

SYZYGY GROUP

9-Month Report

/

09

30

2023

Interim Report

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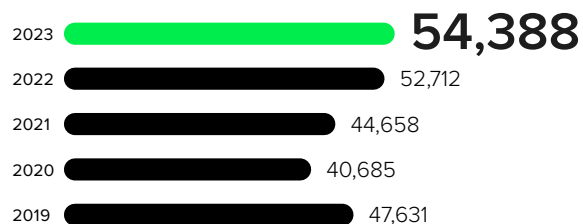
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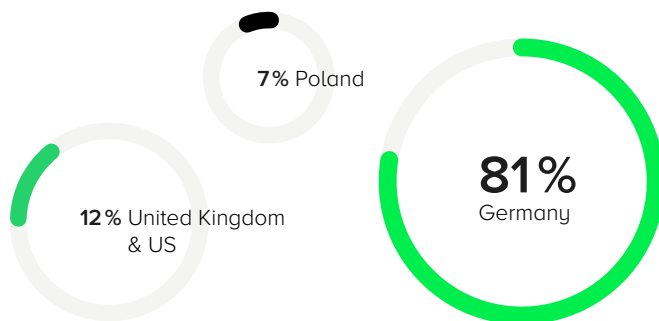


Key financial figures

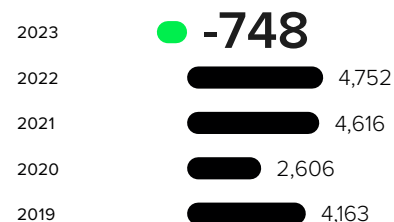
as per 09/30/2023



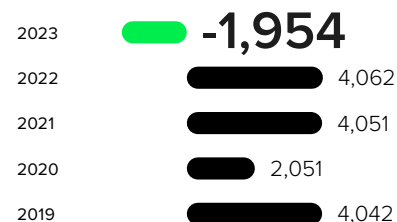
Development of sales (in kEUR)



Sales by segments



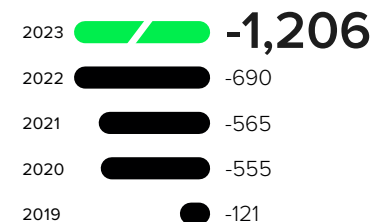
Operating income (in kEUR)



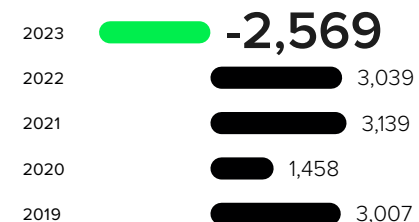
Income before taxes (in kEUR)



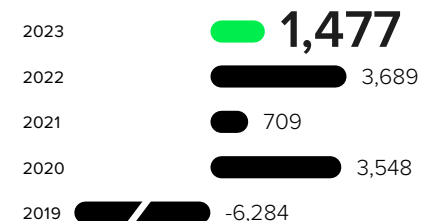
Earnings per share undiluted (in EUR)



Financial income (in kEUR)

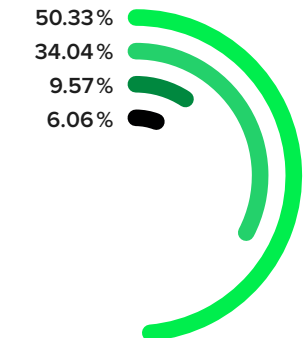


Net income (in kEUR)



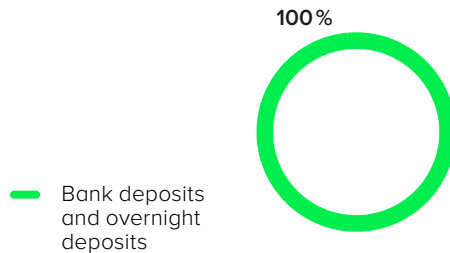
Operating cash flow (in kEUR)





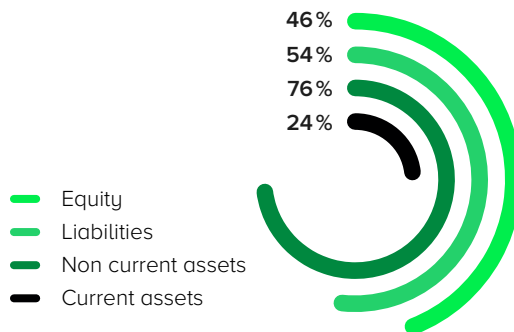
WPP plc., St. Helier
 Private investors/others
 Institutional investors
 HANSAINVEST

Shareholder structure



Bank deposits
 and overnight
 deposits

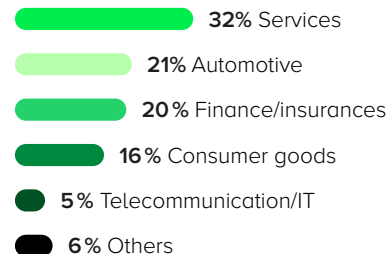
Portfolio structure of cash and marketable securities



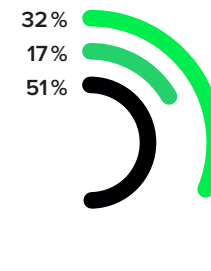
Equity
 Liabilities
 Non current assets
 Current assets

Balance sheet structure

A compelling digital experience makes all the difference, creating sustainable added value and boosting competitiveness. That is precisely what the SYZYGY GROUP's services focus on, enabling it to maintain its above-average growth rate in its German core market.

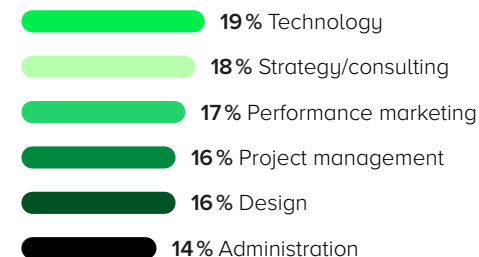


Sales allocation by vertical markets

Sales by employee
annualised (in kEUR)

Top 5
 Top 6-10
 Others

Sales by clients' volume



Employees by function



Business development and Group Management Report

	3. Quarter			January - September		
	2023	2022	Change	2023	2022	Change
	kEUR	kEUR		kEUR	kEUR	
Sales	18,396	18,343	0%	54,388	52,712	3%
Operating income (adjusted)	1,701	1,644	3%	3,931	4,752	-17%
Operating margin (adjusted)	9.2%	9.0%	0.2 pp	7.2%	9.0%	-1.8 pp
Goodwill write-downs	0	0	n.a.	-4,205	0	n.a.
Restructuring and transformation costs	-474	0	n.a.	-474	0	n.a.
EBIT	1,227	1,644	-25%	-748	4,752	-116%
EBIT Margin	6.7%	9.0%	-2.3 pp	-1.4%	9.0%	-10.4 pp
Financial income	-287	-47	-511%	-1,206	-690	-75%
Net income before tax	940	1,597	-41%	-1,954	4,062	-148%
Net income	627	1,160	-46%	-2,569	3,039	-185%
Earnings per share (EUR)	0.04	0.08	-50%	-0.20	0.22	-191%
Liquid assets and marketable securities	2,163	3,338	-35%	2,163	3,338	-35%
Operating cash flow	1,373	3,732	-63%	1,477	3,689	-60%
Employees incl. freelancers	665	637	4%	665	637	4%

1. General

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

2. Group profile

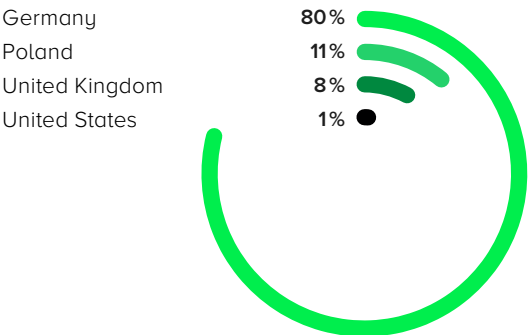
For information on the SYZYGY GROUP’s structure, strategy and management, please refer to the explanatory notes in the 2022 management report (2022 Annual Report, page 56 ff.).

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

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

2.1. Employees

The headcount at the SYZYGY GROUP increased in the period covered by the report. The SYZYGY GROUP had a total of 627 permanent employees as at September 30, 2023. This represents an increase of 23 employees compared with December 31, 2022, and a rise of 39 compared with September 30, 2022. The number of employees in the German companies rose by 57 people compared with the prior-year quarter, while there was a decrease of 18 employees in the international companies.

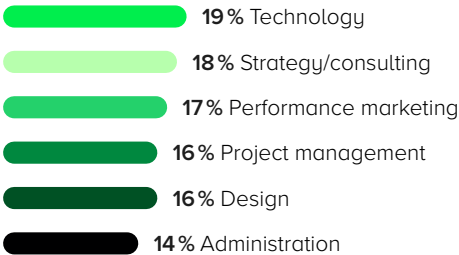


Employees by region

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

Employees	09/30/2023	09/30/2022
Germany	499	442
Poland	72	83
United Kingdom	48	55
United States	8	8
Total	627	588

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



Employees by function

Employees	09/30/2023	09/30/2022
Technology	118	112
Strategy/consulting	112	111
Performance marketing	108	104
Project management	103	96
Design	100	90
Administration	86	75
Total	627	588

On average over the period, 619 employees plus around 43 freelancers worked for the SYZYGY GROUP. Annualised sales per head were therefore EUR 110,000 (previous year: EUR 110,000).

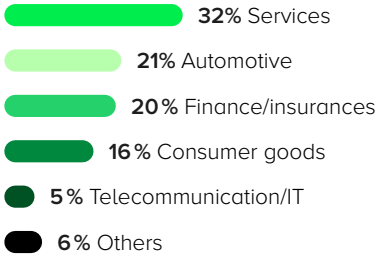
2.2. Net assets, financial position and results of operations of the SYZYGY GROUP

2.2.1. Results of operations

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

SYZYGY GROUP sales increased by 3 per cent in the 2023 reporting period to reach EUR 54.4 million. The share of sales generated in Germany rose to 81 per cent, with sales growth of 6 per cent being recorded. The UK & US segment accounted for 12 per cent of sales, while the Poland segment contributed 7 per cent to total SYZYGY GROUP sales.

Shifts in sales patterns gave rise to a number of changes compared to the previous year. Sales to clients in the services sector rose by 9 percentage points, while sales to companies in the automotive industry were down by 5 percentage points. There was a 1 percentage point decline in sales to telecom clients. Sales derived from companies that cannot be assigned to any of these five key areas were also down by 3 percentage points to 6 per cent.



Sales allocation by vertical markets

The Group generated 49 per cent of total sales with the ten largest clients. This corresponds to an increase of 4 percentage points compared with the same period in the previous year.

2.2.2. Operating expenses and depreciation

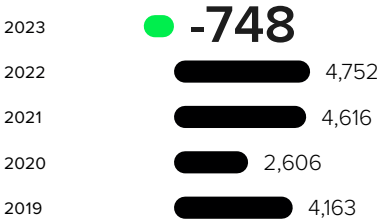
The cost of sales increased ahead of sales by 7 per cent to reach EUR 41.9 million (previous year: EUR 39.2 million). Gross margin decreased by 3 percentage points to 23 per cent due to the cost of sales rising faster than sales.

Sales and marketing costs and general administrative expenses fell by 4 and 2 per cent, respectively, to EUR 4.0 million (previous year: EUR 4.1 million) and EUR 6.6 million (previous year: EUR 6.8 million).

Depreciation of fixed assets increased by EUR 4.3 million (EUR 8.3 million compared to EUR 4.0 million in the previous year) due to an impairment of goodwill in the amount of EUR 4.2 million. Excluding the impairment of goodwill, depreciation and amortisation of EUR 4.1 million was almost flat compared to the previous year's figure of EUR 4.0 million.

2.2.3. Operating income and EBIT margin

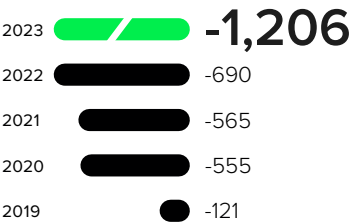
The SYZGY GROUP's operating profit after adjustment for goodwill write-downs and restructuring expenses fell to EUR 3.9 million compared with the prior-year period (previous year: EUR 4.8 million); the adjusted EBIT margin thus fell to 7.2 per cent (previous year: 9.0 per cent). In the first half of the year, impairment of goodwill amounting to EUR 4.2 million was recognised and restructuring expenses of EUR 0.5 million were incurred, resulting in negative EBIT (operating income) of EUR 0.7 million.



Operating income (in kEUR)

2.2.4. Financial income

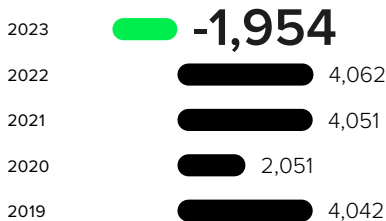
The SYZGY GROUP reported negative financial income of EUR 1.2 million for the first nine months of 2023 (previous year: EUR 0.9 million). Financial expenses chiefly comprise borrowing costs, losses realised on the sale of securities, and pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases).



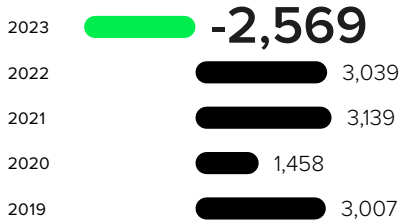
Financial income (in kEUR)

2.2.5. Income taxes, net income, earnings per share

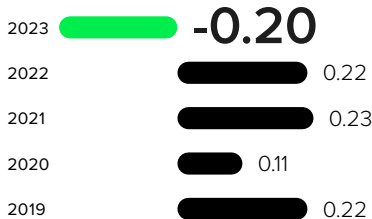
Business performance at the SYZGY GROUP is reflected in pre-tax income of EUR -2.0 million. In the same period of the previous year, the figure was EUR 4.1 million, meaning that pre-tax income is down by EUR 6.0 million. After income taxes of EUR 0.6 million, net income was EUR -2.6 million. Undiluted earnings per share were EUR -0.20, based on the average available 13,500,000 shares qualifying for participation in the profits and after deducting minority shares of EUR 141,000. This figure is EUR 0.42 below the level achieved in the prior-year period.



Income before taxes (in kEUR)



Net income (in kEUR)



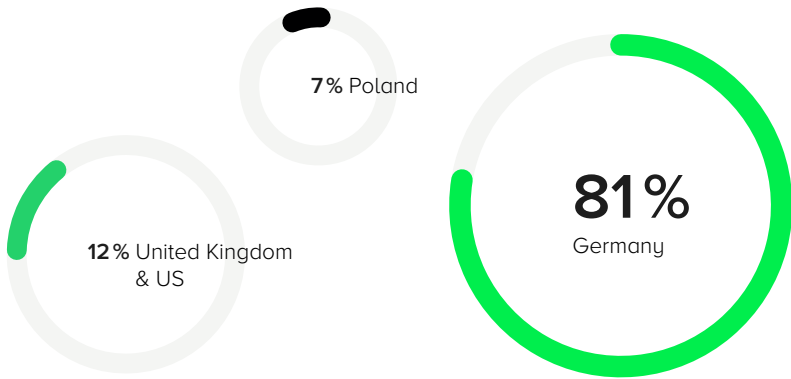
Earnings per share undiluted (in EUR)



2.2.6. Segment reporting

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

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



Sales by segments

3. Quarter (in kEUR)	Germany		United Kingdom & US		Poland	
	2023	2022	2023	2022	2023	2022
Sales (unconsolidated)	43,398	40,778	6,327	7,480	4,718	4,718
Operating income (adjusted)	3,807	4,494	657	868	800	828
Operating income (adjusted) in %	9%	11%	10%	12%	17%	18%
EBIT	-624	4,494	409	868	800	828
EBIT margin in %	-1%	11%	6%	12%	17%	18%
Share of Group sales (consolidated) in %	81%	80%	12%	12%	7%	8%

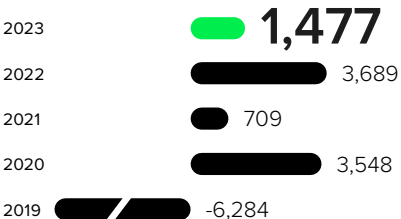
2.2.7. Financial position

The SYZGY GROUP had liquidity reserves totalling EUR 2.2 million as at the balance sheet date, corresponding to a decline of EUR 6.7 million compared with December 31, 2022. Liquid funds decreased by EUR 5.7 million to EUR 2.2 million. The securities portfolio was liquidated, with no securities now being held. The change in liquid funds is largely due to the dividend paid to shareholders and the repayment of debt capital items.

A total of 100 per cent of the funds was accounted for by bank deposits as at September 30, 2023.

Cash flow from business operations was slightly positive in the period under review. This is largely due to depreciation and amortisation of EUR 8.3 million, while total net income (EUR -2.6 million) and payments of liabilities (EUR -3.1 million) adversely affected cash flow.

Total cash flow of the SYZGY GROUP was negative EUR 5.2 million as at the reporting date.



Operating cash flow (in kEUR)

Negative cash flow from investment operations of EUR 0.3 million was recorded. Changes in non-current assets of EUR 0.5 million, interest payments for lease obligations according to IFRS 16 of EUR 0.4 million and investments in intangible assets and fixed assets of EUR 0.2 million adversely affected cash flow. The sale of securities was a positive factor, generating EUR 0.8 million.

The main items in the cash flow from financing activities included payment of a dividend to SYZGY AG shareholders amounting to EUR 3.0 million and the repayment of lease liabilities of EUR 2.8 million. Cash flow from financing activities thus amounted to EUR -6.4 million.

2.2.8. Asset situation

Total assets of the SYZGY GROUP decreased by EUR 11.8 million to EUR 87.4 million in the period under review compared to December 31, 2022, representing a fall of 12 per cent.

Non-current assets declined by EUR 5.5 million to EUR 66.2 million compared to the balance sheet date of December 31, 2022 (EUR 71.6 million). The key factor in this respect was the EUR 3.9 million decline in goodwill and the decrease of EUR 1.9 million in fixed assets (due to depreciation).



Current assets of EUR 21.2 million were below the level as at December 31, 2022 (EUR 27.6 million). This was primarily due to the fall in liquidity reserves, which were down EUR 6.8 million. In contrast, other current assets increased slightly to EUR 2.8 million (previous year EUR 2.5 million).

At EUR 40.0 million, equity was down by EUR 5.1 million compared to December 31, 2022. In addition to total net income of EUR -2.6 million, the dividend distribution of EUR 3.0 million reduced retained earnings. This was partly offset by a positive change in other comprehensive income of EUR 0.6 million. The latter is due to currency translation adjustment from foreign business operations. The equity ratio increased by 1 percentage point to 46 per cent due to the relatively larger drop in total assets.

At EUR 27.9 million, current liabilities were significantly below the level as at year-end 2022 (EUR 33.7 million). This mainly involves a fall of EUR 2.0 million in accounts payable, of EUR 1.9 million in other current liabilities and of EUR 1.5 million in contract liabilities.

2.3. Expected performance of the SYZGY GROUP

The ongoing shift of marketing budgets to the digital channel and continuing investment in digitisation of sales and marketing processes are both factors that create a favourable backdrop for the SYZGY GROUP. During the course of 2023, the consulting business around product and service innovation has posted significantly weaker performance than anticipated at the start of the year.

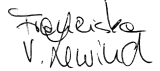
Overall, the SYZGY GROUP's order book has been in line with recent expectations and is thus confirming its forecast as adjusted in July 2023.

Based on the information available to date, SYZGY AG expects sales growth in the lower single-digit percentage range in the 2023 financial year, with an operating EBIT margin of between 5 and 7 per cent before goodwill write-downs.

Approximately 1.5 percentage points of the decline in EBIT margin is attributable to restructuring and re-focusing measures in relation to the consulting business, and to reducing rental space. The EBIT margin is defined as the ratio of operating profit before goodwill write-downs, interest and taxes (EBIT) to sales revenue. Furthermore, goodwill write-downs of EUR 4.2 million are expected, which have been taken into account in the financial statements for the first nine months of the year.

Bad Homburg v.d.H., November 1, 2023
SYZGY AG

The Management Board



Franziska
von Lewinski (CEO)



Frank Ladner (CTO)



Erwin Greiner (CFO)



SYZGY AG, Bad Homburg v.d.H.

Consolidated balance sheet as at September 30, 2023

Assets	09/30/2023	09/30/2022	12/31/2022
	kEUR	kEUR	kEUR
Non-current assets			
Goodwill	39,110	54,240	43,037
Intangibles	182	220	211
Tangible Assets	24,711	26,536	26,640
Non-current financial assets	276	237	269
Other non-current assets	798	373	259
Deferred tax assets	1,094	1,715	1,221
Total non-current assets	66,171	83,321	71,637
Current assets			
Cash and cash equivalents	2,163	2,259	7,814
Marketable securities	0	1,079	1,088
Accounts receivable, net and contract assets	16,280	19,269	16,163
Prepaid expenses and other current assets	2,791	2,546	2,509
Total current assets	21,234	25,153	27,574
Total assets	87,405	108,474	99,211

Equity and liabilities	09/30/2023	09/30/2022	12/31/2022
	kEUR	kEUR	kEUR
Equity			
Common stock	13,500	13,500	13,500
Additional paid-in capital	27,058	27,058	27,058
Own shares	0	0	0
Accumulated other comprehensive income	-2,516	-3,416	-3,080
Retained earnings	1,658	17,741	7,338
Equity attributable to shareholders of SYZGY AG	39,700	54,883	44,816
Minorities	301	285	279
Total Equity	40,001	55,168	45,095
Non-current liabilities			
Long-term liabilities	18,802	19,519	19,870
Other long-term provisions	286	352	267
Deferred tax liabilities	376	583	265
Total non-current liabilities	19,464	20,454	20,402
Current liabilities			
Income tax accruals	271	1,068	363
Accrued expenses	4,093	5,037	4,435
Contract liabilities	4,628	7,489	6,078
Accounts payable	6,770	3,403	8,810
Other current liabilities	12,178	15,855	14,028
Total current liabilities	27,940	32,852	33,714
Total liabilities and equity	87,405	108,474	99,211

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

SYZYG AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income from January 1, 2023 to September 30, 2023

	January - September			
	2023	2022	Change	12/31/2022
	kEUR	kEUR		kEUR
Sales	54,388	52,712	3%	70,612
Cost of revenues	-41,870	-39,203	-7%	-53,492
Sales and marketing expenses	-3,980	-4,125	4%	-4,394
General and administrative expenses	-6,647	-6,775	2%	-9,757
Impairment losses, net of trade receivables and contract assets	-7	-14	50%	-34
Other operating income/expense, net	2,047	2,157	-5%	-8,140
Operating income (adjusted)	3,931	4,752	-17%	-5,205
Goodwill write-downs	-4,205	0	n.a.	
Restructuring and transformation costs	-474	0	n.a.	
EBIT	-748	4,752	-116%	-5,205
Financial income	48	195	-75%	188
Financial expenses	-1,254	-885	-42%	-1,036
Income before income taxes (EBT)	-1,954	4,062	-148%	-6,053
Income taxes	-615	-1,023	40%	-1,328
Total net income of the period	-2,569	3,039	-185%	-7,381
thereof net income share to other shareholders	141	135	4%	118
thereof net income share to shareholders of SYZYG AG	-2,710	2,904	-193%	-7,499
Items that will not be reclassified to profit or loss:	0	0	n.a.	0

	January - September			
	2023	2022	Change	12/31/2022
	kEUR	kEUR		kEUR
Items that will or may be reclassified to profit or loss:				
Currency translation adjustment from foreign business operations	325	-902	n.a.	-613
Net unrealized gains/losses on marketable securities, net of tax	240	-338	n.a.	-280
Other comprehensive income	565	-1,240	n.a.	-893
Comprehensive income	-2,004	1,799	-211%	-8,274
thereof income share to other shareholders	142	121	17%	114
thereof income share to shareholders of SYZYG AG	-2,146	1,678	-228%	-8,388
Earnings per share from total operations (basic in EUR)	-0.20	0.22	-191%	-0.56

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

SYZGY AG, Bad Homburg v.d.H.

Statement of changes in equity as at September 30, 2023

In kEUR	Accum. other compre- hensive income								Total equity
	Common stock	Additional paid-in capital	Own shares	Retained earnings	Foreign exchange currency	Unrealised gains and losses	Equity attributable to shareholders of SYZGY AG	Minority interest	
January 01, 2023	13,500	27,058	0	7,338	-2,821	-259	44,816	279	45,095
Net income of the period				-2,710			-2,710	141	-2,569
Other comprehensive income					324	240	564	1	565
Comprehensive income				-2,710	324	240	-2,146	142	-2,004
Payment from distribution				0			0		0
Payment to minorities							0	-120	-120
September 30, 2023	13,500	27,058	0	1,658	-2,497	-19	39,700	301	40,001

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

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

SYZYGY AG, Bad Homburg v.d.H.

Consolidated statement of cash flows as at September 30, 2023

	January - September		
	2023	2022	2022
	kEUR	kEUR	kEUR
Period net income	-2,569	3,039	-7,381
Adjustments to reconcile income from operations to net cash provided by operating activities			
– Write-down of marketable securities	0	0	0
– Depreciation on fixed assets	8,299	4,026	16,758
– Profit (-) and loss (+) on sale of securities	633	236	236
– Profit (-) and loss (+) on sale of fixed assets	17	-4	-78
– changes in earn-out liabilities	0	-240	-241
– Profit (-)/loss (+) on sale of fixed asset investments	0	0	-13
– Other non-cash income and expenses	60	2	-35
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	14	1,682	4,390
– Customer advances	-1,438	2,293	890
– Accounts payable and other liabilities	-3,097	-7,222	-1,652
– Tax accruals and payables, deferred taxes	-442	-123	-311
Cash flows provided by operating activities	1,477	3,689	12,563

	January - September		
	2023	2022	2022
	kEUR	kEUR	kEUR
Changes in other non-current assets	-534	-98	21
Investments in fixed assets	-236	-875	-632
Purchases of marketable securities	0	-2,162	-2,162
Proceeds from sale of marketable securities	835	2,087	2,131
Changes from fixed asset investments	0	0	13
Interest expense on leasing liabilities	-402	-433	-570
Cash flows used in investing activities	-337	-1,481	-1,199
Change in bank loans	-500	5,331	4,582
Repayment of lease obligations	-2,769	-2,668	-3,566
Dividend paid to minority shareholders	-120	-180	-180
Dividend paid to shareholders of SYZYGY AG	-2,970	-2,700	-2,700
Payments from changes in ownership interests in subsidiaries	0	-1,965	-3,930
Cash flows from financing activities	-6,359	-2,182	-5,794
Total	-5,219	26	5,570
Cash and cash equivalents at the beginning of the period	7,814	2,115	2,115
Exchange rate differences	-432	118	129
Cash and cash equivalents at the end of the period	2,163	2,259	7,814

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

Selected explanatory notes to the Consolidated Financial Statements

Accounting

Pursuant to the provisions of section 53 (6) of the BörsO (Stock Exchange Directive), the financial report of SYZGY AG for the first nine months of 2023 comprises interim consolidated financial statements and an interim Group Management Report. The interim consolidated financial statements were prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) for interim financial reporting as applicable within the European Union. The unaudited interim financial statements were prepared in compliance with IAS 34 and in accordance with DRS 16. Accordingly, the company elected to produce a short-form report, compared with the consolidated financial statements as of December 31, 2022. The Management Report was prepared in accordance with the applicable requirements of the WpHG. The interim financial report has not been audited.

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

Business activities of the SYZGY GROUP

The SYZGY 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.

SYZGY AG acts as a management holding company that provides its subsidiaries with central services relating to strategy, design, planning, accounting, IT infrastructure and finance. SYZGY 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, SYZGY GROUP helps clients meet customer experience and usability requirements and assists them at every stage of the user-centred design process. Digital illustrations, virtual reality (VR), augmented reality (AR) and animations round off the service portfolio.

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

Scope of consolidation and principles

As of September 30, 2023, the following subsidiaries were included in the consolidated financial statements of SYZYGY AG as the top-level parent company and fully consolidated. In the case of these companies, SYZYGY AG can exercise the power of disposal, is exposed to fluctuating returns from the subsidiaries and can influence the level of returns due to its power of disposal:

- Ars Thanea S.A., Warsaw, Poland
(Ars Thanea for short)
- different GmbH, Berlin, Germany
(different for short)
- SYZYGY Performance Marketing GmbH,
Bad Homburg v.d.H., Germany
(SYZYGY Performance 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 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.

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

Disclosures on IFRS 16

Since 1 January 2019, SYZYGY GROUP, as a lessee, has recognised assets for rights of use of leased assets and liabilities for the payment obligations entered into, in each case at present value, for all leases in the statement of financial position.

As at the balance sheet date, SYZYGY GROUP reported rights of use at a carrying amount of TEUR 19,406 (previous year: TEUR 20,086) and liabilities of TEUR 21,790 (previous year: TEUR 22,610). In the current financial year, SYZYGY GROUP recognised depreciation of rights of use amounting to kEUR 2,644 (previous year: kEUR 2,654), additions of rights of use amounting to kEUR 1,545 (previous year: kEUR 587) and interest expenses from leasing liabilities amounting to kEUR 402 (previous year: kEUR 433).

Segment reporting

Application of IFRS 8 requires segment reporting in accordance with the Group's management approach. SYZYGY GROUP 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 United Kingdom & US segment consists of SYZYGY UK, Unique Digital UK and SYZYGY NY. The Germany segment comprises different, SYZYGY Deutschland and SYZYGY Performance. Ars Thanea makes up the Poland segment.

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

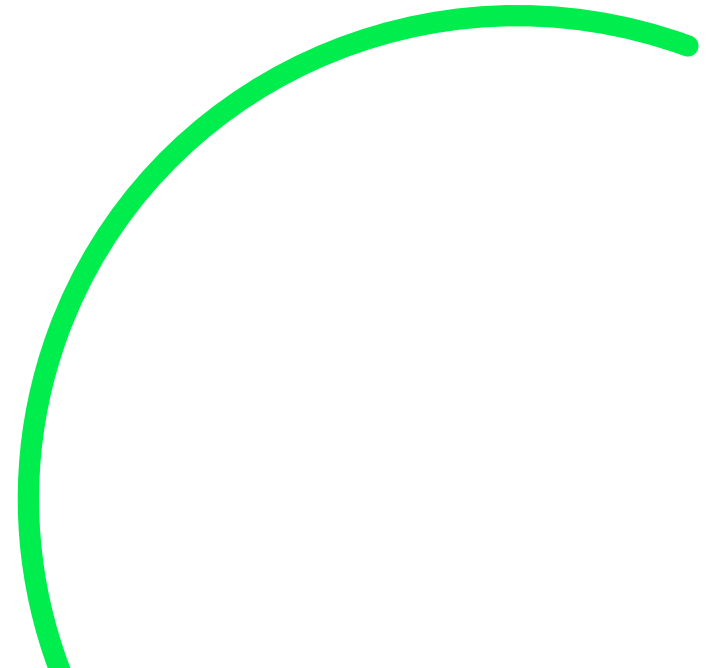
The individual segments apply the same accounting principles as the consolidated entity. The criteria primarily used by SYZYGY AG to assess the performance of the segments are sales and EBIT.

Sales to third parties are allocated based on the registered office of the company unit that makes the sale. Information on the geographical regions in relation to segment sales and non-current assets can be derived from the segment disclosures summarised below. Sales included in segment reporting consist of sales to external clients and inter-segment sales. Transactions within segments, which are charged at market prices, were eliminated.

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

Segment investments comprise investments in intangible assets and fixed assets.

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



09/30/2023 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Billings	68,354	7,012	4,718	38	-121	80,001
Media costs	-24,956	-685	0	0	28	-25,613
Sales	43,398	6,327	4,718	38	-93	54,388
of which internal sales	-700	-28	786	38	-96	0
Operating income (adjusted)	3,807	657	800	-1,332	-1	3,931
Goodwill write-downs	-4,205	0	0	0	0	-4,205
Restructuring and transformation costs	-226	-248	0	0	0	-474
EBIT	-624	409	800	-1,332	-1	-748
Financial income	53	-116	-11	1,049	-2,181	-1,206
Earnings before tax (EBT)	-571	293	789	-283	-2,182	-1,954
Assets	61,897	16,098	10,221	81,781	-82,592	87,405
of which non-current assets	39,620	12,053	8,379	3,822	129	64,003
of which goodwill	24,553	8,237	6,320	0	0	39,110
Investments	820	114	834	285	0	2,053
Depreciation and amortisation	6,041	1,066	274	917	1	8,299
Impairment on goodwill	4,205	0	0	0	0	4,205
Segment liabilities	31,066	6,911	2,506	14,920	-7,999	47,404
Employees as per balance sheet date	447	56	72	52	0	627

09/30/2022 (in kEUR)	Germany	United Kingdom & US	Poland	Central functions	Consolidation	Total
Billings	65,354	9,831	4,718	92	-808	79,187
Media costs	-24,576	-2,351	0	0	452	-26,475
Sales	40,778	7,480	4,718	92	-356	52,712
of which internal sales	-648	243	669	-89	-175	0
Operating income (adjusted)	4,494	868	828	-1,434	-4	4,752
Goodwill write-downs	0	0	0	0	0	0
Restructuring and transformation costs	0	0	0	0	0	0
EBIT	4,494	868	828	-1,434	-4	4,752
Financial income	-259	-150	-6	1,358	-1,633	-690
Earnings before tax (EBT)	4,235	718	822	-76	-1,637	4,062
Assets	77,527	17,638	9,376	82,088	-78,155	108,474
of which non-current assets	55,655	12,921	7,592	4,703	125	80,996
of which goodwill	40,171	8,024	6,045	0	0	54,240
Investments	798	85	139	227	1	1,250
Depreciation and amortisation	2,043	870	265	848	0	4,026
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	30,356	8,491	1,912	18,542	-5,995	53,306
Employees as per balance sheet date	399	63	83	43	0	588

Treasury stock

The SYZGY GROUP is authorised to resell or call-in treasury shares or to offer treasury shares to third parties in the course of acquiring companies. Treasury shares do not entitle SYZGY AG to any dividend or voting rights. The extent of the share buyback is shown as a separate item to be deducted from equity.

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

As of September 30, 2023, no treasury shares are held in the company, as in the previous year.

Directors' dealings

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

Management Board: Shares

(Number of shares)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
As at: December 31, 2022	0	0	0	0
Purchases	0	0	10,000	10,000
Sales	0	0	0	0
As at: September 30, 2023	0	0	10,000	10,000

Supervisory Board: Shares

(Number of shares)	Antje Neubauer	Dominic Grainger	Shahid Sadiq	Total
As at: December 31, 2022	0	0	0	0
Purchases	0	0	0	0
Sales	0	0	0	0
As at: September 30, 2023	0	0	0	0

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

Management Board: Phantom stocks

(Number of shares)	Franziska von Lewinski	Frank Ladner	Erwin Greiner	Total
As at: December 31, 2022	250,000	100,000	100,000	450,000
Additions	0	0	0	0
Disposals	0	0	0	0
As at: September 30, 2023	250,000	100,000	100,000	450,000

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

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

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

As of September 30, 2023, the Management Board members of SYZGY AG hold a total of 450,000 phantom stocks from the 2021 phantom stock programme, which was granted with effect from January 1, 2021.

Shareholder structure

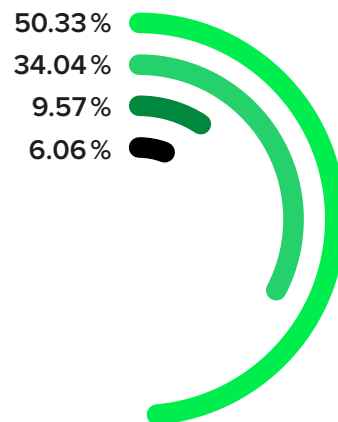
As of September 30, 2023, the shareholder structure has changed slightly compared to December 31, 2022.

The shareholder structure of the company at the reporting date was as follows:

In thousand	Shares	per cent
WPP plc., St. Helier, Jersey	6,795	50.33
Private investors/others	4,595	34.04
Institutional investors	1,292	9.57
HANSAINVEST	818	6.06
Total	13,500	100.00

Bad Homburg v.d.H., November 1, 2023
SYZGY AG

The Management Board



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

Shareholder structure

Financial calendar 2023



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

04/28

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

07/28

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

11/01

MKK – Munich
Capital Market
Conference (Munich)

05/03

General Annual
Meeting 2023
(virtual)

07/11

German
Equity Forum
(Frankfurt)

11/27-29

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

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

Editorial Department
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