

Letter to shareholders 1. Quarter of 2019



BEST ADVICE. BETTER TECHNOLOGY.



Stefan Bachmann
CDO

Ralph Konrad
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Dr. Sebastian Grabmaier
CEO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

The results for the first quarter of 2019 confirm the Management Board's favourable growth forecast and bolster our confidence in the company's performance for 2019 as a whole.

Moreover, the acquisition of KOMM Investment- und Anlagevermittlungs GmbH marks an attractive acquisition for us. 300 successful investment brokers with over 550 million Euro in assets under administration and over 5.0 million Euro in revenues will contribute to the expansion of our investment business and therefore to the growth of JDC Group revenues and earnings.

As a consequence and as a result of the conclusion of other agreements with major clients, such as recently with Sparda-Bank Baden-Württemberg and RheinLand Versicherungs AG, we are bolstering JDC Group's claim to be the driver of consolidation in the German insurance and financial services sector.

Results from Q1 2019

Consolidated revenues increased significantly in the first three months of 2019, by around 19 percent, to 26.8 million Euro (Q1 2018: 22.5 million Euro). The Advisortech segment actually grew by over 25 percent. This acceleration in growth is driven by the success of JDC's key account strategy.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by roughly 3 percent to kEUR 1,529 (Q1 2018: kEUR 1,480).

Earnings before interest and taxes (EBIT) continued its steady development compared to the previous year, totalling kEUR 803 (Q1 2018: kEUR 820).

The fact that yield is growing more slowly than revenues is likewise in line with expectations: As we have announced on multiple occasions in recent months we have been focusing on several key clients in the banking sector. This generates costs not offset by any new sales but which will contribute to strong growth of the JDC platform.

At a glance in kEUR

	Q1/2019 kEUR	Q1/2018 kEUR	Changes compared to previous year in %
Revenues	26,811	22,464	19.4
there of Advisortech	23,437	18,477	26.8
there of Advisory	6,016	6,051	-0.6
there of Holding/Consolidation	-2,642	-2,064	-28.0
EBITDA	1,529	1,480	3.3
EBIT	803	820	-2.1
EBT	510	562	-9.3
Net profit	504	409	23.2
Earnings per share in EUR	0.04	0.03	33.3

Equity capital stood at 33.8 million Euro as at March 31, 2019. The equity ratio thus rose to a robust 40.6 percent (31 December 2018: 33.3 million Euro and 39.0 percent).

OUR INDIVIDUAL BUSINESS SEGMENTS PERFORMED AS FOLLOWS:

Advisortech

Consolidated revenue of Advisortech increased significantly in the first three months of 2019, by around 26.8 percent, to 23.4 million Euro (Q1 2018: 18.5 million Euro).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 1.9 million Euro in the first three months of 2019 and therefore was significantly higher than the prior year figure, at 1.8 million Euro.

Earnings before interest and taxes (EBIT) remained constant in the first three months of 2019 at 1.2 million Euro (Q1 2018: 1.3 million Euro).

Advisory

In the Advisory segment, revenue in the first three months of 2019 remained constant at 6.0 million Euro compared to the same period last year (Q1 2018: 6.1 million Euro).

Earnings before interest, taxes, depreciation and amortization (EBITDA) for Advisory rose slightly during the first three months to 0.1 million Euro (Q1 2018: 0.0 million Euro) and earnings before interest and taxes (EBIT) also rose slightly to 0.0 million Euro (Q1 2018: -0.1 million Euro).

Outlook

For 2019 as a whole, the company is expecting a marked increase in revenues over last year's 95 million Euro last year, climbing to more than 110 million Euro. A significant improvement in operating EBITDA is also expected.

In addition, we are working on going live with other key accounts that will sustain strong growth beyond 2019. In the Advisortech segment, we will continue to invest in our platform in steady pursuit of our goal of becoming the leading technology platform for transacting and administering insurance and financial products.

The recently acquired KOMM Investment- und Anlagevermittlungs GmbH has already been integrated into the group and, starting April 1, will be incorporated into the group consolidation. This means that KOMM will begin making an appreciable contribution to improving sales and earnings by the second quarter.

Thanks to our employees and shareholders

Last but not least, we wish to once again offer our heartfelt thanks to the employees and sales partners of both JDC Group AG and our subsidiaries, because our success is a product of their commitment and motivation.

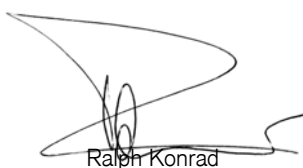
We would also like to extend thanks to our shareholders, who continue to have faith in our business model and support and approve the actions taken by our executive and supervisory boards.

We would be very pleased to enjoy your continued support.

With kind regards,



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann



Consolidated income statement

	01/01– 31/03/2019 kEUR	01/01– 31/03/2018 kEUR
1. Revenues	26,811	22,464
2. Capitalised services	242	188
3. Other operating income	25	100
4. Commission expenses	-18,941	-15,095
5. Personnel expenses	-4,236	-3,862
6. Depreciation and amortisation of tangible and intangible assets	-726	-660
7. Other operating expenses	-2,372	-2,315
8. Other interest and similar income	1	3
9. Interest and similar expenses	-294	-261
10. Operating profit/loss	510	562
11. Income tax expenses	-5	-139
12. Other tax expenses	-1	-14
13. Net profit	504	409
14. Earnings per share	0.04	0.03

Segment reporting

	Advisortech		Advisory	
	Q1/2019 kEUR	Q1/2018 kEUR	Q1/2019 kEUR	Q1/2018 kEUR
Segment income				
Revenues	23,437	18,477	6,016	6,051
of which with other segments	306	250	2,336	1,814
Total segment income	23,437	18,477	6,016	6,051
Capitalised services	242	188	0	0
Other income	41	81	12	19
Segment expenses				
Commissions	-17,118	-12,553	-4,354	-4,448
Personnel expenses	-2,932	-2,691	-804	-734
Depreciation and amortisation	-627	-533	-98	-124
Other	-1,801	-1,711	-820	-878
Total segment expenses	-22,478	-17,488	-6,076	-6,184
EBIT	1,242	1,258	-48	-114
EBITDA	1,869	1,791	50	10
Income from investments	0	0	0	0
Other interest and similar income	133	148	4	12
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-385	-359	-156	-150
Financial result	-252	-211	-152	-138
Segment earnings before tax (EBT)	990	1,047	-200	-252
Tax expenses	-72	-176	66	24
Segment's net profit	918	871	-134	-228

Holding		Total reportable segments		Transfer		Total	
Q1/2019 kEUR	Q1/2018 kEUR	Q1/2019 kEUR	Q1/2018 kEUR	Q1/2019 kEUR	Q1/2018 kEUR	Q1/2019 kEUR	Q1/2018 kEUR
456	497	29,909	25,025	-3,098	-2,561	26,811	22,464
456	497	3,098	2,561	-3,098	-2,561	0	0
456	497	29,909	25,025	-3,098	-2,561	26,811	22,464
0	0	242	188	0	0	242	188
0	0	53	100	-28	0	25	100
0	0	-21,472	-17,001	2,531	1,906	-18,941	-15,095
-500	-437	-4,236	-3,862	0	0	-4,236	-3,862
-1	-3	-726	-660	0	0	-726	-660
-346	-381	-2,967	-2,970	595	655	-2,372	-2,315
-847	-821	-29,401	-24,493	3,126	2,561	-26,275	-21,932
-391	-324	803	820	0	0	803	820
-390	-321	1,529	1,480	0	0	1,529	1,480
0	0	0	0	0	0	0	0
251	252	388	412	-387	-409	1	3
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-140	-161	-681	-670	387	409	-294	-261
111	91	-293	-258	0	0	-293	-258
-280	-233	510	562	0	0	510	562
0	-1	-6	-153	0	0	-6	-153
-280	-234	504	409	0	0	504	409

Consolidated Balance Sheet

Assets	31/03/2019 kEUR	31/12/2018 kEUR
Non-current assets		
Intangible assets	46,408	46,136
Fixed assets	734	759
Financial assets	148	148
	47,290	47,043
Deferred taxes	2,683	2,700
Long-term non-current assets		
Accounts receivable	840	1,068
	2,006	2,257
Total non-current assets	52,819	53,068
Current assets		
Accounts receivable	13,745	16,657
Other assets	4,267	3,759
Cash and cash equivalents	12,168	11,801
Deferred charges	436	262
Total current assets	30,616	32,479
Total assets	83,435	85,547

Liabilities	31/03/2019 kEUR	31/12/2018 kEUR
Equity		
Subscribed capital	13,128	13,128
Capital reserves	21,638	21,638
Other retained earnings	445	445
Other equity components	-1,366	-1,867
Total equity	33,845	33,344
Non-current liabilities		
Deferred taxes	2,153	1,665
Bond	14,842	14,813
Liabilities due to banks	84	107
Accounts payable	8,908	8,810
Other liabilities	184	184
Accruals	1,612	1,455
Total non-current liabilities	27,783	27,034
Current liabilities		
Accrued taxes	311	334
Liabilities due to banks	2,617	2,584
Accounts payable	13,663	17,508
Other liabilities	5,196	4,729
Deferred income	20	14
Total current liabilities	21,807	25,169
Total equity and liabilities	83,435	85,547

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The letter to shareholders of JDC Group AG is available in German and English. The German version is legally binding. The reports can be downloaded from the company's website: www.jdcgroup.de

We will provide you with additional information about JDC Group AG and its subsidiaries upon request.