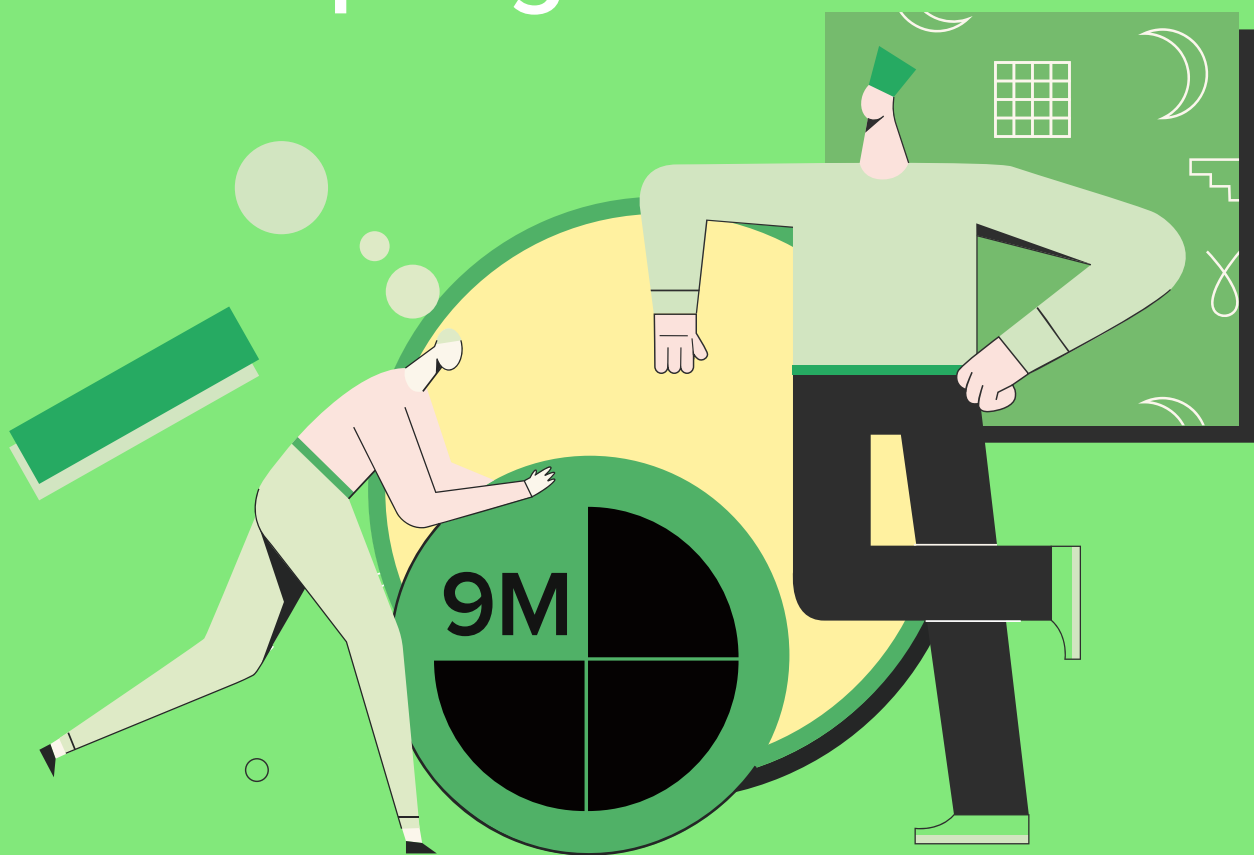


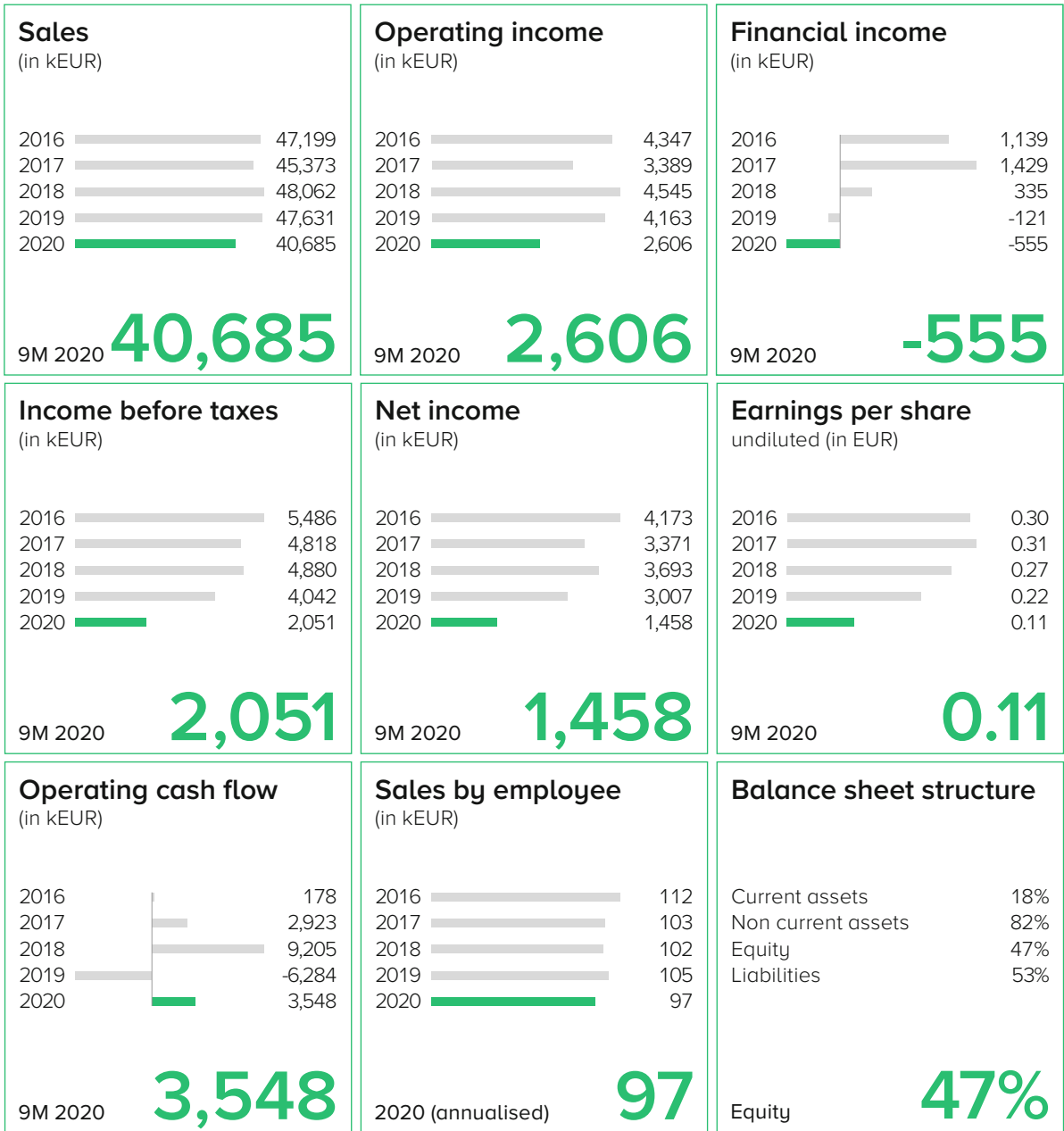
S/Z/G/

9-MONTH-REPORT AS PER SEPTEMBER 30, 2020

The human experience company



Key financial figures



Sales by segments

Germany	81%
United Kingdom	11%
Others	8%

Germany

81%

Sales by clients' volume

Top 5	32%
Top 6-10	17%
Others	51%

Top 5

32%

Sales allocation by vertical markets

Automotive	30%
Services	23%
Finance/Insurances	19%
Consumer goods	12%
Telecommunication/IT	8%
Others	8%

Automotive

30%

Employees by function

Strategy/Consulting	25%
Technology	19%
Performance Marketing	16%
Administration	14%
Project Management	14%
Design	12%

Strategy/Consulting

25%

Shareholders' structure

WPP plc.	50.33%
HANSAINVEST	3.03%
Hauck & Aufhäuser	2.97%
Free float	43.67%

WPP plc.

50.33%

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ir.syzygy.net

Business development and management report

in kEUR	3. Quarter			January - September		
	2020	2019	Change	2020	2019	Change
Sales	13,737	16,065	-14%	40,685	47,631	-15%
EBITDA	3,317	2,733	21%	7,771	8,002	-3%
EBITDA margin	24.1%	17.0%	7.1 pp	19.1%	16.8%	2.3 pp
EBIT	1,059	1,355	-22%	2,606	4,163	-37%
EBIT margin	7.7%	8.4%	-0.7 pp	6.4%	8.7%	-2.3 pp
Financial income	-167	-102	64%	-555	-121	n.a.
EBT	892	1,253	-29%	2,051	4,042	-49%
Net income	639	915	-30%	1,458	3,007	-52%
Earnings per share (EUR)	0.05	0.07	-29%	0.11	0.22	-50%
Employees incl. freelancers	551	601	-8%	551	601	-8%
Liquid assets	1,638	7,218	-77%	1,638	7,218	-77%
Operating cash flow	-962	-64	1,403%	3,548	-6,284	n.a.

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 2019 management report (2019 Annual Report, page 38 ff.). From the Group's viewpoint, the following additions and changes were made in the 2020 reporting period:

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

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

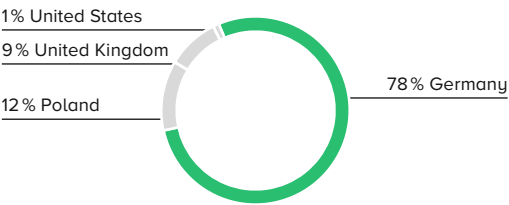
2.1. Employees

The headcount at the SYZYGY Group increased in the period covered by the report. The SYZYGY Group had a total of 527 permanent employees as at September 30, 2020. This represents an increase of 8 people compared with June 30, 2020, and a reduction of 27 people compared with the prior-year quarter. The number of employees in the German companies was up slightly by 3 people compared with the prior-year quarter, while a total decrease of 30 employees was recorded across the international companies.

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

Employees	30/09/2020	30/09/2019
Germany	414	411
Poland	61	75
United Kingdom	48	62
United States	4	6
Total	527	554

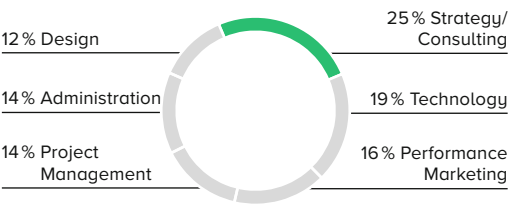
Employees by region



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

Employees	30/09/2020	30/09/2019
Strategy/Consulting	131	116
Technology	95	99
Performance Marketing	85	98
Project Management	76	80
Administration	76	79
Design	64	82
Total	527	554

Employees by function



On average over the period, 532 people plus around 30 freelancers worked for the SYZYGY Group. Annualised sales per head were therefore EUR 97,000 (previous year: EUR 105,000, with an average headcount of 600 including 47 freelancers).

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

2.2.1. Results of operations

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

Changes in our clients' spending behaviour as a result of the COVID-19 pandemic led to a significant decline in sales. The various business areas are affected by this to different degrees, with the sharpest drops in sales being posted by the consulting business and, geographically, the international companies in the UK and the United States. The SYZYGY Group responded by making targeted cost adjustments and temporarily introduced short-time working at three companies. Two companies exited short-time working on July 1, 2020, with one company still being on short-time working as at September 30, 2020. The cost savings incurred due to short-time working amounted to EUR 0.5 million as at September 30. Quarterly analysis shows that the low point was reached in the second quarter, with a 25 percent fall in sales compared with the same quarter of the previous year, while a relative recovery was seen in the third quarter, with a less sharp 14 percent year-on-year decline in sales. There was also a marked revival in new business.

The SYZGY Group's sales fell by 15 percent to EUR 40.7 million in the 2020 reporting period, although the decline in sales in the core German market was much lower, with an 8 percent decrease to EUR 33.4 million. Accordingly, the proportion of sales generated in Germany rose to more than 80 percent. In the UK segment, the Group posted a 36 percent decline in sales, with a 33 percent drop being experienced in the other segments (Poland and the US).

Sales by sector

Shifts in sales patterns gave rise to a number of changes compared to the previous year. Sales to clients in the automotive sector and the service sector fell by 2 percent in each case, while sales to clients in the consumer goods sector were down by 3 percentage points compared with the same period last year. The proportion of sales in the telecommunications/IT segment remained unchanged over the previous year, while sales to clients in the financial and insurance sectors increased by 2 percentage points. Sales derived from companies that cannot be assigned to any of these five key areas were up 5 percent.

SYZGY generated 49 percent of total sales with the ten largest clients. This corresponds to a rise of one percentage point compared with the same period in the previous year.

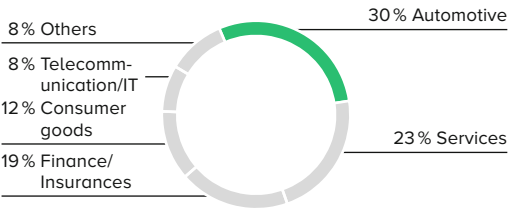
2.2.2. Operating expenses and depreciation

The cost of sales fell in line with sales, decreasing by 14 percent to EUR 29.6 million (previous year: EUR 34.6 million). Gross margin remained unchanged at 27 percent.

As a result of cost savings, general administrative expenses declined by 8 percent to EUR 6.1 million (previous year: EUR 6.6 million) in the period under review, with sales and marketing costs down by 12 percent to EUR 3.9 million (previous year: EUR 4.4 million).

Depreciation of fixed assets increased significantly by EUR 1.5 million to EUR 5.2 million (previous year: EUR 3.8 million). The rise resulted from additional leases subject to capitalisation under IFRS 16, which led to the capitalisation of intangible assets and thus increased the level of depreciation.

Sales allocation by vertical markets





2.2.3. Operating income and EBIT margin

The SYZGY Group’s operating profit declined by 37 percent compared with the same period of the previous year, falling from EUR 4.0 million to EUR 2.6 million; the EBIT margin fell accordingly to 6.4 percent (previous year: 8.7 percent). The decline in profits slowed significantly on a quarterly basis, resulting in an EBIT margin of 7.7 percent for the SYZGY Group in the third quarter. In the UK, the break-even point was reached in the third quarter, while costs have been reduced substantially in the United States. Specifically, the lease in the United States was terminated by mutual agreement with the owner and office space was taken in the premises of a WPP company. As a result, only minor rental and occupancy costs will be incurred going forward. The costs for termination of the lease and depreciation of operating and office equipment were fully recognised in the third quarter.

2.2.4. Financial income

SYZGY reported negative financial income of EUR 0.6 million for the first nine months of 2020 (previous year: EUR 0.1 million). Financial expenses chiefly comprise pro rata interest expense from long-term contracts in accordance with IFRS 16 (primarily leases). Financial income of EUR 0.3 million (previous year: EUR 0.7 million) from investment in securities was only partially able to offset expenses. The decline in financial income is due to a reduction in securities holdings.

2.2.5. Income taxes, net income, earnings per share

Business performance at the SYZGY Group is reflected in pre-tax income of EUR 2.1 million. In the same period of the previous year, the figure was EUR 4.0 million, meaning that pre-tax income declined by 49 percent. After income taxes of EUR 0.6 million, net income was EUR 1.5 million.

Undiluted earnings per share were EUR 0.11, based on the average available 13,421,000 shares qualifying for participation in the profits and after deducting minority shares of EUR 21,000. This figure is EUR 0.11 below the level achieved in the prior-year period.

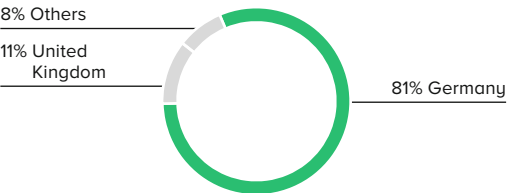
2.2.6. Segment reporting

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

In the first nine months of 2020, the individual segments contributed to earnings as follows, compared with the same period in the previous year:

9M (in kEUR)	Germany		United Kingdom		Others	
	2020	2019	2020	2019	2020	2019
Sales (unconsolidated)	33,424	36,342	4,752	7,482	3,338	5,004
Operating income (EBIT)	4,343	5,031	-46	-923	-436	663
Operating income (EBIT) (%)	13.0%	13.8%	-1%	-12.3%	-13.1%	13.2%
Share of Group sales (%) (consolidated)	81%	75%	11%	15%	8%	10%

Share of Group sales (consolidated)



2.2.7. Financial position

SYZGY had liquidity reserves totalling EUR 1.6 million as at the balance sheet date, corresponding to a decline of EUR 2.9 million compared with December 31, 2019. Liquid funds decreased by EUR 0.3 million to EUR 0.6 million, while securities held declined from EUR 3.6 million to EUR 1.0 million. The change in liquid funds is due to investments in shares made by SYZGY in 2020. The shareholding in USEEDS was increased from 90 to 100 percent, in SYZGY Performance from 59.5 to 100 percent, in SYZGY Berlin from 98.8 to 100 percent, and in Ars Thanea from 70 to 80 percent. The positive operating cash flow did not fully compensate for investment operations.

A total of 62 percent of funds were invested in corporate bonds as at September 30, 2020, while 38 percent were accounted for by bank deposits. The average residual maturity of the bonds was 3.4 years.

The SYZGY Group posted negative total cash flow of EUR 0.2 million as at the reporting date. Cash flow from business operations stood at EUR 3.5 million in the period under review. Net income of EUR 1.5 million, depreciation and amortisation of EUR 5.2 million and a fall in accounts receivable and other assets of EUR 2.4 million were positive contributors in this respect. In contrast, the fall of EUR 2.2 million in accounts payable and of EUR 4.1 million in advance payments received put pressure on operating cash flow.

Negative cash flow from investment operations of EUR 3.9 million was recorded. The acquisition of consolidated companies (increase in shareholding) in the amount of EUR 3.3 million led to a corresponding outflow of funds. Cash flow from financing activities in the nine months under review included the medium-term raising of money market loans of EUR 3.2 million and a reduction in lease obligations of EUR 2.5 million.

2.2.8. Asset situation

Total assets of the SYZGY Group fell by EUR 7.9 million to EUR 111.5 million in the period under review compared to December 31, 2019, representing a decrease of 7 percent.

Non-current assets fell by EUR 2.1 million to EUR 91.2 million compared to the balance sheet date of December 31, 2019 (EUR 93.3 million). Small changes were seen in other intangible assets and fixed assets, which decreased by EUR 0.8 million to EUR 31.1 million, and in goodwill, which declined by EUR 1.2 million to stand at EUR 57.2 million. The decline in goodwill is currency-related and is reflected in the differences arising from foreign currency translation.

Current assets of EUR 20.3 million were substantially below the level as at December 31, 2019 (EUR 26.1 million). This fall is largely due to the change in accounts receivable, which decreased by EUR 3.2 million, and a reduction in the securities portfolio from EUR 3.6 million to EUR 1.0 million.

At EUR 52.5 million, equity declined by EUR 0.8 million compared to December 31, 2019. The reason here was a decline in other net income of EUR -1.5 million to EUR -3.8 million. This item mainly comprises unrealised rate changes for foreign exchange positions. Profit reserves increased from EUR 14.7 million to EUR 15.0 million. The equity ratio thus rose to 47 percent.

Current liabilities were EUR 23.5 million and thus below the level as at year-end 2019 (EUR 28.2 million). This mainly includes a drop of EUR 4.1 million in advance payments received and a fall of EUR 0.3 million in accounts payable. Provisions and other liabilities increased by a total of EUR 1.1 million.



2.3. Expected performance of the SYZGY Group

The impact of the COVID-19 pandemic was apparent from March onwards, reaching its peak in the second quarter. Changes in our clients' spending behaviour led to a downturn in sales and made it more difficult to win new business. The SYZGY Group took action at an early stage and responded to client needs, resulting in a significant increase in sales and earnings in the third quarter compared to the second quarter. This trend is set to continue and business can thus be expected to recover.

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.

On the basis of the information available to date, SYZGY AG expects sales to fall by between 10 and 20 percent in the 2020 financial year. With regard to profitability, we anticipate an EBIT margin (i.e. the quotient of EBIT and sales revenue) in the mid single-digit range. In Germany, sales will decline by a high single-digit amount, while the international companies will see a drop in sales of around 20 to 30 percent.

Any acquisitions, which are part of the SYZGY Group's growth strategy, may affect these forecasts positively or negatively. The results of the SYZGY Group will be determined by the performance of the operating units and the future interest income of SYZGY AG.

The Management Board of SYZGY AG is therefore confirming the forecast made in the 2019 annual report.

Bad Homburg v. d. H., October 26, 2020

The Management Board

Consolidated balance sheet

as at September 30, 2020

Assets (in kEUR)	09/30/2020	09/30/2019	12/31/2019
Non-current assets			
Goodwill	57,185	57,637	58,435
Other Fixed assets, net	31,101	35,017	31,913
Non-current financial assets	200	200	200
Other non-current assets	181	283	274
Deferred tax assets	2,576	72	2,511
Total non-current assets	91,243	93,209	93,333
Current assets			
Cash and cash equivalents	622	3,991	944
Marketable securities	1,016	3,227	3,642
Accounts receivable, net and contract assets	16,547	18,553	19,709
Prepaid expenses and other current assets	2,110	3,457	1,835
Total current assets	20,295	29,228	26,130
Total assets	111,538	122,437	119,463

Equity and Liabilities (in kEUR)	09/30/2020	09/30/2019	12/31/2019
Equity			
Common stock*	13,500	13,500	13,500
Additional paid-in capital	27,058	27,069	27,069
Own shares	0	-407	-407
Accumulated other comprehensive income	-3,010	-2,170	-1,529
Retained earnings	14,955	13,840	14,657
Equity attributable to shareholders of SYZGY AG	52,503	51,832	53,290
Minorities	187	-340	-347
Total Equity	52,690	51,492	52,943
Non-current liabilities			
Long term liability	33,069	43,665	36,018
Deferred tax liabilities	2,252	201	2,276
Total non-current liabilities	35,321	43,866	38,294
Current liabilities			
Income tax accruals	792	748	192
Accrued expenses	6,025	7,524	4,927
Contract liabilities	1,444	6,025	5,536
Accounts payable	8,704	9,032	9,007
Other current liabilities	6,562	3,750	8,564
Total current liabilities	23,527	27,079	28,226
Total liabilities and equity	111,538	122,437	119,463

*In prior year: contingent Capital kEUR 1,200.

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

SYZYGY AG, Bad Homburg v.d.H.

Consolidated statement of comprehensive income

as at September 30, 2020

in kEUR	3. Quarter			January - September			12/31/2019
	2020	2019	Change	2020	2019	Change	
Sales	13,737	16,065	-14%	40,685	47,631	-15%	64,243
Cost of revenues	-9,508	-11,466	-17%	-29,618	-34,579	-14%	-45,809
Sales and marketing expenses	-1,414	-1,678	-16%	-3,885	-4,421	-12%	-5,951
General and administrative expenses	-2,101	-2,391	-12%	-6,080	-6,583	-8%	-9,914
Impairment losses, net of trade receivables and contract assets	13	-18	n.a.	63	-11	n.a.	-82
Other operating income/expense, net	332	843	-61%	1,441	2,126	-32%	3,010
Operating profit (EBIT)	1,059	1,355	-22%	2,606	4,163	-37%	5,497
Financial income	115	137	-16%	272	702	-61%	721
Financial expenses	-,282	-,239	18%	-827	-823	0%	-1,024
Income before income taxes (EBT)	892	1,253	-29%	2,051	4,042	-49%	5,194
Income taxes	-253	-338	-25%	-593	-1,035	-43%	-1,654
Total net income of the period	639	915	-30%	1,458	3,007	-52%	3,540
thereof net income share to other shareholders	16	49	-67%	21	90	-77%	73
thereof net income share to shareholders of SYZYGY AG	623	866	-28%	1,437	2,917	-51%	3,467
Items that will not be reclassified to profit and loss:	0	0	n.a.	0	0	n.a.	0
Items that will or may be reclassified to profit and loss:							
Currency translation adjustment from foreign business operations	-137	-130	n.a.	-1,207	-91	n.a.	582
Net unrealized gains/losses on marketable securities, net of tax	-42	35	-220%	-290	565	n.a.	544
Other comprehensive income	-179	-95	88%	-1,497	474	n.a.	1,126
Comprehensive income	460	820	-44%	-39	3,481	-101%	4,666
thereof income share to other shareholders	16	39	-59%	4	84	-95%	77
thereof income share to shareholders of SYZYGY AG	444	781	-43%	-43	3,397	-101%	4,589
Earnings per share from total operations (basic in EUR)	0.05	0.07	-29%	0.11	0.22	-50%	0.26

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

Statement of changes in equity

as at September 30, 2020

In kEUR	Number of shares (in 1,000)	Common stock	Additional paid-in capital	Own shares	Retained earnings	Foreign exchange currency	Accum. other compre- hensive income		Minority interest	Total equity
							Unrealised gains and losses	Equity attributable to shareholders of SYZYGY AG		
January 1, 2019	13,500	13,500	27,069	-407	16,774	-2,297	-354	54,285	-284	54,001
Adjustments from first-time adoption IFRS 9					268			268	0	268
January 1, 2019, adjusted	13,500	13,500	27,069	-407	17,042	-2,297	-354	54,553	-284	54,269
Net income of the period					3,467			3,467	73	3,540
Other comprehensive income						578	544	1,122	4	1,126
Comprehensive income					3,467	578	544	4,589	77	4,666
Dividend					-5,370			-5,370	0	-5,370
Payment to minorities					-482			-482	-140	-622
Dec. 31, 2019	13,500	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
January 1, 2020	13,500	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
Adjustments from first-time adoption IFRS 16								0	0	0
January 1, 2020, adjusted	13,500	13,500	27,069	-407	14,657	-1,719	190	53,290	-347	52,943
Net income of the period					1,437			1,437	21	1,458
Other comprehensive income						-1,191	-290	-1,481	-16	-1,497
Comprehensive income					1,437	-1,191	-290	-44	5	-39
Dividend					0			0	0	0
Payment to minorities					-446			-446	-66	-512
Effects of changes in shareholdings			-11	407	-693			-297	595	298
Sept. 30, 2020	13,500	13,500	27,058	0	14,955	-2,910	-100	52,503	187	52,690

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, 2020

In kEUR	January - September		
	2020	2019	2019
Period net income	1,457	3,008	3,540
Adjustments to reconcile income from operations to net cash provided by operating activities:			
– Depreciation on fixed assets	5,210	3,840	5,381
– Profit (-) and loss (+) on sale of securities	51	-111	-114
– Profit (-) and loss (+) on sale of fixed assets	332	225	3,175
– changes in Earn-Out liabilities	-400	-1,018	-1,345
– Profit (-)/Loss(+) on sale of fixed asset investments	0	0	0
– Other non-cash income and expenses	32	95	31
Changes in operating assets and liabilities:			
– Accounts receivable and other assets	2,435	373	415
– Customer advances	-4,089	-3,428	-3,937
– Accounts payable and other liabilities	-2,182	-8,629	-11,066
– Tax accruals and payables, deferred taxes	702	-639	-538
Cash flows provided by operating activities	3,548	-6,284	-4,458
Changes in other non-current assets	89	15	23
Investments in fixed assets	-2,328	-1,481	-2,114
Purchases of marketable securities	-4,457	-5,379	-6,870
Proceeds from sale of marketable securities	6,636	13,684	14,806
Changes from fixed asset investments	-40	-40	-40
Acquisition of consolidated entities less liquid funds	-3,309	-1,352	-1,352
Interest expense on leasing liabilities	-522	0	-682
Cash flows used in investing activities	-3,931	5,447	3,771
Change in bank loans	3,208	-790	-1,054
Repayment of lease obligations	-2,494	-622	-3,227
dividend paid to minority shareholders	-512	0	-622
dividend paid to shareholders of SYZYGY AG	0	-5,370	-5,370
Cash flows from financing activities	202	-6,782	-10,273
Total	-181	-7,619	-10,960
Cash and cash equivalents at the beginning of the period	944	11,519	11,519
Exchange rate differences	-141	91	385
Cash and cash equivalents at the end of the period	622	3,991	944

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

Selected explanatory Notes to the Consolidated Financial Statements

Accounting

Pursuant to the provisions of section 50 (6) of the BörsO (Stock Exchange Directive) in conjunction with Article 37 (2) WpHG (German Securities Trading Act), the financial report of SYZYG AG for the first nine months of 2020 comprises interim consolidated financial statements and an interim Group Management Report. The interim consolidated financial statements were prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) for interim financial reporting as applicable within the European Union. The unaudited interim financial statements were prepared in compliance with IAS 34 and in accordance with DRS 16. Accordingly, the company elected to produce a short-form report, compared with the consolidated financial statements as at December 31, 2019. The Management Report was prepared in accordance with the applicable requirements of the WpHG. The interim financial report has not been audited in accordance with section 37 (w) of the German Securities Trading Act (WpHG).

With the following exceptions, the accounting and consolidation principles are applied as described in the notes to the consolidated financial statements to the 2019 Annual Report.

Business activities of the SYZYG Group

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

SYZYG Group is one of the leading consulting- and implementation partners for the transformation in Sales and Marketing. As operating entities, the subsidiaries are responsible for providing consultancy and other services. With branches in Bad Homburg v. d. H., Berlin, Frankfurt/Main, Hamburg, London, Munich, New York and Warsaw, they offer large global companies an integrated portfolio of solutions, from strategic consulting to

project planning, concepts and design to technical realisation of brand platforms, business applications, websites, hosting, online campaigns and mobile apps. Performance marketing services such as consultancy and analysis of data as well as search engine marketing/optimisation are also a major business area. In addition, SYZYG helps clients meet customer experience and usability requirements and assists them at every stage of the user-centred design process. Digital illustrations and animations round off the range of services. The Group's business focus is on the automotive, telecommunications/IT, services and consumer goods industries, as well as finance and insurances.

Scope of consolidation and principles

As at September 30, 2020, the following subsidiaries were included in the consolidated financial statements of SYZYG AG and fully consolidated:

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

Information on general consolidation principles is provided in the 2019 annual report from page 68 onwards.

Changes in Shareholdings

Effective January 1, 2020 SYZGY has acquired a further 10 percent of the shares in USEEDS, leading to a shareholding of 100 percent. The entry in the commercial register took place on March 28, 2020. Furthermore, SYZGY AG has – after acquiring the additional 10 percent of USEEDS shares – brought the USEEDS shares into different and merged the two companies. The shareholding of different has thereby grown to 77.5 percent. The merge was done on June 18, 2020, the entry into the commercial register took place on June 29, 2020. This merger was done with effect from January 1, 2020 (merger date), meaning that USEEDS is merged into different retrospectively.

Additionally, SYZGY bought the remaining 40.5 percent of the shares of SYZGY Performance, thereof 15.7 percent on April 2, 2020 and 24.8 percent on July 8, 2020, each effective as of January 1, 2020. SYZGY now holds 100 percent of SYZGY Performance.

Furthermore, the remaining 1.2 percent of shares of SYZGY Berlin were bought, bringing the shareholding at this entity up to 100 percent as well. The shares were bought as a portion of 0.6 percent each with entry in the commercial register on July 9, 2020 and October 6, 2020, effective as of January 1, 2020

Lastly, SYZGY increased its shareholding in Ars Thanea by 10 percent, up to a total of 80 percent. The acquisition took place on September 17, 2020, effective as of January 1, 2020.

Segment reporting

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

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

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

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

09/30/2020 (in kEUR)	Germany	UK	Other segments	Central functions	Consolidation	Total
Billings	60,865	9,526	5,809	162	-1,039	75,323
Media costs	-27,441	-4,774	-2,471	0	49	-34,637
Sales	33,424	4,752	3,338	162	-990	40,686
of which internal sales	220	19	788	12	-1,039	0
Operating income (EBIT)	4,343	-46	-436	-1,273	19	2,607
Financial income	-211	97	-14	915	-1,342	-555
Earnings before tax (EBT)	4,132	51	-450	-358	-1,323	2,052
Assets	71,197	20,763	9,327	92,826	-82,575	111,538
of which non-current assets	60,262	14,523	6,687	6,479	335	88,286
of which goodwill	43,033	7,811	6,341	0	0	57,185
Investments	1,157	20	164	3,135	0	4,476
Depreciation and amortisation	3,139	870	370	802	-16	5,165
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	29,267	10,631	2,460	27,036	-10,545	58,849
Employees as per balance sheet date	382	48	65	32	0	527

09/30/2019 (in kEUR)	Germany	UK	Other segments	Central functions	Consolidation	Total
Billings	75,078	13,572	20,574	186	-1,480	107,930
Media costs	-38,736	-6,090	-15,571	0	98	-60,299
Sales	36,342	7,482	5,004	186	-1,383	47,631
of which internal sales	332	79	1,008	61	-1,480	0
Operating income (EBIT)	5,031	-923	663	-679	71	4,163
Financial income	39	-191	4	1,743	-1,716	-121
Earnings before tax (EBT)	5,070	-1,114	667	1,064	-1,645	4,042
Assets	81,764	29,985	9,328	99,227	-97,867	122,437
of which non-current assets	54,468	15,727	7,202	14,725	532	92,654
of which goodwill	43,208	8,024	6,405	0	0	57,637
Investments	10,184	6,981	892	14,275	0	32,332
Depreciation and amortisation	1,917	870	397	671	-16	3,839
Impairment on goodwill	0	0	0	0	0	0
Segment liabilities	31,849	12,112	1,270	44,301	-18,587	70,945
Employees as per balance sheet date	379	62	81	32	0	554

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

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

Treasury stock

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

On May 29, 2015, the Annual General Meeting authorised the Management Board to acquire a maximum of 10 percent of the Company's outstanding

shares until May 28, 2020. SYZGY is authorised to resell or call in treasury shares, to offer them to employees of the Company as compensation, or to offer treasury shares to third parties in the course of acquiring companies.

The whole capacity of the treasury stock, consisting of 73,528 shares, evaluated at the average acquisition costs of EUR 5.54, was used in the process of the acquisition of the remaining shares of SYZGY Performance. The treasury stock was traded at share price of EUR 5.39. As of September 11, 2020, there is no more treasury stock held at SYZGY. The difference of the share price was booked without effect on the profit and loss statement into the additional paid-in capital.

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	Lars Lehne	Erwin Greiner	Frank Ladner	Total
As at December 31, 2019	10,000	0	0	10,000
Purchases	0	0	0	0
Sales	0	0	0	0
As at September 30, 2020	10,000	0	0	10,000

Lars Lehne has left the board as of 31st March 2020.

Supervisory Board: Shares

Number of shares	Wilfried Beeck	Dominic Grainger	Andrew Payne	Total
As at December 31, 2019	10,000	0	0	10,000
Purchases	5,000	0	0	5,000
Sales	0	0	0	0
As at September 30, 2020	15,000	0	0	15,000

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

Management Board: Phantom stocks

[Number of shares]	Lars Lehne	Erwin Greiner	Frank Ladner	Total
As at December 31, 2019	144,000	80,000	55,000	279,000
Additions	0	0	0	0
Disposals	0	0	0	0
As at September 30, 2020	144,000	80,000	55,000	279,000

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

The base price is EUR 9.13 for Lars Lehne and EUR 11.25 for Erwin Greiner and Frank Ladner. The maximum price increase is limited to 60 percent for tranche 1 and 90 percent for tranche 2.

Further information can be found on page 57 of the 2019 Annual Report.

Shareholder structure

As at September 30, 2020, the shareholders' structure has changed slightly compared to December 31, 2019, due to the selling of own shares.

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

In Thousand	Shares	percent
WPP plc., St. Helier	6,795	50.33
HANSAINVEST	408	3.03
Hauck & Aufhäuser Fund Services S.A.	401	2.97
Free Float	5,896	43.67
Total	13,500	100.00

Bad Homburg v. d. H., October 26, 2020
SYZGY AG

The Management Board

2020 Financial calendar

**Virtual Annual
General Meeting**

10/27

**German Equity
Forum, Frankfurt**

11/16-18

**MKK – Munich
Capital Market
Conference**

12/8-9

All dates are subjects to change.
For current information, see ir.syzygy.net

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