women in Tech

We encourage women to embark on a career in the digital industry or switch to it. SYZYGY Techsolutions is a member and supporter of Women in Tech.

This non-profit association promotes diversity and equality in technical professions. Discussion and dialogue within the network at online and local events are just as important as mentorship programmes and career coaching. Across industries. In Germany, Austria and Switzerland.

SYZYGY / Poland

Dare IT – mentoring by women for women.

Our vision: technology is equality. That's why SYZYGY Warsaw has been a partner of Dare IT for many years, a mentoring programme that helps women to enter the IT industry.
Our experts are mentors who believe in passing on their knowledge and experience.

Equality is embedded in our values. As is our deeply rooted commitment to diversity and inclusion. Networking enriches our culture, and some programme participants have now become part of our team.

Welcome to WPP Stella

We are part of the WPP Group, and Stella is the community for women at WPP. **Stella aims to inspire. To promote talent and diversity. To empower and connect women in leadership roles.**

Country and regional groups organise network events such as the WPP STELLA City Tour in Germany. Meetings involving workshops and presentations are regularly held in various locations. Women in senior leadership positions take part in WPP's Walk the Talk training programme.

SYZYGY / Munich

Mission. Well-being. Mental health.

We promote a healthy and safe working environment. All employees should be able to freely develop their talents. Think up creative ideas for experiences. Feel cared for and supported. Be treated equally, irrespective of gender.

> **Well-being and mental health** influence our thinking, our ideas and our behaviour.

Our teams include safety officers, mental health first aiders and inclusion officers. This ensures that the health and safety of all employees are protected in each area – and we can adapt the physical environment if necessary.

Training and development. Professional and personal.

To develop innovative experiences, we need **highly qualified and agile employees.** Professional advance-ment and personal development are therefore vitally important for each and every individual.

Our development plans include a selection of training and development opportunities for all career paths, from professional training to comprehensive personal development.

Managers have opportunities to develop themselves as leaders. Coaching and mentoring are part of our corporate culture.

SYZYGY Group / Self-growth retreat

Self-growth retreat

Twice a year, 30 SYZYGY employees take part in a self-growth retreat. They learn more about themselves and develop new skills.

Joint workshops based on the concept of total fitness are held for the purpose of self-reflection on personal and professional experiences. Coaches help participants to set and achieve goals. To accept and tackle challenges more effectively. Alongside teambuilding activities, we also promote interaction and networking with newly acquired contacts from different areas outside the usual work environment.

SYZYGY Techsolutions / 2024 TECH Camp

TECH Camp 2024 –
Knowledge Base 2.0 with RAG

Can we improve our internal knowledge management with retrieval-augmented generation (RAG) and AI? Yes, absolutely – with *Kepler, Siggy* and *Solara*.

The solutions of our 22 colleagues from SYZYGY Techsolutions, who came to the Taunus region from all over Germany, are impressive: a universal plug-in that taps into “buried” knowledge in a role-sensitive way, voice control included; a competent all-rounder for Microsoft Teams; and a friendly onboarding mascot that actively provides context-based responses.
Equally impressive was the fact that the teams only had two days to collaborate on developing ideas and turning them into executable prototypes. The presentations on the second afternoon of the TECH Camp inspired the other groups and senior management alike. *Kepler, Siggy* and *Solara* and their features definitely have the potential to simplify the sharing of knowledge in SYZYGY teams and also the onboarding of new colleagues in the future.

Lots of fun and opportunities for getting to know each other, a team challenge focused on fitness, creative games and a sociable evening were also part of the programme.

> **The quality of digital experiences determines success in today’s world.** Both within our own company and also for our clients’ brands.

Frank Ladner (CTO)

TECH Camp 2024

Environment.
Climate protection.
Herzenswald project.

Emissions cannot be avoided in our digital industry. So we looked for opportunities **to support our environment. Regionally and sustainably.**

Project Herzenswald / Planting season

The Herzenswald project encourages teamwork.

Our employees have **planted 300 trees together with families and friends.**

The Herzenswald project sees us supporting the reforestation of the Taunus region. It is meaningful, sustainable and great teamwork that's fun.

“A small step for a tree, **a major step for a forest.**”

Herzenswald

250

tonnes of CO_2 emissions were offset by the SYZYGY Group in 2024*

Climate protection in the region

We support climate protection through regional projects. Klim helps us do this. The agritech platform is a good fit for us because it is digital. Klim enables farmers to take steps towards regenerative agriculture. In carbon farming, CO_2 is removed from the atmosphere and stored in the soil. This significantly improves soil health and biodiversity.

* through the purchase of certificates, the proceeds of which benefit climate protection projects

KLIM / Our partner for regenerative agriculture

* Collaborative

Our way of working
We believe in the power of cooperation. In bringing together different types of knowledge. In diversity. In different perspectives, opinions and backgrounds.

Really good cooperation needs a shared vision and an environment that is open, transparent and respectful.

We believe that great (digital) solutions can only originate in interdisciplinary teams.

And let's be honest: working together is simply much more fun.

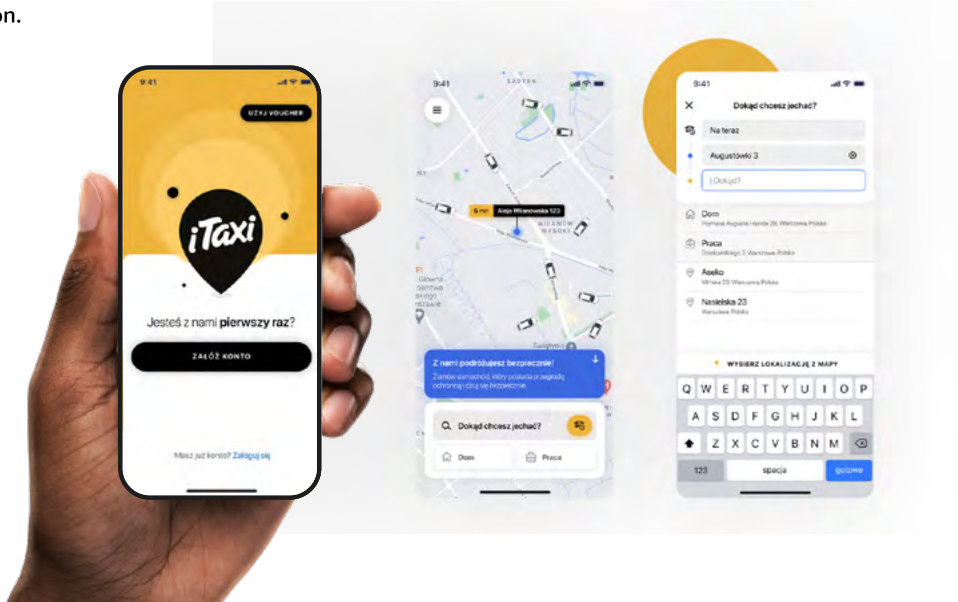
A new way forward.

Our values-based way of working is part of our corporate culture and strategy. It makes our teams stronger and more agile, and opens up new opportunities for collaboration with our clients.

When our colleagues at SYZYGY Warsaw wanted to develop even more innovative and sustainable solutions for clients, **they transformed their work model into a Teal organisation.**

Teal organisation for maximising client success

A few years ago, our office in Warsaw restructured its work with clients according to the three key pillars of the Teal model: **self-management, wholeness** and **evolutionary purpose.** These factors have underpinned its success ever since. One example is the development of an app for iTaxi, a leading ride-sharing service in Poland.

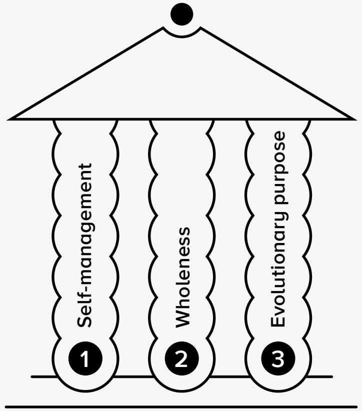


Self-management: agility for faster decision-making

All the colleagues in the Warsaw office and the iTaxi employees worked as a team without traditional hierarchies. They managed themselves and worked closely together, with everyone involved taking responsibility for the app project. They all had more freedom to make decisions, which meant they were able to respond more quickly to demands and take an agile approach to developing new features or improving existing ones in a smooth, efficient development process. Updates were also provided without delay. This flexibility has always been crucial in project work.

Wholeness: mutual trust promotes creativity

Wholeness is another success factor and core concept of the Teal organisation. The Warsaw-based designers and developers worked closely with the iTaxi team on a technical level and also helped to create an open and trusting working atmosphere. They were able to harness their full potential when developing the app and to jointly devise creative and user-centred solutions that improved the booking experience for iTaxi customers.



Wholeness

We create a work environment in which our employees can be themselves. We encourage them to bring their personal authenticity to their professional roles. This promotes creativity, reinforces trust and supports cooperation – resulting in innovative and effective solutions for our clients.

Self-management

Our teams manage their own processes, enabling them to be directly aligned with the needs of our clients. This independence results in faster decision-making, stronger personal responsibility and fewer delays due to approval processes.

Evolutionary purpose

Without the restrictions of traditional management structures, our teams can adapt flexibly to new challenges and seize opportunities. That's how we continually develop new and better ways of offering our clients greater value.

3 Pillars of Teal

Evolutionary purpose: adaptability and innovation

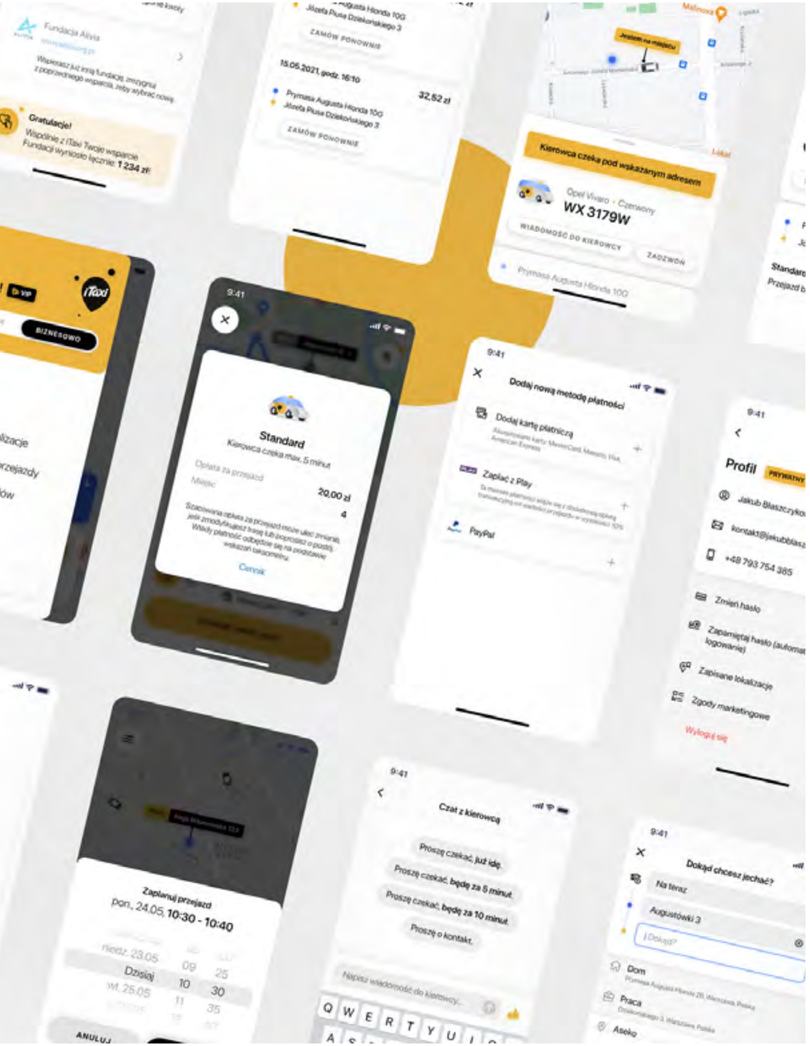
The creation of a dynamic unit drove forward innovative solutions for clients. Together, the team continuously and flexibly adapted to new challenges and market requirements.

80%

Boosting efficiency compared to the old app

This meant the iTaxi app not only meets current requirements but is also future-proof – and users enjoy a completely new user experience (UX). New features were added so that users can book a trip in just two clicks, boosting efficiency by 80 per cent compared to the old app.

SYZYGY Warsaw / partnership-based project collaboration



Added value for clients and users

The Teal organisation worked efficiently and effectively: not only is the new iTaxi app faster and more user-friendly, it also sets new standards in the ride-sharing industry. Gawel Boguta, CTO of iTaxi, emphasised reliability, the high quality of the work and compliance with the budget as being particularly crucial during the collaboration.

Teal organisation as a model for success

The Teal principles – **self-management, wholeness** and **evolutionary purpose** – enabled the iTaxi project team to achieve more.

The organisational system was crucial for the success of iTaxi and also had a positive impact on all teamwork in Warsaw. It enabled the development of more innovative, adaptable and sustainable solutions that are tailored to the real-world needs of clients and the markets. Transformative values were also generated through the efficient joint working approach. These had a positive impact on clients, teams and the future of work in our Polish office.

For our colleagues at SYZYGY Warsaw, the introduction of the Teal model meant more than just cultural change. It was a strategic step that helped to strengthen the teams and encourage greater transparency and adaptability. Collaboration was also redefined and a new standard set for future client partnerships.

> “With their commitment to the Teal model, our Warsaw-based colleagues are demonstrating their enthusiasm for **transparent collaboration, agility and a culture focused on shared objectives and autonomy** in order to unlock the full potential of teams and clients and ensure long-term success.”

syzygy.pl/projects/itaxi..

✳ Curious

Our mindset
Curiosity drives us forward.
It helps us to really understand challenges and find new, smart solutions.

We look forward to new things, because discovering new things means learning. Curiosity also makes mistakes, and helps us to become better.
Curiosity is positive about the future.

Curiosity takes us to the next level.
It leads to better results.
That is the only way for us to set new benchmarks.

Design thinking for exploring new technologies.

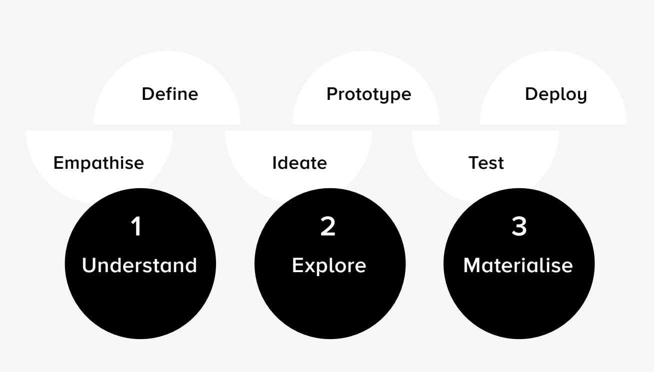
For **Miles & More,** creating high-quality customer experiences is vital for boosting loyalty.

Nowadays, people value the customer experience more than ever before and **are 3.5 times more likely to recommend a company** to others if it delivers high-quality experiences.

Amid the hype surrounding the launch of the Apple Vision Pro, we had the idea of exploring the use of immersive VR experiences for Miles & More. We are doing this by following our three-stage design thinking process.

“ **With virtual reality, we are able to immerse ourselves in fascinating worlds.** It is another step towards making our programme even more compelling and experiential. ”

Christoph Klee
(Head of Digital Touchpoints Marketing, Miles & More GmbH)



Our three-stage design thinking process

Relevance and potential of **VR for travellers.**

**Empathise:
Develop an understanding of users, technology and business.**

With our broad knowledge of the target audience, we used service journey mapping to quickly identify the touchpoints where VR experiences could offer the most added value for frequent and leisure flyers. These were the moments when waiting times at the airport, in lounges or on board needed to be filled.

Our analysis also showed low market penetration of VR glasses and little experience of their use. Development of a service for private use was therefore ruled out and we pursued the idea of Miles & More providing glasses that could be used under guidance.

On the business side, two possible goals were identified: positioning of the brand as a trusted companion for travel experiences, and fun communication of Miles & More programme content.

**Define:
From thought experiment to concrete question**

Based on initial analysis, the key question emerged:

> “How can the Apple Vision Pro be used **to transform waiting times into virtual programme experiences or travel experiences for Miles & More members?**”

This central question served as the starting point for developing initial concept ideas and ensured that the innovation process was aligned with customer benefits and the brand strategy.

Creative development and selection of the relevant ideas

Ideate:
Outline possible ideas and prioritise them

An interdisciplinary SYZYGY and Miles & More team of strategists, designers, concept developers and technologists developed a wide range of ideas in a creative brainstorming process: from a virtual hunt for miles at the airport to a bucket list experience in the lounge. The best concepts were captured in visual sketches and evaluated against defined criteria with the client in order to identify potential.

Prototype:
Initial prototypes and implementation strategy

We carried out a feasibility study for the most promising concepts. This included the question whether the cases could be implemented with suitable spatial stock videos or more effectively with our own specially produced content. We are also currently looking at opportunities for integrating the VR experience into Miles & More events that are already planned.

> “**As soon as the framework is in place, development of an initial prototype will begin** to bring the vision of virtual travel experiences to life for members.”

> Our services guarantee **positive digital experiences** for maximum business success.

Cases

syzygy-group.net/en/cases

Experience Hub:
Digital Home of the Brand

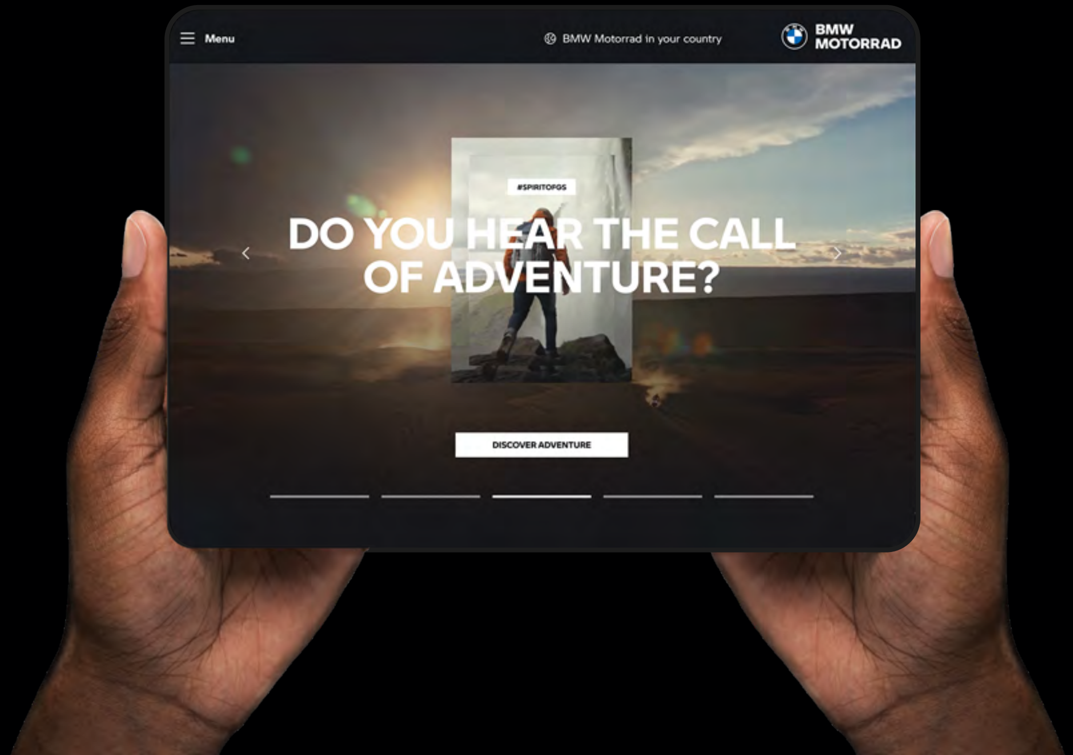
/

BMW MOTORRAD

Brand

- Orchestration
- Rebranding
- Redesign
- Editorial concept
- Content audit
- Article / asset production
- Production
- Tracking & optimisation (DCO)

Our services

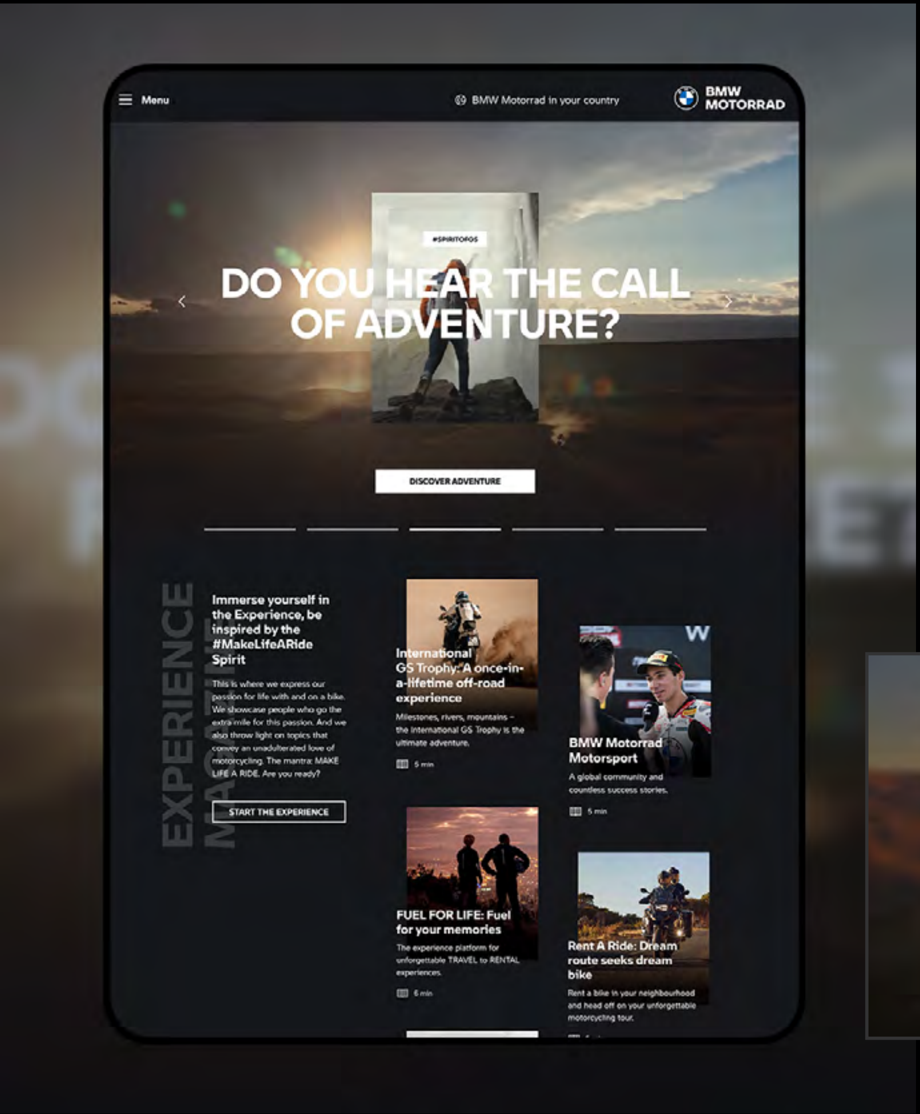


In Short:
Relaunch of the brand website as part of the strategic positioning / focusing of the brand as an active experience brand.
Clear objectives: (Re)activation of existing customers and reaching new, lifestyle-oriented audiences.

It's all about experiences:

The new BMW-motorrad.com emotionalises, inspires and activates fans of the brand and every-one who is passionate about lifestyle. The mission is to make the brand a portal to experience.

Through immersive brand stories but also real experiences – some of which are available for booking. Turning BMW Motorrad as a brand into an enabler, and the website into an experience hub.

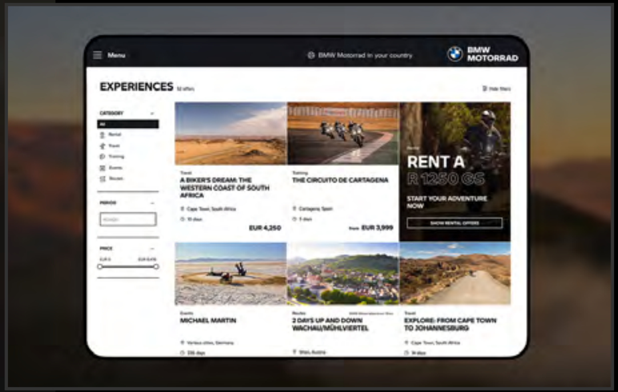


Philosophy

People don't buy products, they buy emotions. That is particularly true of a brand like BMW Motorrad. Based on the "Make Life a Ride" marketing strategy – with its communicative focus on positioning the brand as an experience enabler – we designed and created a platform which does exactly that.

We basically address two audiences:
riders of BMW motorcycles, and prospective customers who either don't currently own a motorcycle or don't have a BMW.

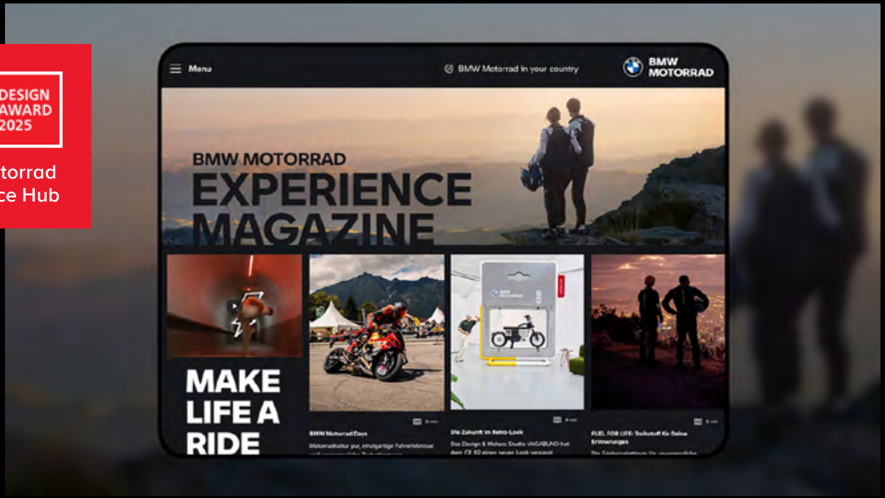
> "To reach the different audiences, we continuously **produce inspiring content with emotional resonance,** share stories from the community and offer insights into the brand."



The products become enablers of unforgettable experiences and – in the form of product pages – are only a click away. Added to the mix are real experiences that users can book, allowing them to experience the brand world.

DESIGN AWARD 2025

BMW Motorrad Experience Hub



Winner of the IF Design Award 2025 in the category Corporate Website/Brand Experience

Implementation

The new **www.bmw-motorrad.com** website rounds out the customer journey by engaging with the heterogeneous audience in a peer-to-peer manner and offering a range of emotionally appealing and activating entry points.

1. **Lifestyles:** In the style of timeless manifestos, we celebrate th different lifestyles on which the product range is based – something that is particularly attractive to newcomers.
2. **Experience Magazine:** An online magazine for which we regularly produce new stories, interviews, reports, multimedia content and up-to-the-minute social media posts, keeping readers updated.
3. **Experiences:** Interface for booking rentals, events and training.

Since the site went live in June 2024, **visits to the international platform have quadrupled,** aided by cross-media activation**.**

750k Visits

3 min Dwell Time

1200 Generated assets

Qualitative conversions

This central global hub, which is available in six languages, offers the target audience everything they need to know about the brand. Various links to the product pages deliver quality conversions.

syzygy.de/projekte

Taking off for a **new digital experience**

/

How can a modern digital experience platform (DXP) contribute to a company's strategic business goals?

Condor brought us on board to transform and modernise their digital ecosystem in order to create a better experience for users. We chose an Optimizely DXP as the central platform for orchestrating and managing personalised customer journeys across all digital touchpoints.

Exceptional customer convenience, modern technology and maximum efficiency are crucial for Germany's most popular leisure airline – not just in the skies, but also with regard to the ongoing development of the digital ecosystem. We are driving this forward for the DXP by leveraging the latest technologies and providing comprehensive consulting services.

Automation and optimisation

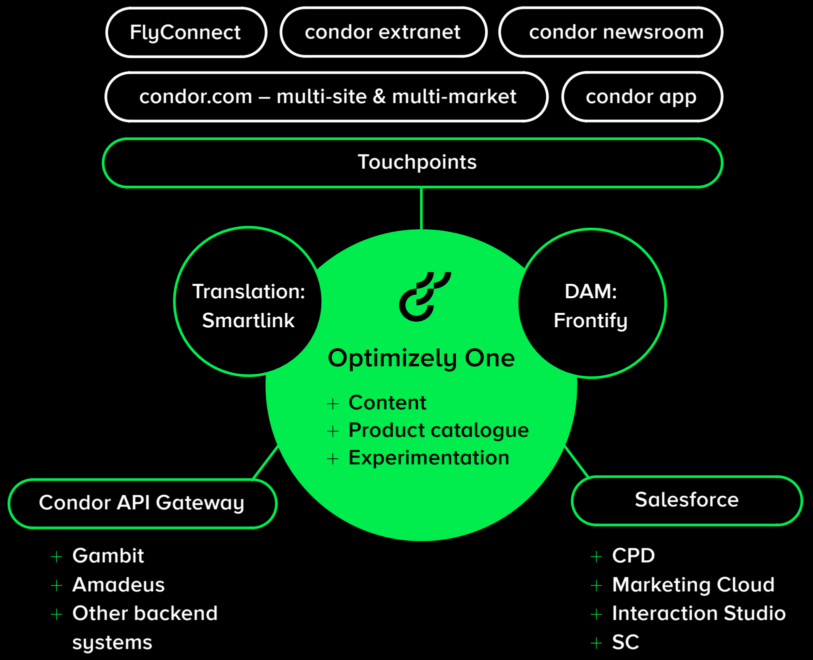
We embarked on the transformation journey together with Condor a good two years ago. In a scaled agile framework (SAFe), we worked as an integrated team to help our client carry out a requirements analysis, design customer journeys, optimise business processes and develop a new digital marketing platform. In addition to technical implementation, there was a strong focus on training the customer team with the aim of equipping them with the necessary skills and knowledge so that Condor can operate and expand the platform on its own in the future.

condor

Brand

+ Technology consulting
+ Analyses & strategy
+ Introduction of Optimizely all-in-one marketing system
+ Design & implementation
+ Support for Condor's digital transformation and enablement of development team

Our services



Development of a modular architecture

> “We’ve taken a major step forward with the new DXP. **Thanks to its flexibility and intuitive operation, we’re able to respond faster to market requirements and manage content more efficiently.**”

Modern architecture for greater flexibility

We gradually replaced the existing technology with a scalable architecture. This involved choosing a modern headless architecture for maximum flexibility: content and functions could and can be made available across channels and reused. This enabled a consistent customer experience across a range of digital touchpoints.

Greater flexibility and consistency

Our work contributed directly to Condor’s strategic business goals. By developing a modular architecture and automated processes, we enhanced the platform’s flexibility, thus allowing Condor to respond faster to market requirements. The DXP enabled a no-code approach, which means users without coding knowledge can make adjustments and implement content. We also improved the digital customer experience: personalisation was optimised to leverage additional cross-selling and upselling potential.

Faster loading times, improved functions and a consistent user journey boosted customer satisfaction and reinforced customer loyalty.

Measurably better

An intelligent customer data platform (CDP) enables Condor to tailor content and offers to users’ specific interests and preferences. This means that customers are provided with personalised information that is particularly relevant to them, which enhances their digital experience and increases the likelihood of them completing a booking or carrying out a desired action. The success of this optimisation process is continually measured using clearly defined metrics such as conversion rate and customer satisfaction.

syzygy-techsolutions.de/projekte

Transformation to a **new digital brand identity**

/

worldpay

Brand

We helped Worldpay to separate from its former owner, FIS, by providing digital experience services (DXS) to improve Worldpay's market presence and strengthen customer loyalty.

Worldpay, a leading global supplier of payment and technology services, began a comprehensive transformation in 2024 after its spin-off from Fidelity National Information Services (FIS). Worldpay handles over 40 billion transactions a year across 146 countries and 135 currencies. It wanted to establish a new, independent identity without losing its operational excellence.

We were tasked with ensuring a seamless transition. Our approach was based on driving growth through digital strategies, user-focused design and targeted performance marketing.

Focus on customer centricity

We worked closely with Worldpay to develop a robust digital strategy aligned with the company's business objectives and customer-oriented approach. Our data-based solutions are geared to the needs of merchants and developers. A key component of this project was redesigning the user journey. By developing attractive, intuitive digital experiences, we improved interactions for both target groups. Our user-centred approach delivered a smooth navigation experience that boosted satisfaction and the conversion rate.

A global player for secure, flexible and forward-looking e-payment solutions

- Digital strategy & consulting
- Search engine optimisation (SEO)
- UX design
- Content strategy and production
- Data & analysis
- Performance media

Our services

> The SYZYGY team was instrumental in ensuring a seamless transition during our separation from FIS. Their expertise in digital strategy, SEO and user experience design enhanced our online presence while simultaneously positioning us for long-term growth.
>
> **The results speak for themselves, and we couldn't have wished for a better or more effective partner.**

Nial Davies, Head of Digital Acquisition, Worldpay

52

billion transactions per year

1+ million

Trusted by over one million merchants globally

Our Digital Experience services give Worldpay a strong market presence

Efficient and flexible with added value

To improve Worldpay's visibility in an increasingly competitive environment, we implemented a comprehensive SEO strategy. High-quality, targeted content underlined Worldpay's expertise and positioned the company as a market leader in payment processing, particularly in the SME segment. The combination of SEO and data analysis enabled Worldpay to connect effectively with its target audience and also optimised its key messages for maximum impact.

Compelling digital presence

The developer community also played a significant role in our work. We created a strategy to involve developers and combined the integration of a CRM system, customised UX design, SEO and targeted content. This initiative promoted collaboration with developers and created a new channel for Worldpay's growth.

In addition, our performance media campaigns focused on acquiring customers in the SME and enterprise segment. We used precise targeting to ensure high-quality lead generation and customer acquisition in core markets and to reinforce Worldpay's position as a global leader in payment processing.

syzygy.co.uk/case...

Transforming a strong brand DNA into **new growth**

/

Dr. Hauschka

Brand

- International quantitative and qualitative primary research
- Future-focused target group segmentation & quantification
- Development of growth scenarios
- Workshop moderation
- Development of a new brand vision
- Definition of key growth levers
- Roadmap for transformation until 2027

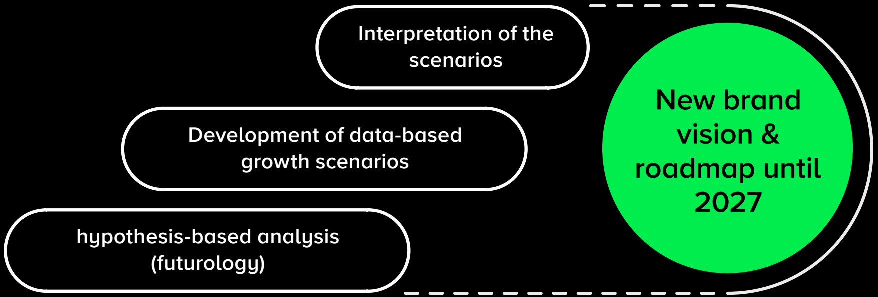
Our services

Enabling a natural cosmetics brand to achieve long-term growth in a fast-moving, changing market.

The natural cosmetics market is becoming increasingly competitive, which is also having an effect on the DNA of established brands. Working closely with the brand team and market CEOs, we investigated the potential impact on natural cosmetics brand Dr. Hauschka and translated the findings into a new brand vision.

Dr. Hauschka is a pioneering German brand that has been delighting its customers with its groundbreaking approach to natural cosmetics since 1967. Today, our client operates in over 40 markets around the world and offers more than 170 face and body care products certified with the international NATRUE quality seal, plus a make-up range.

Customer needs and requirements are changing, however, while the natural cosmetics market is experiencing rapid growth. For these reasons, Dr. Hauschka commissioned us to develop a strategic, long-term growth path for the brand. Using various data-supported scenarios, we looked at the future of the natural cosmetics market, where sustainabi-lity and climate protection are set to become more and more important to end customers. We localised perspectives and the potential of the brand DNA to show ways in which our client can meet these challenges.



Development of a new brand vision

“ **The project with diffferent was extremely efficient and delivered useful insights and concrete recommendations that will benefit our company going forward.** We enjoyed working with the team, who share a positive attitude, an open communication culture and huge passion for our brand. ”

Meera Ullal, Director Brand and Communications & Member of the Board at Wala Heilmittel GmbH

Strategic scenarios for sustained growth

Using a hypothesis-based analysis, we examined the current business situation through an international approach derived from futurology and identified possible growth potential. Together with the brand team and the market CEOs, we analysed market trends, customer needs and brand perception.
We then examined the impact of the solutions on the company. We focused on the different sales markets that Dr. Hauschka operates in and also on communication, the products themselves and their sale price. Various different interpretations of the scenarios were reviewed in terms of feasibility, e.g. in relation to operational requirements, return on investment (RoI), market opportunities and potential risks.

Transformation into a new brand vision

Finally, we translated the results of our strategic analysis into a new brand vision and specific recommendations for comprehensive change within the company. The roadmap for the transformation to sustainable future growth for Dr. Hauschka as a brand and a company runs until 2027.

Dr. Hauschka enjoys an established reputation among customers as a popular natural cosmetics brand.

diffferent.de/en/references

Turning fear into an **exciting adventure**

/

SIEMENS Healthineers

Brand

+ Creative direction
+ Creative production
+ Design & animation
+ 2D particle animations
+ 3D simulations
+ Lighting and rendering
+ Post-production

Our services

Can the potentially scary sound waves of MRI scans be transformed into an audiovisual experience for children?

Absolutely. We developed a unique and entertaining digital method for visualising MRI sounds and illustrating a story played over headphones.

The Magnetic Stories created for Siemens Healthineers involved a collaboration with experienced authors and sound designers.

Siemens Healthineers is an innovation leader in medical technology. With its Magnetic Stories project, it has transformed the MRI experience for younger patients. During the examination, rhythmic beeping and buzzing sounds are synchronised with enchanting audiovisual stories. Children undergoing an MRI scan are taken on an adventure that calms their fears and stimulates their imagination.

Our creative team from Ars Thanea played a crucial role in bringing this visionary idea to life.

We developed a visual language that provides the backdrop to a transformative digital experience: in a fantasy-inspired world, the noises made by MRI machines are turned into vibrant story elements and embedded into exciting audiovisual stories.

Visual magic in 3D

We wanted to create colourful images and appealing characters. The aim was for children to associate the sounds from the MRI machine with an exciting adventure story that calms them down, distracts them and reduces stress.

During the research and development phase, we explored different ways of doing this and experimented with 2D particle animations and more complicated 3D simulations.

We ultimately created a 3D environment that vibrantly captures sound waves within a space. Simplified models of a train, a robot and a spaceship bring the story to life. Our minimalist approach is clear, has a high recognition factor and is fully consistent with the charming children's tale. We rounded off the appealing mix of sound wave simulations and animated characters with floating and vibrating visual elements.

Lighting effects were added in the compositing phase, dancing above the figures to give them a magical touch. The atmosphere is captivating, like a fairy tale – and thus perfectly aligned with the creative vision of the project. Our logo animation in the same playful style connects all the elements together.

> “Magnetic Stories are more than just an audiobook – **it's a transformative experience that replaces fear with fascination.**”

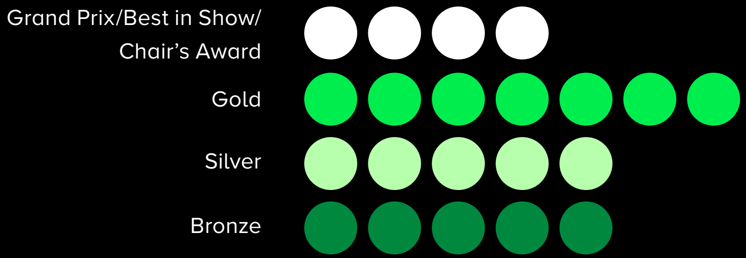
Widening horizons

Magnetic Stories were first introduced in Portugal’s CUF hospital network. Following enthusiastic feedback, they are now ready for wider commercial use.

Siemens Healthineers is expanding the programme throughout Europe. In doing so, it is pioneering the development of AI techno-logies that can create real time stories for each scan to further improve the expe-rience of young patients.

Winning awards

21



Awards

Cannes Lions 2024

Grand Prix – Pharma
Gold – Creative Data
Silver – Pharma
Bronze – Creative B2B
Bronze – Entertainment
Bronze – Brand Experience
Bronze – Audio & Radio

LIA Awards 2024

Grand Prix – Audio & Radio
3 x Gold – Audio & Radio
Gold – Branded Entertainment
2 x Silver – Audio & Radio
Silver – Pharma & Medical-Craft

AdAge Awards 2024

Best in Show
Gold – Healthcare Marketing Impact Awards
Silver – Healthcare Marketing Impact Awards

The Drum Awards 2024

Chair’s Award
Gold – Experiential
Bronze – Content

Digital experience **goes offline**

/

Can digital innovation transform traditional media?

Connecting the real world and offline media through realistic 3D experiences allows brand communi-cation to function seamlessly and successfully across all channels.

The Commerz Real Group, a leading European asset manager for real estate and renewables, was looking for an innovative way to market its hausInvest and klimaVest investment fund products effectively and in a targeted manner. A key requirement was the use of both digital and conventional media.

The aim of our **integrated marketing strategy** was to generate maximum reach and impact across all stages of the marketing funnel.

To achieve this, our holistic media approach combined various performance and awareness measures, with programmatic print ads being used. Alongside digital out-of-home (DOOH) advertising, streaming platforms such as DAZN and Amazon Prime were incorporated into digital activation in place of other offline media, such as TV and out-of-home, i.e. conventional outdoor advertising.

COMMERZ REAL

Brand

+ Media planning and buying
+ Campaign management and optimisation
+ Tracking and reporting

Our services

Animated 3D images on a truck

A standout DOOH feature was the impressive range of animated 3D images.

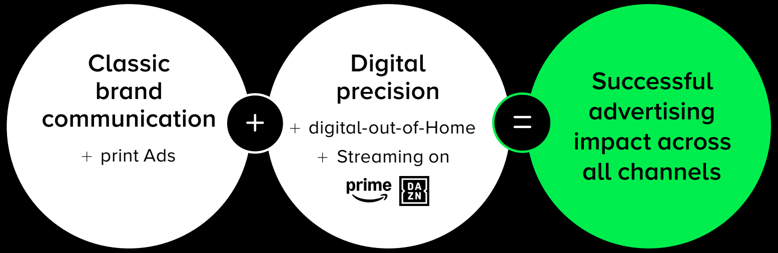
On digital screens, we piloted a virtual plane through the Frankfurt skyline to the Omniturm skyscraper and past the wind turbines at Freckenfeld wind farm, which is part of the klimaVest portfolio, accompanied by messages from hausInvest and klimaVest. During the FONDS Professionell Kongress in Mannheim, the totems were to be seen all around Mannheim's exhibition centre and main railway station, to actively address fund product distributors and encourage them to visit the show stand. That was not the only measure we took to ensure maximum visibility for visitors to the congress: the animations were also shown on an outsized display mounted on a truck parked in front of the exhibition centre and also driven around Mannheim.

digital out-of-Home (DOOH)

This ensured that the images were displayed to the relevant audience in the right place and at the right time. Additionally, the attention-grabbing and innovative outdoor 3D advertising significantly boosted the visual impact of our campaign. At the same time, we were able to offer the target audience an exceptional and immersive brand experience.

In the end, it was exactly this combination of digital precision and conventional brand communication that enabled us to significantly boost the directly measurable impact of our advertising among the relevant audiences. Our cross-media presence, ranging from print to DOOH, was primarily aimed at distributors, but also targeted at potential customers for the Commerz Real Group's hausInvest and klimaVest products, reaching them across the entire funnel.

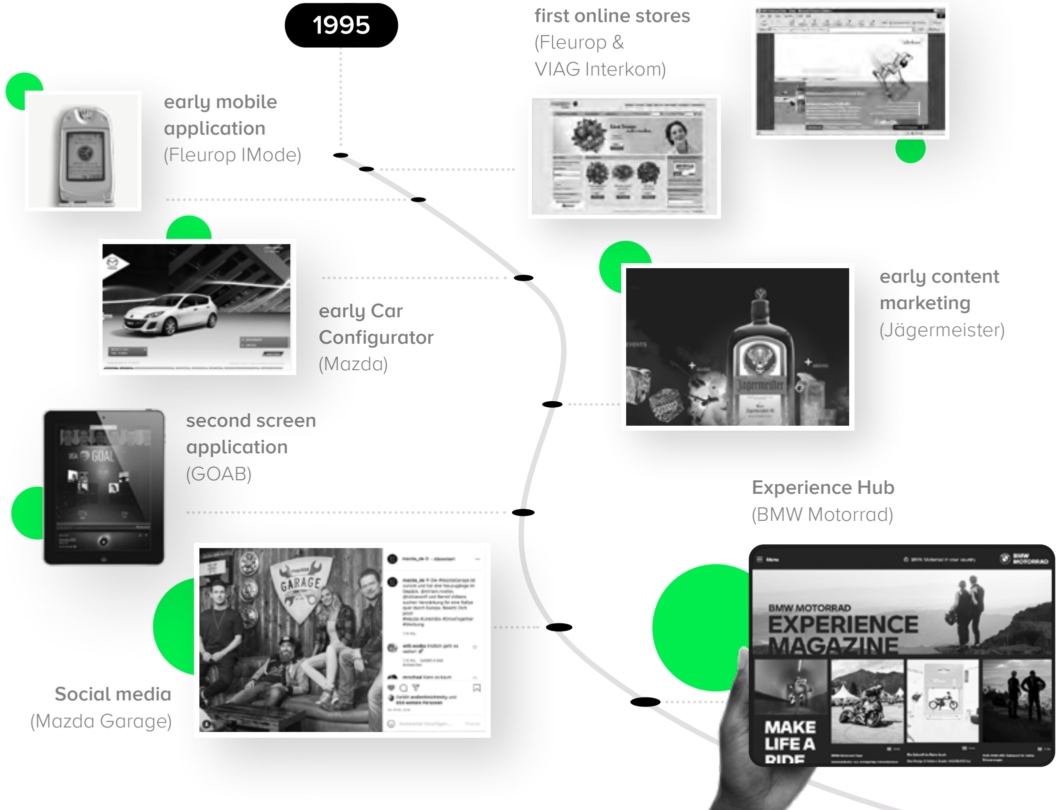
> “**In the end, we significantly increased the directly measurable advertising impact** with precisely this combination of digital precision and classic brand communicationg.”



Our marketing strategy

syzygy-performance.de/projekte

Our future –
SYZYGY Next



This year marks SYZYGY's 30th anniversary. Our foundation coincided with the advent of the digital economy. From the start, we helped many big-name companies to enter the Internet era; we built the first configurators for car manufacturers, online stores and transactional banking portals.

We continued to grow and came of age alongside the wider digital economy. We have supported some companies since our earliest days. That says something not only about the quality of our services, but also the quality of our client relationships.

We have always leveraged step changes in innovation – such as the mobile Internet, the rise of social media and the cloud – to better serve our clients and advance our own growth. The solutions we are now developing and operating togetherwith our clients are mission critical.

By **Frank Wolfram, CEO**

The next innovation surge

In our 30th anniversary year, we are on the cusp of a new innovation surge that is comparable with the Internet breakthrough 30 years ago. The exponential progress in artificial intelligence, particularly around large language models (LLMs), is ushering in the Age of AI Agents. These highly sophisticated systems are capable of logical thinking and have a memory. They can make decisions on their own, carry out complex tasks and deliver results in real-time.

This enormous AI-driven leap forward is not just a technological feat, it also has economic and social implications and will change the way we think about knowledge work.

At present, there are more than 1.25 billion knowledge workers worldwide. The total factor productivity of knowledge work – a macroeconomic metric used to determine the extent to which technological progress enables greater output to be achieved with the same input of labour and capital – only grew 0.5 per cent in the US between 2019 and 2023. The picture looks much the same in most other OECD countries. Attempts to increase the productivity of knowledge work by automating tasks have so far met with only limited success.

> “In our 30th anniversary year, we are on the cusp of a new innovation surge **that is comparable with the Internet breakthrough 30 years ago.**”

Software is becoming an autonomous worker

AI agent systems could deliver a disruptive productivity boost to worldwide knowledge work and thus to the entire professional services sector by providing “Service as Software”. To date, software has only been a tool for supporting people when performing repetitive and rule-based tasks, but is now set to become an autonomous worker.

> There is huge market potential for **“Service as Software”,** with the global market for professional services being worth almost USD 6.5 trillion.

Businesses have long outsourced many back-office tasks such as bookkeeping, invoicing and tax returns to specialist providers, who usually charge companies based on their staff labour input. “Service as Software” could lead to a results-based pricing model. It is also conceivable that companies could use AI agent systems to perform previously outsourced tasks themselves.

> Our vision is to become a leading agentic system builder, developing custom applications for the ‘Service as Software’ era.

The transition to “Service as Software” – the use of AI agent systems in knowledge work – will not only revolutionise the way services are provided, it will also permanently change economic fundamentals and the structure of the employment market. “Service as Software” disruption will also have an impact on the often lamented shortage of skilled workers, which is set to become more acute over the coming years due to demographic change.

AI will become the base technology, with value being created in its application

Tech giants such as Amazon, Google, Microsoft and Salesforce are investing massively in the infrastructure needed to develop and operate AI agent systems. This will provide the foundation for an eco-system of start-ups, open source specialists and service providers that will enable firms to make the transition to “Service as Software”. AI will become a base technology much like the Internet, while value is created by the way it is applied.

SYZYGY has the necessary skills to be part of this development, and intends to actively shape and drive it. To do this we will leverage our visionary capabilities, our in-depth technological expertise and our long experience of crafting the digital interface between companies and their customers. In fact, we are already developing AI agents for knowledge management and to optimise internal company workflows.

Our vision is to become a leading agentic system builder and to develop client-specific applications for the “Service as Software” era.

Roll on the next 30 years!

The **Stock**

The financial markets can look back on a second strong year in succession in 2024.

Development of the national and international stock markets

Despite geopolitical and economic uncertainty, the stock markets were once again able to set new records. The prospect of falling interest rates in the Eurozone and the US provided a tailwind. Technological innovations in artificial intelligence and especially the associated expectations of growth in this field also led to strong price gains in the technology sector. Mid-caps and small-caps performed less well as they suffered from the weak domestic economy. Cryptocurrencies were in high demand, in particular following Donald Trump's victory in the US presidential election, causing the price of Bitcoin to rise by more than 120 per cent. After a period of weakness, oil prices made up lost ground and gained 5.5 per cent over the year as a whole. Gold benefited from its status as a "safe haven" in a world with an increasing number of trouble spots, posting strong gains of more than 27 per cent.

The prospect of slower interest rate cuts supported the US currency while also weakening the euro, which lost 6.2 per cent by year-end to stand at USD 1.0354. With regard to index performance, 2024 was a good year for DAX investors with a rise of almost 19 per cent. Small and mid-caps, meanwhile, did less well, with the SDAX losing 1.8 per cent and the MDAX down 5.7 per cent. On Wall Street, technology stocks delivered clear-cut outperformance, with the S&P 500 Index up more than 23 per cent and the Nasdaq Composite rising 28.6 per cent. The Dow Jones Industrial managed to post a gain of almost 13 per cent for the year.

SYZYGY Techsolutions / Bad Hormburg

Performance of international and national indices

The international stock exchanges presented a mixed picture in 2024. The US stock markets headed the list of winners, with above-average performance in the technology sector in particular. While the Dow Jones rose by almost 13 per cent, the S&P 500 Index and the Nasdaq Composite posted gains of more than 23 per cent and 29 per cent, respectively. In Germany, the DAX was up 19 per cent and the TecDAX delivered a slight gain of 2.4 per cent. Small and mid-caps, meanwhile, did less well, with the SDAX losing 1.8 per cent and the MDAX down 5.7 per cent.


SYZYGY / Munich

SYZYGY share: strongly positioned in a growing market

The SYZYGY Group is a leading consultancy and implementation partner for digital experiences. It benefits from operating in a growth market that is being driven by increasing digitisation. The company creates long-term added value for its clients through a sustainable business model that features end-to-end solutions for digital experiences and transformation consultancy.

The ability to nurture long-term relationships with big-name companies across a wide range of different industries is a key success factor for the SYZYGY Group. The combination of cross-sector expertise and custom-made digitisation solutions makes SYZYGY a reliable partner in times of technological change.

The SYZYGY Group can also boast a high level of employee satisfaction – a clear indicator of a healthy corporate culture and a long-term HR strategy. With its in-depth industry knowledge, the experienced management team ensures that the corporate strategy is consistently implemented and growth opportunities in the market are leveraged to maximum effect.

Overall, SYZYGY shares represent an attractive investment in a company that is not only well positioned in the market, but also a long-term beneficiary of increasing digitisation and growing demand for digital experiences.

Performance of SYZYGY shares

SYZYGY shares saw volatile performance in the 2024 stock market year. Following a weak start to the year, the share price rallied slightly from May onwards.

The shares started the reporting period at EUR 3.38, with the price then falling to EUR 2.74 by the end of March. It was only as the year progressed that the share price recovered, reaching a high for the year of EUR 3.64 at the end of the first half of the year. Performance was then patchy in the second half of the year. After having risen mid-year, the share price then fell again to a low for the year of EUR 2.52 in December before ending the year at EUR 2.76.

SYZYGY shares returned minus 17 per cent overall. The liquidity of SYZYGY shares increased year-on-year by 16 per cent, with an average of 4,626 shares being traded across the XETRA stock exchanges each day (prior year: 4,004 shares/day).

Development of SYZYGY's share price and relevant indices

	2024	2023	Change
XETRA- closing price (in EUR)	2.72	3.28	-17%
Overall performance including dividend	-17%	-38%	n.a.
Highest XETRA closing price (in EUR)	3.64	6.06	-40%
Lowest XETRA closing price (in EUR)	2.52	2.76	-9%
DAX	19,909	16,752	19%
TecDAX	3,417	3,337	2.4%
DAXsubsector IT services	635	783	-19%
SDAX	13,417	13,960	-1.8%

Share data

ISIN	DE0005104806	**Stock exchanges**	XETRA, Berlin, Dusseldorf, Frankfurt, Hamburg, Hannover, Munich, Stuttgart
WKN	510480		
Symbol	SYZ		
Reuters	SYZG.DE	**Sector**	IT-Services
Bloomberg	SYZ:GR	**Designated Sponsor**	Pareto Securities AS
Founded	1995	**Research**	Pareto Securities AS (Mark Josefson), GBC AG (Cosmin Filker)
Listed since	October 6, 2000		
Listing segment	Regulated Market, Prime Standard		

Key figures per share

	2024	2023	Change
Ordinary Dividend (in EUR)	–	0.22	n.a.
Earnings per share (in EUR)	-0.99	-0.22	n.a.
Value per share (in EUR)	2.05	2.98	-31%
Price-to-book ratio (P/B)	1.41	1.10	n.a.
Price-earnings ratio (P/E)	n.a.	n.a.	n.a.
Dividend yield	–	6.7%	n.a.
Return on Equity	n.a.	n.a.	
Total number of shares (non-par value bearer shares)	13,500	13,500	0%
thereof own shares (in tsd. shares)	0	0	0%
Market capitalisation; basis XETRA closing price (in Mio. EUR)	36.72	44.28	-38%
Freefloat	49.67%	44.74%	11%
Average daily turnover:			
in shares (XETRA)	4,626	4,001	16%
in EUR (XETRA)	13,804	18,072	-24%

Ars Thanea & SYZYGY / Poland

Dividend and dividend policy

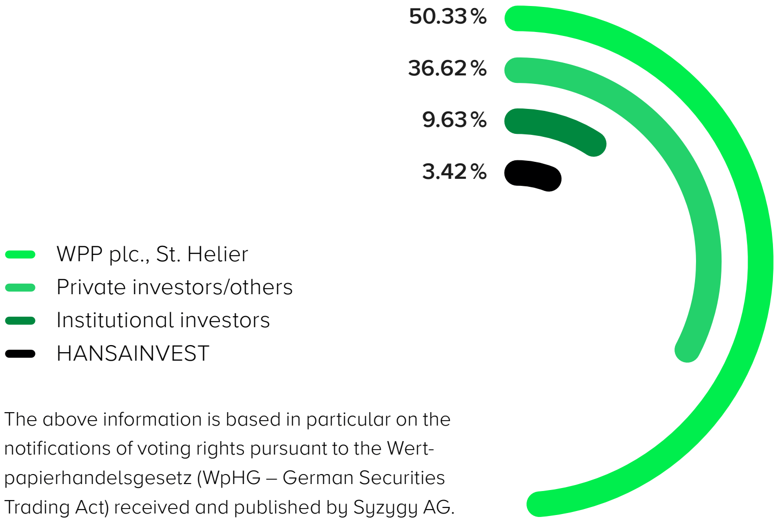
Syzygy AG is committed to sharing business performance appropriately with its shareholders and paying out dividends. Due to negative consolidated earnings and negative net earnings in the single-entity financial statements of Syzygy AG, it is not possible to make a distribution for the 2024 financial year.

Virtual Annual General Meeting

The virtual Annual General Meeting, held on July 9, 2024, was again well received by shareholders and investors. This was reflected both in the high level of attendance by holders of the common stock and in the voting results. All the resolutions were adopted at the ordinary General Meeting. This included granting discharge to the Management Board (93.5 per cent) and the Supervisory Board (91.4 per cent) for the 2023 financial year, election of the Supervisory Board and approval of a controlling and profit and loss transfer agreement with SYZYGY Performance Marketing GmbH (99.98 per cent). The following were also confirmed: the remuneration report (93.75 per cent), the change to the record date in the Articles of Association (99.89 per cent) and the election of the auditor for 2024 (99.92 per cent).

Shareholder structure

As at the balance sheet date, the total number of shares was 13,500,026. There was a slight change in the shareholder structure as at December 31, 2024.



The above information is based in particular on the notifications of voting rights pursuant to the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) received and published by Syzygy AG.

Shareholder structure


Syzygy AG / Bad Homburg

Investor Relations

Syzygy AG is committed to a transparent, modern information policy and maintains a comprehensive dialogue with shareholders, investors, analysts, the financial press and the public. The compact and concise presentation of business performance and forecasts in annual reports, quarterly reports and company news continued to play a key role in the 2024 financial year.

Extensive information on capital market-related topics is available around the clock on our investor relations website at **www.syzygy-group.net/en/investors/** – both in German and in English.

In addition to the provision of written information, the Management Board gave presentations at capital market conferences in order to showcase the business model of the SYZYGY Group. It also provided regular information on strategy and corporate development.

During the period under review, the Management Board attended the Munich Capital Market Conference (MKK) and the German Equity Forum. Management also held a number of one-on-one discussions and round-table meetings with institutional investors. As usual, the management team was additionally available to talk personally to analysts, investors and representatives of the business and financial press.

Analyst recommendations

Two analysts regularly evaluated SYZYGY shares. These were GBC AG and Pareto Securities AS, which also holds the Designated Sponsor mandate. Their latest assessments and forecasts regarding the performance and development of the SYZYGY Group are available at **www.syzygy-group.net/en/share/** under the heading Analysts.

Our **information on capital market relevant topics** is always available online:

syzygy-group.net/en/investors + syzygy-group.net/en/share

Report of the **Supervisory Board**

Syzygy AG / Bad Homburg

Dear Shareholders,

2024 presented us **with a number of daunting challenges**

A tough economic environment marked by rising interest rates, geopolitical uncertainty and a reluctance to invest affecting many sectors placed great demands on all of us. At the same time, we experienced an acceleration of digital transformation that saw the introduction of new technologies and innovative solutions move even higher up the agenda. The SYZYGY Group succeeded in positioning itself in the market as a stable partner in 2024, despite a slight decline in sales.

Through the appointment of Frank Wolfram as Chief Executive Officer and the launch of the **Forward 2025+** strategy, we – the Management Board and Supervisory Board – have set a clear course aimed at leveraging our growth potential over the medium term. This strategy builds on our existing strengths and is focused on the following areas:

Antje Neubauer
Chairwoman of the Supervisory Board

Shahid Sadiq
Member of the Supervisory Board

Dominic Grainger
Member of the Supervisory Board


SYZYGY Performance / Hamburg

- **Stronger positioning as digital experience partner:** the aim of our services is optimizing our clients' digital touchpoints to create value and contribute to their business success.

- **Integration of artificial intelligence:** we use AI selectively to boost efficiency and offer innovative solutions that provide our clients with real added value.

- **Entry into the public sector market:** through specific partnerships and certification, we will tap into new markets with additional potential for growth.

- **Collaboration in the WPP network:** expansion of client relationships and service portfolios within the SYZYGY and WPP Group through shared client access.

“With **the launch of the Forward 2025+ strategy,** we – the Management Board and Supervisory Board – have set a clear course aimed at leveraging our growth potential over the medium term.”

Cooperation between Supervisory Board and Management Board

The Supervisory Board continuously monitored the work of the Management Board and provided support and advice throughout the past financial year. The Management Board and Supervisory Board apply the principles of responsible corporate governance, working together in a trusting relationship in accordance with the principles laid down in the Corporate Governance Report.

This included monitoring actions taken by the Management Board in terms of their legality, regularity, appropriateness and commercial viability. The Management Board reported to the Supervisory Board regularly in writing or verbally, providing up-to-date, comprehensive information on recent developments as well as on the economic and financial situation of the Group and its subsidiaries. The Supervisory Board was involved in all important decisions affecting the SYZYGY Group.

The Management Board fully complied with its duty to provide information. Reports provided by the Management Board complied with the legal requirements with regard to both content and scope, and also fully satisfied the Supervisory Board’s information needs. The Supervisory Board also requested additional information where necessary. The Supervisory Board critically examined the information and reports provided, assessing them with regard to plausibility.


SYZYGY / Frankfurt

Meetings and attendance of the Supervisory Board

A total of eight ordinary meetings of the Supervisory Board were held together with the Management Board in the 2024 financial year.
Ordinary meetings were held on February 7, March 28, April 23, July 8 and 24, October 29 and on December 12, 2024 as well as an extraordinary meeting on June 19, 2024.

In the 2024 financial year, all members of the Supervisory Board attended a total of seven ordinary meetings and one extraordinary meeting. Meetings were not held solely as virtual meetings via video conferencing in the year under review, but in some cases also as in-person meetings, or in-person meetings with the option of participating in virtual form (hybrid meetings).

Attendance at meetings by members of the Supervisory Board in the 2024 financial year

	Meetings of the Supervisory Board	Attendance (%)
Total meetings	**8**	**100**
of which virtual	**6**	**100**

Topics covered by the Supervisory Board

The accounts review meeting of the Syzygy AG Supervisory Board was held on March 28, 2024 and attended by the Mazars auditors. The Supervisory Board received comprehensive information on the financial statements for the 2023 financial year. The auditors presented the key aspects and results of their checks, including the assessment of goodwill, leases and the internal control systems. All the Supervisory Board's questions were answered in full; the annual and consolidated financial statements were then approved. The auditors granted an unrestricted auditor's certificate and drew attention to new requirements with regard to corporate social responsibility reporting (CSRD), which will apply from the next financial year onwards. In the second half of the meeting, the Management Board reported on business performance including promising new client wins. The Supervisory Board discussed strategic steps to simplify the company's market positioning and boost new client acquisition. It expressed its satisfaction with the progress made and stated its support for the proposed measures.

At the meeting held on April 23, 2024, the Supervisory Board was briefed comprehensively on business developments and reviewed the figures for the first quarter of 2024. The results indicated a slight decline compared to the prior-year quarter, and were approved as being in line with expectations and the forecast for the year. The forecast for the 2024 financial year was confirmed, with stable sales and an EBIT margin of 10 per cent. The Supervisory Board also set the agenda for the

SYZYGY Techsolutions / Bad Homburg

2024 Annual General Meeting, including discharge of the Management Board and Supervisory Board, the election of new Supervisory Board members and the approval of a profit and loss transfer agreement with SYZYGY Performance Marketing GmbH. Other matters considered included an update on reporting under the Corporate Sustainability Reporting Directive (CSRD). A discussion of the challenges and progress made in the various business areas of the SYZYGY Group rounded off the meeting.

At an extraordinary meeting held on June 19, 2024, a decision was taken to appoint Mr Frank Wolfram as CEO of Syzygy AG with effect from July 1, 2024.

The Supervisory Board held an in-person meeting in Frankfurt on July 8, 2024. The Management Board presented the business performance and financial metrics for the first five months of 2024. Strategic issues were also discussed, in particular regarding the optimisation of holding activity and the future development of the Group. The Management Board was tasked with preparing a comprehensive strategy for the SYZYGY Group, with a particular focus on incorporating artificial intelligence into work processes and service portfolios, and on tapping potential for growth and development.

The focus of the meeting held on July 24, 2024 was on the latest business update and the financial figures for the first half of 2024. The division of duties and the responsibilities within the Management Board were also addressed.

The Management Board reported on business performance in the first half of 2024. While the sales forecast for the financial year remained unchanged, the EBIT margin was revised down from 10 per cent to 9 per cent. Other topics included business development activities, current pitches and the expansion of business with existing clients. The Supervisory Board approved the half-year figures, following a thorough review.

On October 29, 2024, the Syzygy AG Management Board reported on business performance for the first nine months. An EBIT margin of 8 per cent was generated despite a fall in sales. The forecast for the year was adjusted accordingly and approved. Strategic priorities included simplifying the brand structure, opening up new markets and closer cooperation within the Group and the WPP network. The members of the Supervisory Board finally also addressed application of the German Corporate Governance Code. The Management Board and Supervisory Board issued an updated declaration of conformity in accordance with Article 161 of the German Stock Corporation Act (AktG), which is available on the company's website at **www.syzygy-group.net/en/corporate-governance/**

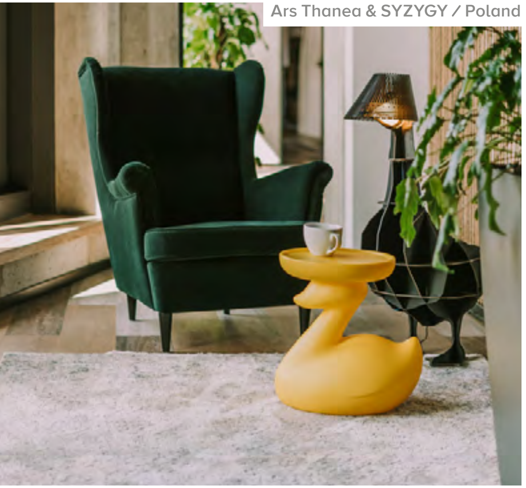
The last meeting of the year was held on December 12, 2024 in Bad Homburg as an in-person meeting. The main items of discussion were a review of the 2024 financial year, the strategic direction of the SYZYGY Group and budget planning for 2025. The Management Board reported on current trading, which was

Ars Thanea & SYZYGY / Poland

marked by a fall in sales and a slight improvement in the EBIT margin, and also presented the outlook for the rest of the year. Strategic initiatives defined as part of the 2025+ programme included putting organisational structures in place to support growth, the deployment of artificial intelligence in work processes and the offering of AI-based services, and entering the public sector market. The budget for 2025 was discussed in detail, but definitive adoption was postponed to the next meeting in January 2025. The Management Board also provided an update on CSRD reporting.

The first Supervisory Board meeting of the 2025 financial year was held on February 3, 2025. The provisional figures for 2024 were presented and the company's financial position was discussed. Further key topics included the possible impairment and write-down of goodwill. Following in-depth discussion, the Management Board's proposal to apply write-downs of goodwill in the amount of around EUR 14 million was approved. This led to negative total net income being reported for the Group, while Syzygy AG's single-entity financial statements, prepared in accordance with the German Commercial Code (HGB), showed negative net earnings. Accordingly, no dividend distribution is possible for the 2023 financial year. This decision underlines the Group's commitment to creating a solid balance sheet and strong financial basis for sustainable growth. The 2025 budget was approved, enabling the Management Board to publish the forecast for the 2025 financial year.

There was also continual dialogue between the Management Board and Supervisory Board between these dates. In particular, the Management Board provided regular written reports about the company's performance and other important events.



Ars Thanea & SYZYGY / Poland

> “**Strategic initiatives for 2025+** included building a growth-oriented organization, integrating artificial intelligence into work processes, offering AI-based services, and accessing the public sector market.”

Syzygy AG / Frank Wolfram and Antje Neubauer

Composition of the Supervisory Board

Following re-election of the Supervisory Board members at the Annual General Meeting held on July 9, 2024, Syzygy AG's Supervisory Board has consisted of Antje Neubauer as chair along with Dominic Grainger and Shahid Sadiq. The term of office for the three Supervisory Board members covers the period until conclusion of the Annual General Meeting that discharges the members in relation to the 2028 financial year.

Due to its current size of three members, the Supervisory Board of Syzygy AG has formed an Audit Committee only, which is chaired by Mr Shahid Sadiq. In line with statutory requirements, the Supervisory Board has extensive knowledge of accounting, internal control and risk management systems, auditing, finance and sustainability management.

The expertise of the Supervisory Board members can be broken down as follows:

	Supervisory Board		
Skills profile	**Antje Neubauer** Chairwoman of the Supervisory Board	**Dominic Grainger** Member of the Supervisory Board	**Shahid Sadiq** Member of the Supervisory Board
Accounting, internal control and risk management			✓
Auditing and finance		✓	✓
Sustainability	✓		
Innovations	✓	✓	✓
Marketing/communication	✓	✓	
Strategy	✓	✓	✓

The Annual General Meeting held on July 9, 2024 discharged the members of the Supervisory Board and Management Board in relation to the 2023 financial year.

Composition of the Management Board

In the period from January 1 to June 30, 2024, Syzygy AG was led by a two-member Management Board comprising Frank Ladner as Chief Technology Officer (CTO) and Erwin Greiner as Chief Financial Officer (CFO). In both cases, their term of office runs until December 31, 2026.

Frank Wolfram joined the team as Chief Executive Officer (CEO) on July 1, 2024. Mr Wolfram's term of office covers the period until June 30, 2027.

Management Board of the SYZYGY Group

Corporate Governance

On October 31, 2024, the Supervisory Board and Management Board jointly published a declaration of conformity with the German Corporate Governance Code (DCGK) in accordance with Article 161 of the German Stock Corporation Act (AktG), as part of the more extensive Declaration on Corporate Governance. The Management Board and Super-visory Board report on the corporate governance of Syzygy AG in the Declaration on Corporate Governance in this annual report, in accordance with principle 23 of the German Corporate Governance Code.

Syzygy AG broadly complies with the principles of the Code. The exceptions are presented and explained in the relevant declaration. If any changes are made to the Declaration on the Corporate Governance Code in the course of the financial year, it will be updated jointly by the Supervisory Board and Management Board without delay and made available to all shareholders on the Syzygy AG website at **www.syzygy-group.net/en/corporate-governance/**

Annual and consolidated financial statements, appropriation of net profit

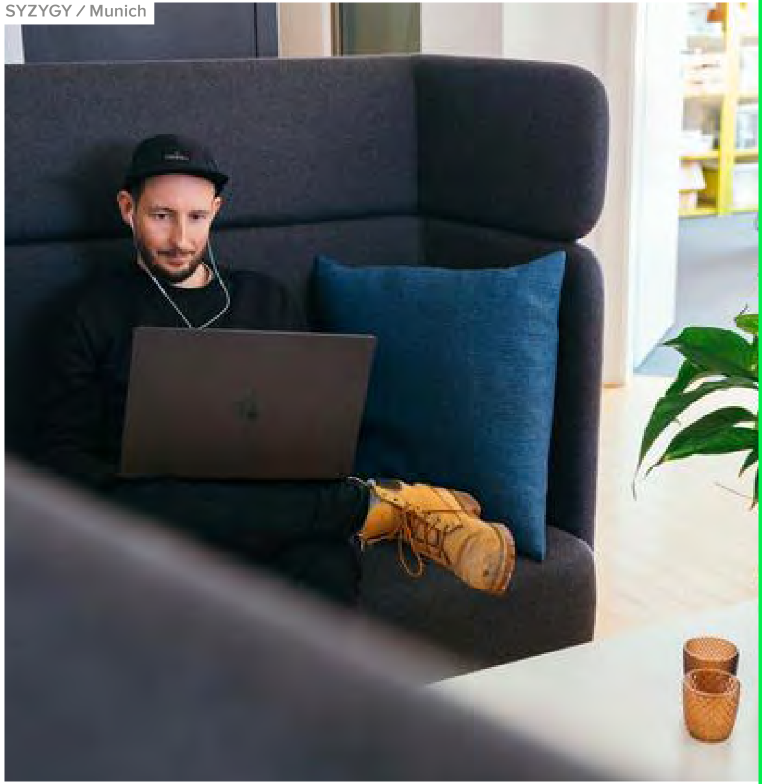
Following a proposal by the Supervisory Board, the Annual General Meeting appointed auditing firm Mazars GmbH & Co. KG as auditor for the 2024 financial year on July 9, 2024. The Supervisory Board has not identified any circumstances that could give rise to a lack of impartiality on the part of the auditor. The auditors themselves have issued a statement of independence. Apart from auditing the financial statements, no audit-related services have been provided by Mazars GmbH & Co. KG.

Mazars GmbH & Co. KG audited the annual financial statements and management report, the consolidated financial statements, the Group management report and the dependency report for the 2024 financial year at the request of the Supervisory Board and granted an unrestricted auditor's certificate in each case. The annual financial statements were prepared in accordance with the provisions of the German Commercial Code (HGB) and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). A formal audit of the remuneration report was also conducted. In preparation for the statutory audit requirement of the Group sustainability report, assurance services were carried out with regard to the requirements of the CSRD and ESRS concerning Group sustainability reporting. As the CSRD had not been transposed into German law by December 31, 2024, these services were not completed. Further audit-related support in accordance with the CSRD and ESRS, following confirmation of the non-transposition into German law, was provided as a non-assurance service. All documents relating to the financial statements, audit reports and the Management Board's proposal regarding the appropriation of profits were provided to all members of the Supervisory Board in a timely manner for their deliberations. The auditors also reported to the Supervisory Board on the audit of the accounting-related internal control and risk management system, which complies in all material respects with the requirements of section 91 (2) of the Stock Corporation Act (AktG).

After carefully reviewing all documents, the Supervisory Board received detailed information on the financial statements for the 2024 financial year from the members of the Management Board at its meeting on March 28, 2025. The auditors also attended, presenting the key aspects and results of their checks. All questions were answered by the Management Board and auditors to the Supervisory Board's full satisfaction. The Supervisory Board was thus able to verify that the audit had been conducted correctly and the audit reports properly prepared.

The Supervisory Board examined the annual and consolidated financial statements and the management report, including the remuneration report integrated into the management report, in accordance with section 162 of the German Stock Corporation Act (AktG). On the basis of its own checks and taking the audit reports into consideration, the Supervisory Board raised no objections. The Supervisory Board also approved the Management Board's proposal regarding the appropriation of net profit.

SYZYGY / Munich



Syzygy AG / Supvisory Board & Management Board

Thank you

On behalf of the Supervisory Board, I would like to extend my sincere thanks to the members of the Management Board and to all SYZYGY Group employees. Their exceptional dedication, innovative capabilities and high degree of commitment have made it possible to achieve good results in very challenging market conditions. Their passion and determination form the basis for our shared success and for continuing to achieve our ambitious goals in the 2025 financial year.

Our special thanks also go to you, our shareholders. We are committed to honouring your trust in the SYZYGY Group, which is also a valuable incentive to continue pursuing our vision as a leading consultancy and implementation partner for digital experiences. Your support and confidence enable us to drive sustainable growth and set new standards in the digital experiences space.

We are looking to the coming financial year with confidence and will do all we can to continue the success story of the SYZYGY Group together with our partners, clients and you, our shareholders.

I wish all of us every success as we move forward together, combined with many innovative ideas and above all enjoyment of our shared progress.

Bad Homburg v.d.H., March 28, 2025
For the Supervisory Board

Antje Neubauer
(Chairwoman of the Supervisory Board)

Financial **Information**

2024

Group Management Report
for the 2024 financial year
from January 1 to December 31, 2024

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”). It shows the SYZYGY Group’s results of operations, financial position and net assets in the 2024 financial year, as well as examining the expected future performance of the business and the principal risks and opportunities.

The consolidated financial statements on which the Group Management Report is based were prepared in accordance with Article 315 of the Handelsgesetzbuch (HGB – German Commercial Code) in conjunction with Article 315e [1] of the HGB. The financial year corresponds to the calendar year.

Syzygy AG has been a fully consolidated company of WPP plc., St. Helier, Jersey, since November 2015 by virtue of control.

2. Group profile

2.1 Business activities and structure

The SYZYGY Group is a consultancy and implementation partner for digitisation, transformation and strategy in marketing and sales. It is one of the top agencies in the Internet agency ranking produced annually by the German Association for the Digital Economy (BVDW) (2024: 10th place). The SYZYGY Group designs, creates and orchestrates digital experiences and products that make a difference – to brands, companies and people. SYZYGY’s business segments bring together all the services needed to deliver successful client projects. These include consulting, design and technology services for creating and producing digital media to generate experiences aimed at people and brands.

Founded in 1995, the SYZYGY Group employs some 550 people (previous year: 600) plus around 26 freelancers (previous year: 50 freelancers) across four countries. It has offices in Bad Homburg v. d. Höhe, Berlin, Frankfurt, Hamburg, Munich, London, New York and Warsaw.

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

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

Clients include prestigious brands such as Audi, Beiersdorf, BMW, Bucherer, Commerzbank, Condor, Continental, Deutsche Bahn, Deutsche Bank, ENBW, Hilti, Kyocera, the Lufthansa Group, Mazda, Miles & More, O_2, PayPal, Porsche, Sana Kliniken, Samsung, Sennheiser and Volkswagen.

2.2 Group management

The organisational structure of the SYZYGY Group is decentralised. As the management holding company, Syzygy AG manages the subsidiaries on the basis of financial and corporate targets (management by objectives). The management teams in the individual companies operate largely independently, within the constraints of their targets and budgets. A control and reporting system is in place for management and monitoring purposes within the Group. It compares the financial figures against the budget and the previous year’s figures on a monthly basis, analyses performance indicators in relation to employees and clients and also highlights key opportunities and risks.

Financial performance indicators
The main financial performance indicators used for managing the SYZYGY Group are sales revenue and operating income. Operating income is EBIT before goodwill impairment. A substantial write-down of goodwill took place in the 2024 and 2023 financial years. This is reported separately in order to present the Group's operating performance more transparently.

3. Economic report

3.1 General economic development

Against a background of generally mixed conditions, with wars and political uncertainty accompanied by falling interest rates and inflation, the global economy's overall performance was stable but subdued in 2024. While the US can expect robust growth of almost 2.8 per cent, the Eurozone economy remains weak with a forecast growth rate of 0.8 per cent. Germany, the largest economy in Europe and the third biggest in the world, continues to struggle with stagnation and structural challenges. The medium-term risks for the baseline scenario of the International Monetary Fund (IMF) are on the downside, while the short-term outlook is marked by diverging risks. Geopolitical tensions, in particular potential trade disputes and political uncertainty in the main economies, continue to pose considerable challenges. The major central banks are likely to further ease their monetary policies, although at different speeds, reflecting variations in the outlook for growth and inflation. Fiscal policy is also expected to be tightened in advanced economies and, to a lesser extent, in emerging markets and developing countries over the period 2025-2026. All in all, the IMF report paints a picture of a global economy that has stabilised but still faces considerable challenges and uncertainty. The diverging growth trajectories between economies and the ongoing geopolitical risks continue to require vigilant and adaptable economic policies.

In its World Economic Outlook (WEO), the International Monetary Fund (IMF) expects that global growth in 2024 will be 3.2 per cent. Overall inflation is also continuing to come down and is forecast to be 5.9 per cent in 2024 (previous year: 6.8 per cent).[1] According to the World Economic Outlook published by the International Monetary Fund (IMF), GDP rose by around 0.8 per cent in the Eurozone.[2, 3]

Figures from the Federal Statistical Office (Destatis) indicate that price-adjusted gross domestic product (GDP) in Germany in 2024 was -0.2 per cent lower than in the previous year. Even when adjusted for calendar effects, the drop in economic output stood at -0.2 per cent against a backdrop of multiple challenges. Economic and structural problems hampered economic performance. The main factors included rising competition for the German export industry in key sales markets, high energy costs, increasing bureaucracy and an uncertain economic and political outlook. The manufacturing and construction industries in particular posted significant losses, while the service sector as a whole experienced growth. The inflation rate for 2024 was 2.2 per cent, representing a significant decline (previous year: 5.9 per cent).[4, 5]

The economic barometer published by DIW Berlin stood at 87.7 points in January 2024 and remained well below the 100-point mark throughout the year. The barometer moved in a range between 83.4 and 92.9 points over the course of the year, closing the year at 86.4 points. A figure below 100 points means below-average economic growth. The continuing weakness of domestic demand and subdued performance of the global economy continued to weigh on the German economy. Despite declining inflation rates and agreement on widespread wage increases, the economy failed to gain momentum, as reflected in depressed consumer spending.[6]

Figures from the Federal Statistical Office indicate that economic output in 2024 was generated by an average workforce of 46.0 million, thus reaching a new all-time high.[7] The unemployment rate in Germany averaged around 6.0 per cent in 2024 (previous year: 5.7 per cent), according to the Federal Employment Agency.[8]

References

The IMF estimates that the UK's GDP grew by 0.9 per cent in 2024. The slow recovery indicates that the British economy is still suffering from the rising inflation of recent years and the high interest rates set by the Bank of England to address the inflationary backdrop.[9] The Bank of England's interest rate policy is nevertheless having an effect, with annual inflation falling significantly to 2.6 per cent (previous year: 7.3 per cent).[10]

The economy performed better in the US, where both consumer spending and capital investment remained robust. The IMF is now forecasting growth of 2.8 per cent for the US in 2024.[11]

At around 3.0 per cent in 2024, GDP growth in Poland is well above the average of the 27 EU countries, which the European Commission estimates at 0.9 per cent.[12] The average inflation rate in Poland fell sharply to 3.9 per cent in 2024 (previous year: 11.4 per cent).[13]

3.2 Development of the digital experience services market in Germany

The market for digital experience services evolved in 2024, with some trends from the previous year continuing while others changed dynamically. The Lünendonk Study 2024 shows that the trend towards digitisation and the pressure for transformation continue to prompt companies to digitise their business models. Demand for digital experience services remains high, with 68 per cent of CIOs planning to spend more on digital experiences along the customer journey in the coming years.

Growth in the market for digital experience services was slightly weaker in 2024 than in previous years, due to the economic conditions. The DXS providers surveyed were nonetheless able to increase their sales, although to a lesser extent than before. A growth rate of 5.1 per cent is expected for 2024, with a continuing trend towards ongoing expansion, albeit possibly at a slower pace. DXS providers are more optimistic when looking ahead to 2025 and 2026, with sales expected to increase by 11.8 per cent in 2025 and 14.2 per cent in 2026.

Demand for the various DXS services has shifted slightly compared to the previous year. Digital experience now permeates all functional areas, such as digital transformation of the supply chain, R&D and production, thus extending beyond traditional areas like digital marketing, customer service and digital commerce.

The DXS service providers surveyed by Lünendonk in 2024 see the strongest demand from their clients in customer experience (100 per cent), data & AI (95 per cent) and integration of DX platforms (81 per cent).

A significant new trend is the impact of generative AI and the automation of process chains with the aid of AI on the market for digital experience services. This opens up new opportunities for innovation and efficiency gains in the sector.

The study also emphasises the growing importance of end-to-end services, as companies are increasingly aiming for a consistent brand experience and a uniformly high-quality digital experience across all channels and interaction points. This results in more and more service providers positioning themselves as DX full-service providers.

Despite economic challenges and global crises, the outlook for the DXS market remains positive as companies continue to invest in digital transformation and the digital customer experience. The precise impact of these factors on market growth in 2024 is not quantified in the study, but the general trend points to continued expansion.[14]

References

3.3 Advertising market performance

Advertising market statistics have limited information value as reference figures for the performance of the SYZYGY Group. This is partly due to the different survey methods used, many of which are not transparent, which means the results are not readily comparable and are even contradictory in some cases. Also, gross advertising figures do not allow any conclusions to be drawn about the actual performance of an agency whose services are reflected in the fees earned.

In addition, the SYZYGY Group only generates part of its sales through the digital advertising covered by the statistics, such as placing banners and video ads, search engine marketing and optimisation, or affiliate programmes. Budgets that are available for the creative and technological development of brand platforms, business applications and mobile apps, for example, are not captured by the surveys. Although changes in media budgets do provide indications as to general shifts in advertisers' media strategy, it cannot be simply assumed that all areas of the multi-faceted digital sector will be directly affected in the same way.

The global advertising market in 2024 presented a much more positive picture than in the previous year, despite ongoing geopolitical tensions and economic challenges. The latest "This Year Next Year Report 2024" from GroupM estimates strong growth of 9.5 per cent for the global advertising market, representing a significant increase on previous forecasts. The total value of the global advertising market is accordingly expected to reach USD 1,040.0 billion, exceeding the USD 1 trillion mark for the first time. The Dentsu Global Ad Spend Report 2024 provides a somewhat more conservative, but still positive picture. It forecasts global growth of 6.8 per cent, equivalent to a total volume of USD 772.4 billion according to calculations by the Dentsu Group. This forecast takes into account improved investment prospects in key markets such as the UK, Germany, the US, Japan and France. Digital advertising remains the dominant medium.[15]

GroupM forecasts that digital advertising will remain the strongest channel, which is estimated to have grown 12.4 per cent worldwide in 2024. Digital advertising is expected to account for 72.9 per cent (around USD 800 billion) of total advertising in 2025. Retail media continues to emerge as a fast-growing segment within digital advertising. It is estimated to reach USD 177.1 billion worldwide in 2025, surpassing total TV revenues, including streaming, for the first time. Regional differences remain, with America highlighted as the most attractive market with growth of 9.0 per cent. The Asia-Pacific region is also on track for solid growth, with growth rates in China and India at particularly high levels of 13.5 per cent and 10.2 per cent, respectively.[16]

Magna likewise expects digital advertising to remain the leading medium, with a 70.6 per cent share of global advertising spend (USD 933 billion) and a growth rate of 13.1 per cent in 2024. Within the digital segment, social media is the biggest single area, with expected revenues of USD 217.0 billion or 23.3 per cent of global advertising spend. Social media platforms are expected to see particularly strong growth of 17.9 per cent in 2024.[17] In summary, despite ongoing challenges around the world, the global advertising market showed robust growth in 2024, driven by digital innovation, recovery in key markets and the accelerated roll-out of new technologies such as AI in advertising.

Figures for the German advertising market indicate significantly better performance in 2024 than in the previous year. The latest forecasts by various experts suggest that 2024 saw noticeable growth. The German Advertising Association (ZAW) forecasts that advertising investment will have grown by 3.7 per cent to around EUR 38.4 billion in 2024, while Dentsu sees growth of 3.1 per cent for Germany. These forecasts indicate a significant recovery and robust growth in the German advertising market in 2024 compared to the previous year, with digital advertising formats continuing to act as key drivers of growth.[18]

References

The advertising market in the UK saw advertising spend rise by 7.5 per cent to EUR 48.9 billion in 2024. Digital advertising formats posted particularly strong growth in 2024. Search engine advertising was up 10.5 per cent year-on-year, reaching EUR 22.2 billion. Out-of-home advertising grew by an impressive 14.1 per cent. Compared to other European markets, advertising spend in the UK is expected to have increased more sharply in 2024 than in France (4.0 per cent), Spain (3.2 per cent), Italy (4.4 per cent) and Germany (3.4 per cent).[19]

The United States remained the world's largest advertising market in 2024. The latest forecasts from Magna indicate that the US advertising market grew by 12.4 per cent in 2024 to hit USD 380 billion. This growth includes both non-cyclical and cyclical advertising spend, with cyclical events such as the Olympic Games and the US presidential election playing a significant role. Excluding these cyclical factors, growth of 9.9 per cent is expected. Growth continues to be strongly driven by digital media.[20]

The Polish advertising market grew by 3.8 per cent in 2024. Growth in online advertising spend continued to accelerate and rose 8.1 per cent, driven by out-of-home advertising (+14 per cent), social media (+12 per cent) and search engines (+11 per cent).[21]

All in all, the SYZYGY Group was operating in a positive market environment, despite uncertainty around some factors – especially in its core market of Germany. Digital media has been among the winners in the advertising market in recent years and is proving to be a particularly powerful medium in times of crisis. As a result, the trend towards increasing budgets for digital advertising continues.

3.4 Employees

The headcount at the SYZYGY Group declined in the period covered by the report. As at December 31, 2024, the Group had a total of 550 permanent employees, down 39 people or 7 per cent on the prior-year reporting date. The number of freelancers likewise fell from 46 in the previous year to 26 in the reporting year.

441 employees or 80 per cent of total staff (previous year: 478 employees) worked in the four German companies as at the reporting date; 31 people or 6 per cent (previous year: 39 people) were employed in the British agencies.

As at year-end, 75 people or 14 per cent (previous year: 68 people) worked for Ars Thanea, while the number of employees at SYZYGY Digital Marketing in New York decreased to 3 (previous year: 4 employees).

In terms of employees by function, there were only minor changes during the period under review. Technology increased by 3 percentage points to 24 per cent, while the proportion in project management remained the same at 16 per cent. The proportion of employees in strategy consulting, performance marketing, creative services and in admin was down 1 percentage point in each case. The SYZYGY Group employed 562 people (previous year: 615) on average during the year. Including the average 33 freelancers (previous year: 43) also used, annualised sales per head were around kEUR 117 (previous year: kEUR 109).

3.5 Trading

In the Group Management Report for the 2023 financial year, the SYZYGY Group forecast that sales would remain at the previous year's level in the 2024 financial year. With regard to profitability, an EBIT margin (EBIT relative to sales revenue) of 10 per cent before goodwill write-downs was expected. This corresponds to EBIT of EUR 7.2 million for the SYZYGY Group. The forecast figure for EBIT does not include possible impairment of goodwill; no such impairment was anticipated.

With Group sales of EUR 69.4 million (3 per cent down on the previous year), the sales forecast was not met. The Germany segment, which accounts for 81 per cent

References

of total sales, posted a 2 per cent decline in sales. The performance of the international segments differed widely. The UK/US segment experienced significant budget cuts and reported a 39 per cent fall in sales as at year-end, to EUR 5.1 million. In contrast, the Polish company delivered growth of 34 per cent to reach EUR 8.2 million.

In Germany, the core business in the digital experiences space performed very well, while consulting and transformation detracted from growth. The fall in earnings in the UK/US was due to the loss of a significant client account, along with new business development that fell short of expectations. The Polish company's performance, meanwhile, was very strong, primarily due to very successful CGI business and new client wins.

Operating income rose year-on-year to EUR 5.7 million (previous year: EUR 4.1 million), with the result that the operating income margin stood at 8 per cent, up 2 percentage points (previous year: 6 per cent). Goodwill was also written down in the amount of EUR 16.6 million. EBIT therefore amounted to EUR -10.9 million (previous year: EUR -0.7 million). The profitability forecast for the SYZYGY Group of an EBIT margin of around 10 per cent before goodwill write-downs was therefore not reached. Earnings per share of EUR -0.99 are negative due to goodwill being written down. The write-down of goodwill accounts for around EUR 1.23 per share, resulting in notional earnings per share of EUR 0.24 (previous year: EUR 0.13) from business operations.

The Management Board of Syzygy AG is not satisfied with trading and the performance of the SYZYGY Group's net assets, financial position and results of operations in the 2024 financial year. Both the sales performance and profitability of the SYZYGY Group are below expectations.

The following table shows the multi-year trend in the Group's key financial metrics, including the key financial indicators used for managing the business – sales revenue and EBIT:

In kEUR	2020	2021	2022	2023	**2024**
Sales	55,521	60,124	70,612	71,742	69,429
Operating income	3,999	6,379	6,208	4,080	5,666
Operating EBIT margin	7 %	11 %	9 %	6 %	8 %
EBIT	3,999	6,379	-5,205	-656	-10,977
EBIT margin	7 %	11 %	-7 %	-1 %	-16 %
Financial income	-697	-985	-848	-1,293	-601
EBT	3,302	5,394	-6,053	-1,949	-11,578
Earnings per share (EUR)	0.15	0.30	-0.56	-0.22	-0.99

3.6 Net assets, financial position and results of operations of the SYZYGY Group

3.6.1 Asset situation

Total assets were EUR 19.6 million lower than in the previous year, at EUR 67.7 million (previous year: EUR 87.3 million). Goodwill is the largest item in non-current assets at EUR 22.9 million (previous year: EUR 38.9 million). Write-downs of EUR 16.6 million (previous year: EUR 4.7 million) were recognised in the financial year during impairment testing.

Non-current assets fell during the reporting period by 30 cent to EUR 44.1 million. This decline is largely due to write-downs of goodwill in the amount of EUR 16.6 million (previous year: EUR 4.7 million) and depreciation of fixed assets and amortisation of rights of use in the amount of EUR 4.4 million (previous year: EUR 5.2 million).

Other intangible assets and fixed assets were down due to depreciation at EUR 4.1 million (previous year: EUR 5.0 million). Other intangible assets comprise brand names, software and licences used to provide services. Fixed assets include leasehold improvements and operating and office equipment totalling EUR 3.9 million (previous year: EUR 4.8 million). Operating and office equipment accounted for write-downs of EUR 0.8 million (previous year: EUR 0.8 million), while leasehold improvements saw write-downs of EUR 0.6 million (previous year: EUR 1.6 million). Rights of use recognised in accordance with IFRS 16 amount to EUR 13.8 million (previous year: EUR 15.0 million). The decline is attributable to the amortisation of rights of use in the amount of EUR 2.9 million (previous year: EUR 3.0 million) and to first-time recognition of the right of use in relation to rental space in London in the amount of EUR 1.4 million. Other non-current financial assets mainly include claims against sub-tenants and security deposits. Claims against sub-tenants were the main item in the previous year.

Cash and cash equivalents increased in 2024 from EUR 4.0 million to EUR 5.0 million due to positive cash flow. Accounts receivable and contract assets were down, at EUR 14.3 million (previous year: EUR 15.8 million).

Other current non-financial assets remained largely unchanged in the 2024 financial year at EUR 3.4 million (previous year: EUR 3.5 million). Other financial assets in the amount of EUR 0.8 million (previous year: EUR 1.0 million) were also reported due to the subletting of rental space to third parties. Overall, current assets decreased by EUR 0.6 million to EUR 23.6 million.

On the liabilities side of the balance sheet, equity decreased by 31 per cent from EUR 40.2 million to EUR 27.6 million, equivalent to 41 per cent (previous year: 46 per cent) of total assets. Additional paid-in capital fell by EUR 19.6 million, as Syzygy AG balanced a loss for the year in the single-entity financial statements by means of a withdrawal from additional paid-in capital.

Retained earnings stand at EUR 14.0 million, having increased significantly by EUR 6.2 million compared to the previous year. This is due to the withdrawal from additional paid-in capital, which was offset against the consolidated net loss for the year.

Non-current liabilities posted a fall of EUR 2.1 million to EUR 15.4 million. This is due in particular to a reduction in lease liabilities, a portion of which are now short term.

Current liabilities decreased by a total of EUR 4.9 million. This was mainly due to a fall in liabilities to banks of EUR 3.5 million to EUR 1.0 million as a result of higher repayments and to a decline in accounts payable of EUR 1.1 million. In contrast, contract liabilities increased by EUR 0.6 million to EUR 7.2 million.

3.6.2 Financial position

The SYZYGY Group had overall liquidity (cash and cash equivalents) amounting to EUR 5.0 million as at December 31, 2024. This represents an increase of EUR 1.0 million on the previous year's figure of EUR 4.0 million, with the change being due in particular to positive cash flow from business operations. This largely offset the outflow of cash resulting from the repayment of money market loans in the amount of EUR 3.5 million and the payment of lease obligations in the amount of EUR 4.0 million.

At EUR 5.0 million (previous year: EUR 4.0 million), cash and cash equivalents represented 100 per cent of liquidity reserves. These funds were earmarked for liabilities becoming due in the short term. Accounts receivable fell to EUR 13.4 million (previous year: EUR 13.9 million) and contract assets to EUR 0.9 million (previous year: EUR 1.9 million). This had a positive impact on cash and cash equivalents.

Total cash flow of the SYZYGY Group was positive and amounted to EUR 0.9 million as at year-end (previous year: EUR -3.7 million), after taking exchange rate changes into account. This amount comprises positive operating cash flow of EUR 9.6 million (previous year: EUR 7.1 million), negative cash flow from investment operations of EUR -0.5 million (previous year: EUR 0.2 million positive) and negative cash flow from financing activities of EUR -8.2 million (previous year: EUR -10.9 million).

Positive operating cash flow is due in particular to depreciation of non-current assets totalling EUR 4.4 million (previous year: EUR 5.2 million) and impairment of goodwill amounting to EUR 16.6 million (previous year: EUR 4.7 million), which more than offset the Group loss of EUR 13.2 million (previous year: EUR 2.8 million). The decline in trade receivables and in other assets likewise contributed to positive operating cash flow.

Cash flow from investment operations was negative at EUR -0.5 million (previous year: EUR 0.2 million positive). This is mainly due to outflows for investments in intangible assets and fixed assets of EUR 0.7 million (previous year: EUR 0.7 million).

Cash flow from financing activities was reduced by EUR 4.0 million (previous year: EUR -3.8 million) due to the repayment of lease obligations, interest paid for lease obligations by EUR -0.5 million (previous year: EUR -0.5 million) and by the repayment of money market loans totalling EUR 3.5 million (previous year: repayment of EUR 3.5 million). As a result, cash flow from financing activities showed a negative balance of EUR -8.2 million (previous year: EUR -10.9 million).

The Company also has a credit line of EUR 9.0 million (previous year: EUR 9.0 million) with Commerzbank AG, of which EUR 1.0 million had been used as at the balance sheet date.

Taking account of cash reserves and the available credit line, the liquidity of the SYZYGY Group was assured at all times during the 2024 financial year and all payment obligations could be met.

3.6.3 Results of operations

3.6.3.1 Sales revenue

The sales figures for the SYZYGY Group are calculated by deducting media costs from billings. Media costs are incurred in the performance marketing companies as pass-through items on the revenue and expenses side. Syzygy accordingly classifies itself as an agent within the meaning of IFRS 15.

Sales were down 3 per cent at EUR 69.4 million (previous year: EUR 71.7 million).

The Germany segment is the strongest in the Group and increased its share of sales to 81 per cent (previous year: 80 per cent). The proportion of sales in the UK and US segment fell to 7 per cent (previous year: 11 per cent), while the Poland segment was able to increase its share to 12 per cent of sales (previous year: 9 per cent). This translates to an overall slight decline in sales, in particular due to the fall in sales in Germany from EUR 57.4 million to EUR 56.4 million and in the UK and US from EUR 8.4 million to EUR 5.1 million, which was not fully offset by the growth in Poland from EUR 6.1 million to EUR 8.2 million.

Clients from the service sector remain the biggest client group, accounting for 34 per cent of sales (previous year: 32 per cent). The automotive industry is the second most important sector at 18 per cent (previous year: 21 per cent), although the share of sales has been declining for several years. Clients from the consumer goods sector are equally important, making up around 18 per cent of sales (previous year: 16 per cent). The finance and insurance sector accounted for around 15 per cent of sales (previous year: 20 per cent), while clients in IT and telecommunications generated 7 per cent (previous year 5 per cent) of sales. A rounded 8 per cent of sales (previous year: 6 per cent) came from companies that cannot be assigned to any of these five key areas.

SYZYGY generated 50 per cent of total sales with the ten largest clients (previous year: 50 per cent).

3.6.3.2 Operating expenses and depreciation

The cost of sales totalled EUR 53.8 million, representing a decline of 6 per cent compared to the previous year, mainly due to lower personnel expenses. Due to the cost of sales mostly seeing a larger decline than sales (down 3 per cent), the gross margin was 2 percentage points up on the previous year, at 22 per cent.

Sales and marketing costs decreased by 15 per cent to EUR 4.1 million (previous year: EUR 4.8 million). The reduction in costs is due to a lower staffing level in sales and marketing.

General administrative expenses were reduced by a further 6 per cent to EUR 7.9 million (previous year: EUR 8.4 million).

Depreciation of fixed assets and amortisation of other intangible assets was down on the prior year at EUR 4.4 million (previous year: 5.2 million), of which EUR 2.9 million (previous year: 3.0 million) is attributable to amortisation of rights of use.

3.6.3.3 Operating income, EBIT and margin development

Operating income rose significantly to EUR 5.7 million in the reporting year, compared to EUR 4.1 million in the previous year. This increase is primarily attributable to lower personnel expenses, which fell by around EUR 5.4 million. In addition, previous cost adjustments in general overheads are having an effect, with a positive impact on operating income. As a result, the operating income margin improved from 6 per cent to 8 per cent. EBIT including goodwill write-downs totalling EUR -16.6 million (previous year: EUR -4.7 million) was negative at EUR -10.9 million in the financial year (previous year: EUR -0.7 million). This decline is due to higher goodwill write-downs. The EBIT margin for the Group accordingly stood at -15.8 per cent in the 2024 financial year (previous year: -0.9 per cent).

The international segments achieved positive results before goodwill write-downs in 2024. The agencies in London closed the year with an operating income margin of 1 per cent, having suffered a 39 per cent fall in sales.

The Polish company, on the other hand, increased its sales by 34 per cent, while the operating income margin fell from 16 per cent to 12 per cent.

All in all, the SYZYGY Group closed the 2024 financial year with operating income of EUR 5.7 million and an operating margin of 8 per cent. This is below the forecasts made in March 2024, when the Company predicted EBIT of around EUR 7.2 and an operating margin of 10 per cent. Impairments were not planned in the previous year.

3.6.3.4 Financial income

At SYZYGY, financial income mainly includes interest expenses arising from short-term financing through money market loans, and interest expenses in connection with IFRS 16. Interest expenses went down due to a reduction in interest rates and lower financial requirements in 2024. Interest income was also generated through short-term investments on the money market.

Overall, financial income was negative at EUR -0.6 million (previous year: EUR -1.3 million).

Interest expenses due to the IFRS 16 accounting standard were unchanged at EUR 0.5 million (previous year: EUR 0.5 million). In the case of long-term leases and also other leases with a term of more than one year, interest expenses are calculated on the basis of the liabilities disclosed. In practice, rental payments are divided into amortisation of rights of use and interest payments over the entire term of the leases.

As in previous years, financial income also includes interest income and expenses from the management of cash and cash equivalents and from corporate financing. In total, expenses of EUR 0.3 million (previous year: EUR 0.9 million) and interest income of EUR 0.2 million (previous year: EUR 0.1 million) were posted in the period covered by the report. No income was generated from securities in 2024 (prior year: EUR 0.1 million).

3.6.3.5 Income taxes, net income, earnings per share

The reporting period saw a reduction in pre-tax income, at EUR -11.6 million (previous year: EUR -1.9 million), with a corresponding decline in net income after taxes, at EUR -13.2 million (previous year: EUR -2.8). The tax rate on adjusted net income (taking into account the write-downs on goodwill, which represent expenses that are non-deductible for tax purposes) increased in the 2024 financial year to 31 per cent, based on earnings before income taxes of EUR 5.1 million (previous year: tax rate of 29 per cent).

Undiluted earnings per share were EUR -0.99 (previous year: EUR -0.22), based on the average available 13,500,000 shares qualifying for participation in the profits and after deducting non-controlling shares of EUR 0.15 million.

Since the Company adopted a resolution to pay the difference between exercise price and share price in cash if outstanding phantom stocks are exercised, diluted earnings per share were likewise EUR -0.99 (previous year: EUR -0.22).

3.6.4 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 & US, and the Poland segment.

The core market, Germany, posted a sales decline of 2 per cent in the reporting period (previous years: growth of 4 per cent). The German companies generated sales of EUR 56.4 million (previous year: EUR 57.4 million), and operating income of EUR 6.8 million (previous year: EUR 4.4 million) excluding impairment of goodwill of EUR 12.3 million (previous year: EUR 4.7 million), equivalent to an operating income margin of 12 per cent (previous year: 8 per cent). Taking impairment of goodwill into account, EBIT was negative at EUR -5.5 million (previous year: EUR -0.4 million), with an EBIT margin of -10 per cent (previous year: -1 per cent).

The performance of the international segments varied very widely in the year under review. While the UK & US segment posted a decline in sales of some 39 per cent (previous year: 16 per cent), Poland achieved growth of 34 per cent (previous year: 3 per cent).

The UK & US segment generated sales revenue of EUR 5.1 million (previous year: EUR 8.4 million), with operating income of EUR 0.1 million (previous year: EUR 0.7 million). Accordingly, the operating EBIT margin was 1 per cent (previous year: 9 per cent).

The Poland segment posted a sharp rise in sales in the period under review, which at EUR 8.2 million (previous year: EUR 6.1 million) represented a 34 per cent increase. Despite the higher sales, EBIT remained at EUR 0.9 million (previous year: EUR 1.0 million), with the EBIT margin falling to 12 per cent (previous year: 16 per cent).

Overall, around 81 per cent of sales (based on the share of the Group's sales before consolidation) came from the Germany segment (previous year: 80 per cent), around 7 per cent from the UK & US (previous year: 11 per cent) and 12 per cent from the Poland segment (previous year: 9 per cent).

4. Outlook

4.1 Forecasts

The SYZYGY Group is subject to external influences over which it has no control. Changes in the general economic environment and sentiment, both actual and perceived, can have a positive or negative impact on the SYZYGY Group's growth.

All statements about the future of the SYZYGY Group are based on information and findings that were known and available at the time this Group Management Report was prepared. Since this information is subject to constant change, forecasts invariably involve a number of uncertainties. Accordingly, actual results may differ in subsequent periods.

The SYZYGY Group draws up its forecasts on the basis of its organic development. Acquisitions can have a positive or negative effect on the future growth of the Group.

Business performance can also benefit from the acquisition of major new clients and from expanding existing client relationships by gaining additional budgets above and beyond scheduled projects.

4.2 General economic development in the main markets of the SYZYGY Group

Despite the ongoing economic problems of recent years, the global economy has proved to be surprisingly resilient, although it will continue to face challenges in 2025. Geopolitical tensions remain a major source of uncertainty, especially due to the continuing conflicts in the Middle East and in Eastern Europe. Protectionist actions such as tariffs are also likely to have a negative impact on global trade. Disruption of global supply chains, particularly in shipping, continues to result in increased freight costs and longer delivery times. If the situation escalates further, there is a risk that these factors will trigger another increase in the price of goods, thus jeopardising the anticipated economic upturn.

In its latest Economic Outlook, the Organisation for Economic Co-operation and Development (OECD) forecasts average global growth of 3.3 per cent in 2025. OECD data indicates that overall inflation in the G20 countries is set to approach the central banks' target in the coming years.[22]

According to the World Economic Outlook published by the International Monetary Fund (IMF) in January 2025, the global economy's performance is stable but subdued. Global growth is forecast to be 3.3 per cent in both 2025 and 2026. This is below the historic average of 3.7 per cent (2000-2019). This forecast remains largely unchanged from the October 2024 report, with an upward revision in the US offsetting downward revisions in other major economies. The trend in global inflation is positive. It is expected to fall to 4.2 per cent in 2025 and decline further to 3.5 per cent in 2026. Inflation in industrialised countries is approaching the central banks' target levels faster than in emerging markets and developing countries. The central banks' hike in key interest rates to combat inflation is having an effect, giving the central banks more leeway to cut interest rates. Considerable uncertainty remains, even though the trend is positive. The IMF warned of the risks posed by increased protectionist measures that could raise trade tensions, reduce investment and disrupt trade flows and supply chains. Geopolitical tensions, extreme weather events and the risk of default in low-income countries due to high sovereign debt also continue to present risks to the global economy.[23]

The OECD's forecast for the Eurozone is gross domestic product (GDP) growth of 1.3 per cent in 2025 and 1.5 per cent in 2026. The International Monetary Fund (IMF) has adjusted its forecast for the Eurozone downwards by 0.2 percentage points to 1.0 per cent for 2025. The IMF expects growth of 1.4 per cent in 2026. Economic activity continues to be constrained by restrictive credit conditions and weak export demand. Falling inflation rates and a recovery in personal spending are nevertheless expected to support growth again from 2025 onwards.[24, 25]

References

The OECD is forecasting growth of just 0.7 per cent in 2025 and 1.2 per cent in 2026 for Germany. This is due to the ongoing energy crisis, weak export demand and political uncertainty caused by the upcoming Bundestag elections. The IMF expects growth of just 0.3 per cent in 2025, but likewise a slight recovery to 1.1 per cent in 2026. The ifo Institute also lowered its growth forecast due to the structural challenges facing the German economy. The more pessimistic assessment of economic performance assumes a growth rate of only 0.4 per cent; the crucial factor is whether the German export industry can benefit from growth in other countries. Experts expect inflationary pressure to come down further in the current year. The ifo Institute forecasts an inflation rate of 2.3 per cent, while the Bundesbank expects it to soften slightly to 2.4 per cent.[28, 29]

The International Monetary Fund (IMF) expects that growth in the UK will increase moderately from an estimated 0.9 per cent in 2024 to 1.6 per cent in 2025 and 1.5 per cent in 2026. This forecast was recently revised upwards by the IMF, with the UK expected to post the third strongest growth among the G7 countries in 2025.[30] The Organisation for Economic Co-operation and Development (OECD) has raised its forecast for UK economic growth in 2025 to 1.7 per cent, with a growth rate of only 1.3 per cent expected for 2026.[31]

For the US, the IMF expects continued robust growth of 2.8 per cent (previous year: 2.9 per cent) in 2024 and 2.7 per cent in 2025, propelled by a resilient economy, a strong service sector and only moderate inflation expectations.[32] The OECD also forecasts a growth rate of 2.8 per cent in 2024 and 2.4 per cent for 2025.[33]

Poland's economy continues to recover, with robust economic growth of 3.4 per cent expected in 2025. Inflation is rising and is expected to reach 5.0 per cent (previous year: 3.8 per cent). The main driver of growth remains consumer spending, supported by strong wage growth. Investment will increase substantially in 2025, particularly due to EU-funded public projects and reconstruction work following the flooding in September 2024. The improvement in the global economy and the ongoing impact of the country's national economic stimulus packages are also contributing to growth. At 2.9 per cent in 2024, the unemployment rate remains one of the lowest in the European Union if a standardised measure is used to calculate it. Those are the findings of the PEI Economic Review: Spring 2024 report published by the Polish Economic Institute.[34]

4.3 Anticipated development of the digital experience services market in Germany

The Lünendonk Study 2024 on digital experience services in Germany shows that companies are continuing to invest in improving their digital proposition, despite fluctuations due to economic conditions. The market for digital experience services posted moderate growth of 4.4 per cent in 2024, with a significant rise to 11.8 per cent expected for 2025.

Technology trends such as customer data platforms, data & analytics platforms, smart automation and cloud-native technologies are driving developments. Generative AI is increasingly viewed as a central technology for digital experiences.

Demand for comprehensive DX solutions is rising, with companies considering it important to obtain multiple services such as consulting, UX design, software development and roll-out from a single source. This reflects the trend towards integrated solutions and full-service packages. Among client companies, 91 per cent see the ability to offer services end-to-end as one of the most important features of DXS service providers.

References

Areas such as platform and application development along with data & technology consulting will remain important in 2025. The importance of CX consulting and business consulting remains high, although slight shifts in demand can be seen. Asked about 2025, almost every second client company expects to increase its digital experience budget by more than 5 per cent. 95 per cent of DXS service providers name data & AI as the biggest area of demand. This is reflected in the 90 per cent of DXS service providers who have already developed GenAI solutions for specific use cases.

The market for digital experience services is robust overall despite economic challenges, with a clear focus on data-driven strategies, personalisation and the integration of advanced technologies. The most important technology trends include data & analytics platforms (85 per cent), customer data platforms (81 per cent), generative AI (81 per cent) and cloud-native (76 per cent).[35]

4.4 Anticipated development of the advertising market

The following comments on forecasts for advertising spending are subject to the same reservations as discussed in section 3.2 above. Although they provide indications as to general trends and shifts in media budgets, they are only suitable to a very limited extent as a benchmark for the expected performance of the SYZYGY Group.

Global and national advertising markets can be very volatile. Unforeseen events can have a significant impact on the economy and consequently also on the advertising market. New advertising options, especially in digital media, may also affect the allocation of advertising spend. Forecasts are continuously adjusted, based on estimates of advertising investment.

In their latest advertising forecasts for 2025, media companies such as Dentsu and GroupM see global growth ranging from 6 to 8 per cent. The latest Dentsu Global Ad Spend Forecasts Report indicates that global advertising expenditure will increase by 5.9 per cent in 2025 (previous year: 4.6 per cent) to USD 817.7 billion. Algorithm-driven advertising is also becoming increasingly important and is expected to account for 79 per cent of total advertising expenditure by the end of 2027.[36]

GroupM expects the global advertising market to grow by 7.7 per cent to USD 1.1 trillion in 2025. Ad spend in the digital sector is expected to rise further and reach the USD 813.3 billion mark in 2025, equivalent to 72.9 per cent of global advertising spend. Growth in the digital sector is estimated at 10.0 per cent (previous year: 6.5 per cent), so it is regaining momentum. A growth rate of 7.2 per cent is forecast for out-of-home advertising, whereas growth of just 1.9 per cent is expected for TV advertising. GroupM's media analysts forecast a 7.7 per cent increase in global advertising expenditure and continue to expect that pure play digital, which rose 12.4 per cent in 2024 (excluding digital out-of-home and CTV, but including YouTube and TikTok) will remain the strongest advertising channel.[37]

Growth of 6.1 per cent was predicted in the winter update of the 2025 global advertising forecast published by IPG's Magna.[38]

The JOM agency group forecasts 3.2 per cent growth of the German advertising market in 2025, which could lead to total spend of EUR 30 billion. Growth is being driven mainly by the trending topics of video advertising and retail media.[39]

References

Dentsu shares the optimistic outlook and likewise expects growth of 3.3 per cent in the German advertising market in 2025. However, Dentsu warns of macroeconomic uncertainty, high tariffs on US imports and an unclear political situation after the Bundestag elections.[40]

The JOM Group emphasises the continuing positive performance of the advertising market in Germany, despite the challenging economic situation. According to the JOM Group, this is mainly due to increasingly integrated digital media content, which can be managed more efficiently to become more attractive to customers. The barriers to entry for smaller companies are also being lowered, with a positive impact on the market as a whole.[41] The digital advertising landscape in Germany is experiencing a robust upswing, driven by increased use of digital media, although the evolving economic position and political uncertainty are hampering full realisation of its potential. Data from Statista Market Insights indicates that video, banner, social media and search engine advertising will see particularly strong growth. The forecast for total spend in the advertising market is around EUR 20.7 billion (+9.5 per cent).[42]

The UK remains the largest advertising market in Europe. The Dentsu Global Ad Spend Report estimates the overall growth in advertising spend at 5.7 per cent, making it likely to reach USD 51.7 billion. Similar growth of 5.7 per cent and 5.8 per cent is expected in 2026 and 2027, respectively.[43]

Growth of 7.1 per cent is forecast for the US advertising market in 2025. The US market remains dynamic even though no major political events such as a presidential election are upcoming. According to Statista Market Insights, spending on digital advertising in the US is likely to reach USD 349.1 billion, representing growth of 10.2 per cent. The main driver of this growth is search engine advertising, which is likely to have a market share of 64 per cent in 2025.[44]

Growth of 3.5 per cent is forecast for the Polish advertising market in 2025. Digital channels will continue to have a major impact on the market and are expected to account for around 58 per cent of total spend in 2025.[45] The Polish e-commerce market, which is closely linked to digital advertising, is forecast to grow to EUR 33.3 billion by 2029, opening up additional opportunities for digital advertisers.[46]

4.5 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 current findings, the SYZYGY Group expects a decline in revenues in the high single-digit percentage range for the 2025 fiscal year and an EBIT margin of around 7 per cent.

The EBIT margin is defined as the ratio of earnings before interest and income taxes (EBIT) to sales revenue. This corresponds to operating income of around EUR 5.3 million for the SYZYGY Group. The forecast earnings figure does not include possible write-downs of goodwill; no such write-downs are anticipated. The results of the SYZYGY Group will be determined by the performance of the operating units, while the future interest income of Syzygy AG will be of subordinate significance.

5. Internal control system

The risk early warning systems used are based on monthly reporting. In addition to financial reporting (budget and actual figures), this reporting includes the new business activities of the subsidiaries and HR metrics. A business review, forecast or budget meeting is also held once every quarter. At these meetings the Management Board of Syzygy AG discusses the company's situation, new business, personnel issues and the outlook with the management teams of the subsidiaries. A risk management system is integrated into financial reporting which ensures that risk identification, risk communication and monitoring of operational risk takes place at quarterly intervals.

References

Risks are aggregated and managed at the level of Syzygy AG, or action is initiated by Syzygy AG. The internal control system is supplemented by approval procedures for financial transactions (two-person rule) and is supported by separation of functions and access rules in the IT system.

In addition, the SYZYGY Group is included in the WPP Group and has implemented and documented elementary SOX controls.

After preparation, the SYZYGY Group's quarterly reports are examined and approved by the Supervisory Board of Syzygy AG.

Accounting-related internal control system

The accounting-related internal control system comprises policies, procedures and measures to ensure that accounting in relation to the financial statements and consolidated financial statements has been conducted correctly. For these purposes the consolidated financial statements and the Group Management Report of the SYZYGY Group are prepared in accordance with IFRS (International Financial Reporting Standards), 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 Central Finance Department of Syzygy AG controls the processes for preparing the single-entity financial statements and consolidated financial statements and for preparing the Syzygy AG Management Report and the Group Management Report for the SYZYGY Group. Accounting standards and other bulletins are analysed for their impact on SYZYGY Group accounting. Consistent annual financial reporting throughout the Group and a financial calendar applicable to all entities within the Group ensures that the accounting process is standardised and that accounts are prepared in a timely manner.

In keeping with Article 289 [4] / Article 315 [4] of the German Commercial Code, one of the ways the accounting requirements of Syzygy AG are implemented in the subsidiaries is that a largely standard bookkeeping system with a standard chart of accounts is used across the SYZYGY Group. This involves analysing, checking and ensuring compliance with accounting requirements and scrutinising the procedures for processing data.

In addition, in order to comply with the latest statutory requirements, accounting employees attend regular internal and external training courses.

6. Risk management system[47]

The SYZYGY Group defines risk as a possible negative deviation from forecasts or other qualitative and quantitative targets due to future events or developments. Expanding this perspective to include sustainability aspects, our revised comprehensive identification of risk now also includes potential adverse impacts on non-financial aspects such as HR metrics or the environment and climate. We believe that risk management comprises all measures for dealing systematically and transparently with risk.

The current view of Syzygy AG's Management Board remains unchanged in that it sees no risks that could jeopardise the continued existence of the Company.

The risk strategy is designed to ensure the continued existence and sustainable growth of the Company over the long term. The success of the Company requires that risks are identified and assessed, and that the responsible decision-makers manage these risks in the best possible way. Risks that could jeopardise the continued existence of the Company must always be avoided. In its Risk Management Guidance, the SYZYGY Group has defined the principles for corporate governance and risk management.

References

The SYZYGY Group's risk management system is continuously evolving and is integrated into the internal control system and standard reporting.

Details of specific responsibilities in the risk management process are laid down in the risk control matrix. The various risk management tools are designed in such a way that the sub-processes are integrated into a continuous risk management cycle, with all risk owners involved in the process.

The risk control matrix is structured into the following sub-areas: finance / sales, market development and strategy / personnel-related risks / IT risks, and other risks, which incorporates environmental and social-based risks. The risk control matrix is reviewed and updated in a quarterly procedure by the Group Management Board in conjunction with the management of the units and Corporate Controlling. The link with reporting in Controlling and the assessments of the managing directors makes it possible to identify risks based on the current financial and company data and, if necessary, to define measures or evaluate the action taken up to that point in time.

The operational opportunities and risks not taken into account in the monthly updated projection or in budget planning are part of standard reporting by the business units. The regular discussion of opportunities and risks in the established business reviews between the Management Board and the managing directors plays a significant role in integrated business management throughout the year and in corporate planning. The bandwidths for the key indicators are defined in relation to the current and following financial year.

By regularly surveying and updating the risks at local level, we also ensure that risk awareness remains high throughout the Group. Our internal control system is designed to reduce risks in business processes.

Identified risks are assessed uniformly using probability of occurrence and loss amount as the basis, relative to the key indicators. We define risk categories for the material risks as follows: “existential”, “high”, “medium” and “low”. The potential adverse impact of our own actions on non-financial aspects such as the environment and climate is also assessed, taking into account the sustainability goals set by the SYZYGY Group.

The risks relevant to the SYZYGY Group have been categorised as follows:

- Financial risks
- Risks resulting from operating activities
- Personnel-related risks
- IT-specific risks
- Environmental and social risks

Based on its engagement with the internal control and risk management system, the Management Board is not aware of any circumstances that would suggest that these systems are not appropriate or effective.

7. Risks and opportunities of future business development

The gross risks and opportunities of Syzygy AG's future performance are closely linked to the economic activities of the Group's operating companies. As a result, the opportunity and risk report relates primarily to the SYZYGY Group.

With regard to the SYZYGY Group's business areas and development, consideration is given to the general risks around economic trends and affecting the digital experience services market in the markets relevant to SYZYGY, and in particular to the rate of technological change in the markets for Internet services.

The war in Ukraine, protectionist measures taken by some countries and the associated risks for the global economy, and low economic growth had a material impact on the SYZYGY Group's business performance in 2024. These external factors create uncertainty among economic agents and lead to budget cuts in some cases, but it is not possible to make a definitive assessment of the effects. The SYZYGY Group does only a small amount of business with service providers from the crisis-hit areas.

The Management Board of Syzygy AG monitors risks in order to counter negative effects on the Company's net assets, financial position and results of operations at an early stage. Risk assessment relates to the extent of a potential impact on earnings and finances, and also to the likelihood that a risk factor may have an impact.

It is equally important to identify opportunities and make use of them. A functioning system for managing risks and opportunities is therefore an important element of a sustainable management approach.

On the basis of the information currently available there are no probable risks that would jeopardise the continued existence of Syzygy AG and its subsidiaries as a going concern. Risk was assessed on a gross basis, i.e. without considering the effects of any countermeasures.

7.1 Material risks

Risks resulting from the war in Ukraine

It is not possible to make a definitive assessment of the further impact of the hostilities in Ukraine. Overall, the global economy has been weakened, with accelerated inflation due to additional increases in energy and commodity prices. These effects will persist in 2025, thus continuing to dampen global economic growth. The SYZYGY Group does not serve any clients in the crisis areas. However, the SYZYGY Group does work to a limited extent with companies from Ukraine, with local service providers being used in some projects, primarily for software development. These services could be seriously disrupted by the war. The scope of these services is very small and could be offset by using other service providers outside the crisis zone if necessary.

The possibility of the hostilities spreading to other countries cannot be ruled out at this time. The SYZYGY Group operates a company in Poland, which contributes around 12 per cent of sales to net income. This could result in a lower profit distribution for Syzygy AG.

The risk of material impairment of performance, or a material impact on the business in Poland, is assessed as low.

Operational risk

Approximately 50 per cent of the SYZYGY Group's sales are generated from its ten largest clients. The concentration on the ten largest clients is unchanged compared to the previous year. The top three clients accounted for 22 per cent of total sales. This share also remained unchanged compared to the previous year. As in the previous year, the largest single client generated 8 per cent of Group sales.

SYZYGY's sales are not protected by long-term contracts. Sales are usually generated on the basis of individual contracts that cover a limited period. All planning in relation to sales performance is thus necessarily subject to a large degree of uncertainty.

A substantial share of sales is based on fixed price agreements. Approximately 30 per cent of client contracts for SYZYGY units involve fixed price projects, while around 70 per cent of sales are based on contracts for maintenance projects that are invoiced on a time and material basis. This means that losses may be incurred if the calculated project budget is unexpectedly exceeded. SYZYGY also assumes the usual guarantee and liability commitments associated with the project, which can lead to projects being hit by follow-on costs.

The services SYZYGY performs have public impact, so any defects in quality in the execution of one of its projects may cause widespread damage to SYZYGY's image. This kind of reputational damage has the potential to have a significantly negative impact on future business development.

The risk of financial losses on projects or arising from the operational business is regarded as low due to very stable long-term client relationships, especially with the top 10 clients. The risk of major client losses is assessed as medium.

Economic risk

The state of the economy can affect companies' basic willingness to invest in advertising and marketing campaigns. A downturn can lead to reduced order volumes and thus to a corresponding drop in sales for SYZYGY. Any capacity adjustments which may be necessary become effective with a time lag and may result in restructuring costs.

The risk is assessed as medium due to the current hostilities and a weak economic environment.

Currency risk

SYZYGY generates around a fifth of its sales in other currencies than the euro, so fluctuations in the exchange rate between the UK pound, the US dollar and the Polish zloty and the euro can affect sales and annual net income positively or negatively in the event of deviation from the rate used for planning purposes. Nevertheless, SYZYGY does not enter into any hedging transactions because sales in the individual markets are countered by expenses in the corresponding currency. SYZYGY is thus only exposed to foreign exchange risk in terms of the amount of the annual net income of the company in the respective country (referred to as translation risk).

Syzygy AG holds a portion of its assets in foreign currencies, in particular assets of foreign subsidiaries. Here again, SYZYGY does not enter into any direct hedging transactions because the risks for Syzygy AG's results of operations arising from these foreign currency positions are rated as low due to their size. Risk arising from currency fluctuations is assessed as low overall.

Personnel risk

The Group's performance in the services segment depends to a very significant extent on the performance of its employees. Because of their specific skills, some individuals are particularly important. If the Group is unable to retain these employees, or continuously attract and retain new, highly qualified employees, SYZYGY's success could be at risk.

The risk is assessed as medium.

Liquidity risk

An internal and external payment collection process minimises the risk of client default. This ensures that the Group has sufficient liquid funds available to service operating costs and interest payments on schedule.

Liquidity bottlenecks are countered by way of Group-wide liquidity management. Liquidity reserves are monitored as part of the budgeting process.

The risk is assessed as low.

7.2 Opportunities

AI-based changes and opportunities

Artificial intelligence will have a wide-ranging impact. The work processes of service providers and clients will change through the use of AI-supported software: activities can be carried out more efficiently, or entirely new solutions can be realised for our clients. New products will also emerge through the use of AI-supported systems. As clients use the relevant tools, they will need support in developing and implementing AI-supported systems.

Digitisation

The SYZYGY Group continues to expect rising demand for consulting and implementation services around digitisation. The boundaries between digital and conventional marketing are now fluid, while aggregated use of digital media has overtaken traditional media. This is apparent in everyday user behaviour, which is dominated by the use of digital media.

Long experience

SYZYGY supports and advises clients on transformation of sales and marketing processes. The SYZYGY Group has been addressing these issues for over 25 years in this market and has a deep understanding of the needs and requirements. The SYZYGY Group is one of the leading digital service providers in Germany and the UK, with a decades-long track record of working for major international brands. SYZYGY will thus be able to develop digital products for its clients.

Holistic service offering

SYZYGY is one of the leading service providers able to offer digital experience services from consulting, conceptualisation, design and technical implementation through to ongoing operation of applications from a single source. This is complemented by the ability to activate campaigns and digital products. As a result, SYZYGY can provide its clients with extensive and comprehensive support, as well as assisting marketing decision-makers as an experienced partner, working with them from strategy through product to activation.

8. Disclosure relating to acquisition in accordance with Article 315a [1] of the Handelsgesetzbuch (HGB – German Commercial Code)

- The common stock of Syzygy AG amounts to EUR 13,500,026 and is divided into 13,500,026 ordinary no-par value bearer shares. Different classes of shares were not formed.
- SYZYGY shares are not subject to restrictions on transferability. Syzygy AG is not aware of any restrictions relating to the exercise of voting rights or to the transfer of SYZYGY shares.
- The WPP Group holds the majority of the shares. As at the reporting date, it had a 50.33 per cent stake in Syzygy AG.
- None of the Syzygy AG shares issued carry special rights.
- Syzygy AG does not exercise voting control in the case of employees with an interest in the capital.
- The requirements for appointment and dismissal of members of the Management Board are in accordance with Article 84 of the Aktiengesetz (AktG – German Stock Corporation Act). Syzygy AG's Articles of Association also stipulate that the Management Board must be composed of at least two people. Changes to the Articles of Association can only be made by the Annual General Meeting, in line with Article 119 of the AktG. The Articles of Association, together with Article 179 of the AktG, permit the Supervisory Board to agree changes to the Articles of Association which only concern the wording.
- In line with the Annual General Meeting's resolution of October 27, 2020, the Management Board is authorised, within 5 years, to buy back shares up to a total of 10 per cent of the common stock via the stock exchange or via a public offer to buy directed at all shareholders.
- The Annual General Meeting's resolution of May 28, 2021 authorises the Management Board to increase the common stock of the company, with the agreement of

the Supervisory Board, on one occasion or on several occasions by up to an overall maximum of EUR 6,750,000.00 in the period to May 27, 2026 by issuing new bearer shares against cash contributions and/or contributions in kind (authorised capital 2021). The outstanding authorised capital as at December 31, 2024 was EUR 6,750,000.00.

- Syzygy AG has made no material agreements that would be triggered by a change of control.
- No compensation agreements have been entered into with members of the Management Board or employees for the event of a takeover bid. Holders of phantom stocks can, however, exercise their phantom stocks within a period of 6 weeks after completion of the takeover offer at the intrinsic value then prevailing or a minimum price of EUR 1.00 per phantom stock.

9. Declaration by the Management Board in relation to Article 312 of the AktG (German Stock Corporation Act)

WPP plc has held a majority of the shares in Syzygy AG since November 2015. It is consequently the controlling company within the meaning of Article 17 (2) of the AktG (German Stock Corporation Act). SYZYGY is thus required to prepare a dependency report in accordance with Article 312 of the AktG. Syzygy AG received appropriate consideration for each legal transaction in the case of the legal transactions listed in the report with regard to relationships with affiliated companies, according to the circumstances known to us at the time when the legal transactions were conducted. No measures were taken or not taken on behalf of or in the interests of the controlling company or an associated company of the controlling company.

10. Group Declaration on Corporate Governance in accordance with Article 315d of the Handelsgesetzbuch (HGB – German Commercial Code) in conjunction with Article 289f of the HGB

On October 31, 2024 the Management Board and Supervisory Board issued and published an updated declaration relating to the German Corporate Governance Code. Operation of the Management Board and Supervisory Board is also described in the declaration on corporate governance.

Both declarations can be viewed on our company website under Corporate Governance at https://syzygy-group.net/en/corporate-governance/.

syzygy-group.net/en/corporate-governance

Non-financial group declaration

Non-financial group declaration

11. Non-financial Group declaration in accordance with Article 315c, HGB

ESRS 2 General disclosures

In this non-financial declaration (NFD), the SYZYGY Group reports on the development and progress of the sustainability-related action areas in the 2024 financial year, in accordance with the statutory requirements of Article 289 c-e of the German Commercial Code (Handelsgesetzbuch, HGB), Article 315c of the HGB and Article 8 of the Taxonomy Regulation.

Syzygy AG provides this non-financial Group declaration in partial compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) (EU) 2022/2464 and the associated European Sustainability Reporting Standards (ESRS). The reporting period is the 2024 financial year (January 1, 2024 – December 31, 2024). In addition to general disclosures, Syzygy AG is also publishing the required information on governance, strategy, management of impacts, risks and opportunities, and metrics and targets for five topical standards:

- ESRS 2: General disclosures
- E1: Climate change
- S1: Own workforce
- S4: Consumers and end-users
- G1: Business conduct.

The topics were selected based on a double materiality assessment.

BP-1 – General basis for preparation of sustainability statements

This non-financial declaration was prepared on a consolidated basis. The scope of consolidation corresponds to the consolidated financial statements of Syzygy AG. The consolidated sustainability statement covers Syzygy AG and its subsidiaries.

SYZYGY has not used the option to omit certain information relating to intellectual property, expertise or the results of innovation. SYZYGY has also not opted out of disclosing upcoming developments or matters currently under negotiation.

The company's upstream and downstream value chains are also covered by policies, targets, actions and metrics where possible.

BP-2 – Disclosures in relation to specific circumstances

Time horizon

SYZYGY uses the short-, medium- and long-term time horizons defined in ESRS 1 in its reporting. The year under review is therefore defined as short-term, the period up to five years as medium-term and the period over five years as long-term.

Value chain estimates

SYZYGY does not collect its own data on the value chain, and therefore does not use metrics based on estimated data from indirect sources.

Data is primarily collected based on primary figures that are available within the company. No indirect data sources, such as industry or sector-specific averages, are used to assess the value chain.

Due to short reporting cycles and the dependence on supplier data, estimated values have been used in E1 reporting where no precise consumption figures were available for the reporting year. A standardised process for checking and adjusting these estimated values has been implemented to ensure data is of high quality. Further details on the estimation methods used are documented in the respective disclosure requirements on the calculation of greenhouse gas emissions. Sources of uncertainty, assumptions and measurement methods are explained in more detail in the accounting principles for the relevant disclosure items.

The following actions and assumptions were made to minimise these uncertainties:

- If no concrete consumption data is available for specific locations, a figure is extrapolated from land consumption or historical average values.
- Heating energy and district heating for office spaces are estimated in some cases where no separate consumption data is available (e.g. for rented space).

Changes in the preparation or presentation of sustainability information

No Scope 3 disclosures are made this year due to the change in methodology as a result of reporting in accordance with CSRD/ESRS. The changes in methodology are reported with the respective metrics in the topical standards.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This non-financial Group declaration, which was partially prepared in accordance with ESRS, also fulfils the requirements for the non-financial Group declaration required under Articles 315b to 315c of the German Commercial Code (HGB). For the first time, SYZYGY partially used the ESRS framework, which was established as a recognised reporting standard by the EU Commission, to prepare its non-financial declaration. The following table shows how the material matters stipulated under Article 289c (2) of the German Commercial Code (HGB) map to the ESRS topics relevant to the SYZYGY Group.

Matters in accordance with HGB Article 289c	Previous material issues	Mapping to ESRS topics
Environmental matters	Climate	E1: Climate change
Employee-related matters	Diversity and inclusion Working conditions Employee development Occupational health and safety	S1: Own workforce
Social matters	Client relationships	S4: Consumers and end-users
Respect for human rights Combating corruption and bribery	Business conduct	G1: Business conduct

In the reporting period, SYZYGY was not exposed to any material risks from its own operations or business relationships, products or services that are highly likely to have a serious negative impact on the non-financial aspects detailed in Article 289c of the German Commercial Code (HGB).

Nor were there any key performance indicators relevant to management, i.e. no significant non-financial performance indicators within the meaning of Article 289c (3) of the German Commercial Code (HGB) were identified.

In this non-financial Group declaration, some of the environmental information is provided in Section E1 in accordance with Article 8 of Regulation 2020/852 (“Taxonomy Regulation”).

Incorporation by reference

The following information is incorporated by reference into this declaration. It is included in the management report and designated as ESRS disclosures in the relevant places.

ESRS disclosure requirement	Information	Management report page reference
SBM-1. 40ai.	Significant groups of products and (or) services offered	3.6.4. Segment reporting
SBM-1. 40aii	Significant markets and (or) customer groups served	2. Group profile
ESRS 2 SBM-1 paragraph 40aiii	Headcount of employees by geographical area	3.4. Employees
ESRS 2 SBM-1 paragraph 42a	Fundamentals of the Group; operations and structure	2. Group profile
SBM-3. 48f.	The resilience of the strategy and business model	6 "Risk management system" in the Group Management Report.
GOV-5. 36a	Scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting	The risk management process is described in section 5 "Internal control system" and 6 "Risk management system"
E1-6_30 & E1-6_31	GHG emissions intensity (location-based and market-based) (total GHG emissions per net revenue	Consolidated statement of comprehensive income

Use of phase-in provisions in relation to the disclosure requirements

The SYZYGY Group chooses not to omit the information required by ESRS S1 and ESRS S4, which is reported in the relevant topical standards. Other topical standards that fall under the phase-in provisions have been classified as not material.

SBM-1 – Strategy, business model and value chain

The SYZYGY Group is a digital experience agency group based in Bad Homburg with a focus on the German market. Since it was established in 1995, SYZYGY has grown from a single digital agency into a global group focusing on digital experience services and transformational consulting. SYZYGY is one of the top agencies in the annual Internet agency ranking published by the German Association for the Digital Economy (BVDW). The SYZYGY Group consists of Syzygy AG as the holding company and seven subsidiaries: Ars Thanea S.A., diffferent GmbH, syzygy Deutschland GmbH, SYZYGY Digital Marketing Inc., Syzygy Performance Marketing GmbH, SYZYGY UK Ltd. and Unique Digital Marketing Ltd. The business activities and structure of the SYZYGY Group are described in detail in section 2 of the Group Management Report entitled "Group profile".

The company employs around 550 people and 40 freelancers in Germany, the UK, the US and Poland. It has offices in Bad Homburg v. d. Höhe, Berlin, Frankfurt, Hamburg, Munich, London, New York and Warsaw. Other metrics on employees can be found in section 3.4 "Employees" of the Group Management Report and under S1, Own workforce.

SYZYGY is a consulting and implementation partner for digitisation, transformation and strategy in marketing and sales. The company offers a range of services from strategy consulting, development and operation of digital platforms and applications, creative services and implementation of content campaigns to performance marketing, media and data analytics. The company also offers managed services. SYZYGY serves various sectors, including services, automotive, finance/insurance, consumer goods and telecommunications/IT, and supports brands such as Audi, BMW, Lufthansa Group and Volkswagen. Further information and a breakdown of sales revenue can be found in the consolidated statement of comprehensive income and in the Group Management Report under 4 “Segment reporting”.

The SYZYGY Group does not offer any products or services that are banned in certain markets and is neither active in the sectors fossil fuels, chemicals production, controversial weapons or tobacco cultivation and production nor does it generate any revenue from these sectors.

Value chain

SYZYGY procures products and services from a number of upstream suppliers that are essential to its business model, including manufacturers of digital infrastructure products, energy suppliers (coal, gas, water and renewables) and transport and distribution service providers. SYZYGY’s upstream supply chain also includes hardware and software providers, data centres, consulting services and technology partners. In addition to ensuring quality and performance, sustainability aspects such as fair working conditions and environmental protection are becoming increasingly important when selecting and working with business partners. As a digital experience agency group, the value that SYZYGY creates is primarily based on the expertise of its employees in end-to-end services such as strategy and consulting, content and campaigns, managed services, platforms and applications, digital media and data analytics. The services are aimed downstream at customers from the services, automotive and finance/insurance sectors as well as participants in the capital market such as shareholders and investors.

Corporate strategy and sustainability strategy

The SYZYGY Group has defined sustainability goals that are based on the values “responsible, collaborative, curious” and cover the ESG (environmental, social and governance) action areas. SYZYGY is also guided by four of the United Nations (UN) Sustainable Development Goals (SDGs) as a framework for sustainable development:

- Quality education (SDG 4)
- Gender equality (SDG 5)
- Decent work and economic growth (SDG 8)
- Climate action (SDG 13)

SYZYGY pursues a sustainable corporate strategy across the Group, focusing on environmental, social and corporate governance issues.

- Environmental: SYZYGY focuses on reducing greenhouse gas emissions (Scope 1 and 2) and helping customers develop more climate-friendly digital products and services.
- Social: SYZYGY focuses on employee development, respect for human rights, protection against corruption and bribery, and data protection and information security.
- Governance: SYZYGY focuses on complying with clear ethical standards and values and implementing measures to combat corruption and bribery – all of which are essential components of the company’s governance strategy.

Specific actions and targets are described in detail in the following sections.

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, the SYZYGY Group identified and assessed its relevant sustainability issues for the first time using a systematic process. As part of the CSRD requirements, a double materiality assessment (DMA) was carried out in accordance with the ESRS. The relevant sustainability issues for the company and its stakeholders were identified and assessed in accordance with the principle of double materiality. The materiality assessment covered all subsidiaries of the SYZYGY Group as well as the upstream and downstream value chain.

The impacts, risks and opportunities (IROs) were analysed and assessed in a multi-stage process. First, the corporate context, including business model, business relationships and value chain, was analysed. At the same time, relevant stakeholder groups were identified and their type of involvement in the materiality assessment process was determined. In the IRO assessment process, the project team from Investor Relations and Sustainability & Controlling first assessed the identified impacts and the financial opportunities and risks. Internal experts from various specialist departments then assessed the IROs according to their respective expertise and while taking into account the perspectives of the external stakeholders affected. These results were reviewed, adjusted and justified by the Chief Financial Officer of the SYZYGY Group. In a final step, the Management Board and Supervisory Board of Syzygy AG confirmed and approved the assessment and thus the final list of material sustainability issues.

Involvement of stakeholders

The interests of relevant internal and external stakeholders were taken into account when analysing double materiality. Internally, these stakeholders include the employees and management of the SYZYGY Group. External stakeholders include shareholders, investors, analysts and customers.

There was no direct consultation with affected external stakeholders (e.g. affected communities), but they were represented by internal experts from the company's specialist departments who are regarded as representative of these groups.

Input parameters

Both internal data and publicly available external sources such as media reports and studies were used as input parameters, in particular to identify and assess the impact on people and the environment.

Impact materiality

SYZYGY used the sustainability aspects of ESRS 1 AR16 with their topics and respective sub-topics and sub-sub-topics to identify potentially important sustainability issues and the associated impacts, financial risks and opportunities. Relevant industry-specific topics were also discussed. Based on this comprehensive list, SYZYGY analysed which of these sustainability aspects along the value chain have or could have an impact on people and the environment as a result of the company's own operations or business relationships.

The materiality of these impacts was described and individually assessed based on previously defined characteristics. Both actual and potential positive and negative impacts on people and the environment were analysed within the company and along the upstream and downstream value chain. Short-, medium- and long-term time horizons were taken into account. Each impact was also analysed to ascertain whether it could have a negative impact on human rights.

The materiality of an impact depends on its severity and, in the case of potential impacts, also on its probability of occurrence (assigned a likelihood of either 20%, 40%, 60%, 80% or 100%). Severity was calculated as the average of the three characteristics scale, scope and irremediable character (in the case of negative impacts), each of which was rated on a scale of 1 to 5. This scale aligns with the SYZYGY Group's existing risk management system. Overall ratings were calculated by multiplying severity by the respective probability of occurrence (in the case of potential impacts). In the case of potential negative impacts on human rights, the severity level takes precedence over the probability of occurrence. In accordance with the implementation guidance provided by the European Financial Reporting Advisory Group (EFRAG), a threshold value of 3.5 was set to determine material impact. According to the maximalist approach of ESRS 1 AR 11, negative impacts were also classified as severe if at least one of the characteristics scale, scope or irremediable character reached or exceeded the threshold of 3.5.

Financial materiality

When analysing financial materiality, the identified impacts provided an initial basis for identifying and allocating resulting opportunities and risks in order to capture interplay between the two areas, i.e. financial risks and opportunities arising from the impacts of the SYZYGY Group. Additional opportunities and risks were also identified.

The financial effects were described and individually assessed based on the characteristics of opportunity or risk, time horizon (short-, medium- or long-term) and stage of the value chain. The overall assessment was calculated by multiplying the probability of occurrence (assigned a likelihood of either 20%, 40%, 60%, 80% or 100%) by the size of the financial effect, which was assessed on a scale of 1 to 5. A threshold value of 3.5 was used to determine material opportunities and risks in accordance with EFRAG's implementation guidance.

Risk and opportunity assessment

As part of the assessment of material matters, Syzygy AG reviewed its business activities and locations for impacts, risks and opportunities in relation to potentially material issues. In addition to social issues, this also included climate change, environmental pollution, water and marine resources, biodiversity, resources and the circular economy and business conduct. The company's own activities and upstream and downstream value chain were analysed.

Reviewing and updating the material issues and aspects identified in the process of determining impacts, opportunities and risks is a continuous process. The results are reviewed annually and updated as required, particularly in the event of changes to the company's business model or regulatory environment, new scientific findings or changes in stakeholder expectations.

Description of the processes to identify and assess material impacts, risks and opportunities related to sustainability matters

Overall, no material impacts, risks or opportunities were identified for the SYZYGY Group in relation to environmental pollution, water and marine resources, biodiversity, circular economy and resource use.

Climate change

Climate-related impacts, risks and opportunities are identified and assessed in several steps. Firstly, the greenhouse gas emissions of Syzygy AG – as identified in its Corporate Carbon Footprint (CCF) (Scope 1, 2 and 3) – from previous years were analysed as part of the impact analysis (material impacts on the climate). Based on this, it was determined that Syzygy AG contributes to global warming through the emission of greenhouse gases, and therefore to the greenhouse gas effect, both with its own operations and upstream and downstream value chain. Physical impacts such as extreme weather events (e.g. floods and heatwaves) were also taken into account in the materiality assessment. Furthermore, transition risks were likewise discussed as part of the materiality assessment.

The SYZYGY Group analysed climate-related impacts as part of the 2024 DMA but did not carry out a comprehensive scenario analysis. Instead, the company's resilience was assessed based on qualitative risk analyses, while taking into account the elementary threats outlined in the IT-Grundschutz Compendium of the German Federal Office for Information Security (BSI).

Climate-related risks and their potential impact on business activities were analysed, particularly in relation to company locations, infrastructure and critical business processes. In addition, the probability of occurrence and the scale of damage were assessed to determine the relevance of the identified risks.

Pollution

SYZYGY's business model is based on intangible services, such as the provision of knowledge, advice and digital products that do not release any physical pollutants. The company does not have any production activities, industrial manufacturing or chemical processes that typically make a material contribution to environmental pollution (e.g. through emissions, waste or pollutants). The company's locations are based in countries with strict environmental protection laws and clearly defined pollution control regulations as well as high standards when it comes to disposing of waste, limiting emissions and using energy efficiently.

Water and marine resources

The water consumption of the SYZYGY Group is limited to sanitary requirements and general office activities (drinking water, cleaning). The company does not have any other water-intensive processes. SYZYGY does not draw any water directly from natural sources, and all the water the company requires is provided by public supply networks. Any water the company uses is discharged exclusively via public wastewater systems. SYZYGY does not produce any hazardous wastewater or substances that could pollute water resources (e.g. chemical waste, toxic substances). The company is not involved in any maritime activities or supply chains that could negatively impact marine resources or ecosystems. SYZYGY does not use any marine resources, as its business model is based entirely on services (consulting, digital products, knowledge provision).

Biodiversity and ecosystems

The SYZYGY Group has no direct impact on biodiversity loss or the state of species and ecosystems, as the business model is based on intangible services. The company does not intervene in any natural habitats and only has an indirect connection with this impact through the energy consumption of data centres and servers that are necessary for digital services. However, this impact is minimal and is already being addressed through energy efficiency measures. SYZYGY has locations in urban, developed regions that already have strict regulations on land use and environmental impact. Although there are indirect risks from energy consumption and IT supply chains, they have already been minimised through efficient actions and strict environmental regulations. No remedial action relating to biodiversity had to be taken in the reporting year.

SYZYGY does not currently have a transition plan to align its business model and strategy with the Kunming-Montreal Global Biodiversity Framework, the EU Biodiversity Strategy 2030 or the planetary boundaries relating to biosphere integrity and land-system change.

Resource use and circular economy

The SYZYGY Group primarily uses intangible resources. Physical resource inflows include office supplies (e.g. paper, electronic equipment, furniture) and IT hardware (e.g. servers, computers). As such, the company only generates a small amount of waste, mainly office waste (paper, packaging, general waste) and electronic waste from obsolete hardware. SYZYGY does not have any resource-intensive production processes, as the company only offers intangible products and services (e.g. digital consulting and software development), which do not require a direct outflow of resources.

SBM-2 – Interests and views of stakeholders

The SYZYGY Group aims to maintain close dialogue with its stakeholders, which include employees, management and shareholders who are affected by or have a legitimate interest in the company's activities, decisions or impacts. Stakeholders also include customers, partners, suppliers and regulatory authorities who interact indirectly with the business or are involved through contractual or legal obligations. SYZYGY also works with suppliers in the upstream value chain (e.g. technology providers, consulting service providers) and customers in the downstream value chain. Freelancers and external service providers play an important role in helping the company to deliver projects flexibly. As a listed company, investors, analysts and banks are also key stakeholders.

SYZYGY actively involves key stakeholders such as customers and employees, shareholders and investors and partners in order to fulfil strict data protection standards and information security requirements.

The views and interests of workers in the value chain and affected communities were not taken into account, as they are not key stakeholders of the SYZYGY Group. They have no relevant influence on SYZYGY's strategic direction or business model.

Interaction with stakeholders helps the company to understand their expectations and views, and also identify potential risks and opportunities with regard to SYZYGY's strategic priorities. SYZYGY seeks to build trust between itself and stakeholders by ensuring both transparency and regular exchange. The company uses dialogue with stakeholders to help it make decisions that create long-term value and reconcile social, environmental and economic interests. Dialogue helps the company assess the impact of its business operations on the value chain and social environment. Discussions support the materiality assessment process, which takes into account both the impact on people and the environment (inside-out) and external factors influencing the company (outside-in). SYZYGY uses prior input from stakeholders to prioritise and weight the material matters identified. The company also engages with stakeholders with the aim of generating suggestions for topics and potential improvements.

SYZYGY carefully reviews and evaluates sustainability-related topics raised by stakeholders and derives corresponding actions for strategic adjustment where necessary. The conversations held with stakeholders in the reporting year provided a deeper understanding of key topics such as compliance, privacy and data protection, information security and employee development and retention. Incorporating these aspects into the double materiality assessment allowed SYZYGY to thoroughly analyse their significance for its corporate strategy. SYZYGY systematically analysed the views and expectations of stakeholders and used them as a central foundation for setting strategic priorities. This is intended to ensure that the strategy and business model of the SYZYGY Group are aligned with the identified interests and needs of the stakeholders and developed further.

The company uses various channels to engage with the key stakeholders of the SYZYGY Group, including websites, surveys, employee meetings, capital market conferences, annual general meetings and one-on-one meetings. Further details on the involvement of key stakeholders can be found in the following table:

Stakeholders	**Category**	Form of involvement	Purpose of involvement
Employees	Affected	Group-wide (international) employee meetings (all-hands meetings) Cross-company and cross-departmental informational video conferences Performance reviews	Provide information on strategic and operational topics Discuss current issues Suggest topics and areas for improvement
Potential employees	Users of the sustainability statement	Lectures at universities and colleges Social networks (LinkedIn, Instagram) Career fairs Job interviews	Position the company as an attractive employer for talented individuals Address diverse talents to strengthen a forward-thinking corporate culture Ensure transparency around career paths and development opportunities
Shareholders and investors	Affected individuals/ users of the sustainability statement	Investor relations website Capital market conferences One-to-one or round table talks Virtual Annual General Meeting	Information on topics relevant to the capital market
Consumers/ end-users	Affected individuals/ users of the sustainability statement	Joint workshops and coordination meetings Segmented communication through digital contact points (e.g. personalised content strategies) Newsletters Trade shows and conferences Sustainability ratings	Understand and meet customer needs through close dialogue and iterative collaboration
Suppliers and partners	Users of the sustainability statement	Regular supplier meetings Contract-based ESG criteria and guidelines Technology and innovation partnerships	Optimise cooperation to increase efficiency in the supply chain Promote innovation and technological development with a focus on sustainability Ensure transparency and compliance in the value chain

Employees
The SYZYGY Group incorporates the interests, views and rights of its employees into its strategy and business model. Affected communities and workers in the value chain are not included, however, as they have no material influence on strategic direction or the business model.

Employees are actively involved in strategic and operational topics through regular Group-wide all-hands meetings, cross-departmental informational video conferences and individual performance reviews. The company focuses on ensuring continuous communication on current issues, identifying opportunities for improvement and actively helping shape how the company develops. SYZYGY regularly analyses the extent to which its strategy and business model influence working conditions and whether adjustments are needed. By digitalising work processes, promoting flexible work models and implementing health and well-being measures, the company is helping to minimise potential stress and increase positive effects for the workforce.

Consumers and end-users
The SYZYGY Group incorporates the interests and rights of consumers and end-users through data privacy and security measures based on the GDPR and ISO/IEC 27001. The company interacts with customers in a structured way in the form of joint workshops, regular meetings and beta tests in order to understand their needs at an early stage and incorporate these insights into the development of digital products. Segmented communication via digital contact points – such as personalised content strategies, newsletters, trade shows and conferences – ensures that the various customer groups are addressed in a targeted and transparent manner.

The SYZYGY Group continuously reviews how its strategy and business model impact consumers, focusing on data protection, cyber security and the ethical use of artificial intelligence. The company adjusts its strategy whenever material negative impacts are identified, e.g. by optimising information security measures, developing technologies further and maintaining close communication with customers.

The SYZYGY Group aims to consider the role that its strategy and business model can play in creating, exacerbating or mitigating material impacts on stakeholders, particularly its own employees and customers. These linkages are analysed and assessed as part of the materiality assessment and strategy processes. If negative impacts on the company's own employees or customers become apparent, adjustments are made to the business model and/or strategy to counteract or minimise the impacts. In the reporting period, Syzygy AG made no adjustments to its strategy or business model as a result of stakeholder consultations with internal or external stakeholders. No adjustments are currently planned.

The Management Board and Supervisory Board are informed quarterly about the views and interests of the affected stakeholders with regard to the sustainability-related impact of the company's activities. This takes the form of written and verbal reports provided during and outside of meetings. The reports contain relevant information on the expectations and perspectives of the stakeholders potentially affected by the activities of Syzygy AG, e.g. outcomes of employee and customer interactions or insights from discussions with suppliers, shareholders, etc.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the materiality assessment, the SYZYGY Group identified material impacts, risks and opportunities related to sustainability aspects for the 2024 financial year. No potentially material impacts, opportunities or risks were identified that are covered by additional company-specific disclosures.

In the reporting year, SYZYGY did not identify any current financial effects of material risks and opportunities that could influence the company's financial and earnings position or cash flows. In particular, no material risks, i.e. risks that could jeopardise the company as a going concern, were identified that would require a material adjustment to the carrying amounts of the assets and liabilities recognised in the annual financial statements in the next reporting period. For a more detailed explanation of the company's risk and opportunity position, please refer to the corresponding section in the management report.

All of the IROs material to the SYZYGY Group along the entire value chain under review are shown in the following table:

Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Value chain stage: Upstream	Value chain stage: Own operations	Value chain stage: Downstream	Time horizon: Short-term	Time horizon: Medium-term	Time horizon: Long-term
E1 Climate change									
Climate change mitigation	GHG emissions from server use	Impact (negative, actual) SYZYGY contributes to global warming by using energy-intensive servers and AI platforms with elevated CO_2 emissions.	Contributed to	✓				✓	✓
	GHG emissions from staff commuting	Impact (negative, actual) SYZYGY contributes to global warming through staff commuting.	Indirectly caused		✓		✓	✓	✓
S1 Own workforce									
Working conditions / adequate wages	Unequal pay due to industry-specific salary differences	Impact (negative, actual) Salaries can vary in the agency industry. Some employees may find the salary level uncompetitive, which can lead to dissatisfaction.	Directly caused		✓		✓	✓	
	Increased employee turnover due to uncompetitive remuneration	Risk Non-competitive remuneration could reduce productivity and increase staff turnover, which can lead to a loss of expertise and higher recruitment and training costs.			✓			✓	
Working conditions / adequate wages	Flexible working hours	Impact (positive, actual) SYZYGY offers flexible working time arrangements that provide employees with a high degree of flexibility.	Directly caused		✓		✓	✓	✓
	Increased employee loyalty through individualisation of working time	Opportunity The individualisation of working time can have a positive effect on employee retention, helping to reduce recruitment costs.			✓			✓	

				Value chain stage			Time horizon		
Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Working conditions / health and safety	Health risks due to a lack of support services	Impact (negative, potential) A lack of resources such as coaching, medical examinations or programmes to improve self-confidence and resilience could lead to employees receiving less support in coping with challenges and changes. This could lead to stress, health problems and decreased performance.	Directly caused		✓		✓	✓	
	Increased productivity through health promotion	Opportunity Promoting and protecting the health of employees supports their well-being, promotes productivity and develops the financial added value of the company.			✓			✓	
Working conditions / working time	Increased employee loyalty through individualisation of working time	Opportunity The individualisation of working time can have a positive effect on employee retention, helping to reduce recruitment costs.			✓			✓	

				Value chain stage			Time horizon		
Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Working conditions / secure employment	Financial security through long-term employment	Impact (positive, actual) SYZYGY offers its employees long-term employment contracts, which contribute to their financial security.	Directly caused		✓				✓
	Insecure employment due to project-dependent workload	Impact (negative, actual) In the agency sector, fluctuations in orders can lead to uncertainty that could affect job security and therefore the financial security of employees.	Directly caused		✓		✓	✓	
	Increased efficiency through freelancers	Opportunity Projects can use freelancers as required and pay them appropriately and in line with their performance. This increases efficiency and effectiveness, balances out peaks and avoids additional costs caused by increased permanent employment or idle staff.			✓			✓	
Working conditions / work-life balance	Improved work-life balance thanks to work-from-home options	Impact (positive, actual) The company allows employees to work from home, giving them an improved work-life balance.	Directly caused		✓		✓		
	Diminished work-life balance due to a lack of support with family obligations	Impact (negative, potential) A lack of support with childcare or caring for relatives could make it difficult for employees to reconcile their family commitments with work duties. This could lead to stress, overworking and lower job satisfaction.	Directly caused		✓		✓		

Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Value chain stage: Upstream	Value chain stage: Own operations	Value chain stage: Downstream	Time horizon: Short-term	Time horizon: Medium-term	Time horizon: Long-term
Equal treatment and opportunities for all / diversity	Reduced attractiveness as an employer due to a lack of diversity and openness	Impact (negative, potential) A lack of diversity and openness within the organisation could reduce employees' sense of belonging and hinder the development of a positive and inclusive work culture.	Directly caused		✓		✓		
	Increased employer attractiveness through diversity	Opportunity A diverse and open workplace culture increases employer attractiveness and strengthens the SYZYGY Group's human capital.				✓		✓	
Equal treatment and opportunities for all / training and skills development	Increased productivity through training	Opportunity Training, further education and skills development increase employees' expertise and therefore their productivity, which represents a financial advantage for the company.			✓			✓	
	Unequal access to training opportunities	Impact (negative, potential) There is a risk that not all employees will benefit from training programmes, whether due to workload, lack of information or other barriers.	Contributed to		✓		✓	✓	

				Value chain stage			Time horizon		
Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Other work-related rights / privacy	Risk of data leaks due to cyber attacks	Impact (negative, potential) Despite all efforts to ensure data security, there is a potential risk that employees' personal data could be compromised by technological vulnerabilities, human error or cyber attacks.	Directly caused		✓		✓	✓	
	Invasion of privacy through monitoring mechanisms	Impact (negative, potential) If monitoring or control mechanisms in the workplace are too strict or severe (e.g. due to tracking tools or monitoring of emails), this could be perceived as an invasion of employees' privacy and lead to a loss of trust.	Directly caused		✓		✓		
	Loss of reputation due to data breaches	Risk Violations of data protection requirements pose a risk that can harm employees and the organisation. This could result in both fines and reputational damage.		✓			✓		

				Value chain stage			Time horizon		
Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S4 Consumers and end-users									
Information-related impacts for consumers and/or end-users / privacy	Data privacy breaches	Risk Violating any applicable data protection laws and regulations (e.g. the GDPR) can entail considerable administrative effort for SYZYGY. The requirements for documentation, compliance checks and adjustments to processes could limit the company's flexibility and ability to innovate. In addition, SYZYGY may incur fines of up to 4% of its annual turnover if it breaches the GDPR.			✓		✓		
		Impact (negative, potential) Despite comprehensive security measures, there is always the possibility of data breaches, e.g. data breaches against the GDPR, due to human error or technical vulnerabilities. Such data breaches may have a direct negative impact on the privacy of those affected and may constitute an infringement of the law.	Directly caused		✓		✓	✓	
	Cyber attacks	Impact (negative, potential) Despite extensive security measures, security vulnerabilities or weaknesses in digital services may occur, which could be exploited by cybercriminals. This could be due to human error or technical flaws. Data loss, identity theft, or unauthorized access to personal information could severely affect users			✓		✓	✓	

Sub-topic	IRO title	IRO description	Directly caused/ Contributed to/ Indirectly caused	Value chain stage			Time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
G1 Business conduct									
Corporate policy	Clear values and ethical standards	Impact (positive, actual) Compliance with clear ethical standards and values strengthens integrity, fosters identification with the company and supports employee satisfaction.	Directly caused		✓		✓	✓	
	Contradictions between values and actual behaviour	Impact (negative, potential) If the values of the corporate policy are not put into practice, this could lead to a loss of trust among employees and promote an unsupportive and hostile working environment.	Directly caused		✓		✓	✓	
Corruption and bribery	Increased transparency through corruption prevention	Impact (positive, potential) Dealing openly with the issue of corruption and bribery and providing knowledge on how to uncover misconduct promotes transparency and trust within the company.	Directly caused		✓		✓	✓	
	Inadequate prevention of corruption	Impact (negative, potential) If training or actions are not practical or designed effectively, they will only have a limited effect on corporate culture and ethical behaviour.	Directly caused		✓		✓	✓	
	Strained working environment due to incidents of corruption	Impact (negative, potential) If incidents of corruption are not handled transparently and consistently, they may harm the working environment and lead to tension or mistrust among employees.	Directly caused		✓		✓	✓	

The material IROs of the SYZYGY Group were identified in the DMA process and are described in detail in the corresponding sustainability sections. These IROs are closely linked to the core activities of the business model and relate in particular to the company's own operations. The identified IROs relate to the development and provision of IT services, digital products, platforms and projects. They influence or are influenced by customers, end-users and employees. Many IROs are closely linked to the business model, so they can be managed directly within business processes. In particular, these include governance issues, labour standards and some aspects of climate change adaptation.

Environmental IROs that impact the upstream and downstream value chain are addressed by strengthening procurement guidelines and processes. IROs are also systematically incorporated into the existing sustainable risk management system. Negative environmental impacts are not limited to the countries in which SYZYGY operates, as climate change has a global impact. The main negative environmental impacts result from CO_2 emissions within the business model.

Social impacts are largely potential in nature and relate to industry-related challenges such as fair wages, working conditions, diversity, data privacy and cyber security. However, these risks are mitigated by internal guidelines and measures. The negative impacts on employees, customers and end-users could increase if these are not properly applied.

In addition to risks, the SYZYGY Group also generates positive impacts. The company contributes to the qualification and ongoing development of employees, improves its attractiveness as an employer through flexible work models and diversity, and creates a working environment that promotes innovation. SYZYGY also supports digital transformation in companies, public institutions and for citizens by developing sustainable digital solutions, enabling efficient processes and improving access to digital services. The company also promotes data security and data protection through the responsible use of technology to ensure trust and transparency.

Resilience of the strategy and business model

The resilience of the SYZYGY Group's strategy and business model is continuously analysed to ensure that material impacts, risks and opportunities can be effectively managed and exploited. With regard to the SYZYGY Group's business areas and development, consideration is given to the general risks around economic trends and affecting the digital experience services market in the markets relevant to SYZYGY, and in particular to the rate of technological change in the markets for Internet services. On the basis of the information currently available, there are no probable risks that would jeopardise the continued existence of Syzygy AG and its subsidiaries as a going concern. As part of operational internal control and risk management, business processes are protected against the impact of disruptive events and interruptions. By continuously analysing, assessing and managing risks, the risk management system not only ensures that the company is able to operate, but also strengthens its resilience and is designed to secure the company's sustainable growth in the long term.

Further information on the company's internal control and risk management system can be found in section 5 "Internal control system" and section 6 "Risk management system" of the Group Management Report.

GOV-1 – The role of the administrative, management and supervisory bodies

Composition and diversity

Management Board

The Management Board of Syzygy AG comprises three persons: a Chief Executive Officer (CEO), a Chief Technology Officer (CTO) and a Chief Financial Officer (CFO). The Management Board is also the executive body. As at December 31, 2024, the Management Board consisted of three men. This means that the proportion of women is currently 0 per cent. Succession planning for the Management Board is carried out collaboratively between the Supervisory Board and the current Management Board. When appointments are made to the Management Board, as wide a range of knowledge, skills and professional experience as possible should be represented in order to meet the objectives of the diversity statement. In relation to educational and professional background, particular emphasis is placed on extensive experience in the communications, IT and software sector and on many years of financial expertise. There is no age limit for members of the Management Board.

	Management Board		
Skills profile	**Frank Wolfram** (CEO)	**Frank Ladner** (CTO)	**Erwin Greiner** (CFO)
Communications, IT and software sector	✓	✓	
Auditing and finance	✓	✓	✓
Sustainability	✓	✓	✓
Innovation	✓	✓	
Marketing/communications	✓		✓
Strategy	✓	✓	✓

Supervisory Board

As at December 31, 2024, the Supervisory Board of Syzygy AG consisted of three members, one female Chair of the Supervisory Board and two male members of the Supervisory Board, meaning the proportion of women is currently 33 per cent. In accordance with recommendations C.6, C.7 and C.10 of the German Corporate Governance Code (DCGK), one of the members is considered independent of the company, of the Management Board and of controlling shareholders or shareholders with significant interests in the company; this corresponds to 33 per cent. The Supervisory Board is a non-executive body; no employees or other workers are represented. Syzygy AG aims to maximise company-specific and industry-specific expertise on the Supervisory Board, irrespective of attributes such as age or gender. A particular focus in terms of educational and professional background is on in-depth knowledge of the communications and digital sector, sustainability management and an extensive skillset in accounting, auditing and internal control procedures. Due to the international outlook of the SYZYGY Group, members with an international background will also be considered when making appointments to the Supervisory Board.

Skills profile	Supervisory Board **Antje Neubauer** Chair of the Supervisory Board	 **Dominic Grainger** Member of the Supervisory Board	 **Shahid Sadiq** Member of the Supervisory Board
Accounting, internal control and risk management			✓
Auditing and finance		✓	✓
Sustainability	✓		
Innovation	✓	✓	✓
Marketing/communications	✓	✓	
Strategy	✓	✓	✓

Tasks and responsibilities

The Management Board, and in particular the Chief Financial Officer (CFO), Erwin Greiner, is responsible for defining the company's strategy and objectives with regard to sustainability-related impacts, risks and opportunities and for monitoring progress on their implementation. The Finance function monitors results and progress on environmental, employee and social matters by way of metrics collected quarterly within the SYZYGY Group and the WPP Group, and is available to assist the subsidiaries with all sustainability issues. Compliance, information security and data protection is also part of Finance's sphere of responsibility. The Supervisory Board is responsible for monitoring the Management Board's sustainability-related impacts, risks and opportunities and the company's corresponding strategies and progress. The Management Board provides the Supervisory Board with all necessary information and the Supervisory Board reviews the progress and results of sustainability management, which are published in non-financial reporting.

The SYZYGY Group has not yet defined the responsibilities of corporate bodies and individuals for the impacts, risks and opportunities identified as material in its Rules of Procedure, the mandates of the Supervisory Board or other relevant strategies.

Specific controls for managing impacts, risks and opportunities are still being defined and had therefore not yet been implemented in the reporting year.

The SYZYGY Group has established a clearly structured reporting system that ensures regular and systematic reporting to the Management Board and Supervisory Board. This takes the form of monthly, quarterly and annual reports, supplemented by ad-hoc reporting in the case of significant events. Those responsible for monitoring and implementing the sustainability measures are defined as follows:

Functional area	Role owner	Responsibility
Supervisory Board	Chair of the Supervisory Board Chair of the Audit Committee	Approval and review of the sustainability report in accordance with Article 171 (1) of the German Stock Corporation Act (AktG) (as per the skills profile in the CG declaration) The annual report and quarterly reports are subject to review and approval once prepared
Management Board / Finance	CFO Finance Director	Early detection, analysis and assessment of IROs
Legal & Compliance	CFO Manager for Legal & Compliance	Early detection, analysis and assessment of compliance risks
Information Security & Data Protection	Information Security Officer Information Security Coordinators (SYZYGY Group) Data Protection Officers	Information security IT security Data protection within infrastructures
Information Technology / IT Operations	CTO Group Director of IT (Syzygy AG)	SYZYGY Group IT security
Human Resources	MD / CEO / CTO / CFO / HR Director	Occupational safety Data protection for employees Payroll accounting Time recording Master data maintenance Hirings/terminations
Investor Relations / Sustainability	CFO Investor Relations Manager	Capital market communication Capital market reporting (annual, quarterly, remuneration and sustainability report) Annual General Meeting
Other	CEO / CTO / CFO	

Skills and expertise

The Management Board directly and indirectly has the necessary skills and expertise in relation to material sustainability aspects. Internal training and compliance measures enable continuous improvement in communication between technical experts and management bodies. As part of the WPP compliance programmes, Management Board members and two out of three Supervisory Board members undergo mandatory training, including on the WPP Code of Conduct, anti-corruption and bribery prevention, data protection and information security.

The Supervisory Board and Management Board can draw on the expertise of internal support functions such as Group Finance, Compliance & Legal and Sustainability for specific topics as required.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

The Supervisory Board continuously monitored the work of the Management Board and provided support and advice throughout the financial year. The Management Board and Supervisory Board apply the principles of responsible corporate governance, working together in a trusting relationship in accordance with the principles laid down in the Corporate Governance Report. This included monitoring actions taken by the Management Board in terms of their legality, regularity, appropriateness and commercial viability.

In the reporting year, the Supervisory Board was included by the Management Board in the double materiality assessment in accordance with ESRS at the end of the reporting year and informed of the results. This covered material impacts, risks and opportunities, the current management approach and actions, metrics and targets.

A total of seven ordinary meetings of the Supervisory Board were held together with the Management Board in the 2024 financial year. Ordinary meetings were held on February 7, March 28, April 23, July 8 and 24, October 29 and December 12, 2024.

In the 2024 financial year, all members of the Supervisory Board attended a total of seven ordinary meetings and one extraordinary meeting. Meetings were not held solely as virtual meetings via video conferencing in the year under review, but in some cases also as in-person meetings, or in-person meetings with the option of participating in virtual form (hybrid meetings). There was also continual dialogue between the Management Board and Supervisory Board between these dates. In particular, the Management Board provided regular written reports, at least quarterly, about the company's performance and other important events.

The Management Board fully complied with its reporting requirements. Reports provided by the Management Board complied with the legal requirements with regard to both content and scope, and also fully satisfied the Supervisory Board's information needs. The Supervisory Board also requested additional information where necessary. The Supervisory Board critically examined the information and reports provided, assessing them with regard to plausibility. ESG topics are dealt with as required, for example when there are current issues such as the results of the eNPS, results of the carbon footprint or information on Group-wide employee development measures.

The administrative, management and supervisory bodies of the SYZYGY Group systematically consider material impacts, risks and opportunities (IROs) in strategy monitoring, decision-making and risk management. They focus on both the economic stability and long-term sustainability of the company. Potential conflicts of interest between profitability and ESG strategy are managed through structured risk analysis and careful reconciliation in the decision-making process.

Through their inclusion in the materiality assessment process, the Management Board and Supervisory Board addressed all material impacts, opportunities and risks in the reporting year. An overview is provided under SBM-3.

GOV-3 – Integration of sustainability-related performance in incentive schemes

The Syzygy AG remuneration system does not include a performance-related incentive scheme and therefore does not take any sustainability or climate-related performance into account.

GOV-4 – Statement on due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS S1-2 ESRS S4-2
c) Identifying and assessing adverse impacts on people and the environment	ESRS 2 IRO-1 ESRS 2 SBM-3
d) Taking actions to address those adverse impacts on people and the environment	ESRS E1-3 ESRS S1-4 ESRS S4-4
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-5 ESRS E1-6 ESRS S1-5 ESRS S1-9 ESRS S1-14 ESRS S1-16 ESRS S1-17

GOV-5 – Risk management and internal controls over sustainability reporting

The sustainability-related internal control system comprises policies, procedures and measures to ensure the correctness of ESG data used in the non-financial declaration.

The risk management and internal control systems for sustainability reporting are an integral part of the risk management process. Sustainability-related risks and opportunities are systematically assessed in risk and opportunity management, including potential risks relating to sustainability reporting. No material risks were identified in this regard in the reporting year. Nevertheless, ongoing internal controls ensure the quality and reliability of the Group-wide ESG data collection process in accordance with the ESRS S1 topical standards related to the person-related risks and opportunities of digitalisation (S4). A detailed description of the risk management process can be found in section 5 "Internal control system" and section 6 "Risk management system" of the Group Management Report.

The overarching objective of SYZYGY's sustainability-related internal control system (ICS) is to record and reduce all of the company's material operational, financial and non-financial risks to an acceptable level. The ICS is an integral part of company-wide risk management. The sustainability-related ICS performs both a preventive and detective function and helps the company to optimise its corporate processes. Comprehensive preventive and detective controls have been implemented to address the defined risks. These include clear responsibilities, defined schedules, the separation of functions, the two-person rule, systematic and manual reconciliations, security measures for IT systems and information security as well as process-integrated measures such as analyses, monitoring and plausibility checks.

The ICS consists of the following components:

- Risk management: identifying and assessing sustainability risks and actions to minimise risk.
- Compliance and regulations: ensuring compliance with all relevant sustainability regulations and standards.
- Transparency and reporting: developing mechanisms for regularly monitoring and reporting sustainability performance using key performance indicators (KPIs), actions and audits.
- Integrity of data: ensuring the accuracy and transparency of the data published as part of sustainability reporting.
- Information security management system (ISMS): supporting the sustainable underpinning of corporate objectives and values.

The ICS objectives include:

- Climate change: calculating the company's Corporate Carbon Footprint (CCF) and identifying actions to reduce its ecological footprint as well as offsetting. By 2030, SYZYGY intends to set up a process to fully offset all company-related CO_2 emissions. This includes accurately recording and reducing emissions, and investing in certified climate protection projects to offset the remaining emissions. By regularly calculating its CCF, SYZYGY intends to ensure the transparency and effectiveness of its emission reduction and offsetting efforts.
- Employees: ensuring compliance with all relevant work-related requirements for our own workforce. This includes systematically monitoring and promoting measures to improve employee and customer satisfaction, diversity and inclusion, training programmes, health and work-life balance. SYZYGY also ensures data protection, data security and information security by adhering to the highest standards (e.g. GDPR, TISAX certifications).
- Legal & compliance: ensuring adherence to all ethical standards and compliance guidelines.

The Group-wide risk and opportunity management system of Syzygy AG records strategic, operational, regulatory, legal, compliance, financial, environmental and HR risks and opportunities. The process starts by identifying deviations from planned values or company targets. These deviations are then analysed and assessed, leading to decisions on how to deal with them – whether to minimise risks or exploit opportunities. Risks are aggregated and managed at the level of Syzygy AG, or action is initiated by Syzygy AG. The internal control system for financial transactions is supplemented by approval procedures (two-person rule), the separation of functions and access rules in the IT system. A risk management system is integrated into financial and sustainability reporting which ensures that risk identification, risk communication and monitoring of operational sustainability risk takes place at quarterly intervals.

The identification of material risks includes environmental and social responsibility, data security and information security aspects, as well as ethical business practices. The identified risks are evaluated in terms of their probability of occurrence and potential impact on the company. Based on this, measures to minimise risk are developed by the respective risk owners. The risk assessment also takes into account relevant legal and regulatory requirements.

The risk early warning systems used are based on various reporting systems: monthly reporting (financial reporting with budget and actual figures, new business activities and key HR metrics); quarterly reporting (business review, forecast or budget meetings between the Management Board and management team of the subsidiary companies on business development, financial planning, customer development, new business, HR development and compliance requirements); and annual reporting, in which, among other things, the Corporate Governance Declaration is reviewed and adjusted by the Management Board and Supervisory Board. Risk management and risk assessment procedures are recorded separately in Guidance on Risk Management and Risk Management for Information Security documents. Control activities, which are documented in a separate Excel file, are used to manage the identified risks and ensure the ICS objectives are met. SYZYGY uses specific management and control measures to ensure all processes align with the sustainability targets.

Unanticipated risks are immediately reported to the Management Board, including outside of regular reporting. Monitoring of the internal control system ensures that it functions effectively and is continuously improved over time. This involves assessing whether the sustainability measures achieve the desired results and fulfil the legal requirements. All measures, audit findings and developed controls are documented by the role owners and made centrally accessible to ensure that decisions and their implementation are transparent.

The SYZYGY Group sees HR risks as a key challenge, since the company's success is heavily dependent on the expertise and innovativeness of its employees. A general shortage of skilled labour, competitive pressure and demographic change may make it difficult for the company to attract and retain talent. Work-life balance, diversity and mental health also pose significant risks for long-term employee satisfaction and productivity. SYZYGY counteracts these risks by focusing on targeted talent development, transparent career paths and a strong employer brand. Flexible work models, diversity programmes and mental health measures promote long-term employee loyalty and satisfaction.

The central Finance and Investor Relations departments of Syzygy AG manage the processes for preparing the non-financial declaration. ESG data is collected across departments and standardised in the subsidiaries and Syzygy AG. The Finance department monitors data preparation and consolidation, analyses and checks the data, and ensures that it is collected correctly. Employees in the finance, sustainability, compliance and HR departments regularly take part in internal and external training courses in order to meet current legal requirements.

Relevant data on climate change topics (CO_2 emissions), employees and governance are recorded, analysed and consolidated at the end of the financial year. Sustainability data is collected at the beginning of the new financial year (following year) via ESG questionnaires using a data collection tool. All operating units provide the data annually by a set deadline at the beginning of the following reporting year.

Internal controls are prioritised based on risk, with incorrect or incomplete data identified as material reporting risks. Process-specific controls, including the two-person rule and plausibility checks, such as completeness checks and deviation analysis, are used to minimise risk. SYZYGY will continue to expand implementation of controls in the current financial year.

MDR-P Policies adopted to manage material sustainability matters

Policy	(a) Key contents	(b) Scope	(c) Responsible for implementation	(d) Reference to third-party standards or initiatives	(e) Consideration of key stakeholders	(f) Communication
SYZYGY Group Code of Conduct	Commitment to ethical and lawful behaviour in the areas of governance, social responsibility, data security and data protection, integrity and corporate ethics, environment and climate	Applies to management board members, executives, managers, employees and suppliers of the SYZYGY Group	Management Board, supported by Legal & Compliance	UN Universal Declaration of Human Rights, National Action Plan for Business and Human Rights of the Federal Republic of Germany, International Labour Standards set by the International Labour Organisation (ILO) to protect workers, European Convention on Human Rights, Modern Slavery Act, import and export control laws, German Act on Combating International Bribery, UK Bribery Act, US Foreign Corrupt Practices Act, applicable national laws on working hours, the GDPR, generally accepted accounting principles, all applicable environmental regulations, guidelines of the German Corporate Governance Code	Developed with consideration for the interests of employees, customers and regulatory authorities	Published on the intranet

Policy	(a) Key contents	(b) Scope	(c) Responsible for implementation	(d) Reference to third-party standards or initiatives	(e) Consideration of key stakeholders	(f) Communication
SYZYGY Group Code of Conduct for Suppliers	Standards for ethical behaviour and sustainable practices along the supply chain in the areas of governance, social responsibility, information security and data protection, integrity and corporate ethics, environment and climate, and control rights and consequences of non-compliance	Applies to all relevant suppliers and their entire supply chain	Management Board, supported by Legal & Compliance	UN Universal Declaration of Human Rights, National Action Plan for Business and Human Rights of the Federal Republic of Germany, International Labour Standards set by the International Labour Organisation (ILO) to protect workers, European Convention on Human Rights, Modern Slavery Act, import and export control laws, German Act on Combating International Bribery, UK Bribery Act, US Foreign Corrupt Practices Act, applicable national laws on working hours, the GDPR, generally accepted accounting principles, all applicable environmental regulations	Consideration of requirements and expectations of customers and regulatory authorities	Incorporated into contracts, audited as required
SYZYGY Group policy on gifts and hospitality from and to third parties	Dealing with gifts and hospitality from and to third parties: de minimis threshold, reporting, approval and documentation process, annual approval	Applies to management board members, executives, managers and employees of the SYZYGY Group.	Management Board, supported by Legal & Compliance	No specific standards specified	Consideration of the interests of existing and potential business partners and consideration of effect on public perception	Published on the intranet
SYZYGY Group travel policy	Guidelines for planning, booking and taking business trips; focus on ecological and economic aspects	Applies to all SYZYGY Group employees who plan, book or take business trips	Management Board, supported by Legal & Compliance	Local legal and tax regulations	Consideration of ecological requirements	Published on the intranet

Policy	(a) Key contents	(b) Scope	(c) Responsible for implementation	(d) Reference to third-party standards or initiatives	(e) Consideration of key stakeholders	(f) Communication
Occupational health and safety policy	Health and safety in the workplace: minimising health risks, preventing accidents and providing information on safety standards	Applies to all employees	Management Board, supported by People & Culture and local safety officers	Local labour and safety laws, e.g. German Social Accident Insurance (DGUV), German Occupational Safety and Health Act (ArbSchG)	Involvement of employees and safety officers	Published on the intranet, training courses
SYZYGY Group environmental policy	Environmental and climate protection, social responsibility and economic sustainability: promoting sustainable behaviour by employees	Applies to management board members, executives, managers, employees and suppliers of the SYZYGY Group	Management Board, supported by Legal & Compliance, Investor Relations & Sustainability	European Climate Law, Paris Agreement, national environmental regulations	Consideration of environmental standards and stakeholder interests	Published on the intranet, incorporated into sustainability initiatives
Policy on the use of generative AI systems	Definition of rules and requirements for the use of generative AI systems in work processes	Applies to all employees and work processes that use generative AI systems	CTO, information security and data protection experts	ISO/IEC 27001, GDPR and company standards on information security	Consideration of ethical and legal aspects in dealing with generative AI systems	Published on the intranet

Policy	(a) Key contents	(b) Scope	(c) Responsible for implementation	(d) Reference to third-party standards or initiatives	(e) Consideration of key stakeholders	(f) Communication
SYZYGY Group Information Security Mission Statement and derived guidelines	Protecting relevant information of the SYZYGY Group with regard to confidentiality, availability and integrity, irrespective of form (digital, analogue, mental). Risk-based approach Includes proper handling of work equipment and information as well as defining standards for conduct	Applies to all employees at all German locations of the SYZYGY Group, and partly to subcontractors and suppliers	Managers with support from information security coordinators (ISCs), CISO, IT Security	ISO/IEC 27001, TISAX, IT-Grundschutz Compendium of the German Federal Office for Information Security (BSI), WPP Standards	Inclusion of all employees to achieve and maintain a safe working environment with the aim of preventing damage (financial and reputational) to SYZYGY	Published on the intranet and covered in regular training sessions to raise awareness, fortnightly meetings of all ISCs with CISO and DSB, quarterly management reviews
SYZYGY Group policy on handling information security incidents	Recognising information security incidents and the correct approach to prevent damage to SYZYGY	Applies to all employees at all German locations of the SYZYGY Group	Group CISO, ISCs, managers	ISO/IEC 27001, TISAX, IT-Grundschutz Compendium of the German Federal Office for Information Security (BSI), data protection legislation	Inclusion of all employees to maintain a safe working environment with the aim of reducing damage (financial and reputational) to SYZYGY	Published on the intranet, information posters
SYZYGY Group Data Protection Mission Statement	Basis for protecting personal data, including data minimisation, transparency and intervenability	Applies to all employees at all locations of the SYZYGY Group	Management board members, executives, managers and employees of the SYZYGY Group	GDPR, national data protection laws	Consideration of the rights and interests of data subjects, including customers and employees	Published on the intranet, covered in regular training sessions and updates on compliance with data protection standards

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The following table provides an overview of the ESRS reporting requirements covered in the non-financial declaration (NFD). It contains references to the respective page numbers and paragraphs in which the corresponding information can be found.

ESRS 2
General disclosures

2	BP-1	General basis for preparation of sustainability statements
2	BP-2	Disclosures in relation to specific circumstances
2	GOV-1	The role of the administrative, management and supervisory bodies
2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
2	GOV-3	Integration of sustainability-related performance in incentive schemes
2	GOV-4	Statement on due diligence
2	GOV-5	Risk management and internal controls over sustainability reporting
2	SBM-1	Strategy, business model and value chain
2	SBM-2	Interests and views of stakeholders
2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities
2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement
2	MDR-P	Policies adopted to manage material sustainability matters

ESRS 2
General disclosures

2	MDR-A	Actions and resources in relation to material sustainability matters	E1-3, S1-4, S4-4
2	MDR-M	Metrics in relation to material sustainability matters	E1-5, E1-6, S1-6, S1-9, S1-13, S1-14, S1-15, S1-16
2	MDR-T	Tracking effectiveness of policies and actions through targets	E1-4, S1-5, S4-5
ESRS E1 Climate change			
E1	GOV-3	Integration of sustainability-related performance in incentive schemes	
E1	E1-1	Transition plan for climate change mitigation	
E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
E1	IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	
E1	E1-2	Policies related to climate change mitigation and adaptation	
E1	E1-3	Actions and resources in relation to climate change policies	
E1	E1-4	Targets related to climate change mitigation and adaptation	
E1	E1-5	Energy consumption and mix	
E1	E1-6	Gross Scopes 1, 2 and Total GHG emissions	
E1	E1-7	GHG removals and mitigation projects financed through carbon credits	
E1	E1-8	Internal carbon pricing	
ESRS E2 Pollution			
E2	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	

ESRS 2
General disclosures

ESRS E3 Water and marine resources		
E3	IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities
ESRS E4 Biodiversity and ecosystems		
E4	IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities
ESRS S1 Own workforce		
S1	SBM-2	Interests and views of stakeholders
S1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
S1	S1-1	Policies related to own workforce
S1	S1-2	Processes for engaging with own workforce and workers' representatives about impacts
S1	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns
S1	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1	S1-6	Characteristics of the undertaking's employees
S1	S1-7	Characteristics of non-employees in the undertaking's own workforce
S1	S1-9	Diversity metrics
S1	S1-10	Adequate wages
S1	S1-11	Social protection
S1	S1-13	Training and skills development metrics

ESRS 2
General disclosures

S1	S1-14	Health and safety metrics
S1	S1-15	Work-life balance metrics
S1	S1-16	Remuneration metrics (pay gap and total remuneration)
S1	S1-17	Incidents, complaints and severe human rights impacts
ESRS S4 Consumers and end-users		
S4	SBM-2	Interests and views of stakeholders
S4	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
S4	S4-1	Policies related to consumers and end-users
S4	S4-2	Processes for engaging with consumers and end-users about impacts
S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches
S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1 Business conduct		
G1	GOV-1	The role of the administrative, management and supervisory bodies
G1	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities
G1	G1-1	Business conduct policies and corporate culture
G1	G1-3	Prevention and detection of corruption and bribery
G1	G1-4	Incidents of corruption or bribery

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	✓		✓		Material
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			✓		Material
ESRS 2 GOV-4 Statement on due diligence paragraph 30	✓				Material
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	✓	✓	✓		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	✓		✓		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	✓		✓		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			✓		Not material
E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				✓	Material

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		✓	✓		Not material
E1-4 GHG emission reduction targets paragraph 34	✓	✓	✓		Material
E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	✓				Not material
E1-5 Energy consumption and mix paragraph 37	✓				Not material
E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	✓				Not material
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	✓	✓	✓		Material
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	✓	✓	✓		Material
ESRS E1-7 GHG removals and carbon credits paragraph 56				✓	Not material

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66		✓			Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		✓			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69		✓			Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28		✓			Not material
ESRS E3-1 Water and marine resources paragraph 9	✓				Not material
ESRS E3-1 Dedicated policy paragraph 13	✓				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	✓				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	✓				Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	✓				Not material

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
ESRS 2 – SBM 3 – E4 paragraph 16 (a) i	✓				Not material
ESRS 2 – SBM 3 – E4 paragraph 16 (b)	✓				Not material
ESRS 2 – SBM 3 – E4 paragraph 16 (c)	✓				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	✓				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	✓				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	✓				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	✓				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	✓				Not material
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	✓				Material
ESRS 2 SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	✓				Material
ESRS S1-1 Human rights policy commitments paragraph 20	✓				Material

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 21			✓		Material
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	✓		✓		Material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	✓				Material
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	✓				Material
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	✓		✓		Material
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	✓				Material
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	✓		✓		Material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	✓				Material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	✓				Material

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	✓		✓		Material
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	✓				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	✓				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	✓				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	✓		✓		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 paragraph 19			✓		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	✓				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	✓				Not material

Disclosure requirement and related datapoint	SDFR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page/ Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	✓		✓		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	✓				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	✓				Material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	✓		✓		Material
ESRS S4-4 Human rights issues and incidents paragraph 35	✓				Material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	✓				Material
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	✓				Material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	✓		✓		Material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	✓				Material

Environmental information

Compliance with the transparency requirements of the EU taxonomy

The European Union's Taxonomy Regulation (2020/852) (EU taxonomy or Taxonomy Regulation) and especially its delegated regulations form the basis for various future and ongoing EU initiatives in relation to sustainable financial reporting.

The SYZYGY Group is required by the Taxonomy Regulation to disclose information on how and to what extent its operations are linked to economic activities that qualify as environmentally sustainable economic activities under EU taxonomy legislation.

The first environmental objectives of the taxonomy – "Climate change mitigation" and "Climate change adaptation" – were adopted in EU legislation in the course of 2021. Since 2022, companies subject to reporting requirements must also establish that the reported taxonomy-eligible economic activities are taxonomy-aligned, in addition to an analysis of the taxonomy eligibility. This examines whether an economic activity substantially contributes to at least one of the six environmental objectives, does not do significant harm to any of the environmental objectives, and meets minimum social standards. In 2023, the requirement to disclose taxonomy eligibility on the "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems" environmental objectives was expanded. Since 2024, full disclosure requirements must be implemented for all six environmental objectives. Taxonomy alignment must also be checked and disclosed in addition to taxonomy eligibility.

Taxonomy eligibility and taxonomy alignment: Turnover

In the 2024 financial year, the SYZYGY Group only recorded a small amount of sales revenue or significant expenditure for the economic activities mentioned in the delegated acts. No sales revenue was recorded in connection with the other environmental objectives. In the 2024 financial year, the SYZYGY Group did not record any sales revenue or significant expenditure for the economic activities mentioned in the delegated acts with regard to water and marine resources, the circular economy, pollution or biodiversity.

The taxonomy-eligible turnover of the SYZYGY Group includes turnover from hosting activities for customers using external data centres or involving external service providers. This turnover is derived from the income statement by cost centre.

For data centres, the EU Taxonomy Regulation defines specific criteria under economic activity "CCM 8.1 Data processing, hosting and related activities" that emphasise sustainability and energy efficiency. The aim is to significantly reduce energy and water consumption. This category includes activities such as storing, managing, transmitting and processing data, including edge computing, and falls under NACE code J63.11. SYZYGY realises its hosting activities by using external data centres, for which proof of compliance with the procedures of the European Code of Conduct for Energy Efficiency (CoC) is not yet available. The company can therefore not prove a substantial contribution to a taxonomy-aligned economic activity. As a result, the DNSH (Do No Significant Harm) criteria and minimum safeguards were not pursued any further. The SYZYGY Group has therefore only categorised these activities as taxonomy-eligible to date. The previous year has been adjusted, as this turnover was not yet recognised as taxonomy-eligible in the previous year.

Taxonomiefähigkeit und Taxonomy eligibility and taxonomy alignment: CapEx

The taxonomy-eligible capital expenditure of the SYZYGY Group includes investment in rights of use for property and vehicles. The capital expenditure analysed here is derived from the access to rights of use within asset accounting.

With regard to the activities "CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles" and "CCM 7.7 Acquisition and ownership of buildings", no adequate documentation relating to climate risk analysis is available at this time. The company can also not prove a substantial contribution to a taxonomy-aligned economic activity. As a result, the DNSH (Do No Significant Harm) criteria and minimum safeguards were not pursued any further. The SYZYGY Group has therefore only categorised these activities as taxonomy-eligible to date.

Taxonomy eligibility and taxonomy alignment: OpEx

The taxonomy-eligible operating expenditure of the SYZYGY Group related to the environmental objective of climate change mitigation includes expenses for cleaning buildings, repairs and renovations as well as leasing office equipment (e.g. printers). The operating expenditure analysed here is derived directly from the income statement.

There is no evidence that the operating expenditure mentioned here makes a substantial contribution to at least one of the six environmental objectives of the EU Taxonomy. The company can therefore not prove a substantial contribution to a taxonomy-aligned economic activity. As a result, the DNSH (Do No Significant Harm) criteria and minimum safeguards were not pursued any further. The SYZYGY Group has therefore only categorised these activities as taxonomy-eligible to date.

The SYZYGY Group will use the findings of the associated analysis to prepare and improve individual reporting processes on the taxonomy alignment of taxonomy-eligible activities for the coming reporting year.

As the SYZYGY Group does not carry out any business activities relating to gas and nuclear power as listed in the annexes to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, the reporting forms shown in Annex 3 are not included for the 2024 reporting year.

Disclosure of taxonomy metrics

The following overview shows the proportion of taxonomy-eligible and taxonomy-aligned economic activities for the environmental objectives in terms of turnover, capital expenditure and operating expenditure:

Turnover resulting from taxonomy-eligible and taxonomy-aligned economic activities

		2024		Criteria for a significant contribution						DNSH criteria ("Do no significant harm")									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Economic activities	Number	**Total turnover**	**Proportion of turnover**	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum social standards	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) Turnover 2023	"Category (enabling activities)"	"Category (transitional activities)"
		kEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
Data processing, hosting and related activities	CCM 8.1	2,019	3%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL			
Turnover from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**2,019**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**3%**		
Total A.1 + A.2		**2,019**	**3%**																
B. Non-taxonomy-eligible activities																			
Turnover from non-taxonomy-eligible activities (B)		67,410	97%																
Total A + B		**69,429**	**100%**																

Meanings of the abbreviations:
Y – Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective
N – No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective
N/EL – "not eligible", activity that is not taxonomy-eligible for the relevant environmental objective

E – enabling activities
T – transitional activities

Metrics for capital expenditure (CapEx)

		2024		Criteria for a significant contribution						DNSH criteria ("Do no significant harm")									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Economic activities	Number	**CapEx total**	**Proportion of CapEx**	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum social standards	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx 2023	"Category (enabling activities)"	"Category (transitional activities)"
		kEUR	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
CapEx on environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	84	4%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	4%		
Acquisition and ownership of buildings	CCM 7.7	1,404	69%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	45%		
CapEx on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		1,488	73%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%		
Total A.1 + A.2		**1,488**	**73%**														**0%**		
B. Non-taxonomy-eligible activities																			
CapEx on non-taxonomy-eligible activities (B)		556	27%																
Total A + B		**2,044**	**100%**																

Meanings of the abbreviations:
Y – Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective
N – No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective
N/EL – "not eligible", activity that is not taxonomy-eligible for the relevant environmental objective

E – enabling activities
T – transitional activities

Metrics for operating expenses (OpEx)

		2024		Criteria for a significant contribution						DNSH criteria ("Do no significant harm")									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Economic activities	Number	**OpEx total**	**Proportion of OpEx**	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Climate change	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity	Minimum social standards	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx 2023	"Category (enabling activities)"	"Category (transitional activities)"
		kEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
OpEx on environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
OpEx on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Total A.1 + A.2		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**		
B. Non-taxonomy-eligible activities																			
OpEx on non-taxonomy-eligible activities (B)		442	100%																
Total A + B		**442**	**100%**																

Meanings of the abbreviations:
Y – Yes, taxonomy-eligible activity that is taxonomy-aligned with the relevant environmental objective
N – No, taxonomy-eligible activity that is not taxonomy-aligned with the relevant environmental objective
N/EL – "not eligible", activity that is not taxonomy-eligible for the relevant environmental objective

E – enabling activities
T – transitional activities

Proportion of turnover resulting from taxonomy-eligible and taxonomy-aligned economic activities

	Proportion of turnover / total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	3%
Climate change adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	0%
Biodiversity (BIO)	0%	0%

Proportion of CapEx relating to taxonomy-eligible and taxonomy-aligned economic activities

	Capital expenditure (CapEx) share / total capital expenditure (CapEx)	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	73%
Climate change adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	0%
Biodiversity (BIO)	0%	0%

Proportion of OpEx relating to taxonomy-eligible and taxonomy-aligned economic activities

	OpEx share / total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	0%
Climate change adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	0%
Biodiversity (BIO)	0%	0%

Delegated Regulation (EU) 2022/1214 furthermore requires SYZYGY to provide specific information on economic activities relating to nuclear energy and fossil fuels. The detailed disclosure requirements stipulated in Annex XII of the Delegated Regulation do not apply to the SYZYGY Group.

Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ESRS E1 – Information on climate change

SYZYGY views climate change as one of the most pressing global challenges and recognises the central role of business in developing sustainable opportunities for growth. As a partner for digital transformation, SYZYGY develops innovative and sustainable marketing and technology solutions that help support the transition to a climate-friendly economy.

However, as a data centre user, SYZYGY is also aware of the need to minimise the impact its business activities have on the climate. The energy required to process and store data is constantly rising due to the increasing demand for IT systems, data centres and network infrastructure, which also increases the need for renewable energy. Commuting by SYZYGY employees also contributes to global warming in the form of CO_2 emissions.

SYZYGY aims to reduce its energy consumption and associated emissions as much as possible.

Further information on this can be found in the section:
ESRS 2 – GOV-3 – Integration of sustainability-related performance in incentive schemes

E1-1 – Transition plan for climate change mitigation

SYZYGY does not currently have a comprehensive decarbonisation transition plan in place to ensure that its business strategy and model are fully aligned with the transition to a sustainable economy and limiting global warming to 1.5°C.

However, SYZGY is committed to doing its part to mitigate the effects of climate change and support the transition to a low-carbon economy. The Group is therefore focusing on direct emissions produced by its business operations, although in the future it will also look more closely at indirect effects along the value chain, including emissions from suppliers and external partners.

SYZYGY plans to implement these measures and strategies in stages over the coming years to achieve the defined goals and full ESRS compliance. The development of a transition plan is set to be completed in the course of the 2025 financial year.

E1-SBM-3 – Climate-related risks

Climate-related impacts were identified and assessed in the 2024 double materiality assessment (DMA) and associated analysis of IROs. The SYZYGY Group categorises climate-related impacts on its business model, current assets and locations as low.

The SYZYGY Group did not carry out a comprehensive scenario analysis as part of the assessment. Instead, the company's resilience was assessed based on qualitative risk analyses and taking into account the elementary threats outlined in the IT-Grundschutz Compendium of the German Federal Office for Information Security (BSI). This assessment considers potential climate-related risks to the company's business model, current assets and locations.

Despite not carrying out a formal scenario analysis, two climate-related impacts were identified:

- Greenhouse gas emissions from server use: the energy consumption of server infrastructure contributes to CO_2 emissions, which is why action to reduce and optimise IT infrastructure is required.
- Emissions from staff commuting: the emissions generated by staff going to and from work make it necessary for the company to take climate mitigation action, such as promoting sustainable mobility solutions.

Physical risks related to the business model, locations and business activities of the SYZYGY Group were examined as part of the analysis. Although potential risks were identified, they were categorised as non-material.

These risks were assessed based on qualitative analyses, which captured climate-related hazards and their potential impact on the company's business activities. In particular, the company's locations, the infrastructure it uses and its critical business processes were analysed. The probability of these hazards occurring was also assessed to determine the relevance of the risks identified.

Potential risks along the value chain were also assessed, and categorised as having a lower probability. SYZYGY does not consider them to have any direct impact on the Group's business model or strategy. This assessment is based on the analysis of existing supplier and service provider relationships and the ability of relevant actors to adapt to changes.

Over the course of the financial year, SYZYGY will set up a business continuity management (BCM) system for its German units, with the aim of increasing the resilience of business operations, securing the long-term success of the company and meeting the requirements of the market environment. This should ensure that SYZYGY is able to maintain its most important business processes even under critical conditions.

SYZYGY has not yet carried out a comprehensive resilience analysis to identify potential vulnerabilities and develop targeted countermeasures. Such an analysis would systematically evaluate climate-related physical risks, including natural disasters and extreme weather events.

Further information on this can be found in the section: ESRS 2 - SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

E1-IRO-1 – Environmental IROs

As part of the overall process on material environmental matters, a combination of internal analyses such as the Corporate Carbon Footprint (CCF), which was calculated by Climate Partner for 2021-2023, and external environmental analyses and studies were used to properly assess the current situation. SYZYGY came to the conclusion that, although it is having an impact on climate change, it can be classified as low impact based on the greenhouse gas emissions attributable to the company to date.

Climate-related IROs are identified based on the findings of the Controlling and Sustainability department in close consultation with the Management Board. The assessment looks at the company's own operations and covers the whole SYZYGY Group in terms of the negative impact of greenhouse gas emissions from server use and staff commuting.

Further information on this can be found in the section: ESRS 2 – IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Material impacts, risks and opportunities

As part of the double materiality analysis (DMA) used to identify relevant impacts, risks and opportunities (IROs), negative impacts on the sub-topics of climate change adaptation and climate change mitigation were classified as material.

Negative impacts

Greenhouse gas emissions from server use

The use of energy-intensive servers and AI platforms in the company's own operations leads to increased greenhouse gas emissions and contributes to global warming. As digital services rely on considerable computing capacity, significant CO_2 emissions are generated, especially if servers are operated using non-renewable energy sources. The computing power required to provide digital services and the necessary cooling of servers consume large amounts of electricity. This poses a challenge for the sustainability strategy. Accordingly, SYZYGY is planning measures to increase efficiency and utilise climate-friendly IT infrastructures.

Greenhouse gas emissions from staff commuting

Commuting by SYZYGY employees leads to increased greenhouse gas emissions and contributes to global warming. The use of fossil fuels in particular to travel to and from work increases CO_2 emissions and poses a challenge to reducing company-related emissions. As part of its measures, SYZYGY aims to reduce greenhouse gas emissions in a targeted manner by promoting more environmentally friendly mobility alternatives.

E1-2 – Policies related to climate change mitigation and adaptation

The SYZYGY Group's environmental policy, which is publicly accessible and available to all employees on the company's website and intranet, is the company's main policy for managing the material impacts, risks and opportunities of its business operations.

The environmental policy describes how SYZYGY approaches identifying, assessing, managing and if necessary addressing material sustainability matters. It focuses on mitigating climate change with measures such as promoting energy efficiency, using renewable energy sources and reducing greenhouse gas emissions. The policy also includes strategies for adapting to the effects of climate change, including using resources sustainably, minimising waste and offsetting unavoidable emissions by way of specific offsetting projects.

This policy is an integral part of corporate strategy and is based on external standards such as the Paris Agreement, national environmental regulations and the requirements set out in the German Supply Chain Due Diligence Act (LkSG).

Within the SYZYGY Group, the environmental policy is internationally binding for management board members, executives, managers and employees. Suppliers are expected to adhere to this environmental policy in order to ensure environmentally friendly practices and sustainable processes in all areas of the business. The policy is reviewed annually and approved by the Management Board.

E1-3 – Actions and resources in relation to climate change policies

The SYZYGY Group aims to continue the progress made in reducing its Corporate Carbon Footprint (CCF) from previous reporting years to achieve the targets set and consistently implement measures to reduce carbon emissions.

As part of its sustainability strategy, SYZYGY is taking action to reduce its own environmental footprint. This includes increasing the efficiency of IT infrastructure within rented office space, using electricity from renewable energy sources, reducing emissions by switching to electric fleet vehicles and promoting sustainable mobility concepts for employees.

The SYZYGY Group promotes sustainable behaviour in everyday working life to help reduce carbon emissions attributable to the company's operations.

SYZYGY also implements targeted measures to promote environmentally conscious behaviour among its employees:

- Sustainable mobility: providing job tickets, bicycle leasing offers and charging points for electric vehicle to reduce commuting emissions
- Allowing staff to work from home to reduce emissions generated by employee commuting
- Conserving resources in the office: promoting paperless processes, optimised waste separation and the use of recycling materials in office equipment
- Reducing business travel: promoting virtual meetings and rail travel as the preferred travel option to reduce emissions caused by business travel.

Actions to reduce Scope 1 emissions

Switching to electric company vehicles

The SYZYGY Group is supporting environmentally responsible mobility by switching its company vehicles to electric and hybrid models. This step is intended to help to further reduce emissions. The goal is to use only electric and hybrid vehicles as company cars by 2025. Charging points will also be provided for employees and customers at the company's headquarters in Bad Homburg and at its Munich site.

Increasing the efficiency of IT infrastructure

The SYZYGY Group operates its own server rooms at all locations. The services provided in these rooms are operated via virtual platforms such as Microsoft Hyper-V and VMware. Central services, in particular at the Bad Homburg location, run on virtualised systems.

SYZYGY continuously optimises its IT infrastructure to improve its energy efficiency. Certain services are provided via Microsoft 365, Microsoft Azure and AWS, whose data centres utilise energy-efficient technologies and renewable energy. This reduces the direct energy consumption of the company's own physical servers. SYZYGY also aims to keep the number of physical servers to a minimum as all services are provided via virtual instances. This avoids unused capacity and increases energy efficiency.

SYZYGY also takes sustainability into account when procuring hardware: the company uses energy-efficient enterprise hardware that is optimised for continuous business operation and consumes less energy. The Group has also chosen longer usage periods of around 4 years for electronic devices, to continuously minimise energy and resource consumption and thus overall emissions. They are only included in the carbon footprint in the year of purchase. This means that each year that the devices continue to be used, the amount of emissions produced by the devices is not included in the footprint. SYZYGY is using these measures to reduce the environmental impact of its IT infrastructure and create digital working methods that conserve resources.

Actions to reduce Scope 2 emissions

Using renewable energy: heat and electricity

The SYZYGY Group is committed to using renewable energy at its office and service locations. The SYZYGY Group has been purchasing electricity from 100 per cent renewable energy sources at all locations in Germany since 2021, having concluded purchase agreements for green power. This step underlines the company's commitment to a sustainable and environmentally friendly energy supply. The company's international locations in the UK and Poland are covered by Guarantees of Origin (GoOs) from renewable energy sources.

Reducing building emissions by promoting sustainable behaviour

The headquarters in Bad Homburg have met demanding green building and LEED Gold standards since 2017 to reduce climate-relevant emissions, i.e. this building is operated in an energy-efficient, resource-conserving and environmentally friendly way.

Although the Group does not have direct control over the energy efficiency of the buildings in which it rents office space, it promotes sustainable practices to reduce energy consumption for heat and electricity. This not only includes using energy-efficient hardware and lighting systems but also raising awareness of how to use energy in a conscious manner.

Actions to reduce Scope 3 emissions

Reducing emissions along the entire value chain

In the years ahead, indirect emissions along the value chain (Scope 3) in particular will be crucial to reducing the company's overall emissions.

Over the course of the 2025 financial year, the SYZYGY Group will assess the relevance of additional Scope 3 categories and include them in future calculations to record greenhouse gas emissions even more accurately and continuously minimise them.

The SYZYGY Group is also continuing to implement targeted measures to reduce carbon emissions in the categories of purchased electronics, business travel and products and services. This includes extending the useful life of purchased electronic devices to ensure resources are used more efficiently as well as increasing the use of trains and virtual meetings to reduce air travel. In addition, the SYZYGY Group is actively helping its customers to reduce carbon emissions in the digital ecosystem by integrating sustainable solutions in projects and campaigns and promoting their implementation.

The SYZYGY Group is implementing ongoing measures and initiatives in the areas of sustainable mobility and working from home to reduce the negative impacts identified, including the CO_2 emissions caused by staff commuting. The aim is to continuously reduce these emissions, thereby minimising the company's environmental impact.

Staff commuting

SYZYGY is reducing the CO_2 emissions attributable to staff commuting by not only promoting public transport and the use of company bicycles but also switching to electric company vehicles. The SYZYGY Group partly supports this through financial subsidies for using public transport, and promotes a culture of sustainability by incentivising staff to switch to alternative modes of transport, such as bicycles or electric bikes. Another approach is promoting flexible work models, including working from home, to reduce the need for employees to commute. When an employee works from home, it entirely eliminates their commute, which has a direct impact on reducing CO_2 emissions.

Further information on this can be found in the section: S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches – flexible working models

SYZYGY conducts an annual employee survey to determine the carbon emissions caused by employees travelling to and from work. The company also uses this survey to identify and adapt targeted actions to reduce these emissions. The data collected is based on the use of various means of transport, the distance travelled, the number of months in the year under review, the average number of working days per week and the share of employees working from home. This analysis forms the basis for further action to reduce the carbon footprint of commuting.

E1-4 – Targets related to climate change mitigation and adaptation

The SYZYGY Group is committed to reducing its emissions and looks at the carbon emissions identified to monitor its progress. As part of a bottom-up approach, actions are derived directly from the company's carbon footprint (CCF) and adjusted as necessary to ensure a practical and effective reduction in carbon emissions. 2021 is the baseline for the GHG performance of the SYZYGY Group. This baseline was chosen due to the ongoing assessment of the Corporate Carbon Footprint (CCF) using a standardised calculation methodology, which ensures that the reference value is determined consistently and remains comparable over the years. SYZYGY has not defined any specific quantified targets to date as it is focused on continuous optimisation and considering the opportunities specific to the company.

Scope 1: Company-owned vehicle fleet
A significant part of reducing Scope 1 emissions will be achieved with measures relating to the company car fleet. By the end of 2025, SYZYGY aims for all company cars to be either electric or hybrid. By the end of 2027, the company plans to switch the entire fleet to electric vehicles for eligible employees.

Scope 2: Purchased energy (heating and electricity)
SYZYGY aims to use 100 per cent renewable energy sources by 2030.

SYZYGY has limited influence on the sources of heating energy, as all office space is rented and the respective owners determine how energy is supplied. When concluding new leases, however, the company aims to ensure renewable energy is used for heating wherever possible. SYZYGY also aims to reduce, where possible, the amount of space it rents to lower the company's overall energy consumption and further minimise its environmental impact.

Since 2021, SYZYGY has exclusively used electricity from 100% renewable energy sources for its business activities at all German locations, allowing the company to achieve climate neutrality in this regard. At the locations in the UK and Poland, the origin of electricity is guaranteed by Renewable Energy Certificates (RECs). SYZYGY also seeks to achieve climate neutrality at its international locations by purchasing electricity from renewable sources.

The SYZYGY Group aims to ensure that its IT infrastructure is energy efficient by optimising the energy efficiency of servers and data centres, reducing electricity consumption through modern technologies and relying exclusively on renewable energy to power them. The company also aims to take this further by using resource-saving cloud and AI platforms and extending the useful life of electronic devices to around 4 years, which will reduce energy and resource consumption as well as overall emissions.

Syzygy AG adopts a bottom-up approach based on potential to define realistic and practical emission reduction targets. This methodology differs from a top-down approach, such as the one set by the Science Based Targets Initiative (SBTi). While SBTi relies on global scientific climate models and predefined reduction pathways, SYZYGY purposely takes into account the opportunities, processes and structures specific to the company.

The bottom-up methodology means that the emission reduction targets are not simply derived from external standards. Instead, they are developed from a detailed internal analysis of existing operating conditions. The following assumptions and factors influence the defined targets:

Analysing the specific sources of emissions within the Group involves looking at all relevant operational CO_2 emissions, particularly from energy consumption. The company specifically identifies areas with the potential to significantly reduce emissions, for example by increasing the use of renewable energy.

Another important aspect is the practical feasibility of the measures within the company's existing structure. This involves assessing which approaches can realistically be implemented without negatively impacting operational processes. The company also takes into account economic and operational factors to prioritise any measures that yield both a significant reduction in emissions and a high level of efficiency.

As the approach is designed to be dynamic, SYZYGY regularly reviews and adapts the targets to align with technological developments and organisational changes. This flexible management allows measures to be optimised on an ongoing basis so that the emissions reduction strategy can be continuously developed and adjusted to reflect current conditions.

When setting its emission reduction targets, the SYZYGY Group consulted various internal and external data sources to ensure the targets were both well-founded and realistic.

Internal data sources:

- Historical carbon footprint (CCF) of the SYZYGY Group (calculated since the 2021 baseline) used to identify key emissions.
- Energy consumption data at company locations.

External data sources:

- Emission Factors Database of the German Federal Environment Agency (UBA/DE), UK Government (BEIS), European Environment Agency (EEA/EU) and Global Emission Model for Integrated Systems (GEMIS) used to calculate location- and market-based emissions.
- Data from the German Federal Office for Economic Affairs and Export Control (BAFA) on energy efficiency measures and renewable energies.
- Industry and market studies on best practices in the digital sector with regard to reducing emissions, such as the Road to Net Zero for Digital Infrastructure report by the International Telecommunication Union (ITU) and the Global Enabling Sustainability Initiative (GeSI).

The targets are the responsibility of the SYZYGY Group and are initially approved by the Management Board. They are an integral part of the corporate strategy and are based on clearly defined action plans. Final approval is provided by the Supervisory Board. External stakeholders were not involved in the process.

E1-5 – Energy consumption and mix

ESRS ID		Unit	2021	2023	**2024**	Change
	Total consumption of electricity and heat		**690**	**1,250**	**1,540**	**23 %**
	Heating	MWh	942	583	659	11 %
	Electricity	MWh	748	667	890	33 %
E1-5_02	**Total energy consumption from fossil sources**	MWh	**1,693**	**303**	**305**	**21 %**
	Gas (total)	MWh	423	174	186	7 %
	Total heating and electricity	MWh	918	606	800	32 %
	Vehicle fleet (fossil fuels)	MWh	351	130	119	-8 %
E1-5_01	**Total energy consumption related to own operations**	MWh	**2,041**	**1,380**	**1,659**	**20 %**

ESRS ID	Total energy consumption from renewable sources	Unit	2021	2023	**2024**	Change
E1-5_07	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	348	470	554	16 %
E1-5_05	**Total energy consumption from renewable sources**	MWh	**348**	**470**	**554**	**16 %**
E1-5_09	Share of renewable energy sources in total energy consumption		17 %	34 %	33 %	-1 pp

Overall, the SYZYGY Group's total energy consumption increased by 20 per cent, rising from 1,380 MWh to 1,659 MWh. The main reasons for this increase included the UK team moving into a new office building in April 2024 and the company recording additional consumption data, including the total energy consumption of the rented office space, which was not previously taken into account.

The most significant contribution to this increase in energy consumption is attributable to the London location. In 2023, the London subsidiary operated fully remotely from the second quarter onwards due to an office relocation, which reduced energy consumption to just 20 MWh for the entire year. Following the move to a new office in 2024, electricity consumption rose to 120 MWh, an increase of 500 per cent compared to the previous year.

Another factor in the overall increase in energy consumption is the inclusion of shared office spaces in the calculations for 2024. Although these spaces were not included in 2023, they have been included this year to ensure more accurate reporting.

The reduction in the direct energy consumption of company vehicles is a positive development. This fell from 130 MWh in 2023 to 119 MWh in 2024, which corresponds to a reduction of around 8 per cent. This is due to the increased use of electric vehicles and is in line with SYZYGY's energy efficiency targets.

The proportion of renewable energy sources in total energy consumption fell by 1 percentage point, from 37 per cent to 36 per cent. Total energy consumption from fossil sources increased by 1 per cent.

Information on the compilation of key performance indicators

The metrics in this standard are not externally validated. Some of the metrics are based on estimates, assumptions and extrapolations.

E1-5 – Energy consumption and mix

The energy data for own locations is based on consumption data provided by energy suppliers, which was recorded via meter readings and bills. Where consumption data was missing, estimates were made based on consumption in the previous year and an average consumption calculation per square metre.

For electricity, actual consumption was used where bills were available. Billing delays meant that both annual and Q4 consumption were estimated for all locations, with the exception of two offices for which complete data was available.

In terms of heating energy, the values from 2023 were used if the consumption data was only available via service charge billing. Heating energy consumption was estimated for locations without service charge billing information based on rented space and previous consumption.

E1-5_01 Total energy consumption related to own operations

Energy consumption in own operations forms the basis for Scope 1 and Scope 2 emissions. It includes energy consumption from fossil sources, electricity consumption and the use of district heating from fossil and renewable sources at all Group locations.

E1-5_02 Total energy consumption from fossil sources

Energy consumption from fossil fuels comes from two main sources:

- Company vehicles (fossil fuels) – Refers to the total fuel consumption of company vehicles powered by fossil fuels, recorded by leasing partners.
- Stationary combustion – Includes the consumption of natural gas (based on meter readings and supplier documentation)

E1-5_03 Total energy consumption from nuclear sources

While the SYZYGY Group's energy consumption relies on a mix of energies, it does not directly purchase any nuclear energy.

E1-5_05 Total energy consumption
from renewable sources:

The proportion of renewable energy sources in electricity and district heating consumption.

E1-5_06 Total energy consumption
from renewable sources, including biomass

While the SYZYGY Group's energy consumption relies on a mix of energies, it does not directly purchase any biomass (including industrial and municipal waste of biological origin), biofuels, biogas or hydrogen from renewable sources).

E1-5_07 Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (market-based method)

The share of renewable energy in the consumption of purchased or acquired electricity and district heating is calculated based on market-based emission factors, as these are considered to be the most conservative and representative method.

E1-5_08 Consumption of self-generated
renewable energy

While the SYZYGY Group's energy consumption relies on a mix of energies, it does not generate any non-fuel renewable energy.

E1-5_09 Share of renewable energy sources
in total energy consumption

This indicator shows what proportion of total energy consumption comes from renewable energy sources.

E1-6 – Gross Scopes 1, 2 and Total GHG emissions

ESRS ID	Scope 1 – GHG emissions		Baseline 2021	2023	**2024**	Change
E1-6_07	Absolute CO_2 emissions	t CO_2e	94.74	42.02	79.01	88 %
	Scope 2					
E1-6_09	Gross GHG emissions (located-based)	t CO_2e	325.29	493.38	516.46	5 %
E1-6_10	Gross GHG emissions (located-based)	t CO_2e	155.85	113.76	113.78	0 %
	Total greenhouse gas emissions					
E1-6_12	Total GHG emissions (location-based)	t CO_2e	420.03	535.41	595.47	11 %
E1-6_13	Total GHG emissions (market-based)	t CO_2e	227.79	155.78	192.79	24 %
E1-6_22	Percentage of contractual instruments used for purchase and sale of unbundled energy attribute claims in relation to Scope 2 GHG emissions	%	–	67 %	68 %	1 pp

ESRS ID	GHG intensity based on net revenue	**2024**	2023
E1-6_30	GHG emissions intensity, location-based (total GHG emissions per net revenue in EUR million)	8.58	7.46
E1-6_31	GHG emissions intensity, market-based (total GHG emissions per net revenue in EUR million)	2.78	2.17

The total Scope 1 and Scope 2 emissions of the SYZYGY Group increased by 24 per cent (market-based) compared to 2023. This increase is mainly due to higher consumption of fossil fuels, such as natural gas for heating, and an increase in district heating and electricity consumption.

A key factor in this increase is the inclusion of shared office spaces, including lifts, reception areas and stairwells, which were not yet included in the 2023 report. Accordingly, the company was already anticipating higher emission values than the previous year.

Electricity consumption is declining at almost all locations. One exception is the UK office, where the team moved into new premises in the first quarter of 2024. While energy consumption was low in 2023 because the team worked remotely for most of the year, electricity consumption increased significantly when they moved into their new office.

Heating energy consumption also increased at almost all locations, which also contributed to the higher emission values.

Since 2021, the SYZYGY Group has been sourcing electricity from 100% renewable energy sources for all German locations. The company ensures the same at its international locations in the UK and Poland with Guarantees of Origin (GoOs) from renewable energy sources. In total, the SYZYGY Group covers 61 per cent of its total electricity consumption with GoOs.

Scope 1

Until 2023, emissions from gas heating at a German site were incorrectly reported under Scope 2. As this involves an on-site combustion process, these emissions must be correctly reported under Scope 1. This amounted to 46 tonnes in 2024.

Scope 1 emissions, which consist of the fuel consumption of leased company vehicles and natural gas consumption for heating office buildings, therefore rose by 88 per cent overall, from 42 to 79 tonnes of CO_2e. This increase is solely due to correcting the categorisation of gas heating in 2024.

The switch to electric and hybrid vehicles led to a further 22 per cent reduction compared to the previous year. At present, 76 per cent of vehicles are electric or hybrid, 41 per cent of which are all-electric vehicles.

Scope 2

Scope 2 includes indirect emissions caused by energy consumption for office space and the company's own IT infrastructure, particularly through purchased electricity and heat.

Location-based emissions rose by 11 per cent, from 535 tonnes to 595 tonnes of CO_2e, while market-based emissions increased by 24 per cent, up from 156 tonnes to 193 tonnes of CO_2e.

Information on the compilation of key performance indicators

Principles of GHG accounting (GHG emissions) for the SYZYGY Group

E1-6 – Total Scopes 1 and 2

The GHG performance of the SYZYGY Group provides a comprehensive overview of total greenhouse gas emissions, expressed in CO_2 equivalents (CO_2e). The calculations are based on internal and external data sources and follow the internationally recognised Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

The following greenhouse gases are reported, all of which are converted into CO_2 equivalents:

- CO_2 (carbon dioxide)
- CH_4 (methane)
- N_2O (nitrous oxide)
- SF_6 (sulphur hexafluoride)
- HFCs (hydrofluorocarbons)
- PFCs (perfluorocarbons)
- NF_3 (nitrogen trifluoride)

The methodology is based on the principles of the GHG Protocol and uses the financial control approach to determine which emissions are included in the carbon footprint. Emissions are categorised by source type and scope and reported separately to ensure transparency regarding the impact of each category.

The most important external data sources for calculating Co_2e emissions are:

- German Federal Environment Agency (UBA/DE)
- UK Government (BEIS)
- European Environment Agency (EEA/EU)
- Global Emission Model for Integrated Systems (GEMIS)

Scopes and reporting

E1-6_07 Scope 1 emissions (direct emissions)

Consists of direct emissions from fossil energy sources, including emissions from company vehicles and stationary combustion processes in company facilities.

E1-6_09 + E1-6_10 Scope 2 emissions (indirect energy emissions)
Includes indirect emissions from purchased electricity, heating and cooling energy for locations under the operational control of the SYZYGY Group.

In accordance with the GHG Protocol, Scope 2 emissions are calculated using both the location-based and market-based methods.

E1-6_11 Scope 3 emissions
Scope 3 emissions were not analysed in detail in current reporting because the SYZYGY Group is making use of the phase-in provisions. A detailed analysis and report on the relevant Scope 3 categories will be provided at a later date in accordance with regulatory requirements.

Methodology and calculation of emissions
All Scope 1 and Scope 2 emissions are calculated based on the emission factors from the internal carbon accounting system of the SYZYGY Group. All details on calculation methods, assumptions and factors used are documented separately for each scope.

E1-6_12 + E1-6_13 Total GHG emissions (location-based and market-based) (tCO_2e)
The total greenhouse gas emissions of the SYZYGY Group according to the location-based and market-based method consist of the sum of emissions from Scope 1 and Scope 2 (both location-based and market-based).

E1-6_22 Percentage of contractual instruments used for purchase and sale of renewable energy in relation to Scope 2 emissions
The energy consumption of the SYZYGY Group includes electricity from renewable energy sources. The share of contractual mechanisms relating to Scope 2 emissions shows how much of the total electricity consumed is covered by Guarantees of Origin (GoOs). According to the GHG Protocol, these certificates are equivalent to Renewable Energy Certificates (RECs). The SYZYGY Group covers 53 per cent of its electricity consumption with GoOs to reduce market-based emissions.

E1-6_30 & E1-6_31 GHG emissions intensity (location-based and market-based) (total GHG emissions per net revenue)
GHG emission intensity is calculated using total emissions (location-based and market-based) in tonnes of CO_2e. This is divided by net revenue in EUR million as per the consolidated statement of comprehensive income to obtain a comparable metric for emissions intensity.

Further information on this can be found in the section: Consolidated statement of comprehensive income from January 1 to December 31, 2024

E1-7 – GHG removals and mitigation projects financed through carbon credits

Offsetting CO_2 emissions

SYZYGY follows a holistic climate protection strategy that includes both direct emission reductions and offsetting measures. As unavoidable emissions remain despite targeted CO_2 reduction measures, emissions are calculated and offset based on the location-based approach. This considers the average regional electricity mix at the location where the energy is consumed, without taking into account individual procurement decisions such as Guarantees of Origin or special electricity contracts. This approach therefore reflects the actual CO_2 emissions caused by the general energy supply.

SYZYGY's CO_2 emissions are calculated accordingly for Scope 1 (direct emissions from own sources, e.g. company vehicles and heating) and Scope 2 (indirect emissions from purchased energy) based on this regional electricity mix. SYZYGY purchases carbon credits from KLIM to offset the remaining 250 tonnes of CO_2. These investments support climate protection projects that reduce or bind emissions, which offsets the company's own carbon footprint.

KLIM is a developer of climate protection projects in Germany and supports farmers in implementing regenerative farming practices. These agricultural practices bind carbon in the soil and remove CO_2 from the atmosphere, improving soil health, biodiversity and water storage capacity in the long term. By purchasing carbon credits, the SYZYGY Group is actively helping to promote these sustainable agricultural methods and taking responsibility for its own emissions.

Both the carbon credits offered by KLIM and their methodology were externally validated by TÜV Rheinland in accordance with DIN ISO 14064-2. This covers key quality criteria for carbon credits such as additionality, permanence, avoiding carbon leakage and double counting. Ex-post validation is carried out by TÜV Rheinland every year in spring after the credits are generated. TÜV ensures that each credit was calculated correctly according to the validated methodology. The accuracy of the data provided by farmers is also verified via detailed data checks and in-person audits on the farms. Certification ensures that the offsetting measures meet the highest quality standards. The projects also comply with the Verra VCS VM0042 standard and fulfil ex-post verification.

E1-8 – Internal carbon pricing

SYZYGY does not currently use an internal carbon pricing scheme. An assessment of various models has shown that neither shadow prices nor internal carbon fees or implicit carbon prices are practicable or effective. The company decided not to use internal carbon pricing due to the small number of investment-relevant decisions, different national frameworks and the lack of specific emission reduction projects.

Instead, SYZYGY offset the reported Scope 1 and Scope 2 emissions for 2024 by purchasing carbon credits. The company does not believe that introducing internal carbon pricing would be effective, as regional differences and the comparatively low financial burden of credits would not create sufficient incentives to reduce emissions.

Social information

ESRS S1 – Own workforce

SYZYGY is committed to ensuring a high-quality, safe and inclusive working environment that promotes well-being, personal development, diversity and equal opportunities. The company uses targeted strategies to create conditions that ensure the safety, development and satisfaction of employees and reinforce the company's objectives and a sustainable and responsible corporate culture.

S1-SMB-2 – Interests and views of stakeholders

Further information on this can be found in the section:
ESRS 2- SBM-2 – Interests and views of stakeholders

S1-SBM-3 – Impacts, risks and opportunities and their interaction with strategy and business model

The company has analysed both positive and negative impacts on its own workforce and has specific policies and standards in place to maximise opportunities and minimise risks. Positive impacts include promoting flexible working time arrangements that improve work-life balance and employee satisfaction. Flexible working hours help foster employee loyalty and reduce staff turnover and recruitment costs. Long-term employment relationships ensure financial security while the targeted use of freelancers helps balance high demand periods and increase efficiency. The option of working from home also improves work-life balance. An open and diverse corporate culture increases the company's attractiveness as an employer and strengthens its human capital. Training and professional development options help employees develop their skills, which advances both their own personal development and the company's innovative capabilities. In addition, health promotion improves the well-being and productivity of employees over the long term.

SYZYGY also faces potential challenges, which it addresses with targeted actions. Industry-specific salary differences can lead to dissatisfaction, while uncompetitive remuneration could increase staff turnover and result in a loss of expertise. Project-based employment carries the risk of economic insecurity for employees. A lack of health management, resilience support or childcare support options could affect work-life balance and result in stress and reduced job satisfaction. Similarly, unequal access to training programmes can mean that not all employees benefit equally. Data protection risks, particularly due to cyber attacks or inadequate security measures, pose another challenge, which the company minimises via a comprehensive cyber security and compliance strategy. SYZYGY also ensures that technological monitoring mechanisms do not encroach on employees' privacy, in order to maintain trust and a positive corporate culture.

Assessment of material negative and positive impacts on own workforce

The SYZYGY Group does not see any systemic or widespread negative impacts on its own workforce arising from its business operations, as it operates predominantly in the EU, UK and US, where strict labour and human rights standards apply. Forced labour and child labour are excluded and prohibited throughout the company by its Code of Conduct and the requirements applying to suppliers. However, individual negative impacts arise from challenges common to the industry, including salary fluctuation, project-dependent workloads and significant work pressure during peak periods. These factors can have an impact on employees' job security, work-life balance and health and well-being. There are also potential risks related to data protection and cyber security that could arise from technological vulnerabilities or data breaches.

Certain employee groups may be more affected by negative impacts. For example, project-based teams are exposed to increased workloads during peak periods, which can lead to stress and a challenging work-life balance. Remote employees and freelancers are also affected, as they may have limited access to internal support services and feel less integrated into the social working environment. In addition, employees with family commitments may find it difficult to balance work and private life, especially if childcare options or flexible working arrangements fail to take individual needs into account.

SYZYGY regularly conducts employee surveys and gathers feedback in various ways to identify these risks. Action to reduce negative effects includes flexible work models, targeted health programmes and data protection security measures to prevent data breaches.

The SYZYGY Group generates positive effects through targeted action aimed at employee retention, job security and training. Flexible working arrangements help to improve work-life balance and increase employee satisfaction. Long-term employment prospects also provide financial security and help to reduce staff turnover. The company supports the professional development of all employees with targeted training opportunities that not only broaden individual career prospects but also secure the company's innovative capabilities over the long term.

SYZYGY considers employees affected by material impacts to include anyone within its own workforce who has a direct employment relationship with the company as well as any freelancers who are regularly involved in projects and make a significant contribution to value creation.

Further information on this can be found in the section: ESRS 2 - SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

S1-1– Policies related to own workforce

The SYZYGY Group follows a structured approach to minimise potential negative impacts and encourage positive developments. SYZYGY is committed to complying with internationally recognised human rights and labour standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. This includes respect for freedom of association, the right to collective bargaining, the prohibition of forced labour and child labour and the prohibition of discrimination, which are ensured by internal policies such as the company's Code of Conduct and occupational health and safety policy, supplier requirements and an anonymous whistleblower system. Compliance with these standards is monitored through regular training sessions, systematic risk assessments and Occupational Safety and Health Committee (ASA) meetings to review occupational health and safety measures.

Four central policies guide the company's work to ensure a safe, inclusive and attractive workplace. These policies are reviewed annually by the Legal and Compliance, Sustainability, Occupational Health and Safety and Data Protection and Information Security departments, approved by the Management Board and then published on the Group intranet.

A key part of this approach is incorporating the policies into the onboarding process for new employees. This ensures that all new team members are familiar with the applicable security, data protection and compliance requirements from the outset and implement them consistently in their day-to-day work. The company also carries out regular training sessions and awareness-raising activities to ensure long-term compliance with the policies.

Code of Conduct of the SYZYGY Group

The SYZYGY Group's Code of Conduct is a key component of its corporate strategy. It ensures ethical, legally compliant and responsible behaviour across all areas of the business, which serves to protect all SYZYGY Group employees. It sets out principles of integrity, fairness, transparency and responsible behaviour.

The SYZYGY Group's Code of Conduct covers all material topics with which employees and external partners acting on behalf of SYZYGY must familiarise themselves. It serves as guidance on how to behave when interacting with customers, colleagues, competitors, suppliers and other stakeholders, and forms the basis for ethical, fair and responsible conduct across all areas of the business. It describes what SYZYGY expects from all of its employees, such as:

- Foster social responsibility, including an inclusive and diverse corporate culture, fair and safe working conditions and compliance with international labour standards. Do not tolerate discrimination, harassment or unethical behaviour. Promote flexible work models to support equal opportunities and work-life balance.
- Comply with laws and regulations, including the UN Universal Declaration of Human Rights, the European Convention on Human Rights and the Modern Slavery Act.
- Support the fight against corruption with a zero-tolerance policy towards bribery and corruption.
- Use whistleblowing procedures that promote a culture of transparency and provide an anonymous means of reporting any violations or concerns.

For managers, this means acting as a role model and actively promoting high moral and ethical standards. They are responsible for ensuring that all employees are familiar with the SYZYGY Group's policies and protection measures and comply with them. Managers are also expected to take firm action against inappropriate behaviour and to actively reinforce the company's values through their actions.

Any violation of the Code of Conduct can have consequences under employment law. Every year, all employees complete a training course on the Code of Conduct and take a test to confirm they understand the principles enshrined in it.

The Code of Conduct explicitly covers the following grounds for discrimination: gender, nationality, ethnic background, religion, age and sexual identity. The company is committed to treating all employees equally, promoting equal opportunities and rejecting all forms of discrimination.

Other grounds of discrimination, such as race, skin colour, sexual orientation, gender identity, disability, political opinion, national origin and social background, are not explicitly mentioned in the Code of Conduct. However, SYZYGY is guided by international human rights standards, including the UN Declaration of Human Rights and the International Labour Organisation's (ILO) Core Labour Standards, which ensures compliance with EU and national anti-discrimination regulations.

There are currently no specific policy commitments on the part of the SYZYGY Group in relation to inclusion or targeted support measures for particularly vulnerable groups within its own workforce. Diversity and inclusion are promoted within the overall framework of corporate policies, and discrimination is prohibited by the Code of Conduct. The company also ensures a non-discriminatory working environment by taking action to prevent discrimination through training on recognising and combating discrimination.

Further information on this can be found in the section: ESRS G1-1 – Business conduct policies and corporate culture

Occupational health and safety policy

The SYZYGY Group's occupational health and safety policy ensures that workplace health and safety is a top priority. The aim is to minimise health risks, prevent accidents and create a safe working environment for all employees.

This policy applies to all locations and employees and is based on national and international labour and safety laws, including the German Social Accident Insurance scheme (DGUV) and German Occupational Health and Safety Act (ArbSchG). It is implemented by the People & Culture department, local safety officers and external occupational health and safety partners.

Important measures include:

- Risk assessment and hazard analysis to identify and minimise potential hazards at an early stage.
- Emergency preparedness, including escape and rescue plans and training on fire safety and first aid.
- Accident and incident management to analyse incidents and identify preventive measures.
- Workplace ergonomics to reduce health risks and ensure safety in the workplace.

Employees are actively involved in implementing occupational health and safety measures and take part in annual training sessions and briefings. The policy is published on the intranet.

Data protection policy

The data protection policy of the SYZYGY Group requires employees to actively contribute to protecting personal data and comply with the applicable data protection regulations in their day-to-day work. The policy places particular emphasis on data minimisation, transparency and intervenability to protect the rights and interests of all data subjects, including employees and customers.

The data protection requirements set out by the policy apply at all locations and for all companies of the SYZYGY Group and are based on the GDPR, national data protection laws and any regulations specific to the markets in which SYZYGY operates, including the UK Data Protection Act and the Polish Data Protection Act (Ustawa o ochronie danych osobowych). Data protection officers and data protection coordinators at the respective locations are responsible for monitoring and implementing the measures.

The Group provides relevant information and updates via the intranet to ensure compliance with data protection standards. Employees also take part in annual training sessions and awareness-raising activities to ensure that they are familiar with the latest data protection regulations and implement them consistently.

Information security policy

The information security policy of the SYZYGY Group requires employees to actively contribute to the security of company, customer and project data. As a digital company, SYZYGY is committed to the highest standards of information security to prevent unauthorised access, cyber attacks and data loss.

This policy ensures that data security and information protection are guaranteed across all areas of the company. It defines clear standards of behaviour and access controls to promote the proper handling of work materials and sensitive data.

This policy applies to all employees at all SYZYGY Group locations and is monitored and implemented by security officers, IT staff and local managers.

The policy is based on ISO/IEC 27001 international security standards as well as company guidelines and ensures that all employees are actively involved in creating a secure and legally compliant working environment.

The policy is published on the intranet and reinforced with annual training courses to raise awareness of security information.

Policies related to climate change mitigation

The SYZYGY Group is committed to sustainable business practices. The company's environmental policy defines measures to reduce its ecological footprint, use resources sustainably and continuously improve SYZYGY's environmental performance.

Further information on this can be found in the section: ESRS E1-2 – Policies related to climate change mitigation and adaptation

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

SYZYGY has not signed a global framework agreement or comparable agreements with employee representatives to protect the rights of employees. Instead, SYZYGY continuously analyses relevant data and findings as part of its commitment to human and labour rights. This includes reports from the internal Right to Speak whistleblower system, employee surveys and performance reviews that allow employees to express their opinions and suggestions openly. This due diligence allows the company to identify actual and potential adverse impacts on human and labour rights within the organisation at an early stage and decide on appropriate actions.

Employee engagement and feedback

Participation and feedback are important issues when it comes to employee commitment and motivation, and are gaining in importance. The SYZYGY Group also encourages both openness and transparency. Group-wide (international) staff meetings (all-hands meetings) and cross-company and cross-departmental informational video conferences are held on a regular basis to keep employees up to date with strategic and operational matters and address any current issues.

In the spring of 2024, the SYZYGY Group took part in the Count Me In survey initiated by the WPP Group. This anonymous, voluntary survey was conducted across the Group, with the aim of allowing the Group to make data-driven decisions that promote diversity, inclusion and a positive working culture. The Count Me In survey is a key tool for incorporating employee perspectives into decision-making processes. The SYZYGY Group uses the results of the survey to drive structural changes, optimise internal processes and develop measures that promote an inclusive and equal-opportunity working environment.

The Count Me In survey gives employees the chance to anonymously share information about their demographic identity. The insights gained are used to develop and improve programmes and actions designed to promote equal opportunities, inclusion and a diverse corporate culture.

The data is collected and processed by independent third-party provider Medallia. The results are analysed solely in aggregated form to identify trends and areas for improvement.

The findings are shared with the management teams within the SYZYGY Group to allow targeted measures to be taken at agency level.

Since 2019, SYZYGY has been tracking the satisfaction of its employees across the Group using annual surveys based on the Employee Net Promoter Score (eNPS). This method is also used in the WPP Count Me In survey and provides precise insights into the mood and satisfaction of the company's workforce. It measures how likely employees are to recommend the company as an employer. SYZYGY systematically analyses eNPS results to help it identify specific strengths and weaknesses in the working environment, enabling the holding company and each subsidiary to implement action to improve working conditions and increase employee satisfaction, with the aim of boosting employee loyalty.

In the year covered by the report, the Group achieved a score of +23 (previous year: +23). The score therefore remained the same as in the previous year.

	2024	2023	Change
eNPS	+23	+23	0 pp

The current eNPS score of +23 indicates stable employee satisfaction compared to the previous year. SYZYGY analyses the eNPS results of each company individually to identify key influencing factors at each location and derive targeted improvement measures.

Unless otherwise stated, employees are involved both on an ongoing and ad-hoc basis. The SYZYGY Group regularly informs its employees about how their feedback is incorporated into company decisions, including during Group-wide all-hands meetings or targeted follow-ups to surveys and transparent communication of measures in the individual subsidiaries. The company provides financial and human resources to promote employee participation, for example for conducting eNPS surveys. Findings from surveys such as the Count Me In survey and eNPS are systematically analysed and incorporated into specific improvement actions to enhance the corporate culture and working conditions.

Responsibility for implementing and integrating the findings lies with the Management Board, executives and the operational managers responsible for human resources.

Further information on this can be found in the section: ESRS 2 SBM 2 - Interests and views of stakeholders

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

The SYZYGY Group is committed to taking prompt remedial action in justified cases where it has demonstrably caused or contributed to negative impacts on employees. SYZYGY offers its employees several ways to report concerns. Employees can contact their line manager or HR department at the individual company at any time. Alternatively, they can use the SYZYGY Group's anonymous whistleblower mechanism.

The Group supports its employees in finding a solution if they feel their rights have been violated, thereby contributing to a fairer working environment. Employees who feel affected by bullying, discrimination or harassment are encouraged to seek support.

The company prefers potential issues to be dealt with initially by the line manager or, if necessary, the line manager's superior or the HR department.

The SYZYGY Group's Code of Conduct explicitly states that all employees should report any actual or suspected non-compliant behaviour and any violations or suspected violations of human or labour rights within the company, at business partners or in the supply chain. This obligation is communicated via various channels, including the intranet via the SYZYGY Group's Code of Conduct, the onboarding process and annual training on the WPP Code of Conduct.

Employees also have the option to report violations of the Code of Conduct or other misconduct confidentially to their contact person in the HR department or to submit official reports via the global Right to Speak whistleblower hotline (operated by an independent third-party provider).

All reported cases are recorded, reviewed and followed up to ensure the reporting systems and measures taken are effective.

The SYZYGY Group is committed to ensuring that employees not only have access to this channel but also have the knowledge, confidence and assurance to use it when necessary. The Group has a responsibility to take all reported cases seriously and to provide fair outcomes to investigated cases that take into account the needs of all parties.

The SYZYGY Group proactively ensures that employees are regularly informed about the complaint procedures available to them. This includes providing training on the Code of Conduct with special modules on the complaints policy as well as regular internal information communicated via various internal channels such as email and the intranet. Further information about the whistleblower hotline is available and accessible to all employees on all websites of the SYZYGY Group and its subsidiaries.

Further information on the Right to Speak whistleblower hotline and how whistleblowers are protected from retaliation can be found in the section: G1 – Reporting violations and whistleblower system

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

The SYZYGY Group implements targeted action to minimise material risks for its own workforce and also exploit opportunities that help to create an attractive and sustainable working environment in the long term. Some of these actions are based on the specific local circumstances of the respective locations and subsidiaries and are not standardised across the Group. Unless otherwise stated, actions refer to ongoing measures across the Group without a fixed time horizon.

The SYZYGY Group ensures that its business practices, including procurement, sales and data utilisation, do not have any material negative impact on its employees. The company achieves this through clear policies and processes relating to labour and social standards, which apply to both SYZYGY's own employees and external partners.

Compliance with labour law requirements, ethical standards and data protection regulations is regularly reviewed and supported by appropriate actions in human resources management and occupational health and safety management. The company addresses any potential conflicts between avoiding negative impacts and fulfilling business requirements by responsibly weighing up economic, social and ethical factors. The aim is to ensure a sustainable and fair working environment.

The most important fields of action are:

Attracting, retaining and developing talent	Occupational safety, health and well-being	Diversity and equal opportunities	Data protection and information security
Competitive remuneration and long-term employment	Support programmes to promote resilience and stress management	Promoting a diverse corporate culture	Compliance with the highest safety standards
Flexible working arrangements	Preventing work-related health risks	Equal opportunities	Risk prevention for cyber attacks
Training and skills development			Training and awareness-raising

Each company within the Group prepares its own budget to ensure targeted measures to support employees and promote a positive working environment.

Budgets include funds for key areas such as professional development (conferences & training), employee well-being (staff well-being) and business trips and events (travel & entertainment).

Attracting, retaining and developing talent

The SYZYGY Group has adopted a long-term sustainable HR strategy to attract, retain and continuously develop talented people. The company creates attractive working conditions that offer both flexibility and security thanks to competitive remuneration, long-term employment prospects and individual and flexible work models. SYZYGY also promotes a sense of belonging and employee satisfaction through targeted training measures and skills development programmes.

Competitive remuneration and long-term employment

The SYZYGY Group ensures fair and competitive remuneration based on individual performance, the standards of the respective national labour market and the requirements of the relevant position. Remuneration is non-discriminatory, with men and women in comparable positions receiving the same salary. With a view to minimising the risk of increased employee turnover due to uncompetitive remuneration and ensuring transparency and fairness, the company has established salary bands to ensure standardised pay based on performance.

SYZYGY regularly reviews salaries and compares them with peers to ensure fair remuneration and career development. The Group has defined clear requirements for the various career stages and salary ranges to ensure fair and consistent pay for employees in accordance with the nature of their work, their professional experience, their position and career stage, and their regional location.

In addition to their basic salary, employees enjoy various additional benefits, including:

- Company pension scheme and state-backed employee savings scheme
- Subsidies for public transport tickets and company bikes
- Support with childcare costs

At SYZYGY Warsaw, a transparent remuneration system ensures fair, performance-related salaries in a self-organised structure (Teal organisation). Salary bands are clearly defined and visible to all employees, with regular adjustments ensuring competitiveness.

Instead of traditional top-down decisions, employees can apply for salary increases independently by demonstrating their development, project successes and peer feedback. This works together with a peer-based salary adjustment system that sees employees award 100 points annually to any of their colleagues they feel have performed particularly well. This system ensures that increases are based on actual contributions and not on negotiating skills or length of service.

All adjustments are made in accordance with the annual remuneration budget to ensure financial sustainability. The system strengthens trust, personal responsibility and long-term motivation by actively involving employees in their financial development.

The effectiveness of these measures in practice is monitored by means of regular employee surveys, staff turnover analysis and benchmark studies, such as salary reports in the IT sector, as well as relevant KPIs, including how long an employee has been with the company.

Job security and career development

The SYZYGY Group favours long-term employment to ensure its employees are financially secure. Fixed-term contracts are only used in exceptional cases, to ensure a sustainable and stable employment situation.

Given the typical fluctuations in orders in the agency sector, the company plans projects and resources well in advance to ensure continuity of employment. Internal development programmes are also offered that allow employees to work flexibly on different projects. SYZYGY also engages freelancers when needed to cover project-related peaks. This increases operational flexibility while also ensuring job security for permanent employees.

The effectiveness of these measures in practice is reviewed by means of regular analysis of resource utilisation, project duration and budget efficiency. Feedback loops with internal teams and freelancers are also used to continuously improve the utilisation and integration of external resources.

Implementation of flexible and individual working arrangements

The company offers flexible work models such as working from home, part-time work and flexible working hours to cater to the different circumstances and needs of its employees. These measures aim to not only improve work-life balance but also increase employee satisfaction and performance. The SYZYGY Group places great emphasis on attractive working models and continues to develop them, especially with regard to flexibility and sustainability.

The aim is to create a culture of trust that gives employees a sense of belonging, regardless of where they work, and which enables flexibility while at the same time promoting efficient, trust-based working.

Each employee can choose the work model that suits them best – whether fully remote, hybrid or office-based – depending on the location and business model.

Regular employee surveys, e.g. eNPS, and feedback meetings with managers can ensure that the flexible work models have the desired effect on employee satisfaction and loyalty. Work models are adapted based on the findings.

Individual working time models

The SYZYGY Group also offers various flexible working time models to allow employees to find the perfect work-life balance. These include:

- Part-time contracts tailored to personal circumstances
- Flexible start and finish times each day
- Workation opportunities to work from abroad for a certain period of time
- Sabbatical arrangements for longer career breaks

SYZYGY attaches great importance to offering all employees flexible working conditions geared to their specific stage in life. This also includes the option of working part-time. Young parents in particular use this option to reconcile starting a career with the challenges of family life.

Working remotely from abroad (workation) also provides greater flexibility and a better work-life balance for up to 20 working days per year. This applies to all EU countries, the European Economic Area (EEA), Switzerland and the UK.

The details of flexible working arrangements and working hours are agreed individually between employees and their line managers. Part-time employees are entitled to company benefits on a pro-rata basis.

At SYZYGY Techsolutions, employees can choose between working fully remotely, hybrid or in the office. Working fully remotely allows employees to work from anywhere while Syzygy AG, SYZYGY and SYZYGY Performance use hybrid work models.

The effectiveness of these measures is monitored by looking at the staff turnover rate and to what extent flexible working arrangements are being utilised. Productivity metrics and feedback from managers are also used to continuously optimise the models.

Training and skills development

The SYZYGY Group promotes an open corporate culture in which all employees, regardless of hierarchy or title, can contribute their ideas and continuously develop their skills. The company achieves this by using structured career paths, individual development plans and a broad range of training programmes that strengthen both professional and personal skills.

SYZYGY offers the following training options to help employees develop their professional and personal skills:

- Specialised training in software development, IT management, design, consulting and project management
- Leadership programmes and coaching for managers
- Internal and external training sessions, accompanied by knowledge transfer within the company
- Self-study and online training courses for individual skills development

One example is the self-growth retreat that takes place twice a year for around 30 employees from all companies. Based on the concept of total fitness, the retreat focuses on self-reflection, setting personal goals, lifelong learning and overcoming challenges.

The SYZYGY Group relies on internal knowledge platforms such as wikis, Microsoft Teams and project-related intranet solutions to allow employees to exchange and retrieve relevant information.

Internal initiatives in the operating companies help the SYZYGY Group to support employee development, further its innovative capabilities and encourage different teams to share and exchange knowledge – which is key to a forward-looking, agile working culture.

These initiatives include SYZYGY Techsolutions Camp 2024, where employees developed new technologies to optimise internal knowledge management. The event focused on Retrieval Augmented Generation (RAG), implemented with Microsoft Azure Cloud Services. The aim was to make information even more accessible for all employees, especially new joiners. Other events, such as the SYZYGY Warp Drive programme and cross-team tech camps, also provide a platform for teams to share information about new technologies and learn in a practical way.

In addition, all employees of the SYZYGY Group have access to a wide range of learning and development programmes via InsideWPP (WPP intranet), which are designed to deepen their specialist knowledge, help them develop new skills and prepare them for the future of the industry.

Employees also have the opportunity to take part in the WPP Future Readiness Academies, a global learning programme that provides information and insights into AI, data and technology, giving them the tools and knowledge they need to actively shape digital transformation. This is complemented by training courses on WPP Open and the Creative Studio, which allow employees to get to grips with state-of-the-art technology and learn how to optimise both creative and operational processes. The range of training courses offered also includes specialised programmes on leadership, resilience, change management, data, AI and industry-specific training.

The effectiveness of the training and skills development programmes is evaluated in regular feedback meetings with line managers, with the findings used to continuously optimise the programmes. Responsibility for this lies with the Management Board, executives of the companies, managers and the People & Culture and Human Resources departments.

Occupational safety, mental health and well-being

The SYZYGY Group is committed to maintaining the physical and mental health and occupational safety of all employees. Compliance with all applicable occupational health and safety standards is ensured. The statutory regulations on occupational health and safety represent minimum requirements. Raising awareness, prevention and personal responsibility are particularly important.

The People & Culture department and the occupational safety officers at each of the units use emails and video conferencing (training sessions) to provide the mandatory instruction on occupational health and safety to employees each year. The accompanying material with useful information about safety advice and requirements can be accessed on the Group intranet.

As part of occupational health management, the Group supports initiatives such as participation in massage options and company runs. Rapid first aid in the event of an accident in the workplace is ensured by having a large number of first aiders among employees. All staff are also offered flu vaccinations and an occupational health eye examination for display screen equipment (G37).

The SYZYGY Group promotes psychological well-being through workshops, mentoring programmes and soft skills training, such as initiatives anchored in the subsidiaries. These include, for example, Lunch & Learn sessions and microlearning sessions on building resilience to overcome professional and personal challenges, workshops on non-violent communication and dealing with emotions and constructive feedback.

For the well-being of employees and their families, the SYZYGY Group offers all employees an external advisory service for personal, professional, health or family issues (Employee Assistance Programme, EAP). The EAP offers all employees free confidential psychological, financial and legal counselling in the form of an in-person or virtual conversation. This is supported in part by mental health first aiders, who are specially trained contact persons in the company that offer confidential counselling and refer employees to suitable resources if necessary.

The effectiveness of these measures is reviewed by regularly analysing participation rates in training courses and health offerings. The company also anonymously analyses use of the EAP, mentoring programmes and mental health services to better understand the needs of employees and develop options further as required.

Responsibility for occupational safety, health and well-being lies with the Management Board, executives and respective managers and the People & Culture and Human Resources departments.

Diversity and equal opportunities

The SYZYGY Group attaches great importance to promoting the best possible culture and gender equality in the company. Each operating unit and Syzygy AG itself attach importance to equal opportunities and diversity when developing employees.

The SYZYGY Group is actively committed to diversity and equality as well as the advancement of women in the workplace. The company uses targeted programmes, mentoring initiatives and networking events to support women in their careers, increase the visibility of female managers and create an inclusive corporate culture.

Inclusion officers, unconscious bias training and female empowerment circles also promote a corporate culture based on equal access to career opportunities and management positions.

SYZYGY Techsolutions is also a supporting member of Women in Tech e.V., an initiative to support and encourage women in technical professions in Germany, Austria and Switzerland. This initiative provides targeted support to women in the tech industry in the form of digital and local events, role model programmes and mentoring and career coaching. Although the programme focuses on promoting women, it is open to all genders and aims to make the tech industry more diverse and inclusive.

In Poland, SYZYGY has been working with Dare IT for several years, a mentoring programme that supports women entering the IT sector. SYZYGY team members act as mentors, passing on knowledge and unlocking career opportunities for women in the tech world. This collaboration reflects the company's deep-rooted commitment to diversity, equality and inclusion, and SYZYGY has already hired several female participants of the programme.

A key programme is WPP Stella, the community for women within WPP, which promotes the professional development of talented female employees with events, workshops and training courses. In addition to the regular WPP Stella City Tour, which serves as a networking platform, the programme offers Walk the Talk training, which is an intensive two-day leadership training course for women in management positions. The +1 initiative also allows women to have an experienced female mentor accompany them on their way to leadership positions.

Seven employees from the SYZYGY Group took part in the WPP Stella programme in 2024.

With its Inclusion as a Skill programme, WPP is also committed to promoting a culture of diversity and equal opportunities by teaching practical strategies for inclusive working and leadership. This 90-minute virtual training course equips participants with practical strategies they can use to ensure an inclusive corporate culture. It is recommended for all employees, especially managers.

The effectiveness of these measures is reviewed via surveys and analyses, including evaluating diversity metrics, participation in mentoring and training programmes and feedback and discussions with participants. This allows the company to gauge the success of the measures and develop them further as required.

Responsibility for diversity and equal opportunities lies with the Management Board, executives and respective managers and the People & Culture and Human Resources departments.

Data protection and information security

Data protection and information security affect all employees of the Group and are crucial when it comes to protecting sensitive company and personal data. Every employee is expected to ensure the confidentiality, integrity and availability of information and minimise risks such as data loss, unauthorised access and cyber attacks.

Employees are made aware of the need to handle data in a conscious and secure manner through annual training sessions and clear security policies. This ensures compliance with legal requirements (e.g. the GDPR), protects business-critical processes and builds trust among customers, partners and colleagues.

The Information Security Mission Statement sets out SYZYGY's core values, objectives and requirements and forms the basis for an effective information security management system (ISMS). The Management Board and executives are committed to the central importance of information security and implement measures to ensure an appropriate level of protection for all information assets and business processes. Raising awareness and training staff are key components in helping to promote security-conscious behaviour across the company. Annual awareness-raising activities help employees to recognise and avoid potential risks at an early stage.

The focus is on compliance with legal, regulatory and contractual requirements to ensure the confidentiality, integrity and availability of data. The company also continuously optimises the ISMS through regular risk assessments and audits to increase effectiveness and efficiency in dealing with information security.

Syzygy AG has established a clear structure to ensure information security and data protection. The Information Security Officer (Group CISO) is responsible for strategic management of the information security management system (ISMS). This officer develops security policies, monitors compliance with them and minimises risks. They are supported by the Information Security Lead Implementer, who assists with operational implementation, analyses risks and coordinates protection measures.

Information security coordinators, such as IT Operations and Finance/Controlling, implement the security policies in their specialist areas.

The Data Protection Officer monitors compliance with data protection regulations, advises the company and acts as a central point of contact for data protection issues.

The effectiveness of information security and data protection measures is monitored by means of regular training sessions and internal and external audits. Annual risk assessments and efforts to continuously optimise the information security management system (ISMS) ensure that security policies are adhered to and adapted to new threat scenarios.

The ISMS is fully integrated into the risk management processes of the SYZYGY Group to ensure the company is adequately managing the key risks of "risk of data leaks due to cyber attacks" and "loss of reputation due to data breaches". Any IT-specific risks are systematically identified, assessed and addressed through preventive and reactive measures.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The SYZYGY Group has not currently set any specific, time-bound or results-oriented targets to minimise negative impacts or maximise positive impacts on its employees. However, the effectiveness of existing guidelines and measures related to its own employees is regularly reviewed and the results reported internally to the Management Board and Supervisory Board.

No measurable results-oriented targets have been set, as the SYZYGY Group focuses on continuously improving and adapting to changing conditions. Instead of relying on rigid targets, the Group adopts a dynamic approach that allows it to react flexibly to developments in the workplace, regulatory requirements and the internal needs of employees.

SYZYGY also focuses on qualitative measures, such as promoting an open corporate culture, individual development programmes and continuously raising awareness among staff through training, rather than setting targets based solely on metrics.

The SYZYGY Group aims to create a safe, supportive and equal-opportunity working environment that allows employees to grow professionally and realise their long-term potential.

Attracting, retaining and developing talent
SYZYGY seeks to attract, promote and retain highly qualified and talented people by offering attractive career prospects. Targeted training programmes and individual development opportunities support the continuous professional growth of employees.

Occupational health, safety and well-being
The SYZYGY Group is actively committed to ensuring healthy and safe working conditions. Preventive measures, ergonomic workplace design and mental resilience programmes are designed to minimise work-related health risks and improve well-being.

Diversity and equal opportunities
SYZYGY aims to create an inclusive corporate culture that ensures equality at all levels. The Group works to provide staff with equal development opportunities through targeted actions, talent promotion and transparent career structures, with the aim of increasing diversity within the company over the long term.

Data protection and information security
SYZYGY is committed to maintaining the highest security standards and continuously raising employee awareness to rigorously protect sensitive data and actively counter cyber security risks.

The SYZYGY Group also uses three of the United Nations (UN) Sustainable Development Goals (SDGs) as a framework for developing its employees over the long term:

- Quality education (SDG 4)
- Gender equality (SDG 5)
- Decent work and economic growth (SDG 8)

In the current financial year, relevant metrics, such as those detailed under S1-6 – Characteristics of the undertaking's employees, are already being compiled to create a dependable set of data. The company is continuously developing the process of defining targets in close consultation with employees by monitoring the efficiency of measures in the individual subsidiaries. This ensures that future targets meet their actual needs and interests.

A central component of this is the feedback and evaluation process, which provides valuable insights into the practical relevance and effectiveness of actions through surveys, internal reports and dialogue with employees. SYZYGY also uses industry standards, regulatory requirements and market benchmarks to help it identify best practices and continuously incorporate them into the company's strategy.

Sustainability-related risks and opportunities, such as attracting and retaining employees, are recorded in the risk management process and included in strategic planning. The resulting adjustments to measures help to safeguard the sustainability targets over the long term. The findings of this effectiveness check are regularly documented and communicated to relevant stakeholders to ensure transparency and continuously develop the sustainability strategy.

Progress is assessed using qualitative indicators and quantitative metrics, including employee satisfaction, measured by regular surveys and eNPS scores, and diversity metrics such as progress made towards gender equality. Occupational safety data, including accident statistics and sick days, as well as data protection and information security metrics, such as the number and type of security incidents, are also used.

S1-6 – Characteristics of the undertaking's employees

ESRS ID	Characteristics of employees (headcount / FTE)	**2024**		2023	
	By gender				
S1-6_02	Male	287	52 %	288	49 %
	Female	262	48 %	300	51 %
	Other	0	0 %	1	0 %
	Not reported	1	0 %	0	0 %
S1-6_02	**Total number of employees**	**550**	**100 %**	**589**	**100 %**

	Characteristics of employees (headcount / FTE)	**2024**		2023	
	By country				
S1-6_04	Germany	441	80 %	478	81 %
	Poland	75	14 %	68	12 %
	United Kingdom	31	6 %	39	7 %
	USA	3	0 %	4	0 %
S1-6_02	**Total number of employees**	**550**	**100 %**	**589**	**100 %**

Changes in headcount

The SYZYGY Group's headcount fell by around seven per cent compared to the previous year. Gender distribution shifted slightly, with the proportion of male employees increasing by one percentage point and the proportion of female employees decreasing by the same amount.

Further information on the number of employees can be found in section 3.4 Employees in the Group management report.

Number of employees by contract type and gender (headcount / FTE)

12/31/2024	female	male	other	not reported	Total
Total number of employees	262	287	0	1	**550**
of which: Number of permanent employees	252	278	0	1	**531**
of which: Number of temporary employees	10	9	–	0	**19**

Employee turnover

ESRS ID		**2024**	2023
S1-6_11	Employees who have left undertaking	143	153
S1-6_12	Employee turnover	25.5 %	24.9 %

Employees by working time model and gender

Number of employees by country	Number of full-time employees	Number of part-time employees
Germany	339	102
Poland	74	1
United Kingdom	31	0
USA	3	0
Total	**447**	**103**

Number of employees by gender	Number of full-time employees	Number of part-time employees
Male	269	18
Female	177	85
Other	0	0
Not reported	1	0
Total	**447**	**103**

Information on the compilation of key performance indicators

S1-6_02 Number of employees
The number of employees indicates the number of active employees of the SYZYGY Group. This includes permanent and temporary employees but excludes non-guaranteed hours employees such as student workers, interns, temporary staff and freelancers. Breakdown is by gender and location. The figures are based on headcount at the end of the reporting period.

S1-6_02 Gender distribution
The total number of employees is broken down into male, female, other and not reported and also represented as a percentage distribution. Employees are free to choose whether or not to disclose their gender.

S1-6_05 Distribution by country
The employee figures are shown for the SYZYGY Group's locations in Germany, Poland, the UK and the US.

S1-6_11 Employees who have left undertaking
The total number of people who left the company includes both voluntary and involuntary exits. This captures the total number of people who left each month in the year covered by the report. It includes permanent and temporary employees but excludes non-guaranteed hours employees such as student workers, interns, temporary staff and freelancers. Breakdown is by gender and location.

S1-6_12 Employee turnover (headcount)
This figure is calculated by dividing the number of leavers by the average total number of employees (headcount) in the reporting year.

S1-7 – Characteristics of non-employees in the undertaking's own workforce

The SYZYGY Group complements its permanent team with various categories of non-employees who are used to support projects and business processes as and when needed. In particular, these include freelancers who work with the company based on individual orders and contribute their specific expertise in areas such as strategy consulting, technology, performance marketing, creative services, project management and administration. SYZYGY also employs temporary student workers and interns.

Not all data can be collected at this time due to limited available information and different types of contracts. The SYZYGY Group will therefore make use of the phase-in provisions. A detailed analysis and report on the relevant characteristics of non-employees in the undertaking's own workforce will be provided at a later date in accordance with regulatory requirements.

S1-9 – Gender distribution at top management level

The SYZYGY Group's diversity policy for top management, the Management Board and executives aims to ensure that these groups are as diverse as possible in terms of background, age, origin and gender. The company takes particular care to ensure it takes into account a broad spectrum of knowledge, skills and professional experience to incorporate different perspectives into management.

Although the current figures for top management do not yet fully reflect this ambition, the company wishes to emphasise its clear commitment to promoting gender equality at all levels. SYZYGY actively supports gender equality and aims to create an inclusive and flexible working environment that specifically promotes and improves diversity.

è Further information on the diversity policy of the Management Board and Supervisory Board can be found in the Corporate Governance Report available here.

ESRS ID	Number of employees at top management level by gender	2024	
S1-9_02	male	12	100 %
	female	0	0 %
	other	0	0 %
	not reported	0	0 %
	Total	**12**	**100 %**

ESRS ID	Number of employees	2024	
S1-9_03	under 30 years old	161	29 %
S1-9_04	30–50 years old	356	65 %
S1-9_04	over 50 years old	33	6 %
	Total	**550**	**100 %**

Information on the compilation of key performance indicators

Gender distribution in the management levels of the SYZYGY Group is based on the number of employees in management positions at the end of the year. This includes permanent and temporary employees but excludes non-guaranteed hours employees such as student workers, interns, temporary staff and freelancers.

S1-9_02 Gender distribution at top management level (headcount)
This records the gender distribution of the top management levels, i.e. the first and second levels below the Supervisory Board, consisting of the Management Board and executives.

S1-9_03 – 05 Age distribution of employees
The age groups are determined at the end of the reporting period and divided into under 30 years old, 30-49 years old and 50 years old and over.

S1-10 – Adequate wages

The SYZYGY Group ensures fair and competitive remuneration in line with the standards of the respective national labour market and based on performance. Remuneration is non-discriminatory, and all employees are paid equally for their work. SYZYGY offers paid internships and apprenticeships that are open to all qualified applicants, regardless of their background, in an effort to support young talent at an early stage.

The SYZYGY Group also ensures that all employees receive at least the applicable wage benchmark. Employees do not earn less than the defined minimum standards in any of the countries in which the company operates. This also applies to non-employees such as external service providers and freelancers, who also receive adequate remuneration.

S1-11 – Social protection

The SYZYGY Group contributes to public social security systems to ensure that all employees in the countries mentioned are fully covered by social security.

In Germany, cover is provided by state-run social security schemes such as the German Maternity Protection Act (MuSchG), the German Federal Parental Allowance and Parental Leave Act (BEEG) and the German Continued Remuneration Act (EntgFG). Social security also covers risks such as illness, unemployment, accidents at work, disability, parental leave and retirement.

In the United Kingdom, employees are protected by the national social security system (National Insurance). This system provides benefits in the event of illness, unemployment, accidents at work, parental leave and retirement. In the US, social security for employees is provided by state and private systems, and companies pay social security contributions (retirement, disability).

In Poland, social security is provided by the National Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS). The ZUS administers benefits such as retirement pensions, disability pensions, sickness and maternity benefits and accident insurance. Employees are thereby insured against loss of income due to illness, unemployment, accidents at work, parental leave and retirement.

S1-13 – Training and skills development

At present, training and skills development cannot be included in current reporting as sufficient data is not yet available. SYZYGY is making use of the phase-in provisions, which means that a detailed analysis and report of the relevant metrics will be provided at a later date in accordance with regulatory requirements.

S1-14 – Health and safety metrics

All employees (100 per cent) are fully covered by a health and safety management system. No work-related illnesses were recorded in 2024, meaning that the number of days lost as a result was 0. In addition, there were no work-related fatalities or deaths resulting from accidents at work. The number of reportable accidents at work totalled one incident, which resulted in 5 days lost.

Not all data on external labour can be collected at this time due to limited information. In the current reporting year, SYZYGY will work on a process to collect complete and accurate data to improve how the company captures and analyses relevant metrics. The SYZYGY Group will therefore make use of the phase-in provisions. A detailed analysis and report on the relevant health and safety parameters will be provided at a later date in accordance with regulatory requirements.

S1-15 – Work-life balance metrics

At present, work-life balance metrics cannot be included in current reporting as sufficient data is not yet available. SYZYGY is making use of the phase-in provisions, which means that a detailed analysis and report of the relevant metrics will be provided at a later date in accordance with regulatory requirements.

S1-16 – Remuneration metrics (pay gap and total remuneration)

In the reporting year, the gender pay gap for employees was 16 per cent. This metric shows the average difference in remuneration between female and male employees, with women earning on average 84 per cent of the total income of men. In accordance with the ESRS standards, this is an unadjusted pay gap, as factors such as role, level of responsibility, education and professional experience are not included in the calculation.

In the reporting year, the ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees was 4.1. This means that the highest paid individual earned 4.1 times more than the median salary of all employees. What can be considered an appropriate ratio varies depending on the size of the company and its geographical location.

Pay gap	2024
Gender pay gap	16 %

Total remuneration	2024
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees	4.1%

Information on the compilation of key performance indicators

This includes permanent and temporary employees but excludes non-guaranteed hours employees such as student workers, interns, temporary staff and freelancers. The figures are based on headcount at the end of the reporting period.

The total remuneration of employees includes target amounts for basic annual salaries, any 13th month's pay and any short or long-term bonuses. One-off payments, life insurance policies and company cars, for example, are also included. The target amounts reflect the annualised gross target salary per full-time equivalent.

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees shows how much the highest paid individual earns compared to the median pay of the rest of the workforce excluding this person.

Methodology

The metrics are prepared using the HR data system used across Germany and information provided by the foreign subsidiaries as at December 31, 2024.

To calculate the gender pay gap, employees' average gross hourly pay was first ascertained using the following formula: Total remuneration / 52.14 weeks / Planned weekly working hours on December 31,2024.

The pay gap was then calculated according to ESRS using the following formula:

(Average gross hourly pay level of male employees – hourly pay level of female employees)
__________________ x 100
Average gross hourly pay level of male employees

The following formula based on ESRS was used to calculate the annual total remuneration ratio of the highest paid individual to the median annual total remuneration of all employees:

Annual total remuneration for the highest paid individual / Median employee annual total remuneration (excluding highest paid individual)

Validation

Neither the metrics nor the individual elements of each calculation have been reviewed by an external body.

Disclosures in relation to specific circumstances

Sources of estimation and outcome uncertainty: Salary components are taken from the HR data system used across Germany and from the foreign subsidiaries as at December 31, 2024. They are based on the contractually defined target values for the monthly fixed salary and any short-term and long-term bonuses, assuming the targets are fully reached (100%). These target values are stored in the system as annual amounts.

Changes to weekly working hours during the year are not taken into account and no adjustment is made to the amounts for unpaid periods, such as parental leave or sickness-related absences. Details of salary components that are not recorded in the HR data system used across the Group were provided on request by the consolidated Group companies. Here again, changes in weekly working hours during the year are not taken into account. The remuneration of employees who joined the company during the year is extrapolated to a full year.

S1-17 – Discrimination incidents

In 2024, no reports were received via the whistleblower system, i.e. there were no reports relating to incidents of discrimination. No material fines, sanctions or compensation payments were made in relation to the incidents and complaints described above.

Discrimination incidents

ESRS ID		**2024**	2023
S1-17_02	Number of discrimination incidents	0	0

Information on the compilation of key performance indicators

S1-17_02 Number of discrimination incidents

Discrimination is a collective term for incidents of discrimination, bullying, sexual harassment and other types of harassment that may occur in the workplace. Incidents are reported to the HR department via managers, directly to the HR department or via the whistleblower hotline.

S4 – Consumers and end-users

S4-SBM-2 – Interests and views of stakeholders

Further information on this can be found in the section:
ESRS 2- SBM-2 – Interests and views of stakeholders

S4-SBM-3 – Impacts, risks and opportunities and their interaction with strategy and business model

The SYZYGY Group's strategy aims to support the economic growth and success of its customers. As such, it is essential for the company to guarantee data protection and information security in order to build trust among stakeholders, such as customers and end-users, and secure long-term partnerships.

SYZYGY's core business is closely linked to consumers and end-users, whose data is processed and who use the digital products offered in both their professional and personal lives. Digital products such as digital experience platforms and digital campaigns influence consumers and end-users via digital media and can impact how they interact with brands.

Consistently implementing high security and data protection standards reinforces customer trust. SYZYGY can increase customer loyalty and position itself as a trustworthy provider of digital services by continuously optimising security and communicating in a transparent manner.

Despite extensive security measures, there is a risk of security flaws or technical vulnerabilities in the company's digital services that could be exploited by cyber criminals. This could lead to data breaches that jeopardise the privacy of users and potentially lead to identity theft or unauthorised access to personal data. Violating data protection laws, particularly the GDPR, could have significant legal and financial consequences for SYZYGY, including substantial fines and additional administrative effort to modify compliance mechanisms.

The identified risks and opportunities (IROs) related to security and data protection shape SYZYGY's strategy and business model. Increasing cyber threats require the company to implement appropriate security measures in order to fulfil legal requirements such as the GDPR, build customer trust and safeguard its competitiveness.

This gives rise to activities such as developing secure digital products, implementing stricter compliance structures, investing in resilience measures and differentiating the company as a reliable partner. Despite comprehensive protection measures, the risk of data breaches remains, which can have legal and financial consequences.

SYZYGY considers the consumers of its digital services and products to be the employees of its customers and partners, while end-users are the people who directly use the products or services of these customers. In particular, this includes any members of the public who utilise the end-products for personal use. In this respect, there is a fundamental risk of personal data being compromised or security flaws appearing that could have material impacts on consumers and end-users.

Consumers and end-users who may potentially be affected by material impacts include individuals whose rights may be affected by shortcomings in data protection. This relates in particular to the right to privacy and the protection of personal data. People who are particularly at risk include anyone who reacts more sensitively to digital content due to health or social factors or who can be more easily influenced by targeted marketing and sales strategies. Studies show that certain demographics, such as older people, people with mental health conditions or people living in poverty, are exposed to specific risks when using digital products. A lack of digital skills, limited access and concerns regarding data protection may affect their participation in the digital world and make them more vulnerable to negative impacts.

When assessing the material financial risk associated with data protection, the company also takes into account any potential risks to business customers, job applicants and shareholders of the SYZYGY Group.

SYZYGY works closely with its customers to better understand the needs of consumers and end-users and identify potential impacts at an early stage. As digital products are often part of social infrastructure and used by both companies and the public, potential negative impacts can occur both on a large scale and in individual cases.

Further information on this can be found in the section:
ESRS 2 - SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

S4-1 – Policies related to consumers and end-users

The SYZYGY Group follows a structured approach to minimise potential risks and encourage positive developments in a targeted manner. The company aims to ensure that all staff behave ethically, use technologies correctly and uphold the same level of appropriate data protection both within the Group and at the points of contact where it interacts with customers, suppliers and partners. Regular stakeholder dialogues capture expectations and concerns, while data protection by design and by default keep personal data protected. This ensures that the company processes data in an efficient and standardised manner that complies with legal requirements and also safeguards the rights and freedoms of data subjects.

Further information on this can be found in section:
ESRS 2 – MDR-P Policies adopted to manage material sustainability matters

Data protection policy and information security policy

Two central policies, the data protection policy and guidelines on the secure and responsible handling of information security incidents, provide the basis for a secure and compliant working environment. They ensure that all SYZYGY employees are familiar with the applicable security, data protection and compliance requirements from the outset and implement them consistently in their day-to-day work.

The SYZYGY Group adopts a responsible and customer-centric approach when working with consumers and end-users, focusing on data protection, information security and ethical behaviour. The data protection policy ensures that personal data is processed in accordance with the GDPR. The data protection policy defines clear processes for reporting and resolving data protection violations, including the obligation to report data breaches to the relevant regulatory authority within 72 hours. If a security incident involves personal data, SYZYGY informs any affected data subjects and, if applicable, consumers accordingly.

The SYZYGY Group's data protection strategy is based on the EU General Data Protection Regulation (GDPR), which is recognised around the world as one of the leading regulations for personal data protection. In addition, the company's information security management system (ISMS) is based on ISO/IEC 27001 to ensure a high level of data protection and data security.

Further information on data protection and information security policies can be found in the section:
ESRS S1-1 – Policies related to own workforce

Code of Conduct of the SYZYGY Group

Respect for human rights is a top priority for the SYZYGY Group. Particularly in customer relationships, the Group plays a responsible role and is committed to applying high ethical standards to its work.

As a creative company that can influence attitudes and behaviour, SYZYGY does not carry out any projects that violate human rights or contain content that violates common decency. The company also rejects any orders that contain discriminatory statements, representations or images. The interests of minorities are always taken into account, irrespective of race, religion, national origin, skin colour, sex, sexual orientation, gender identity, age or disability.

Furthermore, SYZYGY does not undertake work that is intended or designed to mislead in any way, including with regard to social, environmental and human rights issues. These obligations are set out in the SYZYGY Group's Code of Conduct, which serves as a vital benchmark for ethical and responsible behaviour.

The Code of Conduct is based on international standards such as the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's (ILO) Fundamental Principles and the OECD Guidelines for Multinational Enterprises.

Further information on this can be found in the section: ESRS G1-1 Business conduct policies and corporate culture

Guidelines for the responsible use of artificial intelligence (AI)

The SYZYGY Group recognises the importance of clear guidelines for the responsible use of artificial intelligence (AI), and as a company takes an active role in the ethical use of this technology. AI can have both positive and negative impacts, which is why its use must be carefully managed.

The SYZYGY Group has defined self-imposed policies and guidelines on using AI in customer projects to ensure that artificial intelligence is used responsibly. These policies and guidelines go beyond legal requirements and serve as a guide on how to use AI in a safe and ethical manner. Irrespective of the European Union's planned AI regulation (AI Act), which is intended to create a clear legal framework for the use of artificial intelligence, the SYZYGY Group has already established internal company rules to ensure this technology is used in line with the highest standards.

The SYZYGY Group's policies and guidelines are reviewed annually by the relevant department, such as Data Protection and Information Security, approved by the Management Board and then published on the Group intranet.

The guidelines on using generative artificial intelligence (GenAI) are binding for the entire SYZYGY Group, while specific policies on using GenAI are binding for the German units. The policies and guidelines are implemented in the Group's international companies in accordance with respective national legislation. All relevant information was made available to the companies via email and is also available on the intranet.

With regard to using new technologies, especially generative AI, the guidelines on using generative AI systems ensure that AI applications are used safely, transparently and in accordance with applicable data protection and security requirements. AI-powered content that interacts directly with end-users should be clearly labelled.

As part of its efforts to remediate any human rights impacts, the SYZYGY Group offers an anonymous whistleblower system and undertakes to report data protection violations promptly. This allows customers, employees and stakeholders to make the company aware of any problematic situations.

SYZYGY uses AI in compliance with ethical principles such as supervision, information security and data protection, copyright, personal rights and transparency. The company carefully reviews any generated content, adheres to the highest security and data protection standards, observes copyright regulations and protects personal rights. Each department also documents and, if required, discloses how it uses AI systems.

The company ensures the effectiveness of its AI guidelines through internal reviews and supervision. AI-generated content is checked for accuracy, ethics and data protection, employees are made aware of important issues and potential violations are recorded via internal reporting channels. Adjustments are made as necessary to comply with regulatory requirements such as the EU AI Act.

S4-2 – Processes for engaging with consumers and end-users about impacts

The SYZYGY Group actively incorporates the perspectives of its consumers into the decision-making process to minimise potential risks and promote positive developments. This takes the form of structured dialogue with customers and partners; end-users are not directly involved.

Dialogue takes place via workshops, digital contact points, personalised content strategies and direct communication through newsletters and visits to trade shows and conferences. This ensures that the company has an in-depth understanding of customer needs. SYZYGY also work closely with suppliers and partners, for example through regular discussions and technology partnerships. SYZYGY indirectly considers end-users through market analysis and customer feedback to help it develop responsible digital solutions.

The company engages with customers in all phases of product development, from workshops and user analysis in the early design phase to beta tests and feedback loops during implementation and continuous optimisation after market launch. For example, at clearly defined milestones, projects go through a quality assurance process focused on customer expectations, requirements and specifications.

The project team, led by the account director, evaluates feedback from consumers and makes any necessary adjustments to the solution. Once the project has started, SYZYGY works closely with customers and advises them on how to solve any problems or challenges reported by consumers and end-users.

Data leaks and cyber incidents require immediate action to minimise risk. In such cases, SYZYGY uses established procedures, such as those defined in the data protection policy for dealing with data breaches. This includes the obligation to report data breaches as defined by Article 33 of the GDPR. Affected customers are informed immediately, with relevant stakeholders then being included in the process going forward. Depending on the situation, SYZYGY also liaises with local authorities and affected data subjects.

SYZYGY evaluates the effectiveness of how it engages with consumers and end-users by regularly collecting customer feedback, analysing reported incidents and assessing response times to security incidents.

Further information on this can be found in the section:
ESRS 2 SBM 2 – Interests and views of stakeholders

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The SYZYGY Group provides consumers and end-users with various channels to submit enquiries and complaints relating to digital products and services. This includes email support and social media. Consumers and end-users can also contact SYZYGY's data protection officers directly by email to report potential cases of data misuse. Contact information is provided on the respective company website. SYZYGY does not carry out any separate assessment of the effectiveness of remedial measures.

Further information on this can be found in the section:
ESRS G1-1 – Business conduct policies and corporate culture

SYZYGY carefully evaluates any enquiries and reports received and forwards them to the relevant internal departments if necessary. When it comes to data protection, the company also assesses whether it needs to notify any regulatory authorities or inform any data subjects. This assessment is based on the data protection policy and any applicable regulatory requirements, particularly the GDPR. If necessary and possible, suitable corrective measures are implemented within the framework of internal policies.

Managing the impacts of data protection, artificial intelligence (AI) and information security requires close collaboration between various internal functions. The Data Protection department ensures compliance with legal requirements such as the GDPR, develops policies, conducts training sessions and assesses data protection risks. IT Operations implements technical measures such as encryption, access controls and firewalls, monitors systems for security vulnerabilities and responds to incidents. The Legal & Compliance department reviews contracts, assesses risks and ensures compliance with regulatory requirements. The HR department ensures that employee data is handled in compliance with data protection regulations.

Customers can use the Right to Speak whistleblower system at any time to report data protection incidents or share concerns about SYZYGY's business conduct or possible misconduct by an employee.

Further information on this can be found in the section:
ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches

Customer satisfaction

SYZYGY relies on rigorous quality management, structured feedback management and continuous innovation to ensure that it fulfils customer expectations and maintains a high level of customer satisfaction. This approach significantly helps to build customer loyalty and ensure the long-term success of the business.

The company has defined established methods and processes for all development phases of digital solutions. This also includes a systematic approach to identifying, assessing and eliminating potential negative impacts on consumers and end-users.

Information security

Information security, data protection and data ethics are hugely important to the relationships the SYZYGY Group has with its customers. The Group ensures information security through a comprehensive information security structure, comprising a certified Information Security Officer (ISO), a Lead Implementer for Information Security and the associated Information Security Coordinators at the company's various locations. Each ISO reports to the Management Board on a quarterly basis. The information security team is supported by a certified Data Protection Officer (DPO).

The success of the information security management system is evidenced by successful audit outcomes (e.g. TISAX label). In addition to the Group-wide review of compliance with standards conducted by WPP Audit, the company can respond positively at all times to enquiries from clients, suppliers or other external parties.

In the 2024 reporting year, subsidiary SYZYGY Techsolutions was again awarded the TISAX label (AL2), while SYZYGY (Frankfurt location) received the TISAX label (AL2) for the first time. Subsidiary diffferent was once again awarded the TISAX label (AL3) in September 2024.

Data protection

The same level of data protection must be guaranteed within the Group and at customers, suppliers and partners to ensure data is processed efficiently and in a legally compliant manner. For this reason, the Group carries out internal audits on compliance with data protection policies.

All companies and their employees are required to comply with the Group's applicable policies on information, data and security, as well as the relevant Code of Conduct. The company provides mandatory training courses on data protection and information security to raise awareness among employees. Parent company WPP also offers training on Safer Data and operates an online platform with information and recommendations around conduct, privacy, security and data protection.

As part of the data protection audits, each operating unit is required to undergo a rigorous review of the design, implementation and effectiveness of its local data protection programme and associated processes and controls.

The frequency of these reviews depends on the risk, but they are carried out at least every two years. By the end of 2024, seven data protection audits had been carried out, including joint audits with information security and data protection officers from other units in the Group.

Privacy policies

SYZYGY protects personal data by publishing privacy policies that explain in detail who the company is, how personal data is collected, used and shared, and what options individuals have to exercise their data protection rights.

Privacy policies for different groups, including shareholders and job applicants, are available to view on the website.

Data leaks or cyber security incidents (related to GDPR data)

SYZYGY uses WPP's Security Operations Centre (SOC) – which operates 24/7 – to minimise cyber security risks. This system plays a key role in monitoring, detecting, analysing and responding to cyber security incidents and protecting IT infrastructure.

In the event that sensitive, GDPR-relevant data is leaked, SYZYGY responds by immediately stopping the activity that caused the incident and restricting access to the exposed content. The problem is then analysed to identify the cause of the leak, and any affected data is deleted to minimise further risks.

IT security policy

The IT security policy, which applies to all units of the Group, describes the technical and organisational measures implemented to secure IT systems, ensuring a comprehensive level of security across the company. It combines various technological protection mechanisms, including network security, access controls, encryption technologies and monitoring systems, along with organisational measures such as security guidelines, training and emergency management processes.

Business continuity management (BCM)

In the 2024 financial year, the SYZYGY Group began implementing a business continuity management (BCM) system to ensure the continuity of business operations and strengthen the company's long-term resilience to crises and disruption. The system covers a wide range of potential risk scenarios, including power outages, pandemics, natural disasters, cyber crime and IT failures.

SYZYGY implemented the BCM system by identifying and evaluating business-critical processes to allow the company to minimise risks at an early stage and react quickly to any disruption. Contingency plans and recovery strategies are also defined to ensure that business operations can continue efficiently even in the event of a crisis.

The entire business continuity management (BCM) system will be reviewed once a year and modified if necessary to ensure it remains effective and up to date. Regularly updating the system ensures that emergency strategies are up to date, potential risks are identified at an early stage and any necessary adjustments are made to meet changing business requirements or external threats.

The SYZYGY Group's BCM is based on a structured policy that defines the overarching principles, objectives and responsibilities for maintaining business operations in crises. The company also has detailed business continuity plans (BCPs), which define specific actions to ensure business continuity in the event of disruption or failures, as well as recovery plans, which include strategies for restoring affected systems and areas of the business following a disruption.

Responsibility for crisis management lies with the Emergency Response Team, which consists of the Management Board and executives at each of the respective locations. In emergencies, team leads and the People & Culture department are responsible for instructing and informing employees.

Business continuity management is being implemented in stages. While diffferent GmbH in Berlin already has a BCM in place, business continuity plans were introduced for SYZYGY Deutschland GmbH at the Bad Homburg location in the 2024 financial year. Business continuity plans will be introduced at SYZYGY Performance Marketing GmbH and SYZYGY's Frankfurt location in due course.

Certified quality management system

SYZYGY Performance is DIN EN ISO 9001:2015 certified, confirming its commitment to ensure the highest quality when planning and implementing online marketing measures and SEA and SEO optimisation. This certification allows SYZYGY Performance to continuously optimise its processes to achieve the best results for its customers and continuously increase customer satisfaction.

Employee training

All employees are trained in data protection law at the start of their employment with the company. Measures outlined in the training courses go beyond legal requirements to ensure that business activities do not have a material negative impact on consumers or end-users. In addition to the mandatory data protection training that all new employees must complete when they join the company, staff also receive additional training every year. Employees must also agree to maintain data confidentiality.

Training provides in-depth knowledge of compliance with data protection regulations, particularly when handling customer and company data. Courses cover how to securely process data, protect personal information and prevent data breaches. Participants are trained on what information is considered confidential, how it is protected and what legal and regulatory frameworks – such as the GDPR – must be followed.

The focus is on practical content, with training courses detailing specific actions to minimise risk, how to use IT systems securely, how to protect passwords, how to handle sensitive documents and outlining clear guidelines on sharing data. External consultants and service providers also complete these training courses to ensure the same data protection standards are upheld.

Further information on this can be found in the section: ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The SYZYGY Group has not currently set any specific, time-bound or results-oriented targets to minimise negative impacts or maximise positive impacts on its consumers or end-users. However, the effectiveness of existing guidelines and measures related to consumers and end-users is regularly reviewed, and the results reported internally to the Management Board and Supervisory Board.

SYZYGY adopts a targeted, qualitative approach to ensure that the interests of consumers and end-users are protected. The company focuses on the long-term effectiveness of measures rather than relying solely on metrics. Effectiveness is regularly reviewed by means of internal analysis and feedback processes to ensure the company is producing secure, transparent and user-friendly digital solutions over the long term.

The overall objective is to ensure the integrity, confidentiality and availability of information while also ensuring compliance with legal requirements. Information and data are essential resources for SYZYGY's business operations. They allow the company to build trusting customer relationships, develop targeted communication strategies, provide personalised content, gain sound insights and make risk-aware decisions.

The objectives focus on strengthening the company's digital resilience by using data and technology responsibly to ensure sustainable and secure solutions for consumers and end-users over the long term:

- Ensuring the company has an agile information security management system with a comprehensive security structure that adapts flexibly to new threat situations to guarantee security standards.
- Promoting a corporate culture that is aware of data protection issues through mandatory training for all employees and additional information on data protection, privacy and data security.
- Establishing ethical guidelines on using artificial intelligence to ensure that AI technologies are used responsibly and in accordance with data protection and security requirements as well as ethical standards.

Governance information

ESRS G1 – Business conduct

G1-1 – Business conduct policies and corporate culture

The SYZYGY Group views responsible and lawful conduct as foundational for its success as a company. An efficient governance structure plays a key role here. This includes strict compliance with relevant laws and regulations and international standards through effective compliance management. Promoting a corporate culture that focuses on protecting human rights, preventing corruption and safeguarding whistleblowers is crucially important both from a legal perspective and in terms of the company's culture and objectives. SYZYGY expects its employees, partners and service providers to respect and actively implement these standards and values.

Further information on this can be found in the section "ESRS 2 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and the business model."

Material impacts, risks and opportunities
As part of the double materiality analysis used to identify relevant impacts, risks and opportunities (IROs), corruption and bribery were classified as material negative impacts on corporate culture.

The findings of the Legal & Compliance department are used to identify IROs within the governance standards framework of the SYZYGY Group. This process is carried out in close cooperation with the Management Board, which is responsible for developing Group-wide policies and internal guidelines. The business activities of the entire SYZYGY Group are assessed.

The assessment is based on an initial exchange with relevant stakeholders. Current and future legal regulations and guidelines, such as the German Corporate Governance Code, the EU Whistleblower Directive, the UK Bribery Act 2019, the Foreign Corrupt Practices Act, current and future EU legislation on anti-corruption, the OECD Guidelines for Multinational Enterprises and the German Supply Chain Due Diligence Act (LkSG), were also consolidated and compared with the SYZYGY Group's current practices.

		Value chain stage			Time frame		
		Upstream	Own operations	Downstream	Short term	Short to medium term	Medium to long term
Corporate culture							
Lack of compliance with clear ethical standards and values A lack of compliance with clear ethical standards and values can undermine the integrity of the company, reduce employee identification with the company and negatively impact employee satisfaction within the team.	Potential negative impact		✓			✓	
Corruption and bribery / Prevention and detection including training							
Inadequate prevention of corruption If training courses or measures are not relevant or designed effectively, they might not be taken seriously by employees, which would limit the desired positive effect on corporate culture and ethical behaviour.	Potential negative impact		✓			✓	
Corruption and bribery / Incidents							
Strained working environment due to incidents of corruption If incidents of corruption are not handled transparently and firmly, they may strain the working environment and lead to tension or mistrust among employees.	Potential negative impact		✓			✓	

Business conduct policies and corporate culture

To support corporate policy and foster a strong corporate culture, SYZYGY has established Group-wide policies and guidelines to help guide employees and partners. The company uses these guidelines to manage material impacts, risks and opportunities related to business conduct. By consistently complying with and implementing these standards, SYZYGY not only minimises risks, such as reputational damage and legal consequences, but also increases the confidence that stakeholders have in the company. At the same time, the Group's clear positioning has created a corporate culture based on ethical principles that fosters both long-term employee motivation and loyalty. Compliance with these principles not only protects the company against potential legal disputes, it also underpins our position as a reliable and trustworthy partner in the international business environment.

Further information on this can be found in the section "ESRS 2 – MDR-P Policies adopted to manage material sustainability matters."

The SYZYGY Group Code of Conduct

Our Code of Conduct (CoC) sets expectations and guidelines for all employees and business partners who have committed to comply with the Code when working with the company. It covers key topics such as responsible conduct, ethical business practices, fair competition, confidentiality, protecting sensitive data and whistleblowers, information security and preventing financial crime.

Standardised processes have been introduced to implement the CoC, including the Right to Speak reporting system for compliance violations for employees and business partners, as well as a due diligence and audit process for suppliers. The company uses announced and unannounced inspections of business premises to help it verify compliance with the guidelines, particularly with respect to preventing corruption and bribery.

The CoC is based on the statutory requirements that apply to the SYZYGY Group and on recognised international standards, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Labour Standards set by the International Labour Organisation (ILO) and the UN Convention against Corruption.

Within the SYZYGY Group, the Code of Conduct applies worldwide to management board members, executives, managers and employees, who commit to complying with it. Suppliers are expected to comply with the Code of Conduct as specified for them in the Code of Conduct for Suppliers. The Code is reviewed annually and approved by the Management Board.

Guidelines on gifts and hospitality

The SYZYGY Group has defined clear rules on when benefits in the form of gifts and hospitality are appropriate. These rules apply to all employees and business partners who have agreed to comply with the guidelines. They specify which benefits are deemed appropriate, which require approval and which can pose potential risks for the integrity of the company.

The company has introduced reporting, approval and documentation processes to implement its guidelines on gifts and hospitality. These processes ensure that all gifts given or received and hospitality are documented in a transparent way and that approval is granted if defined limits are exceeded. This includes keeping a Gift and Entertainment Register, which is administered by the Compliance department of Syzygy AG and reviewed annually to ensure compliance with the guidelines.

The guidelines are based on the Group-wide requirements of the WPP Gift and Entertaining Policy and applicable legal framework. They are reviewed annually and approved by the Management Board to ensure the highest standards in terms of both transparency and compliance.

Syzygy AG is also committed to sustainable and responsible business conduct as defined in the German Corporate Governance Code (DCGK). The Management Board and Supervisory Board promote transparent and trust-based leadership aligned with the interests of shareholders, employees and customers, with particular importance being attached to securing the long-term future of the company and sustainable value creation. They take into account social and environmental factors as well as their impact on the success of the company. The Declaration of Corporate Governance includes the Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). It also provides details about corporate governance practices beyond what is legally required, the working methods of the Management Board and Supervisory Board, defined targets for the proportion of women in management positions and the company's diversity strategy.

Syzygy AG provides an annual Declaration of Corporate Governance in accordance with Section 289f of the German Commercial Code (HGB), which can be found in the Corporate Governance Report section.

Compliance and control management to safeguard corporate culture

The SYZYGY Group views corporate policy, ethics and culture as interconnected elements that create the framework for sustained success. Responsible corporate policy forms the foundation for all decisions and actions, while ethical principles ensure that they align with social and environmental concerns. SYZYGY's corporate culture brings these principles to life by integrating values such as responsibility, collaborative work and open-mindedness into everyday working life.

Compliance with statutory and regulatory requirements is a key component of our corporate policy, which is buttressed by effective compliance and control management. As part of its business activities, SYZYGY is committed to complying with applicable laws and guidelines, including working against corruption and bribery, to ensure an ethical and legally compliant working environment.

1. Distinct areas of responsibility and defined processes ensure that responsibilities are clearly set out and that processes are transparently designed.
2. The separation of duties and the two-person rule prevent conflicts of interest and reduce the risk of decision-making processes being manipulated.
3. Systematic and manual reconciliation and regular plausibility checks ensure the accuracy and integrity of data.
4. Security measures for IT systems and information security protect sensitive data and prevent unauthorised access.
5. Process-integrated measures such as monitoring and analyses allow the company to detect irregularities at an early stage.
6. Ongoing training and guidelines, including rules for gifts, hospitality and business travel, raise awareness of ethical behaviour and compliance requirements.

These measures are reviewed regularly and supplemented with specific controls such as SOX certifications and risk assessments to ensure compliance with both statutory and internal requirements.

The compliance and control management of the SYZYGY Group is based on a structured control system.

1. Responsibility for operational risk management lies with the business areas of the subsidiaries and central functions. They implement corporate guidelines and instructions and ensure compliance with both internal and external requirements.
2. The compliance, risk and control functions monitor compliance with statutory and internal requirements, assess existing measures and ensure effective risk management.
3. The Legal & Compliance function ensures that internal control, risk management and governance processes are assessed independently and objectively. The company ensures compliance with regulatory requirements through regular internal and external assessments.

Corporate culture of the SYZYGY Group

Values form the foundation of the SYZYGY Group and are key to a sustainable and innovative corporate culture. To fulfil its purpose, successfully implement its strategy and create sustainable added value for customers and society, SYZYGY has defined three core values that shape its corporate culture and apply to all employees – regardless of their position or function:

Curious: explore new directions, solve complex problems and never stop learning.
Responsible: act in an honest, reliable and solution-oriented manner – for customers, the company and employees.
Collaborative: collaboration is a key factor for success because strong teams, diversity and working together lead to better solutions.

Code of Conduct training

The SYZYGY Group attaches great importance to strengthening its corporate culture with comprehensive training programmes and access to key guidelines. The goal is to promote a shared understanding of ethical conduct and compliance, and to ensure that all employees act responsibly in their day-to-day work.

These mandatory online annual training courses are designed to communicate the Group's ethical and business objectives. They contain units on business integrity, data protection and sustainability to make the requirements of the Code of Conduct easy to understand. The training also promotes awareness of diversity, inclusion and overcoming prejudices when working together. In addition, the company provides green claims training, which focuses specifically on sustainable action in day-to-day business.

The online training courses are available to all employees of the SYZYGY Group and can be accessed via the central online portal (intranet, INSIDE WPP). Supplementary policies, guidelines and information about the whistleblower protection system are available on the SYZYGY intranet at all times. Comprehensive support around any questions related to the training courses is provided in the form of FAQs, training guides and dedicated contacts in the People & Culture department.

The training courses aim to not only promote understanding among employees of ethical and responsible behaviour but also reinforce an open and inclusive corporate culture. Employees should feel encouraged to get involved, express their concerns and actively contribute to creating a work environment based on trust.

Reporting violations and whistleblower system

The SYZYGY Group allows its employees, partners, suppliers and other external stakeholders, such as shareholders, to report potential or actual violations of the Code of Conduct or other guidelines through various reporting channels. This includes the option to contact a manager or go directly to the People & Culture function or Human Resources.

The Right to Speak whistleblower system allows people to anonymously and securely report serious violations that fall under the scope of the whistleblower guidelines, including corruption, bribery, fraud, sexual harassment, violations of environmental regulations and human rights violations. Violations of competition or financial regulations and discrimination and harassment can also be reported.

The SYZYGY Group ensures that the whistleblower system is independent and autonomous. It complies with the legal requirements of the EU Whistleblower Directive and offers special protection from retaliation, provided that reports are made in good faith and with just cause. The identity of whistleblowers and the people concerned is protected by a secure and confidential complaints mechanism that guarantees anonymity on request. The external service provider and responsible departments at WPP and the

SYZYGY Group do not pass on any confidential information to unauthorised parties. The investigative teams are also independent, autonomous and appropriately trained to ensure a fair and impartial assessment.

Any reports received are encrypted by a trusted third-party provider, who acts independently of the SYZYGY Group, and securely forwarded to the WPP Group, where the Chief Counsel and General Counsel Corporate Risk arrange for it to be assessed and investigated. The Business Integrity Team at WPP reports relevant cases to the Audit Committee. If violations of human rights or environmental obligations as set out in the German Supply Chain Due Diligence Act (LkSG) are found, WPP informs the relevant persons in the SYZYGY Group, who support any necessary follow-up measures and ensure that the case is handled transparently.

This complaints mechanism ensures that the SYZYGY Group fulfils its legal obligations under the German Supply Chain Due Diligence Act (LkSG) and the Whistleblower Protection Act (HinSchG).

Training sessions on the whistleblower system are part of regular mandatory compliance training for all employees. Detailed information can be found in the relevant procedural rules on the websites of all companies in the SYZYGY Group.

G1-3 – Prevention and detection of corruption and bribery

The SYZYGY Group uses a comprehensive system of guidelines, policies, processes and control mechanisms to effectively prevent, uncover and combat corruption and bribery. These procedures ensure compliance with the highest ethical standards and aim to promote a strong compliance culture.

The SYZYGY Group has a strictly zero-tolerance policy on corruption and bribery. The Anti-Fraud, Bribery & Corruption Policy (AFBAC) sets out clear rules of conduct for all employees, business partners and suppliers.

The SYZYGY Group relies on independent expert teams to detect potential violations at an early stage. These teams work separately from the operational management level to ensure their findings are objective. The Right to Speak whistleblower system is another key element that allows employees and external stakeholders to report potential violations anonymously and confidentially. This system is available 24/7 and supports multiple languages.

The company also uses an internal control system based on the COSO framework to systematically monitor financial transactions and risk processes. Regular internal audits help to detect any weak points.

Report findings are communicated according to a defined process. Confirmation that a report has been received is provided within seven days by the Group Chief Counsel and the General Counsel Corporate Risk of the WPP Group. An investigation is initiated once the report has been assessed, if necessary including relevant teams such as the WPP Business Integrity Team or the People & Culture Team of the SYZYGY Group.

The reporting frequency stipulates that WPP will provide an update on the progress of the investigation within three months from receipt of the report. Relevant findings are also incorporated into the internal risk assessment and regularly reported to the Audit Committee at WPP.

Not all reports are forwarded directly to the Management Board. Only reports with a specific risk assessment, particularly if they relate to serious risks or violations of human rights or environmental regulations as defined in the German Supply Chain Due Diligence Act (LkSG), are forwarded to the relevant people within the SYZYGY Group. These individuals then assist in implementing any necessary measures.

Violations of the guidelines lead to severe consequences, ranging from warnings to the termination of business relationships with external partners. Independent auditors such as PwC also conduct external audits to ensure the transparency and integrity of processes.

The effectiveness of control mechanisms is regularly reviewed via internal audits and self-certification. These measures, which are based on the Internal Controls Policy, ensure that the established control systems meet the current requirements. All control systems and guidelines are also continuously updated to meet new legal requirements and operational risks to ensure that prevention measures remain effective.

Investigations into allegations of corruption and bribery are carried out under the supervision of the Management Board and the Compliance department, which acts independently of operational management. This department works closely with the Business Integrity Unit at WPP to investigate incidents in a neutral and objective manner.

Functions with the highest risk of corruption and bribery

At SYZYGY, certain functions are exposed to greater risk of corruption and bribery because they are involved in critical financial transactions, interact closely with external stakeholders or require a high level of sensitivity for compliance with legal and ethical requirements. High-risk functions include finance, accounting, procurement and business development, which are considered particularly susceptible to these types of risks.

Criterion	High-risk functions	Managers	Management Board Supervisory Board	Other workers
Business integrity: Communication of the WPP Conduct of Code, ethical behaviour	✓	✓	✓	✓
Anti-corruption and anti-bribery: Detecting and preventing corruption, dealing with gifts and hospitality Data protection: Compliance with standards, data security Sustainability: Supporting sustainable business processes Whistleblower system: Using the Right to Speak system, protecting whistleblowers	✓	✓	✓	✓
Diversity and inclusion: Unconscious bias, promoting a positive working environment	✓	✓	✓	✓
Abdeckung: • Germany: 441 employees • Poland: 75 employees • United Kingdom: 31 employees • USA: 3 employees	15 2.7 %	11 2 %	5 1 %	550 100 %

Training programmes on anti-corruption and bribery

The relevant guidelines are made available to employees through regular training courses, on the intranet and dedicated points of contact. This also includes providing informational materials such as FAQs and training guides.

Training courses at the SYZYGY Group are available in different languages, with both online and offline options to ensure everyone can participate. Employees are required to complete the training within six weeks of joining the Group. After this, they are required to repeat the courses once a year. Content such as business integrity, anti-corruption, data protection and sustainability is delivered and explained using interactive scenarios and practical examples. These measures are intended to ensure a high level of awareness, with the goal of fostering a good understanding of compliance and ethical behaviour.

G1-4 – Incidents of corruption – whistleblower reports

Incidents of corruption and bribery

In 2024, there were no incidents, convictions or financial penalties resulting from violations of anti-corruption or anti-bribery laws within the SYZYGY Group. Similarly, there were no violations of internal guidelines or standards relating to corruption and bribery prevention.

Furthermore, no legal proceedings relating to corruption or bribery were initiated against the SYZYGY Group or its employees. No cases of corruption or bribery, caused by business relationships within the supply chain or maintained by the company, were directly or indirectly identified.

Incidents of corruption and bribery	**2024**	2023
Number of convictions for violations of anti-corruption and anti-bribery laws	0	0
Financial penalties for violations of anti-corruption and anti-bribery laws	0	0

Information on the compilation of key performance indicators

Convictions for violations of anti-corruption and anti-bribery laws

A criminal conviction of a Group entity established by a court over the course of the financial year.

Financial penalties for violations of anti-corruption and anti-bribery laws

Financial penalties for a Group entity imposed by a court over the course of the financial year.

Whistleblower reports

In 2024, no reports were received via the whistleblower system, i.e. there were no reports relating to corruption or bribery.

Whistleblower reports	**2024**	2023
Number of reports received via the whistleblower system	0	0
Number of reports within the scope of the whistleblower system	0	0

Information on the compilation of key performance indicators

The number of reports received via the whistleblower system over the course of the year is based on the information and confirmation provided by the third-party provider of the whistleblower protection system, NAVEX Global, as at year-end.

The number of reports that fall within the scope of the whistleblower system would include reports that meet the defined criteria for persons and circumstances.

Objectives to avoid negative impacts

A key objective of the SYZYGY Group is to ensure continuous and open communication with employees, partners and stakeholders on compliance topics. With the ongoing involvement of the above-mentioned groups, the company aims to ensure that compliance is not just a formal requirement, but also forms an integral part of the corporate culture of the SYZYGY Group.

By regularly providing information on ethical standards, corruption prevention and compliance requirements, the company aims to foster a shared understanding of responsible conduct. Mandatory participation in training sessions and awareness-raising measures are a key component of this strategy, as they help raise awareness of corruption risks and provide practical recommendations for action.

SYZYGY relies on regular internal communication via the intranet or in the form of employee meetings to effectively integrate compliance requirements into everyday working life.

Bad Homburg v.d.H., den March 25, 2025

Syzygy AG
Management Board

Frank Wolfram (CEO)

Frank Ladner (CTO)

Erwin Greiner (CFO)

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Syzygy AG, Bad Homburg v.d.H.

Consolidated balance sheet as at December 31, 2024

Assets		**12/31/2024**	12/31/2023
	Note	kEUR	kEUR
Non-current assets			
Goodwill	(3.2)	22,895	38,913
Intangibles	(3.2)	157	173
Tangible Assets	(3.3)	3,905	4,801
Right of use Assets	(3.4)	13,770	14,953
Other non-current financial assets	(3.5)	2,429	3,352
Deferred tax assets	(3.6)	959	928
Total non-current assets		**44,115**	**63,120**
Current assets			
Cash and cash equivalents	(3.7)	5,047	4,007
Accounts receivable, net	(3.8)	13,371	13,868
Contract assets	(3.8)	894	1,894
Prepaid expenses and other current assets	(3.10)	3,447	3,453
Other financial assets	(3.9)	843	960
Total current assets		**23,602**	**24,182**
Total assets		**67,717**	**87,302**

Equity and Liabilities		**12/31/2024**	12/31/2023
	Note	kEUR	kEUR
Equity			
Common stock	(3.11.1)	13,500	13,500
Additional paid-in capital	(3.11.3)	1,175	20,728
Accumulated other comprehensive income	(3.11.5)	-1,418	-2,123
Retained earnings	(3.11.6)	14,029	7,783
Equity attributable to shareholders of Syzygy AG		**27,286**	**39,888**
Minorities		348	331
Total Equity		**27,634**	**40,219**
Non-current liabilities			
Longterm Lease Liabilities	(3.4)	14,179	16,157
Other long-term Provisions	(3.13)	595	624
Long-term financial liabilities	(3.17)	459	429
Deferred tax liabilities	(5.7)	134	267
Total non-current liabilities		**15,367**	**17,477**
Current liabilities			
Finance liabilities	(3.16)	1,000	4,500
Lease Liabilities	(3.4)	3,676	3,791
Income tax accruals	(3.15)	528	730
Accrued expenses	(3.14)	423	498
Contract liabilities	(3.8)	7,174	6,624
Accounts payable	(3.13)	8,539	9,667
Other non-financial liabilities	(3.18)	3,376	3,796
Total current liabilities		**24,716**	**29,606**
Total liabilities and equity		**67,717**	**87,302**

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

Syzygy AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income from January 1 to December 31, 2024

		January - December		
		2024	2023	Change
	Note	kEUR	kEUR	
Sales	(5.1)	**69,429**	**71,742**	**-3%**
Cost of sales	(5.3)	-53,809	-57,353	-6%
Sales and marketing expenses	(5.4)	-4,068	-4,762	-15%
General and administrative expenses	(5.5)	-7,930	-8,407	-6%
Other operating income	(5.2)	2,627	3,295	-20%
Other operating expenses	(5.2)	-583	-435	34%
Impairment of goodwill	(5.6)	-16,643	-4,736	217%
EBIT		**-10,977**	**-656**	**n.a.**
Financial income	(5.7)	224	141	59%
Financial expenses	(5.7)	-825	-1,434	42%
Income before income taxes (EBT)		**-11,578**	**-1,949**	**n.a.**
Income taxes	(5.8)	-1,581	-814	94%
Net income of the period		**-13,159**	**-2,763**	**n.a.**
thereof net income share to other shareholders		148	152	-3%
thereof net income share to shareholders of Syzygy AG		-13,307	-2,915	n.a.

		January - December		
		2024	2023	Change
	Note	kEUR	kEUR	
Items that will or may be reclassified to profit or loss				
Currency translation adjustment from foreign business operations	(5.9)	713	737	-3%
Net unrealised gains/losses on marketable securities, net of tax		0	240	-100%
Other comprehensive income		**713**	**977**	**-27%**
Comprehensive income		**-12,446**	**-1,786**	**n.a.**
thereof income share to other shareholders		156	172	-9%
thereof income share to shareholders of Syzygy AG		-12,602	-1,958	n.a.
Earnings per share from total operations (basic in EUR)	(6.1)	-0.99	-0.22	n.a.

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

Syzygy AG, Bad Homburg v.d.H.

Statement of changes in equity for the financial year from January 1 to December 31, 2024

In kEUR	Common stock	Additional paid-in capital	Retained earnings	Accum. other comprehensive income: Foreign exchange currency	Accum. other comprehensive income: Unrealised gains and losses	Equity attributable to shareholders of Syzygy AG	Minority interest	Total equity
01/01/2023	**13,500**	**27,058**	**7,338**	**-2,821**	**-259**	**44,816**	**279**	**45,095**
Net income of the period			-2,915			-2,915	152	-2,763
Other comprehensive income				717	240	957	20	977
Comprehensive income			**-2,915**	**717**	**240**	**-1,958**	**172**	**-1,786**
Withdrawal from the capital reserves		-6,330	6,330					
Dividend			-2,970			-2,970	0	-2,970
Payment to minorities						0	-120	-120
31/12/2023	**13,500**	**20,728**	**7,783**	**-2,104**	**-19**	**39,888**	**331**	**40,219**

In kEUR	Common stock	Additional paid-in capital	Retained earnings	Accum. other comprehensive income: Foreign exchange currency	Accum. other comprehensive income: Unrealised gains and losses	Equity attributable to shareholders of Syzygy AG	Minority interest	Total equity
01/01/2024	**13,500**	**20,728**	**7,783**	**-2,104**	**-19**	**39,888**	**331**	**40,219**
Net income of the period			-13,307			-13,307	148	-13,159
Other comprehensive income				705	0	705	8	713
Comprehensive income			**-13,307**	**705**	**0**	**-12,602**	**156**	**-12,446**
Withdrawal from the capital reserves		-19,553	19,553					
Dividend			0			0	0	0
Payment to minorities						0	-139	-139
12/31/2024	**13,500**	**1,175**	**14,029**	**-1,399**	**-19**	**27,286**	**348**	**27,634**

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

Syzygy AG, Bad Homburg v.d.H.

Consolidated statement of cash flows for the financial year from January 1 to December 31, 2024

	January - December	
	2024	2023
	kEUR	kEUR
Period net income	-13,159	-2,763
– Depreciation on fixed assets	4,353	5,244
– Goodwill Impairment	16,643	4,736
– Profit (-) and loss (+) on sale of securities	0	633
– Profit (-) and loss (+) on sale of fixed assets	3	-287
– Other non-cash income and expenses	4	21
Changes in operating assets and liabilities:		
– Accounts receivable and other assets	2,006	375
– Contract liabilities	517	560
– Accounts payable and other liabilities	-1,176	-1,050
– Tax accruals and payables, deferred taxes	443	-402
Cash flows provided by operating activities	**9,634**	**7,067**

	January - December	
	2024	2023
	kEUR	kEUR
Changes in other non-current assets	114	-12
Investments in fixed assets	-664	-695
Proceeds from sale of marketable securities	0	835
Changes from fixed asset investments	-7	51
Cash flows used in investing activities	**-557**	**179**
Proceeds from borrowings	29,500	24,000
Repayment of borrowings	-33,000	-27,500
Repayment of lease obligations	-4,011	-3,778
Interest expense on leasing liabilities	-513	-531
Dividend paid to minority shareholders	-139	-120
Dividend paid to shareholders of Syzygy AG	0	-2,970
Cash flows from financing activities	**-8,163**	**-10,899**
Total	**914**	**-3,653**
Cash and cash equivalents at the beginning of the period	**4,007**	**7,814**
Exchange rate differences	126	-154
Cash and cash equivalents at the end of the period	**5,047**	**4,007**

Der nachfolgende Konzernanhang ist integraler Bestandteil des Konzernabschlusses.

Notes to the consolidated financial Statements
for the 2024 financial year
from January 1 to December 31, 2024

1. Accounting principles and methods

1.1 General

Syzygy AG (hereinafter referred to as "SYZYGY" or "the Company") is entered in the Commercial Register at the District Court of Bad Homburg v.d.H. under HRB 6877. The Company's registered office is in Bad Homburg v.d.H, Germany. Its address is: Syzygy AG, Horexstraße 28, 61352 Bad Homburg v. d. H. in Germany. Syzygy AG is included in the consolidated financial statements of WPP plc., St. Helier, Jersey, as a German stock corporation ("Aktiengesellschaft"); WPP prepares the consolidated financial statements for the largest grouping of subsidiaries. These financial statements are available on the company's website (https://www.wpp.com/). The direct parent company is WPP Jubilee Ltd., London, UK. The annual report is available on the WPP Group's website (www.wpp.com). The consolidated financial statements for the smallest grouping of subsidiaries are prepared by the Company itself and published on the Syzygy AG website (https://ir.syzygy.net/germany/en/investors).

The consolidated financial statements of Syzygy AG and its subsidiaries (hereinafter "SYZYGY", "SYZYGY Group", "Group" or "Company") were prepared in accordance with Article 315e [1] of the Handelsgesetzbuch (HGB – German Commercial Code) in line with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS-IC), as they are to be applied in the European Union to financial years beginning on or after January 1, 2024. IFRS that have not yet come into force with mandatory effect are not applied early.

The presentation currency for the consolidated financial statements is the euro (EUR), which is also the Company's functional currency. Unless stated otherwise, all figures are rounded up or down to full kEUR. This may result in insignificant rounding differences if there are any changes between reporting periods and reported percentage figures.

The financial year corresponds to the calendar year.

The statement of comprehensive income was prepared in accordance with IAS 1.103 using the cost of sales method for expenses and income to be reported as net income. Sales are shown against the expenses incurred in generating them. These expenses can be allocated to the functional areas production, sales, and general administration.

In accordance with application of IAS 1, the balance sheet is divided into non-current and current assets and liabilities. Assets and liabilities are considered current if they are expected to be realised within twelve months of the reporting date. Irrespective of their maturity, inventories and assets and liabilities are also regarded as current if they are not sold, consumed, become due or are held primarily for the purpose of trading within one year, but are sold, consumed, become due or are held primarily for the purpose of trading within the normal course of the operating cycle. A liability continues to be classified as current if the Group does not have an unrestricted right to defer settlement of the liability for at least twelve months after the reporting date. Cash and cash equivalents are classified as current unless the exchange or use of the asset to satisfy an obligation is restricted for a period of at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current. Deferred tax assets or tax liabilities are always assigned to non-current assets or liabilities, respectively.

As in the previous year, the accounts are based on the assumption that the business will be continued as a going concern.

1.2 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, creative services, 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.

1.3 Scope of consolidation

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.

In addition to Syzygy AG as the parent company, all subsidiaries were included in the consolidated financial statements as at December 31, 2024. Subsidiaries are all entities over which the Group exercises control. Control is presumed when the Group is exposed to, or has rights to, fluctuating returns from its investment in the associated entity and can influence these returns due to its power of disposal. Syzygy AG includes the following companies in the consolidated financial statements:

- Ars Thanea S.A., Warsaw, Poland (Ars Thanea for short)
- diffferent GmbH, Berlin, Germany (diffferent 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 Performance 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 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 Syzygy AG and the non-controlling shares. This remains the case even if it results in non-controlling shares posting a negative balance.

1.4 Principles of consolidation

The assets and liabilities included in the consolidated financial statements have been reported in line with the standardised accounting and measurement guidelines applicable to SYZYGY in accordance with IFRS.

Capital consolidation is performed in accordance with IFRS 3 using the purchase method. The carrying values of the subsidiaries are offset against the subsidiary's remeasured equity at the time of acquisition. For this purpose, assets, liabilities and contingent liabilities are recognised at their current fair value. The residual difference on the assets side is reported as goodwill. Any negative difference is recognised in the income statement, following reassessment. Transaction costs are recorded directly in the income statement. In line with IFRS 3, existing and purchased goodwill is not amortised, but rather tested for impairment at least once a year or if there are indications of impairment losses, in accordance with the provisions of IAS 36, using a single-stage test procedure.

To eliminate inter-company accounts, receivables and payables between consolidated subsidiaries are not considered. The differences arising from elimination of inter-company accounts are recognised in the consolidated statement of comprehensive income and reported under general and administrative expenses.

When consolidating expenses and revenues, inter-company revenues are netted against the corresponding expenditures. If impairments have been recognised in individual financial statements for the shares of consolidated companies or value adjustments made for inter-company receivables, these are reversed during consolidation. The differences arising from elimination of inter-company accounts are recognised in the consolidated statement of comprehensive income.

Factors that would lead to inter-company profits in the consolidated financial statements are eliminated.

Non-controlling shares are measured at the time of acquisition on the basis of their proportion of the identifiable net assets of the acquired company. Changes in the Group's shareholding in a subsidiary that do not lead to a loss of control are recognised as equity capital transactions.

Any contingent consideration obligation is measured at fair value at the time of acquisition. If the contingent consideration is classified as equity, it is not remeasured and any settlement is recognised in equity capital. In all other cases, any subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Income tax effects are taken into account and deferred taxes are recognised for consolidation adjustments recognised in profit or loss.

1.5 Significant estimates and judgements

When preparing the consolidated financial statements in conformity with IFRS, management makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and financial obligations as at the reporting date and income and expenses recognised in the reporting period.

The estimates and assumptions are based on historical findings and budgeting for the future, and on expectations and forecasts of future events. Due to the uncertainty associated with these assumptions and estimates, however, the actual results in future periods could lead to significant adjustments to the carrying amount of the assets or liabilities concerned. The assessments and estimates are reviewed and compared with the events that have actually occurred.

Estimates

The following estimates are based on assumptions that may change in the next financial year and may significantly affect the carrying amounts of assets and liabilities recognised as at the reporting date.

Useful life

The useful lives stated in the summary of significant accounting policies in Notes 2.1 and 2.2 are reviewed once a year on the basis of the latest available information. Management believes that the useful lives currently applied continue to be appropriate. Information on depreciation/amortisation and impairments for the current financial year is included in Note 5.6 “Depreciation/amortisation and impairments”.

Impairment of intangible assets, fixed assets and rights of use

Measurement of tangible fixed assets and intangible assets requires estimates for calculating fair value at the date of acquisition, if they were acquired as part of a business combination. The expected useful life of these assets must also be estimated. Assessments made by management are used as a basis for determining the fair value of assets.

In order to determine whether there is any impairment of the acquired goodwill, it is necessary to establish the value in use of the cash generating unit to which the goodwill was allocated. Calculation of the value in use requires an estimate of future cash flows from the cash generating unit and an appropriate discount rate for calculating the cash value. If the actual expected future cash flows turn out to be lower than estimated, a material impairment may result. Section 3.2, Goodwill, contains further details.

Accounts receivable and revenue recognition

Management establishes provisions for receivables to take account of expected losses resulting from the insolvency of customers. The criteria that management uses to assess provisions for doubtful receivables are customers’ credit ratings and changes in payment behaviour. If the financial position of customers deteriorates, the actual derecognition may exceed the scope of the expected derecognition. SYZYGY applies impairments to accounts receivable in accordance with IFRS 9. These impairments correspond to the present value of the expected cash shortfalls that result from possible default events after the reporting date.

In accordance with IFRS 15, the SYZYGY Group always recognises revenue from long-term contracts for services on a period-related basis. The cost-to-cost method applied by SYZYGY relies primarily on a careful estimate of the degree of completion. The key parameters in this respect are the calculated total contract costs, the costs still to be incurred up to completion, the total contract proceeds and the risks associated with the contract. The proceeds from these services are recognised in the amount of the price specified in the contract, less the estimated volume discounts. The estimate of the liability is based on past experience (expected value method). Sales revenue is only recognised to the extent that it is highly probable that a significant cancellation of sales revenue will not be necessary, provided that the associated uncertainty no longer exists. A refund liability is recognised for volume rebates expected to be paid to the client for sales made up to the end of the reporting period.

Leases – estimate of incremental borrowing rate

As a general rule, the Group cannot readily determine the interest rate underlying each individual lease. For this reason it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay if it were to borrow the funds it needed for a comparable term with comparable collateral, in a comparable economic environment, for an asset with a value comparable to the right of use. The incremental borrowing rate therefore reflects the interest that the Group “would have to pay”. If observable interest rates are not available (e.g. for subsidiaries that do not conclude financing transactions) or if the interest rate must be adjusted to reflect the terms of the lease (e.g. for structured repayment vs. bullet repayment), the incremental borrowing rate must be estimated. The Group estimates the incremental borrowing rate using observable input factors (e.g. market interest rates), if these are available, and must make certain company-specific estimates.

Judgements

When applying the Group's accounting policies, management made the following judgements that have a material effect on the amounts recognised in the consolidated financial statements.

The Group determines the term of the lease based on the non-terminable initial term of the lease and taking into account the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise this option, or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise this option. The Group has entered into several leases that contain extension and termination options. It makes judgements when assessing whether there is reasonable certainty that the option to extend or terminate the lease will or will not be exercised. In other words, the Group considers all relevant factors that represent an economic incentive for it to exercise the extension or termination option. After the provision date, the Group determines the term of the lease again if a significant event or change in circumstances occurs that is within its control and affects whether or not it will exercise the option to extend or terminate the lease. Extension and termination options may have an impact on the valuation of lease liabilities, thus also indirectly affecting the valuation of rights of use. In the year under review and the previous year, amendments to leases had no material impact on the Group's net assets, financial position and results of operations.

Tax

When determining deferred tax assets and liabilities, the expected actual income tax must also be calculated for each tax object, with an assessment being made of temporary differences resulting from the different treatment of certain items between the financial statements for IFRS purposes and for tax reporting purposes and with regard to the future usability of tax loss carry-forwards. Any temporary differences will result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Deferred tax assets are recognised to the extent that it is likely that future taxable profit will be available against which the temporary differences and unused loss carry-forwards can be offset. If there is a change in the impairment test for deferred tax assets, the recognised deferred tax assets (as originally established) must be reduced and recognised through profit and loss or such that earnings are not affected, or adjusted deferred tax assets must be capitalised and recognised through profit and loss or such that earnings are not affected.

Provisions

The recognition and measurement of provisions depend to a large extent on estimates made by management. The judgement that a financial liability has arisen or quantification of the possible amount of the payment obligation is based on an assessment of the particular situation by management. Provisions for expected losses are established if it is highly likely that performance and consideration relating to the transaction will not balance each other out and this loss can be reliably estimated.

Some of the Group's assets and liabilities are recognised at fair value for the purposes of these consolidated financial statements (particularly securities and contingent purchase price commitments). To do this, the Management Board establishes appropriate procedures and input parameters for measurement at fair value. The Group uses observable market data as far as possible to determine the fair value of assets and liabilities. If Level 1 input parameters of this type are not available, other appropriate measurement techniques are used and estimates are applied. Details of the measurement techniques and input parameters used in determining the fair value are provided in section 6.5.

Actual amounts may differ from these estimates and assumptions. Assumptions and estimates are always made on the basis of the most recent information available at the time. If the outcome deviates from expectations, the relevant items will be adjusted if necessary.

Please see the presentation of the individual items in the consolidated financial statements for the carrying amounts of the assets and liabilities subject to estimation uncertainties as at the reporting date.

1.6 Foreign currency translation

The notion of a functional currency is applied to translation of financial statements of consolidated companies prepared in foreign currencies. Since the foreign subsidiaries are economically independent, the local currency is the functional currency of these companies. For this reason, in accordance with the modified reporting date method for establishing exchange rates as defined in IAS 21.38 ff., assets and liabilities are translated using the exchange rate at the balance sheet date, whereas income and expenses are translated at the average annual exchange rate and equity at historical rates. Differences resulting from the translation of foreign business operations into the Group currency are recognised in the statement of comprehensive income under other comprehensive income and carried in equity under other comprehensive income. When a foreign business operation is sold, all accumulated translation differences resulting from this business operation that are attributable to the Group are reclassified into the statement of comprehensive income. In accounting for fixed assets, the position is converted at the start and at the end of the financial year using the exchange rate at the respective date and the remaining items are converted at average rates of exchange. Any difference is shown as an exchange rate difference in a separate line, both for acquisition or production costs and for accumulated depreciation and amortisation.

When preparing the financial statements of each individual Group company, business transactions that are denominated in a currency other than the functional currency of the Group company (EUR) are translated at the exchange rate applicable on the date of the transaction. On each reporting date, monetary items in foreign currency are valued at the exchange rate at the end of the year in accordance with IAS 21. Non-monetary items in foreign currency which are valued at fair value are translated at the exchange rates that were applicable at the time of determining the fair value. Non-monetary items valued at acquisition costs are translated using the exchange rate prevailing at first-time recognition in the accounts. Any resulting foreign currency gains or losses are directly recognised in the income statement.

SYZYGY used the following exchange rates in the year under review:

2024	Average rate of exchange	Exchange rate as at reporting date, Dec. 31
GBP/EUR	1.18	1.21
EUR/USD	1.08	1.04
EUR/PLN	4.31	4.28

2023	Average rate of exchange	Exchange rate as at reporting date. Dec. 31
GBP/EUR	1.15	1.15
EUR/USD	1.08	1.11
EUR/PLN	4.54	4.34

1.7 Changes to accounting in accordance with IFRS

Standards and interpretations to be applied for the first time in the 2024 financial year:

Standard / Interpretation		Must be applied for the first time from[1]	Adoption by the European Commission	Expected effect
Amendment to IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	01/01/2024	Yes	None
Amendment to IAS 1	Amendments to IAS 1 Presentation of Financial Statements: – Classification of Liabilities as Current or Non-current – Classification of Liabilities as Current or Non-current-Deferment of Effective Date; and – Non-current Liabilities with Covenants	01/01/2024	Yes	None
Amendment to 16	Änderungen an IFRS 16 Leasingverhältnisse: Leasingverbindlichkeit bei Sale-and-Leaseback	01/01/2024	Yes	None

1 – For financial years beginning on or after this date. The date of adoption refers to the date given by the EU.

The standards and interpretations to be applied for the first time in the 2024 financial year do not have any impact on the Group's net assets, financial position or results of operations.

Standards/interpretations to be applied for the first time in future financial years

Standard / Interpretation		Must be applied for the first time from[1]	Adoption by the European Commission	Expected effect
Amendment to IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01/01/2025	Yes	None

1 – For financial years beginning on or after this date. The date of adoption refers to the date given by the EU.

The impact of first-time application of these standards on the SYZYGY Group's consolidated net assets, financial position and results of operations is currently still being examined. SYZYGY does not currently expect any major impact from first-time application.

Standards and interpretations not yet adopted by the European Commission

Standard / Interpretation		Expected effect
IFRS 19	IFRS 19: Subsidiaries without Public Accountability: Disclosures	None
IFRS 18	IFRS 18: Presentation and Disclosure in Financial Statements	None
Amendments to IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	None
Annual Improvements Volume 11	Annual Improvements	None
Amendments to IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	None

The impact of first-time application of these standards on the SYZYGY Group's consolidated net assets, financial position and results of operations is currently still being examined.

2. Significant accounting policies

2.1 Goodwill and other intangible assets

Intangible assets comprise goodwill, brand equity and software.

Business combinations and goodwill

Acquired subsidiaries are recognised using the purchase method. The acquisition cost of a corporate acquisition is measured as the sum of the consideration transferred, which is measured at fair value at the acquisition date, and of the non-controlling shares in the acquired company. The consideration transferred for the acquisition corresponds to the fair values of the assets transferred, the equity instruments issued by the Group and the liabilities taken over from the former owners of the acquired subsidiary as at the acquisition date. It also includes the fair values of any recognised assets or liabilities resulting from a contingent consideration agreement. The fair value of the contingent consideration applicable as at the acquisition date is recognised as part of the consideration transferred for the acquired company. Acquisition-related incidental costs are recognised as expenses when they are incurred and reported as administrative expenses. Assets, liabilities and contingent liabilities identifiable as part of a business combination are recognised on initial consolidation at their fair value as at the acquisition date. In every business combination, IFRS 3 provides an option to recognise all non-controlling shares in the acquired company either at fair value, i.e. including the goodwill attributable to these shares (full goodwill method), or at the proportionate share of the identifiable net assets of the acquired company. The Group makes use of the full goodwill method option.

When the Group acquires a company, it assesses the appropriate classification and designation of the acquired financial assets and liabilities in accordance with the contractual terms, business circumstances, and conditions prevailing at the time of acquisition.

The agreed contingent consideration is measured at fair value as at the date of acquisition. A contingent consideration classified as equity is not remeasured and the subsequent settlement is recognised in equity. A contingent consideration classified as an asset or liability in the form of a financial instrument falling within the scope of IFRS 9 Financial Instruments is measured at fair value in profit or loss in accordance with IFRS 9. All other contingent considerations that do not fall within the scope of IFRS 9 are measured at fair value in profit or loss on each reporting date.

Goodwill is recognised as the excess of the consideration transferred for the acquisition, the amount of the non-controlling shares in the acquired company and the fair value of any previously held equity interest as at the acquisition date over the net assets measured at fair value. If the transferred consideration is less than the net assets of the acquired subsidiary measured at fair value, the difference is recognised immediately in profit or loss following reassessment of the purchase price allocation.

After initial recognition, goodwill is measured at cost less accumulated impairments. For the purpose of the impairment test, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units that are expected to benefit from the business combination.

If goodwill has been allocated to a cash generating unit and a business area of this unit is sold, the goodwill attributable to the business area sold is recognised as part of the carrying amount of the business area when determining the profit or loss from the sale of this business area. The value of the sold portion of goodwill is determined on the basis of the relative values of the business area sold and the remaining portion of the cash generating unit.

Other intangible assets

Other intangible assets not arising from acquisition of a company are accounted for in the balance sheet and initially measured in accordance with IAS 38. Consequently, intangible assets acquired for consideration are capitalised at acquisition or production cost when first reported. Intangible assets acquired in a business combination are recognised at fair value as at the acquisition date. Intangible assets with definite useful lives are amortised over their useful economic life and tested for impairment if there are indications that the intangible asset might be impaired. The amortisation period and the amortisation method for intangible assets with definite useful lives are reviewed at least at the end of each reporting period. If impairment losses on assets which have been the subject of an unscheduled write-down are reversed, the carrying amount is increased up to the amount of the amortised acquisition or production cost. Changes to the amortisation method or the amortisation period required due to changes in the expected useful life or the expected consumption of the asset's future economic benefit are treated as changes in estimates.

Brand names are generally amortised on a straight-line basis over five years, provided their useful life can be determined. Software and licences are generally amortised over three years.

2.2 Fixed assets (property, plant and equipment)

All fixed assets are recognised at historical cost of acquisition or production, less scheduled accumulated depreciation and any unscheduled impairments. The historical cost of acquisition or production includes the expenses directly attributable to the acquisition or production of the fixed asset, and appropriate portions of the production-related overheads.

Scheduled straight-line depreciation is based on the following useful lives of the assets:

	Useful life
Leasehold improvements (analogous to rights of use from rental agreements or leases)	3 to 14 years
Operating and office equipment	3 to 14 years
IT equipment	> 3 years

Leasehold improvements are depreciated on a straight-line basis over their estimated useful life or the term of the lease, whichever is shorter.

Fixed assets are derecognised either on disposal (i.e. when the recipient obtains power of disposal) or when no further economic benefit is expected from continued use or sale of the recognised asset. Gains or losses from disposals are calculated as the difference between the net disposal proceeds and the carrying amount of the asset. They are recognised in profit or loss as other operating income or expenses in the period in which the asset is derecognised.

The residual value and the appropriateness of the depreciation rates or estimated useful lives are reviewed as at the reporting date and adjusted if necessary. Any changes to the estimated useful lives or residual value are adjusted prospectively using the depreciation rates.

2.3 Financial instruments

A financial instrument within the meaning of IFRS 9 is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

A financial asset or financial liability is recognised on the balance sheet when SYZYGY becomes a party to the contractual provisions of the financial instrument. At SYZYGY, regular spot purchases and sales of financial assets are accounted for on recognition and disposal as at the trading date.

Financial instruments include cash; equity instruments of another entity held as assets; a contractual right to receive cash or other financial assets from another entity; or to swap financial assets or financial liabilities with another entity on potentially advantageous terms; or a contract that will or can be settled in the entity's own equity instruments and which involves the following:

- a non-derivative financial instrument that contains or may contain a contractual obligation on the part of the entity to receive a variable number of the entity's own equity instruments;
- a derivative financial instrument that is not or cannot be settled by swapping a fixed amount of cash or other financial assets for a fixed number of the entity's own equity instruments (restrictions apply as to which instruments are classified as own equity instruments under IFRS 9 in this context).

Financial assets

On initial recognition, financial assets are classified for subsequent measurement either at amortised acquisition cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL).

Financial assets are classified in IFRS 9 on the basis of the entity's business model for managing financial assets and the characteristics of the contractual cash flows. Under IFRS 9, derivatives embedded in contracts where the underlying is a financial asset within the scope of the standard are never accounted for separately. Instead, the hybrid financial instrument as a whole is assessed for classification purposes.

Financial assets are classified as debt instruments in accordance with IFRS 9 upon initial recognition on the basis of the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets.

Financial assets are recognised at fair value at the time of acquisition. Financial assets that are not classified as measured at fair value through profit or loss are recognised plus transaction costs at the time of acquisition.

Subsequent measurement

The Group currently classifies financial assets into three categories for subsequent measurement:

Financial assets measured at amortised acquisition cost: financial assets are classified at amortised acquisition cost if they are held within the scope of a business model with the objective of collecting the contractual cash flows, where those cash flows are assessed solely as interest and repayment of the invested capital ("Hold" business model).

Financial assets measured at fair value through profit or loss: financial assets are classified as financial assets measured at fair value through profit or loss if they are either held in another business model or if they do not meet the criteria for the "Hold" or "Hold and Sell" business models. This category also includes financial assets that meet the criteria for the "Hold" or "Hold and Sell" business models, but either do not meet the SPPI criteria or are designated as financial assets classified at fair value.

Financial assets measured at fair value through other comprehensive incomea debt instrument that is held in a business model in which both the contractual cash flows of financial assets are collected and financial assets are sold, and in which the contractual cash flows solely comprise principal and interest payments ("Hold and Sell" business model), is measured at fair value through other comprehensive income unless the fair value option is exercised on initial recognition.

Financial assets measured at amortised acquisition cost

Financial assets measured at amortised acquisition cost are measured in subsequent periods after initial recognition using the effective interest method and deducting impairments from the carrying amount.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets measured at amortised acquisition cost mainly include accounts receivable.

Financial assets measured at fair value through other comprehensive income

Changes in the carrying amounts of financial assets measured at fair value through other comprehensive income are reported in other comprehensive income, with the exception of creditworthiness-related impairment income or expenses, interest income, and gains and losses from currency translation, which are recognised directly in the consolidated statement of comprehensive income under the item "Net unrealised gains/losses". When the financial asset is derecognised, the accumulated gain or loss recognised in other comprehensive income is reclassified from equity to the consolidated statement of comprehensive income. Interest income from these financial assets is reported in financial income using the effective interest method.

Gains and losses from currency translation are recognised directly in the consolidated statement of comprehensive income and reported in "Other operating income/ expenses".

SYZYGY has classified the government bonds and corporate bonds in its securities portfolio as being "financial assets measured at fair value through other comprehensive income (FVTOCI)" in accordance with IFRS 9. The securities portfolio is held by SYZYGY for short-term liquidity management. The contractually agreed cash flows are based solely on repayment of the nominal amount and interest on the outstanding nominal amount on specified dates.

Derecognition

SYZYGY derecognises a financial asset when its contractual entitlement to receive cash flows from the financial asset expires, or when it transfers its entitlement to receive contractual cash flows in a transaction in which essentially all the risks and rewards of ownership of the financial asset are transferred or when SYZYGY neither transfers nor retains essentially all the risks and rewards of ownership and does not retain power of disposal over the transferred asset. The transferred assets are not derecognised in these cases. If the financial asset is transferred to a third party, it is only derecognised if the entitlement to the associated cash flows is also transferred to the third party. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to a third party. Receivables, including the associated impairments, are derecognised if they are classified as unrecoverable.

SYZYGY has assigned cash and cash equivalents, accounts receivable, contract assets and other receivables to the “Amortised costs” category in accordance with IFRS 9. These financial instruments have fixed or determinable payments and are not quoted on an active market. They are measured at amortised acquisition cost using the effective interest method less impairment. Depending on their maturities, they are reported on the balance sheet as current or non-current financial assets.

Financial liabilities

Initial recognition and measurement

Apart from financial liabilities measured at fair value, financial liabilities are measured at amortised acquisition cost using the effective interest method in accordance with IFRS 9. Financial liabilities are initially measured at fair value, less directly attributable transaction costs in the case of loans and accounts payable.

Subsequent measurement

For subsequent measurement, the Group currently classifies financial liabilities solely as financial liabilities measured at amortised acquisition cost.

Financial liabilities measured at amortised acquisition cost

Financial liabilities that are measured at amortised acquisition cost are initially measured at fair value, which corresponds to the consideration received less transaction costs incurred.

After initial recognition, interest-bearing loans are measured at amortised acquisition cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised; this also occurs when using the effective interest method for amortisation.

Amortised acquisition cost is calculated taking into account a premium or discount upon acquisition, as well as fees or charges that form an integral component of the effective interest rate. Amortisation using the effective interest method is included in the statement of comprehensive income as part of financial expenses.

This category usually includes interest-bearing loans.

Derecognition

A liability is derecognised when the obligation associated with it is settled or cancelled, and when it becomes due. If an existing financial liability is replaced by a liability to the same creditor with substantially different contractual terms, or the contractual terms of an existing liability are substantially changed, any replacement or change of this type is treated as derecognition of the original liability and recognition of a new liability. The difference between the two carrying amounts is recognised in profit or loss.

Modifications

If the contractual terms of financial assets and financial liabilities are re-negotiated or amended, and the amendment does not lead to derecognition, a gain or loss is recognised in profit or loss in the amount of the difference between the original contractual cash flow and the modified cash flow discounted at the original effective interest rate. Significant amendments or re-negotiation result in derecognition of the original agreement that was recognised, and recognition of a new financial asset and a new financial liability in accordance with the re-negotiated contractual terms. In the case of amendments determined by credit risk, the SYZYGY Group establishes whether the amended contractual terms result in a significantly modified financial asset and must therefore be derecognised. This assessment includes a quantitative appraisal of the effects of the changes to cash flows due to the amended contractual terms, taking into account qualitative aspects of the effects of amended contractual terms, where applicable. If there are amendments that lead to derecognition of the original financial asset and there are indications of impairment of the new financial asset on initial recognition, the new financial asset is classified as a Level 3 impaired financial asset.

Significant changes to the contractual terms of a financial liability can lead to derecognition of the original financial liability. A quantitative criterion that leads to a substantial change in the contractual terms exists if the discounted present value of the cash flows under the new contractual terms differs by at least 10 per cent from the discounted present value of the remaining cash flows from the original debt instrument.

SYZYGY measures all financial liabilities at amortised acquisition cost using the effective interest method and allocates them to the “Amortised costs” category.

Changes in interest rates may lead to fluctuation in the price of fixed-income securities, depending on their duration. No hedging is entered into in this regard.

2.4 Fair value measurement

IFRS 13 defines fair value as a selling price: the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a price determined on an active market (mark-to-market) or a value determined using a valuation model (mark-to-model); the input parameters are observed directly on the market or, if not observable on the market, are determined on the basis of an expert estimate.

When measuring the fair value of a non-financial asset, consideration is given to the market participant’s ability to generate economic benefits through the most economically efficient and best use of the asset, or through its sale to another market participant who finds the most economically efficient and best use of the asset.

The SYZYGY Group uses valuation techniques that are appropriate in the particular circumstances and for which sufficient data is available to measure fair value. The use of relevant observable input factors should be maximised and the use of unobservable input factors should be minimised.

All assets and liabilities for which fair value is determined or disclosed are categorised in the hierarchy described below in accordance with IFRS 13, based on the lowest level input factor that is material to the fair value measurement overall:

- Level 1:
  Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2:
  Valuation methods in which the input factors are directly or indirectly observable on the market.
- Level 3:
  Valuation methods in which the lowest level input factor is not observable on the market.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments quoted in active markets is determined on the basis of the quoted prices, provided these represent prices used in regular and current transactions. If prices quoted in active markets are not available, valuation methods are used to determine the fair value of financial instruments. Input parameters are used in the valuation methods which, if possible, are based on observable data derived from prices of relevant financial instruments traded in active markets.

The use of valuation methods requires assumptions and estimates by management, which are determined in particular by information transparency and price transparency, and by the complexity of the instruments and markets. If required, external experts or consultants are brought in to help with determining fair value.

In line with IFRS 13, financial assets and liabilities classified at fair value are classified according to the input parameters of the valuation method used to determine the fair value (using quoted prices in an active market (Level 1), valuation methods based on observable parameters (Level 2) and valuation methods that use significant unobservable parameters (Level 3)).

2.5 Impairment of financial and non-financial assets

Impairment of financial assets

The impairment rules laid down in IFRS 9 apply to all financial assets measured at amortised acquisition cost and to off-balance sheet loan commitments and financial guarantees.

IFRS 9 enables a simplified impairment model to be applied, requiring risk provision for all financial assets in the amount of the expected losses over the remaining term. The remaining term of current receivables is up to one year, so the expected loss is calculated on the basis of the expected loss for one year. In 2024, as in the previous year, there are no non-current receivables with a term of more than one year among the accounts receivable; in addition, these receivables have very low risk of default.

Default rates are determined for various maturity bands on the basis of historical bad debt losses and then applied to the relevant outstanding receivables in the maturity bands. This default rate is adjusted for forward-looking information such as macroeconomic and business developments, and changes in client structure. A financial asset or a group of financial assets is impaired and a corresponding impairment loss is recognised if there are objective indications of impairment as a result of one or more events that occurred after the date on which the financial asset was initially recognised. This assessment is made on each reporting date. Clients with the same default risk are grouped together.

Impairment of non-financial assets

Assets with determinable useful lives

Assets with determinable useful lives must be tested for impairment if there are indications of possible impairment. If there are indications of impairment, the amortised carrying amount of the asset is compared with the recoverable amount, representing the higher of the fair value less costs to sell and the value in use. The value in use corresponds to the present value of the future cash flows expected to arise from continuing use of the asset. In the event of impairment, the difference between the amortised carrying amount and the lower recoverable amount is recognised as an expense. Write-ups are recognised as soon as there are indications that the grounds for impairment no longer exist. These may not exceed the amortised acquisition cost.

Goodwill and assets with indeterminable useful lives
In addition, the Group determines on each reporting date whether there are any indications of impairment in other intangible assets with an indefinite useful life ("Unique Digital" brand) and in acquired goodwill. If indications of this nature exist (triggering events) or if an annual impairment test of an asset is required, the Group estimates the recoverable amount of the asset. The recoverable amount is determined for each individual asset, unless an asset does not generate cash inflows that are largely independent of those from other assets or other groups of assets or cash generating units (CGUs). In these cases, the impairment test is conducted at the relevant level of cash generating units to which the asset is allocated.

As a general rule, no individual asset in the Group generates cash inflows attributable to itself. Goodwill acquired in the course of a business combination is allocated at the acquisition date to the cash generating unit or group of cash generating units that is expected to benefit from the synergies of the business combination. This also represents the lowest level at which goodwill is monitored for internal corporate management purposes. The individual companies each form the smallest cash generating unit. As a result, the impairment test is conducted at this level.

The recoverable amount of an asset is an asset's or cash generating unit's fair value less costs to sell, or its value in use, whichever amount is higher. To determine the value in use, the expected future cash flows are discounted to their present value using an after-tax discount rate that reflects current market expectations with regard to interest rates and the specific risks of the asset. Recent market transactions are taken into account when determining the value in use. If suitable transactions cannot be identified, an appropriate valuation model is applied. This is based on valuation multiples, stock market prices of exchange-traded shares in companies, or other indicators of fair value that are available. Within the Group, measurement is generally based on value in use.

The Group bases its impairment assessment on the most recent budget calculations and forecasts. These are prepared separately for each of the Group's cash generating units to which individual assets are allocated. The assumptions are based on management expectations of future market developments. Market and sector forecasts by leading industry analysts are also regularly taken into account. Management estimates of future developments in particular, such as sales performance, involve a high degree of uncertainty. The budget calculations and forecasts generally cover five years. After the fifth year, a growth rate is established and used to forecast future cash flows. The assumptions are based on management expectations of future market developments.

The impairment of an asset or cash generating unit is determined by calculating the recoverable amount of the asset or cash generating unit (or group of cash generating units) to which the goodwill was allocated. If the recoverable amount of the asset or cash generating unit is less than the carrying amount of this unit, an impairment loss is recognised. The impairment loss is first allocated to goodwill and then to the other assets in proportion to their carrying amounts. Any impairment loss recognised for goodwill may not be reversed in subsequent reporting periods.

Write-ups are recognised as soon as there are indications that the grounds for impairment no longer exist. If indications of this nature exist, the Group estimates the recoverable amount of the asset or cash generating unit. A previously recognised impairment loss is only reversed if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognised. These write-ups may not exceed the amortised acquisition cost. A reversal of an impairment loss is recognised in profit or loss unless the revaluation method is used for accounting for the asset. In this case, the reversal is treated as an increase in value arising from the revaluation.

2.6 Trade receivables and contract assets and liabilities

Accounts receivable and contract assets are recorded at the time of revenue recognition, i.e. on delivery to the client. Recognisable risks are taken into account by making value adjustments through separate value adjustment accounts. Accounts receivable are stated at their nominal value if no allowances are necessary due to default risk. Receivables due after more than one year are discounted in line with market rates. Consulting services provided on a fixed-price basis are recognised using an input-oriented method (cost-to-cost method) on a period-related basis depending on their stage of completion as defined in IFRS 15, and were recognised under accounts receivable and/or contract assets. Further information is available in section 2.12, Revenue recognition.

When consulting services are sold, some clients are granted an individually agreed rebate, which relates to the entire period of a calendar year. The rebates are calculated according to a rebate scale specified in the contract and are not paid out directly, but offset against future projects.

Contract liabilities mainly comprise advance payments received and are reported under “Contract liabilities” on the liabilities side.

The impairment model under IFRS 9 also applies to accounts receivable and contract assets measured at amortised acquisition cost. Accounts receivable do not have a significant financing component. Consequently, the simplified value adjustment model under IFRS 9 is applied. This stipulates that value adjustments for accounts receivable and contract assets are always calculated in the amount of the expected credit loss over the term. Impairment losses under IFRS 9 are recorded in the statement of comprehensive income under “Other operating expenses”.

2.7 Accounts payable

In accordance with IFRS 9, current liabilities are shown at the time of acquisition at the settlement amount, which approximates to their market value. Non-current liabilities are determined according to the effective interest method by discounting the settlement amount, a process which is continued until maturity.

2.8 Other provisions

Other provisions are formed if a current (legal or de facto) obligation to a third party exists from a previous event, it is probable that an outflow of resources with economic benefit will be required to settle the obligation, and the amount of the obligation can be reliably assessed. In determining other provisions, all applicable costs are taken into consideration. If the effect is material, the obligation is discounted to present value using a pre-tax interest rate that reflects current market expectations with regard to the interest rate. Where the cash flows had already been adjusted for risk, a risk-free interest rate is used. If discounting is applicable, the increase in provisions resulting from the passage of time is recognised as a financial expense.

2.9 Other assets and other current liabilities

Other assets and other current liabilities are recognised at their nominal value or settlement amount. Any impairments of other assets are taken into account through individual allowances. Liabilities for contributions to defined contribution plans are recognised as an expense as soon as the related work is performed. Prepaid contributions are recognised as an asset to the extent that there is a right to reimbursement or reduction of future payments.

2.10 Cash and cash equivalents

The balance sheet item "Cash and cash equivalents" comprises cash in hand, bank balances and highly liquid short-term deposits with a maximum term of three months that can be converted into fixed cash amounts at any time.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above, less bank overdrafts used, as these are an integral part of the Group's cash management system.

2.11 Leases under IFRS 16

When a contract begins, the Group assesses whether it constitutes or contains a lease. A lease is a contract that entitles the holder to control an identifiable asset (the leased asset) for an agreed period of time in exchange for consideration.

The Group has entered into leases for various buildings and vehicles. The leases for buildings generally have a non-terminable term of 3 to 15 years, while the leases for vehicles have a term of 3 to 3 1/2 years. It is possible to exercise extension options as described in vi).

Group as lessee

The Group recognises and measures all leases (apart from short-term leases and leases where the underlying asset is of low value) using a single model (see below for further details). It recognises liabilities for lease payments and rights of use to the underlying asset.

i) Rights of use

The Group recognises rights of use as at the provision date (i.e. the date on which the underlying leased asset is available for use). Rights of use are measured at acquisition cost less any accumulated amortisation and any accumulated impairment losses, and adjusted for any revaluation of lease liabilities. The cost of rights of use includes the recognised lease liabilities, the initial direct costs incurred and the lease payments made on or before provision, less any lease incentives received. Rights of use are amortised on a straight-line basis over the shorter of the lease term or the expected useful life of the leased assets.

If ownership of the leased asset is transferred to the Group at the end of the lease term or if the cost includes the exercise of a purchase option, amortisation/depreciation is calculated on the basis of the expected useful life of the leased asset. The rights of use are also tested for impairment.

ii) Lease liabilities

At the provision date, the Group recognises lease liabilities at the present value of the lease payments to be made over the term of the lease. Lease payments include fixed payments (including de facto fixed payments), less any lease incentives to be received, variable lease payments linked to an index or (interest) rate, and amounts expected to be paid under residual value guarantees. The lease payments furthermore include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise the option. They also include penalty payments for terminating the lease if the term takes into account that the Group will exercise the termination option. Variable lease payments that are not linked to an index or (interest) rate are recognised as an expense in the period in which the event or condition that triggers this payment occurs (unless they are caused by the production of inventories).

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate as at the provision date, since the interest rate on which the lease is based cannot be readily determined. After the provision date, the amount of the lease liabilities is increased to reflect the higher interest expense, and decreased to reflect the lease payments made. The carrying amount of the lease liabilities is also remeasured if changes are made to the lease, the term of the lease, the lease payments (e.g. changes to future lease payments as a result of a change to the index or interest rate used to determine these payments) or if a change is made to the assessment of a purchase option for the underlying asset.

iii) Short-term leases and leases based on a low-value asset

In the case of low-value leased assets and short-term leases (less than twelve months), use is made of transitional relief and the payment is recognised on a straight-line basis as an expense in the statement of comprehensive income.

iv) Non-lease components

Contracts often provide for several different types of obligations on the supplier at the same time. This may involve a combination of different lease components or a combination of lease and non-lease components, such as the rental of an asset and the provision of maintenance services. Lease components and non-lease components are not combined at SYZYGY, but are accounted for separately.

v) Intra-group leases

Intra-group leases under IFRS 8 are also presented in segment reporting in the same way as operating leases in accordance with IFRS 16.

vi) Significant judgements in determining the term of leases with options for extension

The Group determines the term of the lease based on the non-terminable initial term of the lease and taking into account the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise this option, or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise this option.

Some leases include extension options. The Group makes judgements when assessing whether there is reasonable certainty that the option to extend the lease will be exercised. That means when determining contract terms, all facts and circumstances that provide an economic incentive to exercise or not exercise extension options are taken into account. Changes in the term of the contract resulting from the exercise or non-exercise of these options are only taken into account in the contract term if they are sufficiently certain. After the provision date, the Group determines the term of the lease again if a significant event or change in circumstances occurs that is within its control and affects whether or not it will exercise the option to extend the lease (e.g. a change in business strategy).

2.12 Revenue recognition

SYZYGY generates sales from consulting and development services and from planning and implementing advertising campaigns.

Sales from consulting services and from production of digital media content are recognised when the services are rendered in accordance with the terms of the contractual agreement (time and material), collection of payment is reasonably assured and the invoice amount is fixed or determinable.

Services relating to strategy consulting and media services are recognised on the basis of hours spent or rendered.

Consulting services provided on a fixed-price basis are recognised using an input-oriented method (cost-to-cost method) on a period-related basis. The percentage of completion of a project is calculated by the ratio of realised time units and other direct costs to all the time units and other direct costs planned for completion of the project. Regular adjustments are made, based on updated planning. If the services provided by SYZYGY exceed the payment amount, a contract asset is recognised. If the payments are higher than the services provided, a contract liability is recognised. Allowances or provisions for expected losses on contracts are established in full in the period in which such losses become apparent. SYZYGY grants its customers payment terms of between 0 and 90 days.

With some projects, milestones are specified. In these cases, sales associated with a separate milestone are recognised when the Company has performed all work related to the milestone and the client has accepted the performance (output method).

The Company also provides services for the planning and implementing of advertising campaigns on the Internet (media services). This involves purchasing advertising space, on the Company’s own account in some cases, which is then billed when the service is provided. The cost of purchasing advertising space (“media costs”) is passed on to the client when billing the media services, together with a fixed fee or a fee calculated in relation to the actual media costs. Revenue from media services is generally recognised at the same time as the advertisement is published, or afterwards. The entire amount chargeable to clients is recognised as billings. The amount less pass-through items/media costs is recognised as sales.

Income from interest and comparable items is recognised if it is likely that the economic benefit will accrue to the Group and the amount of income can be determined reliably. Interest income is recognised on an accrual basis in relation to the particular period, based on the outstanding nominal amount and using the relevant effective interest rate.

2.13 Income taxes

Tax expense consists of current corporate taxes (corporation tax, trade tax, solidarity surcharge) and deferred taxes.

Income taxes

Actual income taxes are determined on the basis of the tax rules applicable in the countries in which the respective company operates. Current tax assets and tax liabilities for current and prior periods are measured at the amount expected to be refunded from or paid to the tax authority. The amount is calculated on the basis of the tax rates and tax laws that apply as at the reporting date or will apply in the near future.

Current income taxes relating to items that are recognised directly in other comprehensive income, or in equity, are not recognised in the statement of comprehensive income, but in other comprehensive income or in equity.

Management regularly assesses individual tax circumstances to determine whether there is scope for interpretation, given the applicable tax regulations. Tax provisions are formed, if required.

Deferred taxes

Deferred taxes are recognised using the balance sheet method. They are recognised for temporary differences existing between the valuation of an asset or liability on the balance sheet and its tax base as at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of:

- deferred tax liabilities arising from initial recognition of goodwill or of an asset or liability resulting from a transaction which is not a business combination and which, at the time of the transaction, does not affect either the accounting or the taxable profit, and
- deferred tax liabilities arising from taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, but only to the extent that the parent company, investor or partner entity is able to control the timing of the reversal of the temporary differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses and unused tax credits can be utilised, with the exception of:

- deferred tax assets for deductible temporary differences that originate from initial recognition of an asset or liability resulting from a transaction which is not a business combination and which, at the time of the transaction, does not affect either the accounting or the taxable profit, and
- deferred tax assets for deductible temporary differences associated with investments in subsidiaries and interests in joint arrangements if it is probable that the temporary differences will not reverse in the foreseeable future or that sufficient taxable income will not be available against which the temporary differences can be utilised.

The carrying amount of the deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reviewed on each reporting date and recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The tax rates (and tax laws) that apply as at the reporting date or have been officially announced are used as a basis.

Deferred taxes relating to items that are recognised directly in other comprehensive income, or in equity, are not recognised in the statement of comprehensive income, but in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities can only be offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority either on the same taxable entity or on different taxable entities that intend, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or realised, respectively, either to settle current tax liabilities and refunds on a net basis, or to settle the liabilities at the same time as realising the assets.

Deferred tax benefits acquired in a business combination that do not meet the criteria for separate recognition at the acquisition date are recognised in subsequent periods if the situation changes due to new information about facts and circumstances that existed at the acquisition date. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed the goodwill) if it arises during the measurement period, or recognised in net income for the period and in other comprehensive income if it arises outside the measurement period.

2.14 Earnings per share

Earnings per share are calculated in accordance with IAS 33. The undiluted earnings per share correspond to the net income for the period attributable to the ordinary shareholders of the parent company (consolidated net income for the year attributable to the shareholders of Syzygy AG), divided by the weighted average number of ordinary shares in circulation during the reporting period.

When calculating diluted earnings per share, the net income for the period attributable to the ordinary shareholders of the parent company and the weighted average number of ordinary shares in circulation are adjusted for any dilution effects of potential ordinary shares.

2.15 Stock-based remuneration programmes

2013 stock option programme

In the 2013 financial year, the Group set up a stock option programme whereby the Group undertook to transfer a certain number of shares to employees after 3 years. If the employee leaves the SYZYGY Group prior to the end of the period, all claims arising from the stock option programme will lapse without compensation. Alternatively, the employees and the company are entitled to receive or pay as remuneration, respectively, the market value as at the date of transfer in cash, instead of the shares. This share-based remuneration programme with the counterparty's freedom to choose the method of payment is structured such that both settlement alternatives have the same fair value. As a result, according to IFRS 2.37 the fair value of the equity component is zero and thus corresponds to the fair value of the compound financial instrument of the debt component. Consequently, SYZYGY recognises the expenses pro rata temporis as a provision at fair value from the date of commitment to the stock programme.

Phantom stock programme

A phantom stock programme was additionally launched in 2015 and modified in the 2016 financial year. Under this arrangement the eligible employee receives the difference between the share price on the date of granting and the share price on exercise of the phantom stocks as a special payment. 40 per cent of the phantom stocks granted (Tranche 1) are not exercisable until at least 2 years have elapsed and lapse after 3 years at the latest, while 60 per cent of the phantom stocks granted (Tranche 2) are not exercisable until at least 3 years have elapsed and lapse after 4 years at the latest. The maximum price increase (cap) is limited to 60 per cent for Tranche 1 and to 90 per cent in the case of Tranche 2. There is also a change of control clause in this programme. It stipulates that the options may be exercised extraordinarily within a period of 6 weeks after a takeover offer is completed. This programme involves share-based remuneration with cash settlement as defined in IFRS 2. As a consequence, the accounting principles described above are applied.

3. Notes to the consolidated balance sheet

3.1 Movements in assets

Changes are as follows in the financial year:

2024 (in kEUR)	Goodwill	Other intangible assets	Rights of use resulting from leases	Leasehold improvements	Operating and office equipment	Total
Acquisition costs January 1, 2024	**57,921**	**2,916**	**29,240**	**6,052**	**6,458**	**102,587**
Additions	0	4	1,646	120	382	2,152
Disposals	0	-819	-2,431	-432	-504	-4,186
Exchange rate changes	517	43	259	28	30	877
Acquisition costs December 31, 2024	**58,438**	**2,144**	**28,714**	**5,768**	**6,366**	**101,430**
Accumulated amortisation, depreciation and write-downs January 1, 2024	**19,008**	**2,743**	**14,287**	**3,094**	**4,615**	**43,747**
Additions	0	27	2,914	637	775	4,353
Disposals	0	-819	-2,431	-432	-501	-4,183
Impairments	16,643	0	0	0	0	16,643
Exchange rate changes	-108	36	174	21	20	143
Accumulated amortisation, depreciation and write-downs December 31, 2024	**35,543**	**1,987**	**14,944**	**3,320**	**4,909**	**60,703**
Carrying value December 31, 2024	**22,895**	**157**	**13,770**	**2,448**	**1,457**	**40,727**

Changes were as follows in the previous year:

2023 (in kEUR)	Goodwill	Other intangible assets	Rights of use resulting from leases	Leasehold improvements	Operating and office equipment	Total
Acquisition costs January 1, 2023	**57,309**	**2,897**	**32,155**	**7,456**	**5,977**	**105,794**
Additions	0	3	946	200	568	1,717
Disposals	0	0	-4,115	-1,626	-152	-5,893
Exchange rate changes	612	16	254	22	65	969
Acquisition costs December 31, 2023	**57,921**	**2,916**	**29,240**	**6,052**	**6,458**	**102,587**
Accumulated amortisation, depreciation and write-downs January 1, 2023	**14,272**	**2,686**	**11,720**	**3,283**	**3,945**	**35,906**
Additions	0	44	3,009	1,434	757	5,244
Disposals	0	0	-545	-1,626	-129	-2,300
Impairments	4,736	0	0	0	0	4,736
Exchange rate changes	0	13	103	3	42	161
Accumulated amortisation, depreciation and write-downs December 31, 2023	**19,008**	**2,743**	**14,287**	**3,094**	**4,615**	**43,747**
Carrying value December 31, 2023	**38,913**	**173**	**14,953**	**2,958**	**1,843**	**58,840**

3.2 Goodwill and other intangible assets

2024 (in kEUR)	Goodwill	Brand names	Licences, software and other	Total
Acquisition costs January 1, 2024	**57,921**	**2,099**	**817**	**60,837**
Additions	0	0	4	4
Disposals	0	-819	0	-819
Exchange rate changes	517	8	35	560
Acquisition costs December 31, 2024	**58,438**	**1,288**	**856**	**60,582**
Accumulated amortisation, depreciation and write-downs January 1, 2024	**19,008**	**1,974**	**769**	**21,751**
Additions	0	0	27	27
Disposals	0	-819	0	-819
Impairments	16,643	0	0	16,643
Exchange rate changes	-108	1	35	-72
Accumulated amortisation, depreciation and write-downs December 31, 2024	**35,543**	**1,156**	**831**	**37,530**
Carrying value December 31, 2024	**22,895**	**132**	**25**	**23,052**

2023 (in kEUR)	Goodwill	Brand names	Licences, software and other	Total
Acquisition costs January 1, 2023	**57,309**	**2,088**	**809**	**60,206**
Additions	0	0	3	3
Exchange rate changes	612	11	5	628
Acquisition costs December 31, 2023	**57,921**	**2,099**	**817**	**60,837**
Accumulated amortisation, depreciation and write-downs January 1, 2023	**14,272**	**1,965**	**721**	**16,958**
Additions	0	0	43	43
Impairments	4,736	0	0	4,736
Exchange rate changes	0	9	5	14
Accumulated amortisation, depreciation and write-downs December 31, 2023	**19,008**	**1,974**	**769**	**21,751**
Carrying value December 31, 2023	**38,913**	**125**	**48**	**39,086**

Reported goodwill of kEUR 22,895 (previous year: kEUR 38,913) arose from the acquisitions of Ars Thanea, diffferent, SYZYGY Performance and Unique Digital UK.

SYZYGY generally defines the individual companies as cash generating units. The values in use are determined using the discounted cash flow (DCF) method. Future cash flows to be discounted using the DCF method are determined using medium-term planning for financial and asset positions and results of operations.

Goodwill acquired in the course of business combinations was allocated to the following cash generating units for impairment testing:

- diffferent
- SYZYGY Performance
- Unique Digital UK
- Ars Thanea

The following table shows the carrying amounts of the goodwill allocated to the cash generating units.

2024 (in kEUR)	GoF
SYZYGY Performance	11,431
Ars Thanea	6,817
Unique Digital UK	4,329
diffferent	318
Total	**22,895**

2023 (in kEUR)	GoF
SYZYGY Performance	13,357
Ars Thanea	6,726
Unique Digital UK	8,166
diffferent	10,664
Total	**38,913**

An impairment test of individual goodwill was carried out as at December 31, 2024. The recoverable amount for the cash generating units was calculated on the basis of the value in use using cash flow forecasts as at December 31, 2024. The forecasts are based on financial planning approved by the Supervisory Board and updated each year. Business planning is updated on a rolling basis over 5 years. It is developed by the management team of the subsidiary together with the Management Board of Syzygy AG.

The most important assumptions underlying the determination of value in use include assumptions of growth rates, margin development and discount rate, as well as a growth rate of 1 per cent for the perpetuity/terminal value. This corresponds to half of the long-term inflation target of the European Central Bank of 2 per cent. SYZYGY expects that the digital sector will grow more strongly in future.

In the case of the Unique Digital UK cash generating unit, a risk-free interest rate of 2.48 per cent, a risk premium of 7.00 per cent and a sector beta of 1.02, a country-specific risk premium of 0.88 per cent and an inflation differential of 100.05 per cent were used as a basis, producing a WACC (Weighted Average Cost of Capital) of 10.6 per cent after tax or 13.6 per cent before tax. In the previous year, a risk-free interest rate of 2.75 per cent, a risk premium of 7.00 per cent and a sector beta of 1.04 were used for the Unique Digital UK cash generating unit, producing a WACC of 10.8 per cent after tax or 13.6 per cent before tax. An average tax rate of 25 per cent was applied (previous year: 25 per cent). In the case of Unique Digital UK, the business plans for 2025 are based on an expected increase in sales of 21 per cent (previous year: -23 per cent) and sales growth of 3 per cent p.a. (previous year: 10 per cent) from 2026 to 2029, and a terminal value of 1 per cent (previous year: 1 per cent). For 2025, the growth rate corresponds exactly to the budget plans of the cash generating unit, while subsequent developments are in line with the general market performance of the respective country.

Market research institutes expect the online advertising market in the UK to grow by around 7 per cent in 2025 (previous year: 4 per cent). Based on the underlying information, management identified an impairment requirement of kEUR 4,371 for Unique Digital UK in the updated analysis, which was recognised. Goodwill of kEUR 4,329 at the Unique Digital UK CGU translates to headroom of kEUR 0 (previous year: kEUR 1,135).

The value in use of Unique Digital UK's goodwill amounts to kEUR 4,329. The sensitivity analysis revealed an additional need for impairment in the case of the following changes:

- A one percentage point increase in the risk-free interest rate would lead to a further impairment of goodwill in the amount of kEUR 47.
- A 10 per cent reduction in the forecast cash flows would lead to an additional impairment of kEUR 554.
- A 25 per cent reduction in the growth rate would lead to a further impairment of kEUR 213.

In the case of SYZYGY Performance and diffferent in Germany, a risk-free interest rate of 2.48 per cent (previous year: 2.75 per cent), a risk premium of 7.00 per cent (previous year: 7.00 per cent) and a sector beta of 1.02 (previous year: 1.04) were used as a basis, producing a WACC (Weighted Average Cost of Capital) of 9.6 per cent after tax (previous year: 10.0 per cent), or 11.7 per cent before tax (previous year: 13.3 per cent). An average tax rate of 30 per cent (previous year: 30 per cent) was applied.

The business plan for SYZYGY Performance envisages sales growth of 2 per cent for 2025 (previous year: 13 per cent) and sales growth of 3 per cent p.a. for the years 2026 to 2029 (previous year 2025 to 2028: 10 per cent). The terminal value is set at 1 per cent growth (previous year: 1 per cent).

For diffferent, the business plan envisages a drop in sales of 5 per cent for 2025 (previous year: drop in sales of 2 per cent) and growth of 3 per cent p.a. for the years 2026 to 2029 (previous year 2025 to 2028: 6 per cent). The terminal value is set at 1 per cent growth (previous year: 1 per cent).

Market research institutes expect the online advertising market in Germany to grow by around 5 per cent in 2025 (previous year: 2 per cent). Based on the underlying information, management identified a need for impairment in the amount of kEUR 12,272 in Germany in its updated analysis, of which kEUR 10,346 applies to diffferent (previous year: kEUR 4,736) and kEUR 1,926 to SYZYGY Performance (previous year: kEUR 0). The impairments were recognised in profit or loss.

The diffferent CGU is now allocated goodwill of kEUR 318 and SYZYGY Performance is allocated goodwill of kEUR 11,431.

The value in use of diffferent's goodwill amounts to kEUR 318. The sensitivity analysis revealed an additional need for impairment in the case of the following changes:

- A one percentage point increase in the risk-free interest rate would lead to a further impairment of goodwill in the amount of kEUR 125.
- A 10 per cent reduction in the forecast cash flows would lead to an additional impairment of kEUR 229.
- A 25 per cent reduction in the growth rate would lead to a further impairment of kEUR 254.

The value in use of SYZYGY Performance's goodwill amounts to kEUR 11,431. The sensitivity analysis revealed an additional need for impairment in the case of the following changes:

- A one percentage point increase in the risk-free interest rate would lead to a further impairment of goodwill in the amount of kEUR 632.
- A 10 per cent reduction in the forecast cash flows would lead to an additional impairment of kEUR 917.
- A 25 per cent reduction in the growth rate would not lead to any further impairment.

In the case of Ars Thanea in Poland, a risk-free interest rate of 2.48 per cent (previous year: 2.75 per cent), a risk premium of 7.00 per cent (previous year: 7.00 per cent), a sector beta of 1.02 (previous year: 1.04), a country-specific risk premium of 1.24 per cent (previous year: 1.28 per cent) and an inflation differential of 100.93 per cent (previous year: 101.51 per cent) were used as a basis, producing a

WACC (Weighted Average Cost of Capital) of 11.9 per cent after tax (previous year: 13.0 per cent), or 14.3 per cent before tax (previous year: 15.4 per cent). An unchanged average tax rate of 19 per cent was applied. The business plan envisages sales growth of 13 per cent for 2024 (previous year: 13 per cent) and 10 per cent p.a. for the years 2025 to 2028 (previous year: 10 per cent).

The terminal value is set at 1 per cent growth (previous year: 1 per cent).

Market research institutes expect the online advertising market in Poland to grow by 8 per cent in 2025 (previous year: 4 per cent). Based on the underlying information, management did not identify any need in the analysis for impairment at Ars Thanea, to which goodwill of kEUR 6,817 is allocated.

The Ars Thanea CGU has goodwill of kEUR 6,817, with headroom of kEUR 969 (previous year: kEUR 1,923).

In the course of a sensitivity analysis of the Ars Thanea CGU, possible changes to the key assumptions were taken into account. The sensitivity analysis was carried out for all major factors in isolation, i.e. a change in the fair value of a cash generating unit was only caused by a reduction or increase in the relevant factor.

- A one percentage point increase in the risk-free interest rate would not lead to any further impairment of goodwill.
- A 10 per cent reduction in the forecast cash flows would lead to an additional impairment of kEUR 225.
- A 25 per cent reduction in the growth rate would not lead to any impairment.

Other intangible assets

Other intangible assets were tested for impairment as at December 31, 2024 using the same principles as for goodwill.

They include a brand name worth kEUR 132 (previous year: kEUR 125) after foreign currency effects. This brand equity is due to first-time consolidation of Unique Digital UK. It is allocable to the UK & US segment and has an indeterminable useful life, since there is no foreseeable end to the economic life of these brands.

3.3 Fixed assets (property, plant and equipment)

Operating and office equipment mainly refers to hardware and office fittings. There were no indications of a need for impairments in the financial year.

3.4 Leases

In 2024, application of IFRS 16 resulted in additions of kEUR 1,404 for rights of use relating to real estate (previous year: kEUR 851) and of kEUR 84 for company cars (previous year: kEUR 96).

Rights of use in the amount of kEUR 3,494 were reclassified as finance leases in the previous year as part of an established sublease and recognised as non-current and current lease receivables under other financial assets. This resulted in income from disposals of kEUR 359. Depreciation of rights of use for leased assets was kEUR 2,914 (previous year: kEUR 3,009).

The carrying amounts of the rights of use for real estate amounted to kEUR 13,610 (previous year: kEUR 14,730) and for company cars to kEUR 160 (previous year: kEUR 223) as at the reporting date.

2024 (in kEUR)	Buildings	Other plant, operating and office equipment	Total
Acquisition costs January 1, 2024	**28,797**	**443**	**29,240**
Additions	1,404	84	1,488
Disposals	-2,330	-101	-2,431
Adjustments	153	5	158
Exchange rate changes	258	1	259
Acquisition costs December 31, 2024	**28,282**	**432**	**28,714**
Accumulated amortisation, depreciation and write-downs January 1, 2024	**14,067**	**220**	**14,287**
Additions	2,762	152	2,914
Disposals	-2,330	-101	-2,431
Exchange rate changes	173	1	174
Accumulated amortisation, depreciation and write-downs December 31, 2024	**14,672**	**272**	**14,944**
Carrying value December 31, 2024	**13,610**	**160**	**13,770**

2023 (in kEUR)	Buildings	Other plant, operating and office equipment	Total
Acquisition costs January 1, 2023	**31,742**	**413**	**32,155**
Additions	851	96	947
Disposals	-3,968	-72	-4,040
Adjustments	-77	1	-76
Exchange rate changes	249	5	254
Acquisition costs December 31, 2023	**28,797**	**443**	**29,240**
Accumulated amortisation, depreciation and write-downs January 1, 2023	**11,567**	**153**	**11,720**
Additions	2,872	137	3,009
Disposals	-474	-72	-546
Exchange rate changes	102	2	104
Accumulated amortisation, depreciation and write-downs December 31, 2023	**14,067**	**220**	**14,287**
Carrying value December 31, 2023	**14,730**	**223**	**14,953**

In the year under review and as in the previous year, there were no changes in the gross value of the rights of use based on changes to estimates concerning the exercise of options. Additions relate to newly concluded contracts or to contract extensions/adjustments that were not provided for in the original contract.

As in the previous year, the Group did not enter into any contractual leases with a term of less than one year (short-term) and which fall below the materiality threshold (EUR 5,000) of IFRS 16 (small-ticket) in the year under review.

The lease liability for leased assets by asset class is as follows:

Lease liabilities	2024	2023
	kEUR	kEUR
Buildings	17,704	19,739
Other plant, operating and office equipment	151	209
Total lease liabilities	**17,855**	**19,948**

Maturity of the lease liabilities:

Lease liabilities	2024	2023
	kEUR	kEUR
Short-term (< 1 year)	3,676	3,791
Long-term (> 1 year)	14,179	16,157
Total lease liabilities	**17,855**	**19,948**

The lease liability at the time of initial recognition was calculated using an average incremental borrowing rate of 2.7 per cent (previous year: kEUR 1.8). New contracts and contract adjustments are recognised with a capital interest rate between 2.6 and 9.1 per cent, depending on the term (previous year: around 7.5 per cent).

The following table shows the amounts recognised in profit or loss:

Expenses resulting from rights of use	2024	2023
	kEUR	kEUR
Amortisation of rights of use	2,914	3,009
Interest expense for lease liabilities	513	531
Total	**3,427**	**3,540**

In the period from January 1 to December 31, 2024, the Group had cash outflows for leases totalling kEUR 4,011 (previous year: kEUR 3,778).

3.5 Other non-current financial assets

SYZYGY has long-term rent receivables of kEUR 1,867 (previous year: kEUR 2,806) from subletting agreements and deposits received of kEUR 242 (previous year: kEUR 224), which represent financial assets in the “Amortised costs” measurement category.

In addition, SYZYGY invested kEUR 308 (previous year: kEUR 300) in an investment fund to cover phased retirement agreements. The fund will not be used to fulfil the obligations. As at the balance sheet date, the fund had a fair value of kEUR 320 (previous year: kEUR 319). It is recognised in the FVTPL category.

The receivables in the amount of the minimum lease payments resulting from these leases are as follows:

Minimum lease payments	2024	2023
	kEUR	kEUR
Up to 1 year	1,091	1,080
1-2 years	1,144	1,036
2-3 years	719	1,087
3-4 years	0	683

3.6 Deferred tax assets

Deferred tax assets of kEUR 959 (previous year: kEUR 928) were reported in the financial year now ended.

The deferred tax assets at Syzygy AG as the parent company are mainly due to the different valuations of lease obligations and fixed assets.

Other deferred tax assets also arise at subsidiaries from different valuations of lease obligations and due to differences in the useful lives of the assets between valuations in accordance with IFRS and the local tax accounts.

Deferred tax assets of kEUR 5,055 (previous year: kEUR 5,735) were recognised for lease liabilities.

In accounts receivable, deferred tax assets of kEUR 7 (previous year: kEUR 9) were recognised as a result of impairments in accordance with IFRS 9.

Deferred tax assets and liabilities were netted in the amount of kEUR 4,877 (previous year: kEUR 5,488). The netting provisions of IAS 12.71 ff. were applied.

The composition of deferred tax assets and liabilities is disclosed in section 5.8, Income taxes.

3.7 Cash and cash equivalents and securities

Cash, bank deposits and time deposits with remaining terms to maturity (counted from the date of acquisition) of under three months are shown in the table below:

In kEUR	**12/31/2024**	12/31/2023
Cash and cash equivalents	5,047	4,007

The cash and cash equivalents disclosed in the consolidated statement of cash flows comprise exclusively the amounts indicated in this balance sheet item. There are no restrictions on disposal of the assets indicated here.

The associated risks and sensitivity analyses are presented in section 6.3, Risk and capital management.

3.8 Trade receivables and contract assets and contract liabilities

This item comprises the following:

In kEUR	**12/31/2024**	12/31/2023
Accounts receivable	13,371	13,868
Contract assets	894	1,894
Total assets	**14,265**	**15,762**
Contract liabilities	7,174	6,624

Contract assets and sales of kEUR 894 (previous year: kEUR 1,894) are disclosed using an input-oriented method (cost-to-cost method) on a period-related basis for services not yet billed. Costs of kEUR 821 (previous year: kEUR 1,786) were incurred for these services. This results in a margin of kEUR 73 (previous year: kEUR 108).

Under IFRS 9, accounts receivable are financial assets that fall into the “Amortised costs” valuation category. The term structure of receivables billed to customers is shown in table form in section 6.3.3.

Appropriate individual value adjustments are made for expected default risks, while uncollectable receivables are written off. There were individual value adjustments of kEUR 17 (previous year: kEUR 54) in the past financial year.

In accordance with IFRS 9.5.5.15 f., SYZYGY has applied a simplified version of the general impairment model since the 2018 financial year. This involves taking into account the cumulative probabilities of default over the remaining term. The 2024 financial year saw a reversal of receivables in the amount of kEUR 9 (previous year: reversal of kEUR 22). As a result, impairments of kEUR 21 (previous year: kEUR 30) were reported as at the balance sheet date.

The contract liabilities of kEUR 7,174 (previous year: kEUR 6,624) mainly relate to advance payments received of kEUR 6,910 (previous year: kEUR 6,357). The contract liabilities reported in the previous year were mainly recognised as revenue in the 2024 financial year.

In the case of performance marketing companies, the contract liabilities reported in the 2023 financial year were recognised as sales in the reporting period, less pass-through items/media costs.

3.9 Other current financial assets

Other current assets as at December 31, 2024 and 2023 consist of the following:

In kEUR	**12/31/2024**	12/31/2023
Rents receivable	838	841
Deposits	5	5
Other financial assets	0	114
Total	**843**	**960**

All other current assets are due within 12 months.

3.10 Other current non-financial assets

Other current non-financial assets as at December 31, 2024 and 2023 consist of the following:

In kEUR	**12/31/2024**	12/31/2023
Prepaid expenses	1,514	1,297
Tax receivables	1,089	1,859
Other	844	297
Total	**3,447**	**3,453**

3.11 Equity

3.11.1 Subscribed capital

As at December 31, 2024, the fully paid-up subscribed capital of Syzygy AG amounted to EUR 13,500,026 (previous year: EUR 13,500,026). It comprised 13,500,026 no-par value bearer shares, as in the prior year. These shares have a stated value of EUR 1.00.

As in the previous year, SYZYGY did not carry out any capital increase or reduction in the 2024 financial year.

At the reporting date, the shares in Syzygy AG were held as follows:

In thousand	Shares	Per cent
WPP plc.. St. Helier. Jersey	6,795	50,33
Free float	4,943	36,62
Institutional investors	1,300	9,63
HANSAINVEST Hanseatische Investment GmbH. Hamburg	462	3,42
Total	**13,500**	**100,00**

3.11.2 Authorised capital

On May 28, 2021, the Annual General Meeting approved the creation of authorised capital of kEUR 6,750. Accordingly, the Management Board is authorised, subject to the approval of the Supervisory Board, to issue additional no-par value bearer shares, which may be issued in the period up to May 27, 2026. To date, the Management Board and Supervisory Board have not made use of the authorisation to issue new shares in relation to this authorised capital.

3.11.3 Additional paid-in capital

Additional paid-in capital includes the premium on the nominal amount resulting from the issue of shares by Syzygy AG. In the financial year, kEUR 19,553 was withdrawn from additional paid-in capital and transferred to retained earnings. Additional paid-in capital was kEUR 1,175 as at the reporting date (previous year kEUR 20,728).

3.11.4 Own shares

SYZYGY is authorised to resell or redeem its own shares or to offer them to third parties in the course of acquiring companies. Treasury shares do not entitle SYZYGY 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 SYZYGY's outstanding shares until October 26, 2025. SYZYGY is authorised to resell or redeem its own shares, to offer them to employees of the Company as compensation, or to offer its own shares to third parties in the course of acquiring companies.

3.11.5 Other reserves

The summarised changes in equity after tax attributable to the shareholders of Syzygy AG in other comprehensive income not recognised through profit or loss for the 2024 financial year amount to kEUR 705 (previous year: kEUR 957) and are due to currency translation in the amount of kEUR 705 (previous year: foreign currency gains in the amount of kEUR 717). In the previous year there were also net unrealised gains on securities totalling kEUR 240. All changes can be reclassified (recycling) and are consequently only recorded temporarily in other reserves. They may be reclassified as profit or loss at a later stage.

3.11.6 Retained earnings

The consolidated financial statements showed retained earnings of kEUR 14,029 (previous year: kEUR 7,783) as of December 31, 2024. The change in retained earnings during the financial year corresponds to net income attributable to the shareholders of Syzygy AG in the amount of kEUR -13,307 (previous year: kEUR -2,915), together with a withdrawal from additional paid-in capital in the single-entity financial statements of Syzygy AG amounting to kEUR 19,553 (previous year: kEUR 6,330).

Dividend distributions are based on the distributable part of net earnings disclosed in the annual financial statements of Syzygy AG according to the HGB (German Commercial Code). On July 11, 2024, the Annual General Meeting of Syzygy AG approved the proposal not to distribute a dividend (previous year: EUR 0.22 per eligible share).

As at December 31, 2024, the single-entity financial statements of Syzygy AG showed net earnings of kEUR 0 (previous year: kEUR 0).

3.12 Stock-based compensation

2013 stock option programme

In the 2013 financial year, the Group set up a stock option programme whereby the SYZYGY Group undertook to transfer a certain number of shares to employees after 3 years. If the employee leaves the SYZYGY Group prior to the end of the period, all claims arising from the stock option programme will lapse without compensation. Alternatively, both the company and the employees are entitled to pay or receive as remuneration, respectively, the market value as at the date of transfer in cash, instead of the shares.

As at the reporting date, commitments for a total of 50,000 shares are outstanding, of which 50,000 from 2022, a further 15,000 from 2023 and 20,000 from 2024. The expenses are recognised pro rata temporis from the date of commitment to the stock programme, with the result that a provision for claims arising from the stock option programme in the amount of kEUR 45 (previous year: kEUR 60) was recognised as at the key date. The allocation recognised in profit or loss was kEUR 38 in the financial year (previous year: kEUR 49). The fair value as at the key date is largely dependent on the share price.

In kEUR	Number of options	Fair value
As at: 12/31/2023	**55,000**	**166**
New allocation	20,000	54
Exercised	-15,000	-42
Expired	-10,000	-28
Change in value	0	-42
As at: 12/31/2024	**50,000**	**108**

Phantom stock programme 2015

The phantom stock plan was set up in 2015. Under this arrangement the eligible employee receives the difference between the share price on the date of granting and the share price on exercise of the phantom stocks as a special payment. 40 per cent of the phantom stocks granted (Tranche 1) are not exercisable until at least 2 years have elapsed and lapse after 3 years at the latest, while 60 per cent of the phantom stocks granted (Tranche 2) are not exercisable until at least 3 years have elapsed and lapse after 4 years at the latest. The maximum price increase (cap) is limited to 60 per cent for Tranche 1 and to 90 per cent in the case of Tranche 2.

As at December 31, 2024, Management Board members Frank Ladner and Erwin Greiner each hold 100,000 phantom stocks from the 2024 phantom stock programme, which was granted with effect from January 1, 2024. The base price of the phantom stocks issued under the 2024 programme is EUR 3.20. As at December 31, 2024, the CEO, Frank Wolfram, holds a total of 150,000 phantom stocks from the H1 2024 phantom stock programme, which was granted with effect from July 1, 2024. The base price of the phantom stocks issued under the H1 2024 programme is EUR 3.49. As at the balance sheet date, 350,000 phantom stocks were still held in the pool, while 270,000 lapsed in the financial year.

In kEUR	Number of options	Fair value
As at: 12/31/2023	**270,000**	**5.68**
Exercised	0	0.00
Lapsed	-270,000	5.68
New allocation	350,000	3.32
As at: 12/31/2024	**350,000**	**3.32**

Within the meaning of IFRS 2.50, the phantom stocks have no material impact on the SYZYGY Group's results of operations and net assets. The fair value of the phantom stocks on December 31, 2024 is calculated using the Black-Scholes model taking into account the remaining term, the expected dividend, the risk-free interest rate, the cap provision described below and the volatility of the underlying instrument.

3.13 Accounts payable

As at December 31, 2024 and 2023, accounts payable consisted of:

In kEUR	**12/31/2024**	12/31/2023
Accounts payable	8,539	9,667

All accounts payable are due within one year and must be allocated to the “Amortised costs” measurement category under IFRS 9 as financial liabilities (previously, under IAS 39, “Financial liabilities at amortised costs”).

3.14 Other provisions

Personnel-related provisions mainly comprise the employee stock-based compensation plans described in section 3.12.

Provisions break down as follows:

Statement of changes in provisions as at **December 31, 2024** (in kEUR)	Carrying value 01/01/2024	Usage	Reversal	Addition	Carrying value **12/31/2024**
Personnel-related provisions	389	-269	-70	278	**328**
Provision for restoration obligations	311	–	–	26	**337**
Obligations towards other parties	224	-103	-121	153	**153**
Other	198	-198	–	200	**200**
Total other provisions	**1,122**	**-570**	**-191**	**657**	**1,018**

Statement of changes in provisions as at December 31, 2023 (in kEUR)	Carrying value 01/01/2023	Usage	Reversal	Addition	Carrying value 12/31/2023
Personnel-related provisions	621	-230	-235	233	**389**
Provision for restoration obligations	296	–	–	15	**311**
Obligations towards other parties	205	-106	-22	147	**224**
Other	197	-92	-107	200	**198**
Total other provisions	**1,319**	**-428**	**-364**	**595**	**1,122**

In kEUR	2024	2023
Personnel-related provisions	328	389
Provision for restoration obligations	337	311
Obligations towards other parties	153	224
Other	200	198
Total other provisions	**1,018**	**1,122**
Of which:		
Current portion of provisions (< 1 year)	423	498
Non-current portion of provisions (> 1 year)	595	624

The provisions for restoration obligations relate to the estimated costs of restoring the leased properties to their original condition at the end of the lease term. These provisions are expected to be utilised in 2027.

3.15 Income tax liabilities

The breakdown of income tax liabilities is shown in the following table:

In kEUR	12/31/2024	12/31/2023
German income taxes	499	538
British income taxes	29	38
Polish income taxes	–	122
American income taxes	–	32
Total	**528**	**730**

3.16 Financial liabilities

The components of financial liabilities are detailed in the following table.
These comprise liabilities to banks:

In kEUR	Interest rate	Maturity	12/31/2024	12/31/2023
Liabilities to banks	4.54 %	01/16/2025	1,000	4,500
Total			**1,000**	**4,500**

The following table shows the maturities of financial liabilities at December 31, 2024:

In kEUR	< 1 year	Total
Financial liabilities	1,000	1,000

The following table shows the maturities of financial liabilities at December 31, 2023:

In TEUR	< 1 year	Total
Financial liabilities	4,500	4,500

3.17 Other financial liabilities

Other financial liabilities mainly include security deposits received and have a remaining term of more than one year in the previous year.

3.18 Other non-financial liabilities

In kEUR	**12/31/2024**	12/31/2023
VAT liability	939	1,048
Liabilities arising from wages and salaries, annual leave/ overtime, short-term bonus payments, social security, salary and church taxes	2,251	2,676
Other	186	72
Total	**3,376**	**3,796**

All other liabilities excluding tax liabilities are allocated to the "Amortised costs" measurement category in accordance with IFRS 9.

4. 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 & US segment consists of SYZYGY UK, Unique Digital UK and SYZYGY NY. The Germany segment comprises diffferent, SYZYGY Deutschland and SYZYGY Performance. Ars Thanea makes up the Poland 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 (operating income). 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 total assets plus the goodwill attributable to the respective 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.

As in the previous year, SYZYGY did not generate more than 10 per cent of consolidated sales with any single client across all operating segments.

12/31/2024 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Sales	56,445	5,058	8,209	0	-283	**69,429**
of which internal sales	-688	-18	990	0	-284	**0**
Impairment loss for goodwill	-12,272	-4,371	0	0	0	**-16,643**
EBIT	-5,514	-4,306	948	-2,106	1	**-10,977**
Financial income	471	119	10	8,866	-9,242	**224**
Financial expenses	-7,305	-195	-24	-786	7,485	**-825**
Income before income taxes (EBT)	-12,348	-4,382	934	5,974	-1,756	**-11,578**
Income taxes	16	7	-191	-1,415	2	**-1,581**
Income after income taxes (PAT)	-12,332	-4,375	743	4,559	-1,754	**-13,159**
Assets	43,294	12,542	10,976	82,057	-81,152	**67,717**
of which fixed assets	23,393	5,860	8,787	2,765	-78	**40,727**
of which goodwill	11,750	4,329	6,816	0	0	**22,895**
Investments	247	1,530	115	102	0	**1,994**
Depreciation and amortisation	14,643	4,702	431	1,220	0	**20,996**
Segment liabilities	28,867	6,897	2,444	8,465	-6,590	**40,083**
Employees at the balance sheet date	391	34	75	50	0	**550**

Breakdown of external sales by product area and geographical criteria, with Syzygy AG presented as part of the design & build product area and the Germany segment:

In kEUR	Germany	United Kingdom & US	Poland	Total
Design & build	49,568	–	7,219	**56,787**
Performance marketing	7,566	5,076	–	**12,642**
Total	**57,134**	**5,076**	**7,219**	**69,429**

12/31/2023 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Sales	57,367	8,350	6,114	38	-127	**71,742**
of which internal sales	-898	-31	1,016	38	-125	**0**
Impairment loss for goodwill	-4,736	0	0	0	0	**-4,736**
EBIT	-375	741	955	-1,977	0	**-656**
Financial income	3,081	88	9	7,641	-10,678	**141**
Financial expenses	-5,716	-154	-28	-4,058	8,522	**-1,434**
Income before income taxes (EBT)	-3,010	675	936	1,606	-2,156	**-1,949**
Income taxes	-586	-99	-197	68	0	**-814**
Income after income taxes (PAT)	-3,596	576	739	1,674	-2,156	**-2,763**
Assets	64,055	16,144	10,957	85,706	-89,560	**87,302**
of which fixed assets	38,156	8,245	8,824	3,286	329	**58,840**
of which goodwill	24,022	8,166	6,725	0	0	**38,913**
Investments	744	172	858	-75	0	**1,699**
Depreciation and amortisation	7,213	1,172	370	1,225	0	**9,980**
Segment liabilities	36,180	6,697	2,589	16,591	-15,382	**46,675**
Employees at the balance sheet date	430	43	68	48	0	**589**

5. Notes on the statement of comprehensive income

5.1 Sales

The sales figures include sales revenue from the performance marketing and design & build product areas. The sales figures are arrived at by deducting media costs from billings. Media costs are incurred in the performance marketing companies as pass-through items. Billings include all invoices to third parties, i.e. both our own (in the design & build product area) and those in our own name and for the account of a third party (performance marketing).

All services relate to periods of not more than one year or are invoiced at a fixed daily rate. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

5.2 Other operating income and expenses

Other operating income consists of the following:

In kEUR	**2024**	2023
Subletting	1,061	1,162
Exchange rate effects	526	378
Reversal of liabilities	284	206
Reversal of provisions	190	364
Income from employee benefits	159	144
Refund from health insurance funds	131	144
Refund of ancillary costs	8	13
Income from IFRS 16 derecognition	–	475
Other	268	409
Total	**2,627**	**3,295**

Other operating expenses consist of the following:

In kEUR	**2024**	2023
Exchange rate effects	583	435
Total	**583**	**435**

To present the general and administrative expenses more transparently, the expenses arising from exchange rate effects were reported under the separate item “Other operating expense” in the 2024 financial year, and the previous year was adjusted accordingly. They were recognised under the item “General and administrative expenses” in the prior year. The item “Other operating expense” was not presented separately in the prior year.

5.3 Cost of sales

The cost of purchased services, which is included in the “Cost of sales” item in the statement of comprehensive income, mainly comprises expenses for freelancers and outsourced services:

In kEUR	**2024**	2023
Cost of purchased services	11,678	12,227

Other expenses are assigned to cost of sales by means of a headcount allocation.

In Germany, the Company maintains defined contribution pension plans, under which it pays contributions to the relevant pension scheme provider in accordance with statutory provisions. Apart from the contribution payments, the Company has no further commitments arising from the plans. Current contribution payments are reported as expenses in the relevant financial year.

Further information on the cost of sales can be found in section 3.5.3 of the management report.

5.4 Sales and marketing costs

Sales and marketing costs include the following directly attributable expenses:

In kEUR	**2024**	2023
Direct expenses for sales and marketing costs	980	1,253

Other expenses are assigned to sales and marketing costs by means of a headcount allocation.

5.5 General and administrative expenses

General and administrative expenses include the following directly attributable expenses:

In kEUR	**2024**	2023
Direct expenses for general and administrative expenses	1,171	947

Other expenses are assigned to general and administrative expenses by means of a headcount allocation.

To present the general and administrative expenses more transparently, the expenses arising from exchange rate effects were reported under the separate item “Other operating expense” in the 2024 financial year, and the previous year was adjusted accordingly. They were recognised under the item “General and administrative expenses” in the prior year. General and administrative expenses of kEUR 8,842 were reported in the previous year.

SYZYGY spent kEUR 217 (previous year: kEUR 223) on retirement benefits in the 2024 financial year, kEUR 17 of which (previous year: kEUR 19) is attributable to defined contribution pension plans.

In 2024, the average number of employees in the SYZYGY Group was 562 (previous year: 615 employees). They are all salaried employees.

As at the end of the 2024 financial year, the total number of employees at SYZYGY had fallen to 550 (previous year: 589 employees). The employees are distributed across the following functional areas within the Company:

Number of persons	**12/31/2024**	12/31/2023	Average in **2024**	Average in 2023
Technology	130	123	128	119
Project management	92	96	89	98
Strategy/consulting	88	99	93	110
Performance marketing	83	96	89	108
Design	83	94	89	97
Administration	74	81	74	83
Total	**550**	**589**	**562**	**615**

5.6 Depreciation and write-downs

Depreciation and amortisation, which is included in cost of sales, sales and marketing costs and general and administrative expenses through a distribution key within the statement of comprehensive income, comprises the following:

In kEUR	**2024**	2023
Impairment of goodwill	16,643	4,736
Amortisation of rights of use	2,914	3,009
Depreciation of fixed assets	1,412	2,191
Amortisation of other intangible assets	27	44
Total	**20,996**	**9,980**

The amortisation of rights of use includes amortisation of real estate rights of use totalling kEUR 2,762 (prior year: kEUR 2,872) and of kEUR 152 (prior year: kEUR 137) for company cars.

5.7 Financial income

In kEUR	**2024**	2023
Interest and similar income	224	122
Income from the sale of securities	–	19
Total financial income	**224**	**141**
Interest expense and similar expenses	-312	-298
Interest expense from leases	-513	-531
Expenses from the sale of securities	–	-630
Impairment losses under IFRS 9, net	–	25
Total financial expenses	**-825**	**-1,434**
Total financial income	**-601**	**-1,293**

Interest and similar income, and interest expense are mainly derived under IFRS 9 from the FVTOCI valuation category. The interest expense resulting from accounting for leases under IFRS 16 amounts to kEUR 513 (previous year: kEUR 526). Interest expense includes the balance resulting from interest income and expense as defined in section 233a of the German Fiscal Code (Abgabenordnung, AO).

Financial income does not include an impairment loss in accordance with IFRS 9 (previous year: reversal of an impairment loss of kEUR 25). All the securities impaired in the 2022 financial year were sold in the 2023 reporting year. No securities were found to be impaired when added, or to have an increased default risk. As a result, impairment was calculated on the basis of the expected probabilities of default for the next 12 months.

5.8 Income taxes

In kEUR	**2024**	2023
Current domestic income taxes	1.588	524
Current foreign income taxes	159	102
Subtotal of current income taxes	**1.747**	**626**
Deferred taxes	-166	188
Total	**1.581**	**814**

In Germany, a uniform corporation tax rate of 15 per cent applies. The tax rate amounts to 15.8 per cent when the solidarity surcharge of 5.5 per cent is taken into account. The tax rate for trade tax payable by the Syzygy AG group changed marginally compared with the previous year. The allocation of trade tax between the Bad Homburg v.d.H., Frankfurt, Hamburg and Munich locations is weighted on the basis of the total salaries at the respective locations, with trade tax rates unchanged. The applicable tax rate for the group parent was thus 31 per cent, as in the previous year.

In the United Kingdom, a general tax rate of 19 per cent applied from April 1, 2017. That figure rose to 25 per cent on April 1, 2023. This rate was applied in the financial year. A weighted tax rate of 23.5 per cent was used to calculate income taxes in the previous year.

In the US, there is a federal tax of 21 per cent (previous year: 21 per cent) plus local taxes applicable to SYZYGY NY of around 0.8 per cent (previous year: 0.8 per cent).

In Poland, there has been a uniform tax rate of 19 per cent on corporate profits since January 1, 2015.

SYZYGY made income tax payments in arrears of kEUR 2 net in the 2024 financial year (previous year: refunds of kEUR 235). Deferred tax assets and liabilities can be summarised as follows:

In kEUR	**2024**	2023
Deferred tax assets		
Lease liabilities	5,055	5,735
Other fixed assets	616	493
Provisions	81	94
Accounts receivable	7	9
Other	77	85
Offset against deferred tax liabilities	-4,877	-5,488
Total	**959**	**928**

In kEUR	**2024**	2023
Passive latente Steuern		
Rights of use	3,996	4,453
Other financial assets	408	797
Other fixed assets	108	168
Unique Digital brand	33	31
Accounts receivable	5	1
Other	461	305
Offset against deferred tax assets	-4,877	-5,488
Total	**134**	**267**

The deferred tax assets at Syzygy AG as the parent company are mainly due to the different valuations of lease obligations and fixed assets.

Other deferred tax assets also arise at subsidiaries from different valuations of lease obligations and due to differences in the useful lives of the assets between valuations in accordance with IFRS and the local tax accounts.

Deferred tax assets of kEUR 5,055 (previous year: kEUR 5,735) were recognised for lease liabilities.

In accounts receivable, deferred tax assets of kEUR 7 (previous year: kEUR 9) were recognised as a result of impairments in accordance with IFRS 9.

Deferred tax assets and liabilities were netted in the amount of kEUR 4,877 (previous year: kEUR 5,488). The netting provisions of IAS 12.71 ff. were applied.

Deferred tax liabilities of kEUR 3,996 (previous year: kEUR 4,453) were reported as a result of rights of use to leased assets being capitalised in accordance with IFRS 16. Deferred tax liabilities of kEUR 183 (previous year: kEUR 618) were also recognised on the existing rent receivables arising from the sublease arrangement.

Other deferred tax liabilities arise from differences in the valuation of assets (kEUR 108; previous year: kEUR 168) and subsidiaries' intangible assets of kEUR 33 (previous year: kEUR 31).

Due to different valuations of accounts receivable at Ars Thanea, deferred tax liabilities of kEUR 5 (previous year: kEUR 1) were recognised.

Income taxes for the financial year can be reconciled to the profit for the period as follows:

In kEUR	**2024**	2023
Income before taxes	-11,578	-1,949
Income tax expense at a tax rate of 31% (previous year: 31%)	-3,589	-604
Income not subject to tax/ non-deductible expenditure	5,268	1,605
Differences in tax rates	-112	-30
Tax arrears from previous years	11	0
Tax refunds from previous years	-9	-235
Tax effects resulting from additions and deductions of local taxes	52	64
Other	-40	14
Actual income tax	**1,581**	**814**

The tax rate differences result from an average tax rate of 31 per cent in Germany compared with around 22 per cent in the US, 25 per cent in the UK and 19 per cent in Poland.

Deferred taxes were accounted for taking tax rates applicable in the future into consideration. Tax rate changes did not apply in the past financial year to the companies included in the SYZYGY Group.

In the 2024 financial year, no deferred tax assets were attributable to items that were offset directly against equity, but deferred tax liabilities of kEUR 7 (previous year: kEUR 9) were attributable to these items. The change in the valuation differences of kEUR -2 (previous year: kEUR -116) is recorded in other comprehensive income. The amounts result in the financial year from capitalisation of a brand that is denominated in foreign currency. In the previous year, they were mainly due to taking into account price gains and losses on securities held as current assets such that net income was not affected.

5.9 Notes on currency translation

In accordance with IAS 21.52, currency translation differences of kEUR 713 (previous year: kEUR 737) were reported in other comprehensive income for the period and recognised in other provisions.

6. Other notes

6.1 Earnings per share

Earnings per share from continuing operations – diluted and basic – are calculated in accordance with IAS 33 as follows:

	2024	2023
Weighted average number of shares (in thsd.), diluted and basic	13,500	13,500
Net income of Syzygy AG shareholders (in kEUR)	-13,307	-2,915
Earnings per share, diluted and basic (EUR)	-0.99	-0.22

It was decided that no dividend would be paid in respect of the financial year.

6.2 Consolidated statement of cash flows

When preparing the consolidated statement of cash flows in accordance with IAS 7, the indirect method is used to prepare the cash flow from operating activities and the direct method is used for cash flow from investment and financing activities.

In 2024, operating cash flow amounted to kEUR 9,634, as compared with kEUR 7,067 in the previous year. Operating cash flow includes interest paid in the amount of kEUR 810 (previous year: kEUR 813), interest received in the amount of kEUR 95 (previous year: kEUR 59) as well as tax refunds in the amount of kEUR 842 (previous year: kEUR 451) and taxes paid in the amount of kEUR 1,952 (previous year: kEUR 1,171).

Cash and cash equivalents comprise exclusively cash and cash equivalents with a contractual remaining term to maturity of less than three months.

In the course of the 2024 financial year, the Group conducted the following non-cash investment and financing transactions, which are reflected accordingly in a correction item in the consolidated statement of cash flows:

The movement of liabilities to cash flow from financing activities can be reconciled as follows:

In kEUR		Financial liabilities	Other financial liabilities	Lease liabilities (IFRS 16)	Total
December 31, 2023		**4,500**	**429**	**19,949**	**24,878**
Cash change	Cash inflow	29,500	0	0	**29,500**
	Cash outflow	-33,000	0	-4,011	**-37,011**
	(Net) repayment of financial liabilities	**-3,500**	**0**	**-4,011**	**-7,511**
Non-cash change	Net additions of lease liabilities	0	0	1,488	**1,488**
	Other measurement	0	30	429	**459**
December 31, 2024		**1,000**	**459**	**17,855**	**19,314**
	Overall change	-3,500	30	-2,094	**-5,564**

In kEUR		Financial liabilities	Other financial liabilities	Lease liabilities (IFRS 16)	Total
31. Dezember 2022		**8,000**	**279**	**22,895**	**31,174**
Cash change	Cash inflow	24,000	429	0	**24,429**
	Cash outflow	-27,500	-279	-3,778	**-31,557**
	(Net) repayment of financial liabilities	**-3,500**	**150**	**-3,778**	**-7,128**
Non-cash change	Net additions of lease liabilities	0	0	84	**84**
	Other measurement	0	0	748	**748**
31. Dezember 2023		**4,500**	**429**	**19,949**	**24,878**
	Overall change	-3,500	150	-2,946	**-6,296**

6.3 Risk and capital management

With regard to assets, liabilities and planned transactions, SYZYGY is subject to risk arising from changes in currency and interest rates as well as the creditworthiness of securities issuers.

6.3.1 Currency risk

SYZYGY generates around a fifth of its sales outside Germany, so exchange rate fluctuation between sterling/ the US dollar/the Polish zloty and the euro can have a positive or negative impact on securities and liabilities denominated in these currencies, and on sales and annual net income, in the event of deviation from the rate used for planning purposes. The assets and liabilities of the foreign operating companies are translated into the reporting currency at the balance sheet date and are therefore subject to translation risk. No hedging of currency risk currently takes place in the SYZYGY Group. In terms of operations, the Group companies conduct their activities predominantly in their respective functional currency. SYZYGY chooses not to hedge these cash flows since the costs and benefits of such cash flow hedges do not appear appropriate and the risk to the Group's net assets, financial position and results of operations is regarded as immaterial.

IFRS 7 requires the use of market risk sensitivity analysis to show the effects of hypothetical changes to relevant risk variables on profit or loss and equity. It is assumed that the portfolio as at the reporting date is representative of the year as a whole. Currency sensitivity analysis is based on the following assumptions:

Most securities, cash and cash equivalents, receivables and accounts payable are directly denominated in euros, the functional currency of Syzygy AG.

Syzygy AG regularly receives profit distributions in non-EUR currency from its foreign subsidiaries. These distributions are exchanged into euros when received.

6.3.2 Interest risk

SYZYGY is only subject to interest risk with regard to securities. There are no material financial liabilities which can create interest risk. Cash and cash equivalents were invested at variable rates on overnight terms.

Sensitivity analyses regarding interest rate changes must be presented in accordance with IFRS 7. Since SYZYGY classifies securities as FVTOCI as per IFRS 9, interest rate changes have no immediate impact on the Group's earnings. Unrealised gains and losses are recognised in other comprehensive income and carried in equity under "Other comprehensive income".

No securities were invested in a securities portfolio as at the reporting date.

6.3.3 Credit and default risk, risk of changes in credit spreads

Securities

SYZYGY was exposed to credit and default risk from operations and also with regard to securities investments. SYZYGY reduces default risk on securities by ensuring that a rating of at least BBB– (i.e. investment grade) is required in the case of new investments. All investments are continually monitored with regard to changes in rating and the investment decision is reviewed. SYZYGY did not hold any securities as at the reporting date. As a matter of policy, exposure to a single issuer is limited to a maximum nominal value of EUR 2.0 million. All securities were also subject to price changes which depend on credit spread changes and the remaining term to maturity. A widening of credit spreads in a risk class leads to a corresponding price decrease, depending on the duration of a security. All the securities were sold in the financial year.

The probabilities of default for a 12-month period are based on historical information provided by rating agency Standard & Poor's for each credit rating.

The maximum default risk for securities is limited by their acquisition costs.

SYZYGY did not hold any bonds in its portfolio as at the end of the financial year – as in the previous year.

The change in value adjustments for FVTOCI bonds during the year was as follows:

In kEUR	2024	2023
As at: January 1 as per IFRS 9	**0**	**25**
Net remeasurement of value adjustments	0	-25
As at: December 31	**0**	**0**

Accounts receivable

On the operational side, default risk is continuously monitored at the level of the individual companies. SYZYGY mainly works for large customers with excellent credit ratings and thus generally does not suffer any bad debts. SYZYGY has had hardly any credit losses from customers in the past, or none at all, so creditworthiness is rated as excellent. The volume of receivables due from individual customers is also not such that it involves an exceptional concentration of risk.

The maximum default risk is equivalent to the carrying amounts of financial assets in the balance sheet.

The default risk of accounts receivable is shown in the following table:

In kEUR	Germany	United Kingdom & US	Poland	Central functions	Total
December 31, 2024	11,502	786	1,044	39	**13,371**
December 31, 2023	11,604	988	1,276	0	**13,868**

The Group uses a value adjustment matrix to measure expected credit losses on accounts receivable from the majority of clients because they comprise a very large number of small balances. The loss rates are calculated using the rolling rate method. This is based on the probability that a receivable will progress through successive stages as payment is delayed. Rolling rates are calculated for defaults on the basis of the following general credit attributes. The following table provides information on the estimated default risk for accounts receivable as at December 31, 2024, and as at the same date in the previous year:

Accounts receivable as at **December 31, 2024**	Loss rate	Gross carrying value	Value adjustment	Impaired creditworthiness
Not due	0%	9,347	–	No
0-30 days	0%	2,814	–	No
31-60 days	0%	404	–	No
61-90 days	0%	437	–	No
91-120 days	2%	–	–	No
121-180 days	5%	351	17	No
181 days – 1 year	10%	39	4	No
More than a year	50%	–	–	No
Total		**13,392**	**21**	

Accounts receivable as at December 31, 2023	Loss rate	Gross carrying value	Value adjustment	Impaired creditworthiness
Not due	0%	9,574	–	No
0-30 days	0%	2,648	–	No
31-60 days	0%	277	–	No
61-90 days	0%	958	–	No
91-120 days	2%	35	–	No
121-180 days	5%	203	10	No
181 days – 1 year	10%	203	20	No
More than a year	50%	–	–	No
Total		**13,898**	**30**	

The changes in the value adjustments relating to accounts receivable and contract assets were as follows:

In TEUR	**2024**	Individual value adjustments	2023	Individual value adjustments
As at: January 1	**30**	**349**	**52**	**566**
Net remeasurement of value adjustments	-9	-349	-22	-217
As at: December 31	**21**	**0**	**30**	**349**

The key figures with regard to capital management are as follows:

In kEUR	**2024**	2023
Equity according to the balance sheet	27,634	40,219
Debt capital	40,083	47,083
Total capital	67,717	87,302
Equity ratio	41 %	46 %
Net income for the period	-13,159	-2,763
Return on equity	-48 %	-7 %

6.3.4 Financial instruments and financial risk management

The contractual terms of financial liabilities for the year under review and the previous year are stated in 3.16 Financial liabilities and 3.17 Other financial liabilities.

6.3.5 Capital management

SYZYGY's capital management policy is primarily aimed at financing both organic and inorganic growth and ensuring the ongoing course of business in the operating companies. SYZYGY aims to have a high equity ratio, since this strengthens the competitiveness of a service provider such as SYZYGY. Due to first-time application of IFRS 16 starting from the 2019 reporting year and a resulting increase in total assets of more than EUR 20 million, SYZYGY will no longer be able to meet the former target of 60–80 per cent in future. Accordingly, it has set a new target of 40–60 per cent.

A further capital management objective over the medium term is to raise the return on equity to over 10 per cent. In order to achieve these objectives, SYZYGY is seeking organic and inorganic growth together with an increase in profitability.

The Group's capital structure consists of financial liabilities, lease liabilities, cash and cash equivalents, and reserves.

Excluding goodwill impairment totalling kEUR 16,643 (previous year: kEUR 4,736), the return on equity amounts to 12 per cent (previous year: 5 per cent).

Debt capital mainly comprises current financial liabilities of kEUR 1,000 (previous year: kEUR 4,500), lease liabilities totalling kEUR 17,855 (previous year: kEUR 19,948), contract liabilities of kEUR 7,174 (previous year: kEUR 6,624) and accounts payable of kEUR 8,539 (previous year: kEUR 9,667).

6.3.6 Liquidity risk

SYZYGY has implemented a central liquidity management system. In order to provide financial flexibility and ensure solvency at all times, SYZYGY holds a liquidity reserve in the form of cash. Cash inflows are difficult to plan as there are no long-term contracts. Further information on liquidity risk is provided under 7.1 Risk report in the management report.

6.4 Contingent liabilities

As at the balance sheet date, the Group's contingent liabilities requiring disclosure amounted to kEUR 857 (previous year: kEUR 957) arising from the provision of rent guarantees for rental space in Bad Homburg v.d.H., Frankfurt, Hamburg and Munich. The risk of a claim being made in relation to the guarantees depends on the ability of the companies occupying the rental space to service the obligations resulting from the tenancy and their business operations. At present there are no indications that the subsidiaries will be unable to comply with their agreements. SYZYGY has agreed an indefinite guarantee loan of kEUR 857 (previous year: kEUR 957) with a financial institution, for which annual commission of 0.5 per cent is charged.

6.5 Recognised financial assets and liabilities by measurement level

The simplification rule of IFRS 7.29a was applied to disclosure of certain fair values.

6.6 Statement of controlled investments of Syzygy AG

Syzygy AG holds direct or indirect investments in the following companies:

	Share	Equity	Net income
	%	kEUR	kEUR
Ars Thanea S.A., Warsaw/Poland	80	1,722	739
diffferent GmbH, Berlin, Germany[3]	100	1,141	-464
syzygy Deutschland GmbH, Bad Homburg v.d.H.[2]	100	103	6,131
SYZYGY Digital Marketing Inc., New York City/USA	100	363	23
Syzygy Performance Marketing GmbH, Bad Homburg v.d.H.[4]	100	1,780	877
SYZYGY UK Ltd., London/United Kingdom[1]	100	133	-18
Unique Digital Marketing Ltd., London/United Kingdom[1]	100	607	-54

1 – Unique Digital Marketing Ltd. holds 100 per cent of the shares in SYZYGY UK Ltd., which operates in the UK. SYZYGY UK Ltd. is thus a direct holding.
2 – There is a controlling and profit and loss transfer agreement in place between syzygy Deutschland GmbH and Syzygy AG in favour of Syzygy AG.
3 – There is a controlling and profit and loss transfer agreement in place between diffferent GmbH and Syzygy AG in favour of Syzygy AG.
4 – There is a controlling and profit and loss transfer agreement in place between Syzygy Performance Marketing GmbH and Syzygy AG in favour of Syzygy AG.

6.7 Auditor’s fee

The auditor, Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, charged a total fee, including outlay, of kEUR 219 (previous year: kEUR 219) for auditing services relating to the consolidated financial statements and the financial statements of the parent company.

Costs of kEUR 30 (previous year: kEUR 0) were incurred for other services.

6.8 Information on associated companies and persons

Associated companies and persons include the members of the boards of Syzygy AG who hold key management positions, companies that belong to the same group of companies, and companies that are controlled by persons who hold key management positions. Syzygy AG has been a controlled and fully consolidated company of WPP plc, St. Helier, Jersey, since November 2015, after the WPP Group increased its shareholding in Syzygy AG from just under 30 per cent to over 50 per cent in the course of a voluntary takeover offer. As a result, all companies in the WPP Group are likewise qualified as associated persons and companies.

Balances and business transactions between Syzygy AG and its subsidiaries that are associated companies and persons were eliminated in the course of consolidation and will not be discussed any further. Details of transactions between the Group and other associated companies and persons are disclosed below. As a matter of policy, all transactions with associated companies and persons are concluded on normal market terms and conditions.

In 2024, SYZYGY generated sales of kEUR 2,508 (previous year: kEUR 1,127) with the WPP Group for client projects. Of this amount, receivables of kEUR 540 (previous year: kEUR 165) were still outstanding as at the reporting date. During the financial year, SYZYGY also made use of administrative and operational services provided by the WPP Group with a value of kEUR 818 (previous year: kEUR 562). Liabilities of kEUR 62 were outstanding as at the reporting date (previous year: kEUR 349).

With the exception of remuneration for members of the Management Board and their transactions with SYZYGY shares (see section 6.12.1 and 6.13) and compensation for the Supervisory Board and their transactions with SYZYGY shares (see section 6.12.2 and 6.13), no transactions that were not included in the consolidated financial statements were carried out with associated parties in 2024 and 2023.

6.9 Exemption according to Article 264 Section 3 of the Handelsgesetzbuch (HGB – German Commercial Code)

Diffferent GmbH, syzygy Deutschland GmbH and Syzygy Performance Marketing GmbH have availed themselves of the exemption according to Article 264 Section 3 of the HGB (German Commercial Code).

6.10 Parent company boards

6.10.1 Management Board

Frank Wolfram, Hamburg
Chair of the Management Board (CEO)

Frank Ladner, Heusenstamm
Technical Director (CTO)
Managing Director, syzygy Deutschland GmbH, Bad Homburg v.d.H.
Member of the Supervisory Board, Ars Thanea S.A., Warsaw, Poland

Erwin Greiner, Bad Nauheim
Finance Director (CFO)
Managing Director, diffferent GmbH, Berlin
Managing Director, Syzygy Performance Marketing GmbH, Bad Homburg v.d.H.
Director, Unique Digital Marketing Ltd., London, United Kingdom
Director, SYZYGY UK Ltd., London, United Kingdom
Director, SYZYGY Digital Marketing Inc., New York, USA
Member of the Supervisory Board, Ars Thanea S.A., Warsaw, Poland

Total remuneration granted and owed to the Management Board in the financial year amounted to kEUR 973 (previous year: kEUR 928).

Frank Ladner received a basic salary of kEUR 150 (previous year: kEUR 0), fringe benefits of kEUR 5 (previous year: kEUR 0), pension and welfare benefits of kEUR 11 (previous year: kEUR 0) and a variable salary of kEUR 0 (previous year: kEUR 0).

Frank Ladner received a basic salary of kEUR 270 (previous year: kEUR 220), fringe benefits of kEUR 18 (previous year: kEUR 12), pension and welfare benefits of kEUR 21 (previous year: kEUR 21) and a variable salary of kEUR 0 (previous year: kEUR 33).

Erwin Greiner received a basic salary of kEUR 240 (previous year: kEUR 210), fringe benefits of kEUR 18 (previous year: kEUR 12), pension and welfare benefits of kEUR 21 (previous year: kEUR 21) and a variable salary of kEUR 0 (previous year: kEUR 32).

Franziska von Lewinski left the company on December 31, 2023 and received a basic salary, including compensation for non-competition, of kEUR 213 (previous year: kEUR 300), fringe benefits of kEUR 1 (previous year: kEUR 12), pension and welfare benefits of kEUR 5 (previous year: kEUR 5) and a variable salary of kEUR 0 (previous year: kEUR 50).

The benefits include the cost of a company car, or a car allowance instead if no company car is used. The pension and welfare expenses relate to payments for health, accident and pension insurance.

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 and 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 December 31, 2024, Management Board members Frank Ladner and Erwin Greiner each hold 100,000 phantom stocks from the 2024 phantom stock programme, which was granted with effect from January 1, 2024. Frank Wolfram holds 150,000 phantom stocks from the H1 2024 phantom stock programme, which was granted with effect from July 1, 2024. A total of 270,000 stocks from the 2021 phantom stock programme lapsed at the end of the financial year.

The key parameters of the 2021, 2024 and H1 2024 phantom stock programme are presented in the following table:

Phantom Stocks **2024** (Anzahl)	Frank Wolfram	Frank Ladner	Erwin Greiner	Franzis-ka von Lewinski	Total
As at: 12/31/2022	**0**	**100,000**	**100,000**	**250,000**	**450,000**
Additions	0	0	0	0	**0**
Disposals	0	-40,000	-40,000	-100,000	**-180,000**
As at: 12/31/2023	**0**	**60,000**	**60,000**	**150,000**	**270,000**
Additions	150,000	100,000	100,000	0	**350,000**
Disposals	0	-60,000	-60,000	-150,000	**-270,000**
As at: 12/31/2024	**150,000**	**100,000**	**100,000**	**0**	**350,000**
Base price when granted (in EUR)	3.49	3.20	3.20	5.68	
Maturity date: Tranche 1 Tranche 2	 06/30/2026 06/30/2027	 12/31/2025 12/31/2026	 12/31/2025 12/31/2026		

6.10.2 Supervisory Board

Antje Neubauer
Chair of the Supervisory Board
CEO of WohnPlus Building GmbH, Düsseldorf
Managing shareholder of Antje Neubauer GmbH, Dusseldorf

Dominic Grainger
Deputy Chair of the Supervisory Board
CEO, WPP Specialist Communications, London, UK
CEO, WPP Sports Practice, London, UK

Shahid Sadiq
Member of the Supervisory Board
Global CFO WPP Specialist Communications, London, UK

The Supervisory Board members are entitled to total remuneration of kEUR 70 for their work in the 2024 financial year. This remuneration comprises fixed remuneration of kEUR 20 (previous year: kEUR 20) for each Supervisory Board member and kEUR 30 for the Chair of the Supervisory Board (previous year: kEUR 20). As in the previous year, the Supervisory Board members did not receive any variable remuneration.

In the 2024 financial year, Dominic Grainger and Shahid Sadiq waived their remuneration for the 2023 financial year. As a result, only a payment totalling kEUR 30 was made to Antje Neubauer in the 2024 financial year.

6.11 Directors' dealings

Management Board: Shares (Number of shares)	Frank Wolfram	Frank Ladner	Erwin Greiner	Summe
As at: 12/31/2023	0	**0**	**20,000**	**20,000**
Purchases	0	0	0	0
Sales	0	0	0	0
As at: 12/31/2024	0	**0**	**20,000**	**20,000**

Management Board: Shares (Number of shares)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
As at: 12/31/2022	0	**0**	**0**	**0**
Purchases	0	0	20,000	20,000
Sales	0	0	0	0
As at: 12/31/2023	0	**0**	**20,000**	**20,000**

6.12 Disclosures in accordance with Article 160 Section 1 No. 8 of the Aktiengesetz (AktG – German Public Companies Act)

1. Disclosures relating to the issuer

Name	Syzygy AG
Legal Entity Identifier (LEI)	391200XUREIZNGEH1A97
Street, building no.	Horexstr. 28
Postcode	61352
Place	Bad Homburg v. d. Höhe

2. Reason for notification (more than one may be stated)

Acquisition/sale of shares with voting rights

3. Disclosures relating to the party subject to notification requirements

Legal entity	
Name including legal form (company)	HANSAINVEST Hanseatische Investment-GmbH
Registered office	Hamburg
Country	Deutschland

4. Names of shareholders who hold 3 per cent or more of the voting rights, if different from 3.

None

5. Date of breaching threshold

04/15/2024

6. Total percentages of voting rights

	Percentage of voting rights (total of 7.a)	Percentage of instruments (total of 7.b.1 + 7.b.2)	Total shares (total of 7.a + 7.b)	Total number of voting rights pursuant to Article 41, WpHG
New	2.94 %	0.00 %	2.94 %	13,500,026
Most recent notification	4.93 %	0.00 %	4.93 %	–

7. Details of the voting right holdings

	Absolute		In %	
ISIN	Direct (Art. 33, WpHG)	Attributed (Art. 34, WpHG)	Direct (Art. 33, WpHG)	Attributed (Art. 34, WpHG)
DE0005104806	0	397,538	0 %	2.94 %
Total	397,538		2.94 %	

8. Information on the party subject to notification requirements

Party subject to notification requirements (3.) is neither controlled nor controls party subject to notification requirements of other companies with reportable voting rights of the issuer (1.) or to which voting rights of the issuer are attributed.

9. In the case of proxy in accordance with Article 34 (3) of the Wertpapierhandelsgesetz (WpHG – Securities Trading Act)

Not applicable

10. Other information

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1. Disclosures relating to the issuer

Name	Syzygy AG
Legal Entity Identifier (LEI)	391200XUREIZNGEH1A97
Street, building no.	Horexstr. 28
Postcode	61352
Place	Bad Homburg v. d. Höhe

2. Reason for notification (more than one may be stated)

Acquisition/sale of shares with voting rights

3. Disclosures relating to the party subject to notification requirements

Legal entity	
Name including legal form (company)	HANSAINVEST Hanseatische Investment-GmbH
Registered office	Hamburg
Country	Deutschland

4. Names of shareholders who hold 3 per cent or more of the voting rights, if different from 3.

None

5. Date of breaching threshold

04/26/2024

6. Total percentages of voting rights

	Percentage of voting rights (total of 7.a)	Percentage of instruments (total of 7.b.1 + 7.b.2)	Total shares (total of 7.a + 7.b)	Total number of voting rights pursuant to Article 41, WpHG
New	3.42 %	0.00 %	3.42 %	13,500,026
Most recent notification	2.94 %	0.00 %	2.94 %	–

7. Details of the voting right holdings

	Absolute		In %	
ISIN	Direct (Art. 33, WpHG)	Attributed (Art. 34, WpHG)	Direct (Art. 33, WpHG)	Attributed (Art. 34, WpHG)
DE0005104806	0	461,426	0 %	3.42 %
Total	461,426		3.42 %	

8. Information on the party subject to notification requirements

Party subject to notification requirements (3.) is neither controlled nor controls party subject to notification requirements of other companies with reportable voting rights of the issuer (1.) or to which voting rights of the issuer are attributed.

9. In the case of proxy in accordance with Article 34 (3) of the Wertpapierhandelsgesetz (WpHG – Securities Trading Act)

Not applicable

10. Other information

Please also see the relevant disclosures in the annual financial statements of Syzygy AG.

6.13 Declaration of Compliance with the German Corporate Governance Code in accordance with Article 161, AktG

The declaration of compliance with the German Corporate Governance Code in accordance with Article 161 of the AktG (German Public Companies Act) was issued on October 31, 2024 and is available to all shareholders on the Group's website (https://www.syzygy-group.net/en/corporate-governance/).

6.14 Date of authorisation for publication

The Management Board adopted and approved the consolidated financial statements for publication on March 25, 2025.

Bad Homburg v.d.H., March 25, 2025
Syzygy AG

Frank Wolfram (CEO)

Frank Ladner (CTO)

Erwin Greiner (CFO)

Independent Auditors' Report

To Syzygy AG, Bad Homburg v. d. Höhe

Audit opinions

We have audited the consolidated financial statements of Syzygy AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash-flow statement for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Syzygy AG for the financial year from 1 January to 31 December 2024. In accordance with German legal requirements we have not audited the content of those parts of the group management report listed in the appendix.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report in the section "Other information".

Pursuant to § 322 (3) sent. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) [Institut der Wirtschaftsprüfer in Deutschland. Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from Januar 1, 2024 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate [audit] opinion on these matters.

Impairment of goodwill

Related information in the consolidated financial statements.

The company’s disclosures on goodwill are contained in sections 2.1, 3.1, 3.2 and 5.6 of the notes to the consolidated financial statements.

Issue and risk for the audit

In the consolidated financial statements of Syzygy AG, a goodwill amounting to EUR 22.9 million (previous year: EUR 38.9 million) is reported under the balance sheet item “Goodwill”, which corresponds to 33.8 per cent (previous year: 44.6 per cent) of the Group’s total assets. The company allocates its goodwills to cash-generating units that exist within the Group’s operating segments. The goodwill is subjected to an impairment test annually or on an ad hoc basis in order to determine a possible need for impairment. As part of the impairment test, the carrying amount of the respective cash-generating unit is compared with the fair value. The measurement is regularly based on the present value of future cash flows of the relevant cash-generating unit to which the goodwill is allocated. The present values are determined using discounted cash flow models. The Group’s five-year financial plan prepared by the legal representatives and approved by the Supervisory Board forms the starting point, which is extrapolated using assumptions about long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is carried out using the weighted average cost of capital of the respective cash-generating unit. The result of this valuation is highly dependent on the estimates of the executive directors regarding the future cash inflows of the cash-generating units, the discount rate used, the growth rate and other assumptions regarding the macroeconomic environment and is therefore subject to considerable uncertainty. Based on this and due to the complexity of the valuation, this matter was of particular significance in the context of our audit.

Audit approach and findings

We recorded the processes and controls in order to gain an understanding of the impairment process. We critically scrutinized the identification of cash-generating units (CGUs) by the executive directors and defined cash-generating units as those entities that operate independently of each other and represent the lowest level of independent cash flows within the Group at which the goodwill is monitored for internal management purposes and which are subordinate to the operating segments identified in accordance with IFRS 8. We obtained the model used by the executive directors to test the recoverability of goodwill. We reconciled the input data to the source data and tested the calculation methodology and the integrity of the model. In doing so, we assessed the accuracy of the parameters used for the impairment test, the discount rate, sales growth and expected cost increases over the detailed planning period as well as the perpetuity. We then reviewed the appropriateness of these assumptions with reference to historical data, external studies and the risk of bias by the executive directors. We critically assessed the accuracy of the executive directors’ forecasts by comparing the executive directors’ planning figures with the results achieved by the company in previous years. In order to determine whether a higher impairment loss than that already recognized in the amount of EUR 16.6 million (previous year EUR 4.7 million) is required, we used, among other things, the sensitivity analyses of the executive directors, which include the effects of a reasonably possible change in the key assumptions for impairment. As part of this audit work, we also performed our own sensitivity analyses with reference to the results of our assessment of the above assumptions. As part of our audit work, we engaged internal valuation specialists to assist us in assessing the appropriateness of the parameters used in the executive directors’ impairment models, such as the discount rate and the long-term growth rate. We assessed the presentation in the consolidated financial statements based on the requirements of IAS 36 “Impairment of Assets” (“IAS 36”) and IAS 1 “Presentation of Financial Statements” (“IAS 1”), in particular the disclosures relating to judgments, estimation uncertainties and sensitivities. The valuation parameters and assumptions applied by the legal representatives are comprehensible overall.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following components of the Group management report, the content of which has not been audited:

- the corporate governance statement pursuant to Sections 289f HGB and 315d HGB, to which reference is made in the Group management report,
- the non-financial statement pursuant to § 315b HGB,
- the remuneration report pursuant to § 162 AktG, which is referred to in the Group management report, and
- the disclosures in the risk management system (RMS) section that are not part of the management report and are marked as unaudited

The other information also includes:

- the assurances pursuant to § 297 (2) sentence 4 and § 315 (1) sentence 5 HGB on the consolidated financial statements and Group management report
- the report of the Supervisory Board and
- the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements and group management report and our auditor's report.

The legal representatives and the Supervisory Board are jointly responsible for the remuneration report. The Supervisory Board is responsible for the report of the Supervisory Board. Furthermore, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information:

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [and supplementary compliance with the ISAs] will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our [audit] opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory Requirements

Report on the Assurance on the electronic rendering, of the Consolidated Financial Statements and the Group Management Report, prepared for publication purposes in accordance with § 317 (3a) HGB

Assurance opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain rea-sonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file SYZYGY_AG_KAuKLB_ESEF-2024-12-31-de.zip (MD5-hash value: [5269d80193fa2da5c71d9f8584b7cdf5]) and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January December 31, 2024 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering, of the consolidated financial state-ments and the group management report, contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3.000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm has applied the quality management system requirements of the International Standard on Quality Management (ISQM 1).

Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 (1) sent. 4 Nr. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sent. 4 Nr. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file (made available,) containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enables an XHTML rendering with content equivalent to the audited consolidated financial statements and of the audited group management report.
- evaluate whether the tagging of ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Other information according to Art. 10 EU-APrVO

We were elected as auditors for the consolidated financial statements by the general meeting on December 31, 2024. We were appointed by the supervisory board on July 9, 2024. We have served as auditors for the consolidated financial statements of Syzygy AG without interruption since the 2023 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Art. 11 EU-AprVO (audit report [Prüfungsbericht]).

We have performed the following services, which were not disclosed in the consolidated financial statements or the group management report, in addition to the audit of the financial statements for the Group companies:

- In preparation for the statutory audit of the Group sustainability report, we have performed assurance services in relation to the requirements of CSRD and ESRS for Group sustainability reporting. Due to the fact that the CSRD has not been implemented into German law by December 31, 2024, we have not completed these services. We have performed the further assurance engagement in accordance with the CSRD and ESRS after the determination of the non-implementation into German law as other services

Other matters – use of the audit opinion

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Responsible Auditor

The auditor responsible for the audit is Patrick Riedel.

Frankfurt am Main, March 25, 2025

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Jörg Maas	Patrick Riedel
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility Statement by the legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Bad Homburg v.d.H., March 25, 2025
Syzygy AG

The Management Board

Frank Wolfram (CEO)

Frank Ladner (CTO)

Erwin Greiner (CFO)

Corporate Governance- Report

In this Declaration, the Management Board and Supervisory Board report on corporate governance as required under section 289f of the German Commercial Code (HGB) and on the corporate governance of Syzygy AG in accordance with provision F.4 of the German Corporate Governance Code („DCGK“ below). The DCGK describes internationally recognised principles of responsible and transparent company management and supervision. Since it was first adopted in 2002, it has been updated and expanded on several occasions, most recently on April 28, 2022.

The Management Board and Supervisory Board are committed to a style of corporate management based on sustainability. They identify with the purpose of the DCGK, i.e. to promote trust-based management for the benefit of shareholders, employees and customers.

The DCGK contains recommendations, which companies are not obliged to follow. However, they must then make a corresponding disclosure in the annual Declaration of Conformity required under section 161 of the German Stock Corporation Act (AktG) and explain the deviations.

The Declaration on Corporate Governance as defined in section 289f of the German Commercial Code covers the following:

1) The Declaration of Conformity with the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act;
   a. A reference to the company's website, on which the following are made publicly accessible: remuneration report for the last financial year and the auditor's report in accordance with section 162 of the German Stock Corporation Act, the current remuneration system in accordance with section 87a (1) and (2) sentence 1 of the German Stock Corporation Act, and the most recent remuneration resolution in accordance with section 113 (3) of the German Stock Corporation Act;
2) Relevant information on corporate governance practices applied at the company that go beyond statutory requirements;
3) A description of the working methods of the Management Board and Supervisory Board, and the composition and working methods of their committees;
4) Information about the targets established for the female proportion of management positions and the extent to which these targets are reached.
5) Diversity statement

1. Declaration of Conformity by the Management Board and Supervisory Board of Syzygy AG in relation to the German Corporate Governance Code, pursuant to section 161 of the German Stock Corporation Act

The Management Board and Supervisory Board of Syzygy AG declare pursuant to section 161 of the German Stock Corporation Act that the company has complied with the recommendations of the Government Commission's German Corporate Governance Code as updated on April 28, 2022 since its publication on June 27, 2022, with the following exceptions, and will continue to comply accordingly:

Provision B.2 states that the Supervisory Board together with the Management Board shall ensure that a long-term succession plan is in place. The approach shall be described in the Declaration on Corporate Governance:
The Supervisory Board does not set out a long-term succession plan with the Management Board, since it does not consider this kind of planning to be useful in this professional context. Accordingly, the approach is not described in the Declaration on Corporate Governance.

Provision B.5 states that an age limit shall be specified for members of the Management Board and disclosed in the Declaration on Corporate Governance:
When filling Management Board positions, the decision for a particular candidate is taken solely on the basis of professional qualifications and personal aptitude. As a result, it is not possible to draw conclusions about a Management Board member's capabilities on the basis of having reached an age limit. Accordingly, no age limit for Management Board members is specified in the Declaration on Corporate Governance.

Provision C.1 states that the Supervisory Board shall determine specific objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board while taking the principle of diversity into account. The Supervisory Board's profile of skills and expertise shall also include expertise in the sustainability issues that are of importance for the company. Proposals made by the Supervisory Board to the General Meeting shall take these objectives into account, while also seeking to fill the required profile of skills and expertise for the Supervisory Board as a whole. The implementation status shall be disclosed in the form of a qualification matrix in the Declaration on Corporate Governance. The Declaration shall also provide information about what the shareholder representatives on the Supervisory Board regard as the appropriate number of independent shareholder representatives, and the names of these members:
Since Syzygy AG was established, the company has been committed to serving the interests of shareholders, employees and customers by having a Supervisory Board with the greatest possible professional expertise, both company-specific and industry-specific, regardless of attributes such as age or gender. A particular focus in this respect is in-depth knowledge of the communications and digital sector, corporate sustainability management, an international outlook and an extensive skillset in accounting and internal control procedures. In its current composition, the Supervisory Board satisfies these requirements in full. Due to the small size of the Supervisory Board, the company does not produce a written specification of detailed requirements. Likewise, proposals for the election of Supervisory Board members are, in the company's interest, based primarily on the required knowledge, skills and professional experience. When making proposals in future, the Supervisory Board will take into account diversity aspects while giving due regard to the company-specific situation. Accordingly, no disclosures of this type are included in the Declaration on Corporate Governance.

Provision C.2 states that an age limit shall be specified for members of the Supervisory Board and disclosed in the Declaration on Corporate Governance:
Syzygy AG does not specify an age limit, since it does not consider this kind of specification to be useful in this professional context. Accordingly, no age limit for Supervisory Board members is specified in the Declaration on Corporate Governance.

Provisions D.2 and D.4 state that the Supervisory Board shall form committees and an Audit Committee, which in the case of larger companies generally supports the effectiveness of the Supervisory Board's work. (Formation of committees with specialist expertise by the Supervisory Board as set out in provision D.2 and of a Nomination Committee as set out in provision D.4):
Due to its current size of three members, the Supervisory Board of Syzygy AG only has an Audit Committee. This size has proved to be very effective, since both general strategic topics and detailed issues can be discussed intensively in the plenary Supervisory Board sessions and decisions taken. Accordingly, information on expertise in the required skills as listed in the profile of skills and expertise for Supervisory Board members is disclosed in the Declaration on Corporate Governance.

Provision D.6 states that the Supervisory Board shall also meet on a regular basis without the Management Board:

In view of the current size of the Supervisory Board (three members), informal dialogue among the members of the Supervisory Board is continually taking place. As a result, regular ordinary meetings to deal with matters do not appear necessary or appropriate. If it appears necessary for the Supervisory Board to meet without the Management Board in specific instances, for example to discuss Management Board matters, the Supervisory Board has in the past discussed such matters and reached decisions internally and will continue to do so.

Provision D.12 states that the Supervisory Board shall assess, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfil their duties. The Supervisory Board shall report in the Declaration on Corporate Governance if (and how) the self-assessment was conducted:

No regular self-assessment of the Supervisory Board takes place. In view of the current size of the Supervisory Board (three members), such an assessment does not appear to be necessary. Since no committees are formed, self-assessment of the work of committees does not apply as no committees are formed. Accordingly, the Declaration on Corporate Governance does not report on carrying out self-assessment.

Provision G.3 states that in order to assess whether the specific total remuneration of Management Board members is in line with usual levels compared to other enterprises, the Supervisory Board shall determine an appropriate peer group of other third-party entities, and shall disclose the composition of that group:

The Supervisory Board does not make a peer group comparison. Due to the company's business activity as a listed consultancy and implementation partner for digital experiences, it is not possible to properly determine a relevant peer group, meaning that comparisons would be unlikely to be representative.

Provision G.10 states that taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years:

The existing Management Board contracts are each concluded for a period of three years. The variable components of remuneration are divided into short-term variable remuneration, which is based on annual targets and granted after preparation and auditing of the annual financial statements, and long-term variable components of remuneration based on the performance of the share price. These share price-based bonus agreements provide that up to 40 per cent of allocated phantom stocks shall be exercisable after two years over a period of 12 months, and a further 60 per cent after three years over a period of 12 months. After these exercise windows, the phantom stocks expire. The short-term and long-term components of remuneration are paid in cash as part of payroll accounting and are at the disposal of the eligible employee immediately after payment. Investment of the variable compensation in company shares is not mandatory and is at the discretion of the beneficiary.

Provision G.11 states that the Supervisory Board shall have the option of taking exceptional circumstances into account within reasonable limits. Where justified, it shall be possible to withhold variable remuneration or reclaim it:

The variable components of remuneration are not paid until and insofar as the agreed performance targets have been reached. Management Board members are thus rendering advance performance. Accordingly, there are no arrangements in place to change performance targets retrospectively or to claw back variable remuneration components. This does not rule out enforcing recourse claims in the event of misconduct by an individual. In order to take exceptional circumstances into account within reasonable limits, the Supervisory Board reserves the right to modify the performance targets to a reasonable extent, including retrospectively, or to raise or lower them.

It may do so in extraordinary unforeseen circumstances, in particular if exceptional share price rises occur, for example as the result of a public offer to acquire SYZYGY shares or related rumours, and if exceptional share price falls occur, for example as the result of a special dividend or a capital reduction with repayment of the common stock.

a) Remuneration report / remuneration system

The Syzygy AG website at www.syzygy-group.net/en/corporate-governance provides publicly accessible information on the current remuneration system for the members of the Management Board in accordance with section 87a (1) and (2) sentence 1 of the German Stock Corporation Act, which was approved by the General Meeting on May 28, 2021, the resolution adopted by the General Meeting on May 28, 2021 in accordance with section 113 (3) of the German Stock Corporation Act and the resolution adopted by the General Meeting on July 9, 2024 on remuneration for members of the Supervisory Board. The same web address provides public access to the remuneration report and the auditor's report in accordance with section 162 of the German Stock Corporation Act.

2. Corporate governance practices

The Management Board of Syzygy AG runs the business with the due care of a prudent and conscientious businessman, in compliance with the statutory requirements, the provisions of its Articles of Association and the DCGK in accordance with section 161 of the German Stock Corporation Act, with the exceptions stated in the corresponding declaration. There are no relevant corporate governance practices at Syzygy AG that go beyond these requirements.

3. Working methods of the Management Board and Supervisory Board

Dual management system

As required by law, Syzygy AG operates a dual management system in which the Management Board manages the company independently, while the Supervisory Board is responsible for monitoring the actions of the Management Board. The two boards are strictly separate, both in terms of the persons appointed to them and their competencies.

Composition and working methods of the Management Board

The Management Board of Syzygy AG comprises three persons: a Chief Executive Officer (CEO), a Chief Technology Officer (CTO) and a Chief Financial Officer (CFO).

The Management Board conducts the business of the company in accordance with the law and the Articles of Association. It defines long-term objectives for the Group and its subsidiaries to achieve sustained, profitable corporate growth, develops strategies on that basis and ensures that they are implemented. In doing so, it works closely with the company's Supervisory Board in the context of a trusting relationship.

Each member of the Management Board is responsible for specific business areas, for which he or she takes personal responsibility. When performing their duties the members cooperate and inform each other of important measures and activities in their respective area of responsibility. Responsibility for overall management is borne collectively by all Management Board members.

Management Board meetings may be convened by any member of the Management Board. They are held at regular intervals and additionally as required. The Management Board adopts resolutions by simple majority, unless unanimity is required by law. Management Board resolutions are documented and archived.

The Chair of the Management Board acts as spokesperson. He or she coordinates the individual business areas and represents the company externally.

Syzygy AG has taken out D&O insurance for all members of the Management Board and Supervisory Board. In accordance with the current DCGK, this provides for an excess in the amount prescribed by law.

Composition, profile of skills and expertise, and working methods of the Supervisory Board

The Supervisory Board of Syzygy AG has three members. In line with statutory requirements, they have extensive knowledge of accounting and internal control and risk management systems, auditing and finance, and of sustainability management.

Skills profile	Supervisory Board **Antje Neubauer** Chairwoman of the Supervisory Board	**Dominic Grainger** Member of the Supervisory Board	**Shahid Sadiq** Member of the Supervisory Board
Accounting, internal control and risk management			✓
Auditing and finance		✓	✓
Sustainability	✓		
Innovations	✓	✓	✓
Marketing/communication	✓	✓	
Strategy	✓	✓	✓

The Supervisory Board is also the Audit Committee, chaired by Shahid Sadiq. His required professional qualifications are listed in the table.

Two members of the Supervisory Board also benefit from international business experience and other international connections. The members of the Supervisory Board have also a number of different educational and academic bachgrounds.

When performing its duties, the Supervisory Board works together with the company's other bodies for the good of the enterprise. It monitors and advises on the Management Board's actions in terms of legality, regularity, appropriateness and commercial viability.

The Management Board reports to the Supervisory Board regularly in writing or verbally, providing up-to-date, comprehensive information about recent developments as well as the economic and financial situation of the Group and its subsidiaries. The Supervisory Board is directly involved in all important decisions affecting the SYZYGY Group.

Supervisory Board meetings are held regularly once a quarter and additionally as required. The ordinary meetings are set and scheduled before the beginning of the year when the financial calendar for the following year is being drawn up. Additional (extraordinary) meetings are convened in writing by the Chair of the Supervisory Board with fourteen days' notice. A written agenda and a presentation are distributed to the members of the Supervisory Board prior to each meeting. Resolutions require a majority of the votes cast or are adopted unanimously, as the case may be.

The company's performance is discussed at every meeting of the Supervisory Board. The Supervisory Board also requests additional information from the Management Board. In particular, the Supervisory Board studies the quarterly reports on a regular basis and approves them following discussion with the Management Board.

The Supervisory Board Chair coordinates the work of the Board and chairs the meetings. Each year he or she outlines the work of the Supervisory Board in his or her report to the shareholders and General Meeting.

More detailed information on the work of the Supervisory Board throughout 2024 can be found in the Report of the Supervisory Board in Syzygy AG's 2024 Annual Report, which will be available from March 31, 2025 on the Group's website at https://www.syzygy-group.net/investors.

4. Target figures for equal participation of women and men in management positions

The Management Board and Supervisory Board have already engaged with the DCGK's requirements for greater diversity, in particular for an appropriate consideration of women in managerial positions. When filling managerial positions and when appointing Management Board members and in determining the composition of the Supervisory Board, Syzygy AG is primarily under an obligation to serve the interests of the company; the candidate's qualifications and personal aptitude for the relevant duties must thus be the main consideration when filling vacant positions. Diversity is not defined solely by gender or nationality, but also and especially by professional diversity and a balanced mix of expertise from different specialist areas.

At present, the Supervisory Board consists of three members, each with extensive experience in the marketing, communications and software sector, as well as international relationships with clients and agencies. The Supervisory Board consists of one female member and two male members. The target quota of 30 per cent female Supervisory Board members is therefore achieved.

From January 1 to July 1, 2024, the executive board consisted of two male members: the Chief Financial Officer and the Chief Technology Officer. With the appointment of the new CEO on July 1, 2024, the executive board now consists of three male members.

The board members have extensive experience in marketing, communication, strategy, and software, as well as long-standing financial expertise. The current executive contracts are each for a duration of three years and will expire for the CFO and CTO on December 31, 2026. The CEO's contract will end on June 30, 2027. The target quota of 30 percent for gender diversity on the executive board has not been achieved.

In the first and second management levels below the executive board at Syzygy AG, a 25 percent female representation is achieved. In principle, Syzygy AG is committed to promoting women and will take gender diversity into account in the future development of employees and the nomination of leaders.

5. Diversity statement

Description and objectives of the diversity statement

The diversity statement for the Supervisory Board and Management Board aims in each case to achieve diversity in the composition of these two bodies in relation to background, age, origin and gender. The goal of the diversity statement is to ensure that there is a range of different backgrounds and fields of experience on the Supervisory Board and Management Board, and to boost competitiveness.

Implementation of the diversity statements

The diversity statements for the Supervisory Board and Management Board will be implemented, based on the defined aspects, in the recruitment objectives that the Supervisory Board applies in its decision on election proposals to the General Meeting and on appointments to the Management Board.

Diversity-related recruitment objectives for the Management Board

The Supervisory Board works with the Management Board on succession planning for the Management Board. When appointments are made to the Management Board, as wide a range of knowledge, skills and professional experience as possible (diversity) should be represented in order to meet the following objectives of the diversity statement:

In relation to educational and professional background, particular emphasis is placed on extensive experience in the communications and IT/software sector and on many years of financial expertise. There is no age limit for members of the Management Board.

Diversity-related recruitment objectives for the Supervisory Board

Syzygy AG aims for maximum company-specific and industry-specific expertise on the Supervisory Board, irrespective of attributes such as age or gender.

The Supervisory Board nevertheless supports an appropriate representation of women on the Supervisory Board. The statutory minimum proportion of 30 per cent is regarded as generally appropriate.

A particular focus in relation to educational and professional background is in-depth knowledge of the communications and digital sector, and an extensive skillset in accounting, audit and internal control procedures.

Due to the international outlook of the SYZYGY Group, members with an international background will also be considered when making appointments to the Supervisory Board.

Position at the end of the financial year

The diversity goals for the supervisory board, particularly regarding female representation, were achieved in the 2024 fiscal year. However, due to the appointment of a new Cief Executive Officer as of July 1, 2024, who places strong emphasis on diversity aspects such as background and experience, gender diversity on the management board could not be fully achieved.

Bad Homburg v.d.H., October 31, 2024
The Management Board and Supervisory Board

Syzygy AG

Remuneration Report

This remuneration report was prepared by the Management Board and Supervisory Board of Syzygy AG in accordance with Article 162 of the German Stock Corporation Act (AktG). It reports on the remuneration granted and owed by Syzygy AG and by companies in the Syzygy Group to each individual current or former member of the Management Board or Supervisory Board in the past financial year. The remuneration report was audited by auditor Mazars GmbH & Co. KG in accordance with Article 162 (3) of the AktG. The auditor's report is reproduced in full at the end of the remuneration report.

Review of the 2024 remuneration year

Resolution on approval of the 2023 remuneration report

The remuneration report for the 2023 financial year, prepared and audited in accordance with Article 162 of the AktG, was submitted to the ordinary General Meeting of Syzygy AG for approval. On July 9, 2024, the General Meeting approved the report with a majority of 93.75 per cent of the votes cast and of the capital represented, in accordance with Article 120a (4) of the AktG. The remuneration of the Management Board and Supervisory Board corresponds in all material aspects to this resolution of approval.

A. Management Board remuneration

I. General information on the remuneration system

The remuneration system for the Management Board is continuously reviewed and adjusted by the Supervisory Board to ensure that it complies with statutory requirements and that it is appropriate for achieving the Company's strategic objectives. It is also reviewed and adjusted on a case-by-case basis when new Management Board service contracts are concluded and/or when existing contracts are extended.

The remuneration system for the Management Board complies with the provisions of Article 87a (1) of the German Stock Corporation Act (AktG) and, apart from the exceptions listed in the latest declaration of conformity in accordance with Article 161 of the AktG, the recommendations of the German Corporate Governance Code as updated on April 28, 2022.

1. Approval of the remuneration system by the shareholders

In accordance with Article 120a (1) of the AktG, the Annual General Meeting of a listed company must pass a resolution on approving the remuneration system for Management Board members as presented by the Supervisory Board when any material change is made, but at least every four years. On May 28, 2021, the ordinary General Meeting of Syzygy AG approved the remuneration system as presented by the Supervisory Board, with a majority of 91.13 per cent of the votes cast.

2. The Company's business strategy

The business strategy of Syzygy AG is aimed at extending its position as a leading consultancy and implementation partner for digital experiences. Successful implementation of this strategy is reflected in

- the key financial metrics and
- the sustained long-term performance of the Company.

3. Overview of the remuneration system

To align the interests of the Company, its shareholders, its employees and its Management Board members, Management Board remuneration comprises

- fixed remuneration components
- variable remuneration components.

a. Fixed remuneration components

The fixed remuneration consists of a basic salary paid in equal instalments each month and non-cash fringe benefits. Fringe benefits comprise the provision of a company car or payment of a car allowance in equal monthly instalments, as the Management Board member chooses, the granting of allowances for health, long-term care, accident and pension insurance, and payment of the premiums for the D&O insurance, excluding the excess.

b. Variable remuneration components

The variable remuneration consists of components geared towards the short-term and long-term success of the Syzygy Group (short-term and long-term profit participation).

aa. Short-term profit sharing

The level of short-term profit sharing is calculated in accordance with the remuneration system approved by the General Meeting based on reaching the relevant annual targets. These targets will be set each year in advance by the Supervisory Board for the next financial year. Only collective targets were set for all Management Board members in the 2024 reporting year.

If targets are met in full, the absolute level of short-term profit sharing is equivalent to 30 per cent of the basic annual salary of the relevant Management Board member. If a Management Board member leaves the Board in the course of the year, the short-term profit sharing is paid for the relevant year on a pro rata basis, if and to the extent that the agreed annual targets have been met. There are no arrangements in place to claw back variable remuneration components.

The annual targets must be aligned with operational and strategic objectives. The annual targets are defined as key financial metrics for the purposes of the operational objectives, and qualitatively in the case of strategic objectives. The operational objectives will account for at least half of the maximum achievable short-term profit sharing.

In the 2021 to 2024 financial years, the overall responsibility of the Management Board was the crucial factor in determining short-term profit sharing, with the result that the short-term targets were formulated uniformly for all Management Board members.

Achieving operating income (EBIT) in line with the approved business plan, increasing the EBIT margin to 11 per cent and meeting growth targets for sales were agreed as operational objectives.

A reduction in staff turnover and achieving new customer wins were agreed as strategic objectives for 2023 and 2024, respectively.

For further details, please see the notes on each of the Management Board members.

The short-term profit sharing becomes due when the annual financial statements are adopted.

bb. Long-term profit participation

The level of long-term profit participation is based on performance of the SYZYGY share price, in accordance with the remuneration system approved by the General Meeting. It is granted in two tranches, in the form of virtual share options (phantom stocks). 40 per cent of the total phantom stocks issued are allocated to the first tranche, which can be exercised after two years at the earliest, and 60 per cent are allocated to the second tranche, which can be exercised after three years at the earliest. On exercise, the difference between the base price on allocation of the phantom stocks and the share price on exercise of the phantom stocks will be paid out to the eligible Management Board member. The base price and the share price on exercise correspond to the mean XETRA closing price over the 10 trading days prior to the date of granting the stocks, and the 10 trading days prior to exercise, respectively. Subject to certain exclusion periods, e.g. close to the date of publication of the quarterly and annual financial statements, any tranche may be exercised within a timeframe of 12 months from the first exercise date. It follows that the first tranche may be exercised within 24 to 36 months, 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 share price increase over the base price for the first tranche, and at 90 per cent of the price increase for the second tranche.

If the share price increase reaches its maximum level, the absolute amount of long-term profit participation on an annual basis corresponds to 45 per cent of the current basic annual salary for the CEO, 31 per cent for the Technology Director and 35 per cent for the Finance Director.

II. Fixed and variable remuneration components together with explanatory notes

The remuneration components granted to Management Board members are reported below in the financial year in which the relevant payment or other benefit was transferred to the Management Board member, even if the work underlying the remuneration was fully done in a previous financial year. This means that long-term profit participation may also include payments that represent cumulative remuneration for work done over several years.

Accordingly, the relative proportions of the remuneration components stated in per cent relate to the total remuneration reported for the relevant financial year. The relative proportions stated here are therefore not comparable with the relative proportions in the description of the remuneration system referred to in Article 87a (1) No. 3 of the AktG. The proportions stated in the description of the remuneration system relate to the respective target figures.

Remuneration granted and owed (in kEUR)	Frank Wolfram, CEO*			
	2024	in %	2023	in %
Fixed remuneration	150	90 %	–	0 %
Fringe benefits	16	10 %	–	0 %
Total fixed remuneration components	**166**	**100 %**	–	**0 %**
Short-term profit sharing	0	0 %	–	0 %
Long-term profit participation	0	0 %	–	0 %
Phantom Stocks H1-2024 (term 07/01/2024 – 06/30/2028)	0	0 %	–	0 %
Total variable remuneration components	**0**	**0 %**	–	**0 %**
Total remuneration	**166**	**100 %**	–	**0 %**

* Frank Wolfram since July 1, 2024

In accordance with the remuneration system approved by the Annual General Meeting on May 28, 2021, and in line with the business strategy for the 2024 financial year, the following objectives were agreed with the Management Board member for short-term profit sharing:

Operational

- Achieve operating profit as budgeted (50 per cent of short-term bonus)
- Net sales less direct costs (gross margin) of EUR 70.0 million (15 per cent of short-term bonus)
- Increase the EBIT margin to 11.1 per cent of gross margin (15 per cent of short-term bonus)

Strategic

- Acquisition of at least two new clients, each generating sales of more than EUR 1.0 million in 2025 (20 per cent of short-term bonus)

For the purposes of long-term profit participation, on July 1, 2024, Frank Wolfram was granted 150,000 virtual share options (phantom stocks) with a base price of EUR 3.49 per phantom stock from the H1 2024 phantom stock programme described above. 40 per cent of the phantom stocks granted are exercisable for the first time in the period from July 1, 2026 to June 30, 2027. The second tranche, comprising 60 per cent of the phantom stocks granted, is exercisable in the period from July 1, 2027 to June 30, 2028.

Both the determining of operational and strategic objectives for the purposes of short-term profit sharing and the granting of phantom stocks for the purposes of long-term profit participation serve the purpose of implementing the business strategy. They thus promote both the short-term and long-term performance of the Company. No variable remuneration components were clawed back in the reporting period.

Remuneration is thus consistent in all its material components with the requirements of the remuneration system as approved by the General Meeting on May 28, 2021. The maximum remuneration laid down in the system was not exceeded.

In accordance with the remuneration system approved by the Annual General Meeting on May 28, 2021, and in line with the business strategy for the 2024 financial year, the following objectives were agreed with the Management Board member for short-term profit sharing:

Operational

- Achieve operating profit as budgeted (50 per cent of short-term bonus)
- Net sales less direct costs (gross margin) of EUR 70.0 million (15 per cent of short-term bonus)
- Increase the EBIT margin to 11.1 per cent of gross margin (15 per cent of short-term bonus)

Remuneration granted and owed (in kEUR)	Frank Ladner, CTO 2024	in %	2023	in %
Fixed remuneration	270	87 %	220	77 %
Fringe benefits	39	13 %	33	11 %
Total fixed remuneration components	**309**	**100 %**	**253**	**88 %**
Short-term profit sharing	0	0 %	33	12 %
Long-term profit participation	0	0 %		
Phantom Stocks 2021 (term 01/01/2021 – 12/31/2024)	0	0 %	0	0 %
Phantom Stocks 2024 (term 01/01/2024 – 12/31/2027)	0	0 %	0	0 %
Total variable remuneration components	**0**	**0 %**	**33**	**12 %**
Total remuneration	**309**	**100 %**	**286**	**100 %**

Strategic

- Acquisition of at least two new clients, each generating sales of more than EUR 1.0 million in 2025 (20 per cent of short-term bonus)

For the purposes of long-term profit participation, on January 1, 2021, Frank Ladner was granted 100,000 virtual share options (phantom stocks) with a base price of EUR 5.68 per phantom stock from the 2021 phantom stock programme described above. The first tranche of 40 per cent of the phantom stocks granted was exercisable in the period from January 1 to December 31, 2023, and the second tranche of 60 per cent of the phantom stocks granted was exercisable in the period from January 1 to December 31, 2024. Both tranches lapsed without being exercised.

In addition, for the purposes of long-term profit participation, on January 1, 2024, Frank Ladner was granted 100,000 virtual share options (phantom stocks) with a base price of EUR 3.20 per phantom stock from the 2024 phantom stock programme described above. 40 per cent of these phantom stocks granted are exercisable for the first time in the period from January 1 to December 31, 2026. The second tranche comprising 60 per cent of these phantom stocks granted is exercisable in the period from January 1 to December 31, 2027.

Both the determining of operational and strategic objectives for the purposes of short-term profit sharing and the granting of phantom stocks for the purposes of long-term profit participation serve the purpose of implementing the business strategy. They thus promote both the short-term and long-term performance of the Company. No variable remuneration components were clawed back in the reporting period.

Remuneration is thus consistent in all its material components with the requirements of the remuneration system as approved by the General Meeting on May 28, 2021. The maximum remuneration laid down in the system was not exceeded.

Remuneration granted and owed (in kEUR)	Erwin Greiner, CFO			
	2024	in %	2023	in %
Fixed remuneration	240	86 %	210	76 %
Fringe benefits	39	14 %	33	12 %
Total fixed remuneration components	**279**	**100 %**	**243**	**88 %**
Short-term profit sharing	0	0 %	32	12 %
Long-term profit participation	0	0 %	0	0 %
Phantom Stocks 2021 (term 01/01/2021 – 12/31/2024)	0	0 %	0	0 %
Phantom Stocks 2024 (term 01/01/2024 – 12/31/2027)	0	0 %	0	0 %
Total variable remuneration components	**0**	**0 %**	**32**	**12 %**
Total remuneration	**279**	**0 %**	**275**	**100 %**

In accordance with the remuneration system approved by the Annual General Meeting on May 28, 2021, and in line with the business strategy for the 2024 financial year, the following objectives were agreed with the Management Board member for short-term profit sharing:

Operational

- Achieve operating profit as budgeted (50 per cent of short-term bonus)
- Net sales less direct costs (gross margin) of EUR 70.0 million (15 per cent of short-term bonus)
- Increase the EBIT margin to 11.1 per cent of gross margin (15 per cent of short-term bonus)

Strategic

- Acquisition of at least two new clients, each generating sales of more than EUR 1.0 million in 2025 (20 per cent of short-term bonus)

For the purposes of long-term profit participation, on January 1, 2021, Erwin Greiner was granted 100,000 virtual share options (phantom stocks) with a base price of EUR 5.68 per phantom stock from the 2021 phantom stock programme described above. The first tranche of 40 per cent of the phantom stocks granted was exercisable in the period from January 1 to December 31, 2023, and the second tranche of 60 per cent of the phantom stocks granted was exercisable in the period from January 1 to December 31, 2024. Both tranches lapsed without being exercised.

In addition, for the purposes of long-term profit participation, on January 1, 2024, Erwin Greiner was granted 100,000 virtual share options (phantom stocks) with a base price of EUR 3.20 per phantom stock from the 2024 phantom stock programme described above. 40 per cent of these phantom stocks granted are exercisable for the first time in the period from January 1 to December 31, 2026. The second tranche comprising 60 per cent of these phantom stocks granted is exercisable in the period from January 1 to December 31, 2027.

Both the determining of operational and strategic objectives for the purposes of short-term profit sharing and the granting of phantom stocks for the purposes of long-term profit participation serve the purpose of implementing the business strategy. They thus promote both the short-term and long-term performance of the Company. No variable remuneration components were clawed back in the reporting period.

Remuneration is thus consistent in all its material components with the requirements of the remuneration system as approved by the General Meeting on May 28, 2021. The maximum remuneration laid down in the system was not exceeded.

III. Assurances in the event of premature or ordinary termination

1. Premature termination

If employment is terminated prematurely and the Management Board member is dismissed, the Management Board service contracts consistently provide for a severance payment for all current Management Board members. This would apply in the event that the contract is terminated for major cause, but not for reasons related to the Management Board member as an individual, or on grounds for which the member is not responsible. The severance payment is equivalent to the outstanding basic salary and fringe benefits for the remainder of the contract period. The duration of the payments to be made is limited to two years (severance payment cap).

The amounts of severance payments are disclosed below for a period of one year. Depending on the actual contract term remaining at the time of termination, these amounts may be lower or higher pro rata temporis. Due to the severance payment cap, however, they are always limited to double the disclosed amounts. There was no change to these commitments in the past financial year.

Severance payments (in kEUR)	Frank Wolfram		Frank Ladner		Erwin Greiner	
	per year	Cap	per year	Cap	per year	Cap
Fixed remuneration	300	600	270	540	240	480
Fringe benefits	39	78	39	78	39	78
Total	**339**	**678**	**309**	**618**	**279**	**578**

2. Ordinary termination

In the event that employment is terminated ordinarily, the Management Board service contracts include a post-contractual non-compete ban for a period of twelve months. For the period of the non-compete ban, the Management Board member receives compensation for non-competition amounting to 50 per cent of the average monthly fixed and variable remuneration over the previous 24 months. This compensation is paid monthly. The Company may waive the post-contractual non-compete ban within certain time limits before the contract comes to an end. In this case, compensation for non-competition will not be payable.

When the Management Board contract with Franziska von Lewinski expired, compensation for non-competition totalling kEUR 213 became payable, which was accrued in 2023 and paid out in 2024.

B. Supervisory Board remuneration

I. General information on the remuneration system

The remuneration system for the Supervisory Board is continuously reviewed and adjusted by the Supervisory Board to ensure that it complies with statutory requirements and that it is appropriate for achieving the Company's strategic objectives. It is also reviewed and adjusted on a case-by-case basis on the election or re-election of Supervisory Board members.

The remuneration system for the Supervisory Board complies with the provisions of Article 113 of the German Stock Corporation Act (AktG) and, apart from the exceptions listed in the latest declaration of conformity in accordance with Article 161 of the AktG, the recommendations of the German Corporate Governance Code as updated on April 28, 2022.

1. Approval of the remuneration system by the shareholders

In accordance with Article 113 (3) of the AktG, the Annual General Meeting of a listed company must pass a resolution on remuneration for members of the Supervisory Board at least every four years. On May 28, 2021, the ordinary General Meeting of Syzygy AG approved the remuneration system as presented by the Supervisory Board, with a majority of 89.54 per cent of the votes cast. In a resolution passed on July 5, 2022, it approved the rise in fixed remuneration for the chair of the Supervisory Board with a majority of 86.71 per cent of the votes cast.

2. The Company's business strategy

The business strategy of Syzygy AG is aimed at extending its position as a leading consultancy and implementation partner for digital transformation of marketing and sales. Successful implementation of this strategy is reflected in

- the key financial metrics,
- the performance of the SYZYGY share price, and
- the sustained long-term performance of the Company.

3. Overview of the remuneration system

Remuneration of the Supervisory Board is set out in Article 6 (8) of Syzygy AG's Articles of Association. In addition to having their expenses reimbursed, each member of the Supervisory Board receives remuneration consisting of a fixed and a variable component.

The fixed remuneration amounts to EUR 20,000.00 for each ordinary member of the Supervisory Board, and EUR 30,000.00 for the chair of the Supervisory Board.

Variable remuneration of EUR 5,000.00 is paid if the market price of SYZYGY shares has increased by at least 20 per cent in the financial year concerned. The share price figures used for this purpose are based on the mean closing price of the stock in the Xetra trading system (or a successor system with comparable functionality that replaces the Xetra trading system) on the Frankfurt Stock Exchange during the first five trading days of a financial year and during the first five trading days of the subsequent financial year.

Supervisory Board members who have not been in office for the whole of the financial year are remunerated on a pro rata basis.

The VAT invoiced by a Supervisory Board member will be paid additionally at the statutory rate in force at the time.

II. Fixed and variable remuneration components together with explanatory notes

The Supervisory Board's remuneration for a financial year is paid annually in one amount, after the General Meeting that votes on discharge of the Supervisory Board for the relevant financial year. The remuneration components granted to Supervisory Board members are accordingly reported in the financial year in which the relevant payment or other benefit was transferred to the Supervisory Board member, even if the work underlying the remuneration was fully done in the previous financial year.

Remuneration granted and owed (in kEUR)	Antje Neubauer		Dominic Grainger*		Andrew Payne**		Shahid Sadiq***		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Fixed remuneration	30	30	0	0	0	10	0	0	30	40
Variable remuneration	0	0	0	0	0	0	0	0	0	0
Total remuneration	**30**	**30**	**0**	**0**	**0**	**10**	**0**	**0**	**30**	**40**

* In 2023 and 2024, Dominic Grainger waived his remuneration for the 2022 and 2023 financial years respectively.

** Andrew Robertson Payne resigned his seat on the Supervisory Board with effect from the end of the Annual General Meeting held on July 11, 2023. Remuneration covering six months in 2023 was taken into account and paid to him.

*** Shahid Sadiq was appointed to the Supervisory Board with effect from July 11, 2023. In 2024, he waived his remuneration for the 2023 financial year.

C. Comparison of the annual change in remuneration of Management Board members, the Company's earnings performance, and the average remuneration of employees

The following table shows the annual change in remuneration of Management Board and Supervisory Board members, the earnings performance of Syzygy AG, and the average remuneration of employees on a full-time equivalent basis.

Earnings performance is based on income before tax as reported in the single-entity financial statements of Syzygy AG, and on the sales figures and EBIT of the Syzygy Group as presented in the consolidated financial statements.

The figures for average remuneration of employees are based on the average remuneration of permanent employees of the Syzygy Group in Germany. Average remuneration was calculated by dividing the remuneration paid to all permanent employees by the number of full-time employees (including part-time workers translated to full-time equivalents).

The remuneration reported for current and former Management Board and Supervisory Board members is the "remuneration granted and owed" referred to in Article 162 (1) sentence 1 of the AktG. These figures may differ from other figures relating to Management Board remuneration as published elsewhere, because those figures are calculated using different methods.

The level of Supervisory Board remuneration was constant in the period 2020 to 2022; no variable component was paid during this period. In 2023, remuneration for the chair of the Supervisory Board was raised to EUR 30,000, plus a variable component of EUR 5,000.

In the period 2020 to 2024, the members of the Supervisory Board did not provide any personal services, such as consulting, for Syzygy AG or its subsidiaries. As a result, they did not receive any additional remuneration for such services.

Earnings performance

Financial year (in kEUR)	2020	2021	Change	2022	Change	2023	Change	**2024**	Change
Sales (Group)	55,521	60,124	8%	70,612	17%	71,742	2%	69,429	-3%
EBIT (operational) Group	3,999	6,379	60%	6,208	-3%	4,080	-34%	5,666	39%
Earnings before taxes Syzygy AG	2,636	8,049	205%	-1,864	n.a.	-8,138	n.a.	-16,336	n.a.

Average remuneration of employees in Germany (in kEUR)

In kEUR	2020	2021	Change	2022	Change	2023	Change	**2024**	Change
Average annual remuneration	68	72	6%	71	-1%	73	2%	75	3%

Management Board remuneration (current Management Board members)

Financial year (in kEUR)	2020	2021	Change	2022	Change	2023	Change	**2024**	Change
Frank Wolfram*	–	–	–	–	–	–	–	166	n.a.
Frank Ladner	297	286	-4%	303	6%	286	-5%	309	8%
Erwin Greiner	285	275	-4%	290	10%	275	-5%	279	1%

* Frank Wolfram since July 1, 2024

Management Board remuneration (former Management Board members)

Financial year (in kEUR)	2020	2021	Change	2022	Change	2023	Change	**2024**	Change
Franziska von Lewinski (up to 12/31/2023)	–	317	n.a.	391	23%	367	-6%	219	-40%
Lars Lehne (up to 03/31/2020)	171	–	n.a.	–	n.a.	–	n.a.	–	n.a.

Supervisory Board remuneration (current Supervisory Board members)

In kEUR	2020	2021	Change	2022	Change	2023	Change	**2024**	Change
Antje Neubauer (since 09/07/2021)	–	–	–	7	–	30	428%	30	0%
Dominic Grainger (since 06/07/2019)	0	0	–	0	–	0	–	0	–
Shahid Sadiq (since 07/11/2023)	–	–	–	–	–	0	–	0	0

Supervisory Board remuneration (former Supervisory Board members)

In kEUR	2020	2021	Change	2022	Change	2023	Change	**2024**	Change
Andrew Payne (up to 07/11/2023)	0	20	n.a.	20	0%	10	-50%	–	n.a.
Wilfried Beeck (up to 06/30/2021)	20	20	0%	10	-50%	–	n.a.	–	n.a.

Syzygy AG

For the Management Board

Frank Wolfram (CEO)

Frank Ladner (CTO)

Erwin Greiner (CFO)

For the Supervisory Board

Antje Neubauer
Chairwoman of the Supervisory Board

Report of the Independent Auditor
on the Audit of the Remuneration Report pursuant to § 162 Abs. 3 AktG

To Syzygy AG, Bad Homburg v. d. Höhe

Audit opinion

We have formally audited the remuneration report of Syzygy AG, Bad Homburg v. d. Höhe for the financial year from 1 January to 31 December 2024 to determine whether the disclosures pursuant to § 162 (1) and (2) German Stock Corporation Act (AktG) [Aktiengesetz] have been presented in the remuneration report. In accordance with § 162 (3) AktG, we have not verified the content of the remuneration report.

According to our assessment, the enclosed remuneration report provides, in all material respects, the information required by § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

Basis for the audit opinion

We conducted our audit of the remuneration report in accordance with § 162 (3) AktG and in compliance with the IDW auditing standard: The audit of the remuneration report [Die Prüfung des Vergütungsberichts] in accordance with § 162 (3) AktG (IDW PS 870 (09.2023)). Our responsibility pursuant to that provision and standard is further described in the section "Responsibility of the auditor" of our report.

As an auditing firm, we have applied the requirements of the International Standard on Quality Management (ISQM 1). We have complied with the professional duties pursuant to the German Auditors' Code [Wirtschaftsprüferordnung] and the professional statutes for auditors/sworn auditors [Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer], including the requirements of independence.

Responsibility of the management board and supervisory board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, which complies with the requirements of § 162 AktG. Furthermore, they are responsible for the internal controls that they determine are necessary to enable the compilation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to § 162 (1) and (2) AktG in the remuneration report have been made in all material respects, and to express an opinion thereon in a report.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by § 162 (1) and (2) AktG. In accordance with § 162 (3) AktG, we have not audited the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the adequate presentation of the remuneration report.

Dealing with possible misleading representations

In connection with our audit, we have a responsibility to read the remuneration report, taking into account the knowledge gained from the audit of the financial statements, and to remain alert for indications as to whether the remuneration report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the adequate presentation of the remuneration report.

If, based on the work we have performed, we conclude that such misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Frankfurt am Main, 20 March 2025
Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

In the original German version signed by:

Jörg Maas	Patrick Riedel
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Financial calendar **2025**

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3-Month-Report as per March 31
(english version: 05/07)
04/24

Equity Forum (Spring Conference)
(Frankfurt)
05/12-14

9-Month-Report as per September 30
(english version: 11/06)
10/30

General Annual Meeting 2025
(virtually)
07/10

Half-Year Report as per June 30
(english version: 08/06)
07/30

MKK – Munich Capital Market Conference (Munich)
11/12-13

German Equity Forum
(Frankfurt)
11/24-26

All dates are subjects to change.
For current informations, see **syzygy-group.net**

Contact Impress

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Erwin Greiner (CFO)
Frank Ladner (CTO)

Editorial Department
Syzygy AG

Credits
SYZYGY Gruppe, Adobe Stock, Philipp Czampiel, Ruben Rheinländer, Pascal Bünning, Colleagues of the SYZYGY Group like Aneta Węsławska, Benjamin Heindorf, and much more.

SYZYGY AG

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