

# Interim Report 1. Half of 2021



BEST ADVICE. BETTER TECHNOLOGY.

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# JDC Group AG

At a glance

P & L in kEUR			Changes compared to previous year in %			Changes compared to previous year in %
	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR		30/06/2021 kEUR	30/06/2020 kEUR	
Revenues	32,644	27,381	19.2	68,611	58,820	16.6
Gross margin	8,972	7,981	12.4	18,853	16,880	11.7
Gross margin in %	27.5	29.1	-5.5	27.5	28.7	-4.2
Total operational costs	8,747	8,125	7.7	16,939	15,933	6.3
EBITDA	1,506	939	60.4	4,343	3,134	38.6
EBITDA margin in %	4.6	3.4	35.3	6.3	5.3	18.9
EBIT	225	-144	> 100	1,914	947	>100
EBIT margin in %	0.7	-0.5	> 100	2.8	1.6	75.0
Net profit	-235	-509	53.8	980	190	>100
Number of shares in thousands (end of period)	12,623	12,660	-0.3	12,623	12,966	-2.6
Earnings per share in EUR	-0.02	-0.04	50.0	0.08	0.01	>100

## Cashflow/Balance sheet in kEUR

	30/06/2021 kEUR	31/12/2020 kEUR	Changes compared to year in %
Cash flow from operating activities*	4,866	2,805	73.5
Total equity and liabilities	94,691	91,791	3.2
Equity	28,268	27,288	3.6
Equity ratio in %	29.9	29.7	0.4

\*30/06/2020



**Stefan Bachmann**  
CDO

**Ralph Konrad**  
CFO, CIO

**Dr. Sebastian Grabmaier**  
CEO



# Management Board letter to shareholders

## **DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,**

JDC Group AG boosted its growth and profits significantly in the first half of 2021, exceeding the Management Board's positive growth forecast for the year as a whole.

Consolidated revenues grew by around 17 percent to EUR 68.6 million in the first half of 2021, while there was also a significant improvement in profits, with the Advisortech and Advisory divisions again both contributing to the growth in revenues and profits.

### **Important steps during the second quarter of 2021**

The JDC affiliates reported major successes in the second quarter:

#### [Joint venture between Provinzial and JDC](#)

In June, JDC Group AG and an affiliate of Provinzial Holding AG signed an agreement to set up a joint venture by the name of Einfach Gut Versichert GmbH, formalising the letter of intent signed in February. This collaboration agreement will enable JDC to make the exclusive third-party insurance platform available for around 100 savings banks in Provinzial's business region in the coming years, expanding its current business volume considerably as a result.

#### [JDC Group subsidiary acquires all the shares of MORGEN & MORGEN GmbH](#)

The acquisition of MORGEN & MORGEN GmbH just a few weeks ago expands JDC's own platform in the areas of data analysis, software development and product knowledge with an analysis of the prices of all insurance products marketed in Germany. Prices can now be compared and rated across all data dimensions, and products can be recommended and sold with the aid of algorithms and artificial intelligence.

However, the data and analytics expertise is aimed not only at customers and intermediaries, but especially at insurance companies, which can benchmark their products against the competition with the aid of the MORGEN & MORGEN data and target their product policy effectively. Producers regularly use data and calculations from MORGEN & MORGEN for internal insurance comparisons and analysis, ratings and rankings. With Volatium, the company has also developed a single standard for full transparency and comparability of return probabilities for all German pension products. MORGEN & MORGEN's company and product ratings are among the highest in the German market.

The acquisition of MORGEN & MORGEN GmbH makes the JDC platform even more attractive for its intermediaries and customers.

## TME study declares JDC Group the winning digital financial platform provider

As a result of the sustained platform investments in the past few years, JDC Group AG emerged as the winner in an extensive market study by management consultancy firm TME on providers of financial platforms, which was published in 21/04/2021. The study, which entailed an in-depth analysis and comparison of all JDC Group AG's competitors, found that JDC's platform functionalities are sophisticated and particularly strong on customer support and data processing. They open up the business of insurance for all market participants. This enables banks to work with the systems as brokers, multi-tied agents and exclusive agents. The study also found that JDC's retail customer front end, based on the web app 'allesmeins', is a reliable aid for consumers' own management of insurance contracts. Here, JDC also offers a wide range of products, from white label solutions to API communication through the platform.

## Results for the first six months and the second quarter of 2021

Consolidated revenues increased by around 17 percent in the first half of 2021, to EUR 68.6 million (first half of 2020: EUR 58.8 million). In the second quarter, there was an even steeper increase of 19 percent in revenues, which amounted to EUR 32.6 million as against EUR 27.4 million in the same quarter of 2020.

Earnings before interest, tax, depreciation and amortisation (EBITDA) were up by around 39 percent in the first half of 2021, at kEUR 4,343 (first half of 2020: kEUR 3,134). The second quarter saw EBITDA leap by around 60 percent to kEUR 1,506 (second quarter of 2020: kEUR 939).

Earnings before interest and tax (EBIT) more than doubled to kEUR 1,914 in the first half of 2021 (first half of 2020: kEUR 947). In the second quarter there was also a significant year-on-year increase in EBIT, at kEUR 225 compared with kEUR -144 in 2020.

The consolidated profit increased fourfold to kEUR 980 in the first half of 2021 (first half of 2020: kEUR 190). The consolidated profit for the second quarter rose to kEUR -235, compared with kEUR -509 in 2020.

Equity was EUR 28.3 million as at 30 June 2021. Thus the equity ratio grew to a healthy 29.9 percent (31 December 2020: EUR 27.3 million and 29.7 percent).

<b>Overview in kEUR</b>	<b>Q2/2021 kEUR</b>	Q2/2020 kEUR	Changes in %	<b>1. Half of 2021 kEUR</b>	1. Half of 2020 kEUR	Changes in %
Revenues	32,644	27,381	19.2	68,611	58,820	16.6
Advisortech	25,848	22,449	15.1	56,449	49,565	13.9
Advisory	9,038	6,928	30.5	17,291	13,998	23.5
Holding/Consolidation	-2,242	-1,996	12.3	-5,129	-4,743	8.1
EBITDA	1,506	939	60.4	4,343	3,134	38.6
EBIT	225	-144	>100	1,914	947	>100
EBT	-146	-504	71.0	1,174	220	>100
Net profit	-235	-509	53.8	980	190	>100

## THE PERFORMANCE OF THE INDIVIDUAL SEGMENTS WAS AS FOLLOWS:

### Advisortech

The revenues generated by the Advisortech segment grew by around 14.0 percent in the first six months of 2021, to EUR 56.4 million (first six months of 2020: EUR 49.6 million). Second-quarter revenues were up around 15 percent year on year, at EUR 25.8 million, compared with EUR 22.4 million in the same quarter of 2020.

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the first six months of 2021 were up again on the same period of the previous year, at EUR 4.5 million compared with EUR 3.7 million, a year-on-year increase by 20.7 percent. EBITDA rose to EUR 1.5 million in the second quarter of 2021 (first six months of 2020: EUR 1.2 million).

Earnings before interest and tax (EBIT) increased to EUR 2.7 million in the first six months of 2021 (first six months of 2020: EUR 2.0 million). EBIT thus improved by as much as 36.2 percent. EBIT rose to EUR 0.6 million after EUR 0.4 million in the same period of the previous year.

Excluding the non-recurring project costs for the acquisition of MORGEN & MORGEN and the establishment of the joint venture with Provinzial, the earnings (EBITDA and EBIT) for the second quarter – and therefore also the first half of the year – would have been around EUR 0.2 million higher.

### Advisory

In the Advisory segment, revenues in the first six months of 2021 grew significantly by around 24 percent year-on-year to EUR 17.3 million (first six months of 2020: EUR 14.0 million). Revenues for the second quarter increased to EUR 9.0 million, compared with EUR 6.9 million in the weak second quarter of 2020.

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the Advisory segment have significantly improved to EUR 0.9 million in the first six months of 2021 (first six months of 2020: EUR 0.4 million). EBITDA rose to EUR 0.5 million in the second quarter of the current year (first six months of 2020: EUR 0.2 million).

Earnings before interest and tax (EBIT) were also up in the first six months of 2021 and stood at EUR 0.4 million (first six months of 2020: EUR 0.0 million). EBIT increased to EUR 0.3 million in the second quarter of 2021 (first six months of 2020: EUR 0.0 million).

### Outlook

We confirm our positive assessment for the remainder of 2021 and are slightly increasing the guidance previously published:

For 2021 we now expect revenues to grow to between EUR 140 million and 145 million (as compared with the previous estimate of between EUR 135 million and EUR 142 million) and EBITDA in excess of EUR 8 million.

### Thanks to our employees and shareholders

Finally, we would like once again to thank in particular our staff and the distribution partners of JDC Group AG and of our subsidiaries, as it is on their commitment and motivation that our success is based.

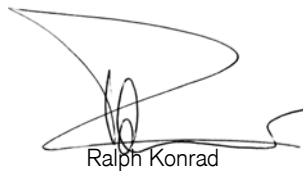
Thanks are also due to our shareholders, who believe in our business model and provide reassuring support to the Management and Supervisory Boards.

We very much hope that we can enjoy your continued support.

Yours sincerely



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann



# Group management interim report

## SITUATION OF THE GROUP

### The Group's Business Modell

In the Advisortech segment, JDC Group AG offers a digital platform for insurance, investment funds and all other financial products and services. By offering and handling the full range of products from all product providers in the financial market – in addition to supplying all data and documentation – with its vision systems and interfaces it creates the perfect workplace for financial intermediaries of all kinds (brokers, agents, corporate brokers, banks, tied agent networks and fintech companies) and the first real 'financial home' for financial service customers. Using a smartphone app, a tablet or a PC, customers and agents can obtain a complete overview of their individual insurance and investment fund portfolio, with simple conclusion processes and transfer options, and also a complete market comparison, so that customers and advisers can optimise the insurance and retirement provision easily and cost effectively. In the Advisory segment, approximately 300 well-trained advisers under the FiNUM. brand complete the platform offering for discerning high-end retail customers.

### Research and Development

In the Advisortech segment, we offer advanced advisory and administration technologies for our customers and advisers through the Jung, DMS & Cie. Group. JDC Group develops its own software solutions for this purpose. In the first six months of 2021, the value of work generated for our own purposes and capitalised was kEUR 578. For further details, please see the notes to the consolidated financial statements.

## ECONOMIC REPORT

### Overall Economic Conditions

The German economy started the year 2021 on a negative note. According to the calculations of the Federal Statistical Office of Germany, the gross domestic product (GDP) for the first quarter of 2021 was down 2.1 percent in comparison with the preceding fourth quarter of 2020. The second quarter of 2021 saw an increase of 1.5 percent in gross domestic product (GDP) in comparison with the previous three months of the year. This recovery was primarily driven by consumer spending and government consumption expenditure. In a recent statement by the International Monetary Fund (IMF), the global economic growth forecast for industrial countries was revised upwards. By contrast, the forecast for poorer countries was lowered. Access to vaccines is seen as critical for a faster recovery.

## The Market and Competitive Position

### THE MARKET FOR INVESTMENT PRODUCTS<sup>1)</sup>

The German investment funds industry saw net inflows of around EUR 60 billion in the first three months of 2021 – the best first quarter in six years. A significant inflow of EUR 31.2 billion was recorded in specialised institutional investment funds, while EUR 29.4 billion was newly invested in retail funds.

Members of the German Investment Funds Association (BVI) were managing EUR 1.28 trillion in retail funds at the end of the quarter. Open-ended specialised institutional funds contributed EUR 2.0 trillion to the total assets under management.

The investment funds industry as a whole was managing assets totalling EUR 3.95 trillion for investors at the end of March 2021. This represents an increase of 2.5 percent compared with the end of December 2020.

### THE INSURANCE MARKET<sup>2)</sup>

Premium income in the insurance industry was up slightly in 2020 compared with the previous year. The increase was caused by growth in private health insurance, non-life insurance and life insurance. The upward trend is expected to continue at around 2 percent for the remainder of 2021 if conditions remain constant. According to the German Insurance Association (GDV), developments will be influenced by pent-up demand, some of which could fuel an increase in occupational pensions.

In private health insurance, premium income is currently rising slightly. Growth in premiums is expected to be slightly weaker in property and casualty insurance. In life insurance, premium income is on the rise again.

### OUTLOOK

In 2021, the market for financial services will again be marked by continued uncertainty, volatility, low interest rates and higher inflation. The interest losses caused by low interest rates – particularly in the insurance business – will mean a further reduction in the net interest return on insurance products. Sales of investment and life insurance products should increase further in comparison with 2020 if the general conditions remain stable.

## Competitive Position

JDC Group AG competes with different companies in its individual business segments.

### COMPETITORS IN THE ADVISORTECH SEGMENT

In the Advisortech segment, the JDC Group offers retail customers an intermediary service in relation to financial products such as investment funds, alternative investment funds, structured products, insurance and credit products via independent financial intermediaries (B2B2C) through its subsidiaries (JDC).

<sup>1)</sup> Unless otherwise indicated, all data in the following description of the market for investment products is from the investment statistics for the first quarter of 2021 provided by the German Investment Funds Association BVI (20 May 2021).

<sup>2)</sup> All data in the following description of the market for insurance products was taken from the industry data on the website of the German Insurers' Association (GDV) at [gdv.de](http://gdv.de).

As a technical platform, JDC is in competition with all companies that use independent intermediaries to sell the above financial products to other intermediaries or retail customers. These include broker networks and broker pools such as Fonds Finanz Maklerservice GmbH and BCA AG, in addition to commercial banks, savings banks, cooperative banks and financial services distribution companies that target retail customers.

Also in the Advisortech segment, JDC offers white-label front-end services, which enable customers (banks, insurance companies, IFAs and retail customers) to view contract data via apps, online tools and web applications. JDC's competitors in this business include Clark and getsafe.

In the third subsegment, we offer advisory services for retail customers and a comparison platform for financial products. In this business, JDC is in competition with Verivox and Smava.

### Competitors in the Advisory Segment

In the Advisory segment, JDC Group AG provides retail customers with advice and intermediary services in relation to financial products through its subsidiaries FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria (B2C). In principle, all the companies are in competition with a large number of market participants. Apart from financial services distribution companies and individual brokers, they are also in competition with tied agents of insurance companies and banks, along with companies that use direct distribution channels including the internet. Based on the different business models and target groups, JDC Group sees the following as the companies' main competitors:

FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria focus on providing advisory services to discerning retail customers (the mass affluent market) in Germany and Austria. The business mix consists in more or less equal parts of wealth accumulation and preservation (insurance business). The main competitors in this business are therefore commercial banks, private banks and large financial services distribution companies – such as MLP AG and Horbach Wirtschaftsberatung AG.

## BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

Owing to its high volume of business, its reliability and its increasing significance in the market, JDC Group AG is increasingly attractive as a partner to product initiators in both the insurance and the investment sectors. JDC Group AG is also attractive to financial services distribution companies or financial intermediaries seeking a strong institutional partner to which they can outsource their back-office functions in the rapidly changing regulatory environment.

Overall, the Management Board considers the business performance to have been positive.

This positive development is the result of an increase in revenues and profits in the Advisortech and Advisory segments. Combined with the investment business, which has picked up during the coronavirus crisis, the key account business is generating a significant increase in revenues. However, the coronavirus pandemic has also led to higher staff and office expenses to enable business operations to continue with minimal impact. This has had only a slight negative effect on profits, in which there is a clear upward trend overall. In the second half of the year we will announce further major projects, which will result in higher profits if costs remain constant.

For further information, please see the sections below on the position of the JDC Group.

## COMPANY SITUATION

### Major Key Figures

#### ASSET POSITION

##### Assets in kEUR

	30/06/2021 kEUR	31/12/2020 kEUR	Changes in %
Intangible assets	51,438	47,930	7.32
Fixed assets	5,137	5,117	0.39
Financial assets	184	216	-14.81
Deferred taxes	3,293	3,552	-7.29
<b>Long-term non-current assets</b>			
Accounts receivable	978	891	9.76
Other assets	1,072	1,746	-38.60
<b>Current assets</b>			
Accounts receivable	15,205	18,364	-17.20
Other assets	1,935	1,838	5.28
Cash and cash equivalents	14,567	11,718	24.31
Deferred charges	882	419	>100
<b>Total assets</b>	<b>94,691</b>	<b>91,791</b>	<b>3.16</b>

The Group's non-current assets as at 30 June 2021 amounted to EUR 62.1 million (previous year: EUR 59.5 million), of which around EUR 51.4 million comprised intangible assets (previous year: EUR 47.9 million). The increase is mainly due to the acquisition of another company, which was capitalised as a customer list as part of the initial consolidation.

Current assets remained steady at EUR 32.6 million (previous year: EUR 32.3 million). Since the beginning of the year, cash at banks have increased by EUR 2.8 million to EUR 14.6 million.

Total assets increased from EUR 91.8 million in 2020 to EUR 94.7 million in 2021. This was mainly caused by an increase in intangible assets by around EUR 3.5 million in comparison with 31 December 2020.

<b>Liabilities in kEUR</b>	<b>30/06/2021</b> kEUR	31/12/2020 kEUR	Changes in %
Equity	28,268	27,288	3.59
<b>Non-current liabilities</b>			
Deferred taxes	4,636	4,140	11.98
Bonds	19,414	19,337	0.40
Liabilities due to banks	32	33	-3.03
Accounts payable	10,603	10,280	3.14
Other liabilities	3,606	3,636	-0.83
Provisions	1,450	1,240	16.94
<b>Current liabilities</b>			
Bonds	0	0	0
Accrued taxes	468	284	64.88
Liabilities due to banks	1,085	1,067	1.69
Accounts payable	17,420	19,872	-12.34
Other liabilities	7,636	4,545	68.01
Deferred income	73	69	5.80
<b>Total equity and liabilities</b>	<b>94,691</b>	91,791	3.16

At EUR 39.7 million (previous year: EUR 38.7 million), non-current liabilities were up by EUR 0.5 million in total, mainly due to the increase in deferred tax liabilities caused by the recognition of lease liabilities in accordance with IFRS 16.

There was a slight increase in short-term liabilities to EUR 26.7 million, compared with EUR 25.8 million in 2020. This figure includes EUR 17.4 million in accounts payable and EUR 7.6 million in other liabilities.

The equity ratio of the JDC Group as at 30 June 2021 was 29.9 percent of the total assets (31 December 2020: 29.7 percent). The Group therefore has a very good equity base.

## FINANCIAL POSITION

The statement of cash flows shows the inflows and outflows of cash during the reporting period.

The cash flow from operating activities was up by kEUR 2,061 as at 30 June 2021, from kEUR 2,805 to kEUR 4,866. The main factors here were a reduction in receivables and higher profits. There was a cash flow of kEUR -1,407 from investing activities, which includes the acquisition of a consolidated company. The cash flow from financing activities was kEUR -610, including the repayment of lease liabilities.

Cash and cash equivalents at the end of the financial year amounted to kEUR 14,567.

The cash and cash equivalents were sufficient at all times during the reporting period. Short-term liquidity is ensured by monthly cash flow planning.

## INCOME POSITION

<b>P &amp; L in kEUR</b>			
	<b>30/06/2021</b>	30/06/2020	Changes
	<b>kEUR</b>	kEUR	in %
Revenues	68,611	58,820	16.65
Gross margin	18,853	16,880	11.69
Gross margin in %	27.5	28.7	-4.18
Total operational costs	16,939	15,933	6.31
EBITDA	4,343	3,134	38.58
EBITDA margin in %	6.3	5.3	18.87
EBIT	1,914	947	>100
EBIT margin in %	2.8	1.6	75.00
Net profit	980	190	>100

The Group's income position improved in the first half of 2021. At EUR 68.6 million, revenues for the first half were up by EUR 9.8 million, or 16.6 percent (first half of 2020: EUR 58.8 million).

The gross profit increased by around 11.7 percent to EUR 18.9 million. This is mainly due to key account contracts.

Earnings before interest, tax, depreciation and amortisation (EBITDA) went up to EUR 4.3 million (first half of 2020: EUR 3.1 million). Earnings before interest and tax (EBIT) rose to EUR 1.9 million (first half of 2020: EUR 0.9 million).

The consolidated profit after taxes was EUR 1.0 million.

## SEGMENT REPORTING

## Segment Advisortech

Revenues in the Advisortech segment rose markedly to EUR 56.4 million, compared with EUR 49.6 million in the same period of the previous year. EBITDA was also up, at EUR 4.5 million, compared with EUR 3.7 million in the same period of the prior year. EBIT stood at EUR 2.7 million in 2021 and EUR 2.0 million in 2020. Revenues for the second quarter on its own amounted to EUR 25.8 million (second quarter 2020: EUR 22.4 million). EBITDA was EUR 1.5 million, compared with EUR 1.2 million in the second quarter of 2020. EBIT totalled EUR 0.6 million (EUR 0.4 million in the second quarter of 2020).

## Segment Advisory

Revenues of the Advisory segment were higher than in the same period of the previous year, at EUR 17.3 million, compared with EUR 14.0 million. EBITDA increased to EUR 0.9 million, compared with EUR 0.4 million in 2020. There was also an improvement in EBIT from EUR 0.0 million to EUR 0.4 million. In comparison with the second quarter of 2020, revenues for the second quarter of 2021 grew significantly and stood at EUR 9.0 million. The relevant figure for the second quarter of 2020 was EUR 6.9 million. EBITDA amounted to EUR 0.5 million, compared with EUR 0.2 million in the second quarter of the previous year. Second-quarter EBIT stood at EUR 0.3 million in 2021 and EUR 0.0 million in 2020.



## Segment Holding

The result of the Holding segment was up overall. Segment revenues were EUR 1.0 million, compared with EUR 0.8 million in the previous year. EBITDA fell to EUR –1.1 million, in comparison with EUR –1.0 million in the first six months of 2020. EBIT was also down, at EUR –1.2 million compared with EUR –1.1 million in the same period of 2020. Revenues for the second quarter on its own were EUR 0.5 million in 2021 and EUR 0.4 million in 2020. Compared with the second quarter of the previous year, EBITDA stood unchanged at EUR –0.5 million. At EUR –0.6 million in 2021, second-quarter EBIT was also unchanged year on year.

## OPPORTUNITY AND RISK REPORT

The Group's future business performance involves all the opportunities and risks associated with the distribution of financial products and the acquisition, management and disposal of companies. The risk management system of JDC Group AG is aimed at identifying risks early and minimising them by taking appropriate measures. Financial instruments are used only for hedging purposes. In order to identify early any potential problems in the affiliated companies and the companies in which they in turn hold equity investments, key indicators are monitored and evaluated. Monthly, weekly and daily analyses of turnover, revenues and the liquidity position are prepared. Management obtains a daily summary of the turnover and liquidity ratios.

JDC Group AG is controlled by means of a monthly reporting system, which includes the key indicators and pays particular attention to the liquidity position. On top of this, the Management Board is updated on the current level of liquidity on a daily basis.

Relevant **company-related risks** are as follows:

- In the context of providing intermediary services relating to financial products and insurance products, it cannot be ruled out that cancellations could give rise to expenses not balanced by claims for refunds of the same amount from intermediaries. With the increase in JDC's insurance revenues, receivables management to collect such refunds is of greater importance than before.
- Claims could be made against JDC for misinformation or misadvice by distribution partners. It is not possible to make a blanket statement as to whether the risks in specific cases will be covered by existing insurance policies or by the refund claims against intermediaries.
- The continuing volatility of the capital markets and the difficulty in forecasting the product turnover means great demands have to be placed on the liquidity management system. A lack of liquidity could become an existential problem.
- JDC is increasingly a focus of attention on the capital market. Its customers also include growing numbers of big corporations. Any damage to its image could lead to a loss of revenues.

Relevant **market-related risks** are as follows:

- The business success of the company is fundamentally dependent on economic developments.
- Developments on the German and global financial and capital markets are of considerable importance to JDC's success. Continuing volatility or adverse developments could have a negative impact on JDC's profitability.
- The stability of the legal and regulatory environment in Germany and Austria is of great importance. Short-term changes in the environment for financial services companies, intermediaries and financial products, in particular, could have adverse impact on JDC's business model.

Relevant **regulatory risks** are as follows:

- The implementation of the European Union's General Data Protection Regulation (GDPR) affects all German companies, but particularly those in the financial services sector, whose business involves working with personal data to a particularly large extent. The GDPR imposes extensive information and documentation obligations on us. As the digital transformation of the insurance industry is just beginning, many processes at JDC still have to be handled manually. This increases the risk of data breaches due to human error.
- Since the implementation of MiFID II in German law, portfolio commissions are only paid if they are used to improve the quality of customer advice. Much of the structure remains unclear. If the measures taken at JDC are not sufficient, there could be a temporary loss of revenues in the investment business.

Management cannot discern any other risks to the company's existence or growth, and is of the opinion that the risks identified are manageable and do not constitute a threat to the company's continued existence.

Management views the **opportunities** as follows: Many financial services distribution companies are currently weakened financially by the Covid-19 crisis in particular. As a result, the financial resources of many of our competitors have been exhausted and the pressure to consolidate is increasing. Large market participants, including the JDC Group companies, will benefit from this.

JDC Group took some decisive measures in 2021 to set the course for the coming years. 2021 marked the beginning of JDC's collaboration with Sparkasse Bremen, one of the largest German savings banks. The start-up company Finanzguru is another bancassurance customer using JDC's platform technology. Jung, DMS & Cie. and the Provinzial group are planning a joint venture to support more than a million retail customers of the savings banks. Jung, DMS & Cie. also acquired all the shares of MORGEN & MORGEN GmbH.

In the view of the Management Board, this will all result in the continued overall positive performance of JDC Group AG's equity investments, and thus also of JDC Group AG itself, in the financial year 2021.

## OUTLOOK

### Economic outlook

IMF projects global economic growth of 5.5 percent in 2021. This is based on global access to vaccines and further economic stimulus packages for individual countries.

How long the pandemic continues, and the policies used to deal with it, will determine how quickly the economy can recover. If this phase continues for a long time, therefore, it is very likely that the global economy will not show signs of a recovery until 2022.

## Market and sector outlook

It is likely that there will continue to be plenty of liquidity in the market and that this will buoy up the equity and property markets. Due to the level of government debt around the world, which can only be financed by a global increase in the money supply, the inflation likely to result will make tangible assets more attractive than financial assets. That is positive for JDC Group's business.

However, the Covid-19 crisis also poses great risks. The economy is presently still in a recession which, owing to falling company profits, may put the capital market under pressure for a long time. Companies will put investments on hold and consumers will suffer income losses and cut down on spending. Interest rates are also rising again on the bond market, with stock market turbulence as a consequence. It is not possible to predict when the recession will be over, despite the availability of vaccines.

## Outlook for the JDC Group consolidated group

### EXPECTED BUSINESS PERFORMANCE

The expectations regarding the business performance of the JDC Group in 2021 are based on the economic assumptions outlined in the Group management report. The ongoing Covid-19 crisis, and the possibility of a resulting recession, with companies putting investments on hold and consumers suffering a loss of income, may have an impact on the financial, assets and income position of the JDC Group. The company plan was developed on the basis of very detailed studies and assumptions that JDC Group AG believes are realistic.

JDC Group's main priority in 2021 will be to achieve a significant, sustained improvement in its operating activities. In 2021 the Group will focus on

- growth, and thus also scaling of the platform;
- optimisation of internal processes and cost management.

We confirm our positive assessment for the remainder of 2021, and are raising the guidance previously published. Based on collaboration agreements already signed, the company now expects revenues to grow to between EUR 140 million and EUR 145 million over 2021 as a whole (compared with the previous guidance of EUR 135 million to EUR 142 million), with EBITDA in excess of EUR 8 million (previously in excess of EUR 7 million).

Wiesbaden, Germany, 11 August 2021



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

# Consolidated income statement

	Notes	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01/– 30/06/2021 kEUR	01/01/– 30/06/2020 kEUR
1. Commission income	[1]	32,644	27,381	68,611	58,820
2. Capitalised services	[2]	294	256	578	480
3. Other operating income	[2]	21	27	37	148
4. Commission expenses	[3]	-23,987	-19,683	-50,373	-42,568
5. Personnel expenses	[4]	-5,017	-4,436	-9,820	-8,934
6. Depreciation and amortisation of tangible and intangible assets	[5]	-1,281	-1,083	-2,429	-2,187
7. Other operating expenses	[6]	-2,449	-2,606	-4,690	-4,812
8. Other interest and similar income		1	0	1	11
9. Interest and similar expenses		-372	-360	-741	-738
<b>10. Operating profit/loss</b>		<b>-146</b>	<b>-504</b>	<b>1,174</b>	<b>220</b>
11. Income tax expenses		-100	-3	-205	-6
12. Other tax expenses		11	-2	11	-24
<b>13. Net profit</b>		<b>-235</b>	<b>-509</b>	<b>980</b>	<b>190</b>
<b>14. Earnings per share</b>		<b>-0.02</b>	<b>-0.04</b>	<b>0.08</b>	<b>0.01</b>

# Consolidated statement of comprehensive income

	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01/– 30/06/2021 kEUR	01/01/– 30/06/2020 kEUR
<b>Profit or loss for the period</b>	<b>-235</b>	<b>-509</b>	<b>980</b>	<b>190</b>
<b>Other income</b>				
In following periods in the profit and loss account to be reclassified into other results	0	0	0	0
Gains/losses from the revaluation of defined benefit plans	0	0	0	-41
In following periods not in the profit and loss account to be reclassified into other results	0	0	0	-41
Other income after taxes	0	0	0	-41
<b>Total income after taxes</b>	<b>-235</b>	<b>-509</b>	<b>980</b>	<b>149</b>
<b>Attributable to:</b>				
Parent company's shareholders	-235	-509	980	149

# Segment reporting YTD

	Advisortech		Advisory	
	30/06/2021 kEUR	30/06/2020 kEUR	30/06/2021 kEUR	30/06/2020 kEUR
<b>Segment income</b>				
Commission income	56,449	49,565	17,291	13,998
of which with other segments	609	621	4,520	4,122
<b>Total segment income</b>	<b>56,449</b>	<b>49,565</b>	<b>17,291</b>	<b>13,998</b>
Capitalised services	578	480	0	0
Other income	26	134	11	17
<b>Segment expenses</b>				
Commissions	-42,530	-36,862	-12,670	-10,078
Personnel expenses	-6,518	-5,916	-2,019	-1,893
Depreciation and amortisation	-1,788	-1,736	-498	-415
Other	-3,511	-3,678	-1,714	-1,597
<b>Total segment expenses</b>	<b>-54,347</b>	<b>-48,192</b>	<b>-16,901</b>	<b>-13,983</b>
<b>EBIT</b>	<b>2,706</b>	<b>1,987</b>	<b>401</b>	<b>32</b>
<b>EBITDA</b>	<b>4,494</b>	<b>3,723</b>	<b>899</b>	<b>447</b>
Income from investments	0	0	0	0
Other interest and similar income	244	380	0	8
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-843	-917	-288	-305
<b>Financial result</b>	<b>-599</b>	<b>-537</b>	<b>-288</b>	<b>-297</b>
<b>Segment earnings before tax (EBT)</b>	<b>2,107</b>	<b>1,450</b>	<b>113</b>	<b>-265</b>
Tax expenses	115	45	-284	-69
<b>Segment net profit</b>	<b>2,222</b>	<b>1,495</b>	<b>-171</b>	<b>-334</b>



Holding		Total reportable segments		Transfer		Total	
30/06/2021 kEUR	30/06/2020 kEUR	30/06/2021 kEUR	30/06/2020 kEUR	30/06/2021 kEUR	30/06/2020 kEUR	30/06/2021 kEUR	30/06/2020 kEUR
1,011	773	74,751	64,336	-6,140	-5,516	68,611	58,820
1,011	773	6,140	5,516	-6,140	-5,516	0	0
<b>1,011</b>	<b>773</b>	<b>74,751</b>	<b>64,336</b>	<b>-6,140</b>	<b>-5,516</b>	<b>68,611</b>	<b>58,820</b>
0	0	578	480	0	0	578	480
0	0	37	151	0	-3	37	148
0	0	-55,200	-46,940	4,827	4,372	-50,373	-42,568
-1,283	-1,125	-9,820	-8,934	0	0	-9,820	-8,934
-143	-36	-2,429	-2,187	0	0	-2,429	-2,187
-779	-684	-6,004	-5,959	1,314	1,147	-4,690	-4,812
<b>-2,205</b>	<b>-1,845</b>	<b>-73,453</b>	<b>-64,020</b>	<b>6,141</b>	<b>5,519</b>	<b>-67,312</b>	<b>-58,501</b>
<b>-1,194</b>	<b>-1,072</b>	<b>1,913</b>	<b>947</b>	<b>1</b>	<b>0</b>	<b>1,914</b>	<b>947</b>
<b>-1,051</b>	<b>-1,036</b>	<b>4,342</b>	<b>3,134</b>	<b>1</b>	<b>0</b>	<b>4,343</b>	<b>3,134</b>
0	0	0	0	0	0	0	0
440	408	684	796	-683	-785	1	11
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-293	-301	-1,424	-1,523	683	785	-741	-738
<b>147</b>	<b>107</b>	<b>-740</b>	<b>-727</b>	<b>0</b>	<b>0</b>	<b>-740</b>	<b>-727</b>
<b>-1,047</b>	<b>-965</b>	<b>1,173</b>	<b>220</b>	<b>1</b>	<b>0</b>	<b>1,174</b>	<b>220</b>
-25	-6	-194	-30	0	0	-194	-30
<b>-1,072</b>	<b>-971</b>	<b>979</b>	<b>190</b>	<b>1</b>	<b>0</b>	<b>980</b>	<b>190</b>

# Segment reporting 2. Quarter

	Advisortech		Advisory	
	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR
<b>Segment income</b>				
Commission income	25,848	22,449	9,038	6,928
of which with other segments	209	296	2,033	1,701
<b>Total segment income</b>	<b>25,848</b>	<b>22,449</b>	<b>9,038</b>	<b>6,928</b>
Capitalised services	294	256	0	0
Other income	12	15	9	12
<b>Segment expenses</b>				
Commissions	-19,527	-16,469	-6,592	-5,006
Personnel expenses	-3,274	-2,920	-1,099	-944
Depreciation and amortisation	-956	-849	-254	-204
Other	-1,839	-2,088	-824	-748
<b>Total segment expenses</b>	<b>-25,596</b>	<b>-22,326</b>	<b>-8,769</b>	<b>-6,902</b>
<b>EBIT</b>	<b>558</b>	<b>394</b>	<b>278</b>	<b>38</b>
<b>EBITDA</b>	<b>1,514</b>	<b>1,243</b>	<b>532</b>	<b>242</b>
Income from investments	0	0	0	0
Other interest and similar income	122	180	0	3
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-420	-435	-146	-145
<b>Financial result</b>	<b>-298</b>	<b>-255</b>	<b>-146</b>	<b>-142</b>
<b>Segment earnings before tax (EBT)</b>	<b>260</b>	<b>139</b>	<b>132</b>	<b>-104</b>
Tax expenses	62	29	-98	-28
<b>Segment net profit</b>	<b>322</b>	<b>168</b>	<b>34</b>	<b>-132</b>

Holding		Total reportable segments		Transfer		Total	
2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR
465	404	35,351	29,781	-2,707	-2,400	32,644	27,381
465	404	2,707	2,401	-2,707	-2,400	0	0
<b>465</b>	<b>404</b>	<b>35,351</b>	<b>29,781</b>	<b>-2,707</b>	<b>-2,400</b>	<b>32,644</b>	<b>27,381</b>
0	0	294	256	0	0	294	256
0	0	21	27	0	0	21	27
0	0	-26,119	-21,475	2,132	1,792	-23,987	-19,683
-644	-573	-5,017	-4,436	0	0	-5,017	-4,436
-71	-29	-1,281	-1,083	0	0	-1,281	-1,083
-361	-377	-3,024	-3,213	575	607	-2,449	-2,606
<b>-1,076</b>	<b>-979</b>	<b>-35,441</b>	<b>-30,207</b>	<b>2,707</b>	<b>2,400</b>	<b>-32,734</b>	<b>-27,808</b>
-611	-575	225	-144	0	0	225	-144
<b>-540</b>	<b>-546</b>	<b>1,506</b>	<b>939</b>	<b>0</b>	<b>0</b>	<b>1,506</b>	<b>939</b>
0	0	0	0	0	0	0	0
214	198	336	381	-335	-380	1	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-141	-160	-707	-740	335	380	-372	-360
<b>73</b>	<b>38</b>	<b>-371</b>	<b>-359</b>	<b>0</b>	<b>0</b>	<b>-371</b>	<b>-360</b>
<b>-538</b>	<b>-537</b>	<b>-146</b>	<b>-502</b>	<b>0</b>	<b>0</b>	<b>-146</b>	<b>-504</b>
-53	-6	-89	-5	0	0	-89	-5
<b>-591</b>	<b>-543</b>	<b>-235</b>	<b>-506</b>	<b>0</b>	<b>0</b>	<b>-235</b>	<b>-509</b>

# Consolidated Balance Sheet

<b>Assets</b>	Notes	30/06/2021 kEUR	31/12/2020 kEUR
<b>Non-current assets</b>			
Intangible assets	[7]	51,438	47,930
Fixed assets		5,137	5,117
Financial assets	[8]	184	216
		<b>56,759</b>	53,263
Deferred taxes	[9]	3,293	3,552
<b>Long-term non-current assets</b>			
Accounts receivable	[10]	978	891
Other assets	[10]	1,072	1,746
		<b>2,050</b>	2,637
<b>Total non-current assets</b>		<b>62,102</b>	59,452
<b>Current assets</b>			
Accounts receivable	[11]	15,205	18,364
Other assets	[11]	1,935	1,838
Other securities		0	0
Cash and cash equivalents		14,567	11,718
Deferred charges		882	419
<b>Total current assets</b>		<b>32,589</b>	32,339
<b>Total assets</b>		<b>94,691</b>	91,791

**Liabilities**

	Notes	30/06/2021 kEUR	31/12/2020 kEUR
<b>Equity</b>			
Subscribed capital		13,128	13,128
Own shares		-505	-505
Capital reserves		19,064	19,064
Other retained earnings		423	423
Other equity components		-3,842	-4,822
<b>Total equity</b>		<b>28,268</b>	<b>27,288</b>
<b>Non-current liabilities</b>			
Deferred taxes	[9]	4,636	4,140
Bond		19,414	19,337
Liabilities due to banks	[12]	32	33
Accounts payable	[12]	10,603	10,280
Other liabilities	[12]	3,606	3,636
Accruals	[13]	1,450	1,240
<b>Total non-current liabilities</b>		<b>39,741</b>	<b>38,666</b>
<b>Current liabilities</b>			
Accrued taxes	[14]	468	284
Liabilities due to banks	[14]	1,085	1,067
Accounts payable	[14]	17,420	19,872
Other liabilities	[14]	7,636	4,545
Deferred income	[14]	73	69
<b>Total current liabilities</b>		<b>26,682</b>	<b>25,837</b>
<b>Total equity and liabilities</b>		<b>94,691</b>	<b>91,791</b>

# Consolidated cash flow statement

	01/01–30/06/2021 kEUR	01/01–30/06/2020* kEUR	Changes to previous year in kEUR
1. Result for the period	980	190	790
2. + Depreciation and amortisation of fixed assets	2,429	2,187	242
3. –/+ Other non-cash itemised income/expenses	241	273	–32
4. –/+ Profit/loss from disposals of fixed assets	121	–13	134
5. –/+ Profit/loss from disposals of fixed assets	0	0	0
6. –/+ Increase/decrease of inventories, accounts receivable as well as other assets	3,186	2,691	495
7. –/+ Decrease/increase of accounts payable as well as other liabilities	–2,091	–2,523	432
<b>8. = Cash flow from operating activities</b>	<b>4,866</b>	<b>2,805</b>	<b>2,061</b>
9. + Cash receipts from disposals of intangible assets	0	0	0
10. – Cash payments for investments in intangible assets	–720	–669	–51
11. + Cash receipts from disposals of fixed assets	0	0	0
12. – Cash payments for investments in fixed assets	–98	–201	103
13. + Cash receipts from disposals of financial assets	32	0	32
14. – Cash payments for investments in financial assets	0	0	0
15. + Cash receipts from the disposal of consolidated companies	0	0	0
16. – Cash payments for the acquisition of consolidated companies	–621	0	–621
<b>17. = Cash flow from investment activities</b>	<b>–1,407</b>	<b>–870</b>	<b>–537</b>
18. + Cash receipts/payment to equity	0	0	0
19. – Payments from the purchase of own shares	0	–1,764	1,764
20. – Payments from the redemption of bonds	0	–12,292	12,292
21. + Cash receipts from borrowings	0	403	–403
22. – Cash payments from loan redemptions	–18	–46	28
23. – Payments for the repayment part of the rental and leasing obligations	–582	–449	–133
24. – Interest paid	–10	–9	–1
<b>25. = Cash flow from financing activities</b>	<b>–610</b>	<b>–14,157</b>	<b>13,547</b>
26. Non-cash itemised changes in cash and cash equivalents (total of pos. 8,17, 25)	2,849	–12,222	15,071
27. Cash and cash equivalents at the beginning of the period	11,718	21,124	–9,406
<b>28. = Cash and cash equivalents at the end of the period</b>	<b>14,567</b>	<b>8,902</b>	<b>5,665</b>
<b>Breakdown of cash and cash equivalents</b>			
	<b>30/06/2021 kEUR</b>	<b>30/06/2020 kEUR</b>	<b>Changes to previous kEUR</b>
Cash and cash in banks	14,567	8,902	5,665
Current liabilities due to banks	0	0	0
	<b>14,567</b>	<b>8,902</b>	<b>5,665</b>

\*previous year adjusted



# Consolidated statement of changes in equity

	Number of shares	Subscribed capital kEUR	Number of own shares	Capital reserve kEUR	Other retained earnings kEUR	Other equity components kEUR	Shares without dominating influence	Total equity kEUR
<b>As of 01/01/2020</b>	<b>13,128,461</b>	<b>13,128</b>	<b>-162</b>	<b>20,780</b>	<b>392</b>	<b>-3,656</b>	<b>0</b>	<b>30,482</b>
Results as of 30/06/2020						190		190
Other results					0			0
<b>Total</b>					0	190		<b>190</b>
Repurchase of own shares			-306	-1,458				-1,764
Other equity changes						-30		-30
<b>As of 30/06/2020</b>	<b>13,128,461</b>	<b>13,128</b>	<b>-468</b>	<b>19,322</b>	<b>392</b>	<b>-3,496</b>	<b>0</b>	<b>28,878</b>
<b>As of 01/01/2021</b>	<b>13,128,461</b>	<b>13,128</b>	<b>-505</b>	<b>19,064</b>	<b>423</b>	<b>-4,822</b>	<b>0</b>	<b>27,288</b>
Results as of 30/06/2021						980		980
Other results								0
<b>Total</b>					0	980		<b>980</b>
Repurchase of own shares								0
Other equity changes								0
<b>As of 30/06/2021</b>	<b>13,128,461</b>	<b>13,128</b>	<b>-505</b>	<b>19,064</b>	<b>423</b>	<b>-3,842</b>	<b>0</b>	<b>28,268</b>

# Notes

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# 1 General Information

JDC Group is a diversified financial services company with the two operating segments Advisortech and Advisory, and the Holding segment.

The company was registered on 6 October 2005 under the name of Aragon Aktiengesellschaft (commercial register number: HRB 22030) in the commercial register at the district court in Wiesbaden, Germany. Shareholders at the general meeting of shareholders on 24 July 2015 decided to change the company's name to JDC Group AG. The change of name became effective on entry in the commercial register on 31 July 2015.

The address of the company's registered office in Wiesbaden, Germany, is:

Söhnleinstrasse 8  
65201 Wiesbaden  
Germany

The shares of JDC Group are admitted to trading on the Open Market (regulated unofficial market) and listed on the Scale<sup>®</sup> segment of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse – FWB<sup>®</sup>).

The interim report for the period from 1 January to 30 June 2021 relates to the parent company and its subsidiaries on a consolidated basis.

## 1.1 DECLARATION OF COMPLIANCE BY THE MANAGEMENT BOARD

The interim report of JDC Group for the first half of 2021 and the figures for the comparative period of 1 January to 30 June 2020 are prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted in the European Union (EU). The term IFRS includes the International Accounting Standards (IAS), which are still applicable. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as adopted in the EU and which are binding for the financial year 2021, are also applied. The term IFRS is used consistently throughout this report.

The interim report has not been audited.

JDC Group AG is not a parent company within the meaning of Section 315e, paragraph 1 or paragraph 2 of the German Commercial Code (Handelsgesetzbuch – HGB), and is therefore not required to prepare an interim report in compliance with IFRS. JDC Group AG prepares the interim report in compliance with IFRS voluntarily.

## 1.2 ACCOUNTING PRINCIPLES AND VALUATION METHODS APPLIED

The interim financial statements comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements.

The financial statements of JDC Group AG and its subsidiaries are included in the consolidated financial statements in compliance with the recognition and valuation policies applicable throughout the group. The consolidated financial statements are prepared in euro (EUR), the group's functional currency. The company, which is domiciled in Liechtenstein, is accounted for in CHF and converted on the balance sheet date to Euro. All amounts are rounded to the nearest thousand euro (kEUR), unless otherwise stated. The consolidated statement of income is prepared by the total cost accounting principle. The consolidated financial statements were drawn up uniformly for the periods presented here in accordance with the principles of consolidation, accounting and valuation below.

The principles of consolidation and the accounting and valuation methods used for the preparation of the interim report and the comparative figures for the previous period are basically the same as those used in the consolidated financial statements for the period ended on 31 December 2020. A detailed description of the accounting and valuation methods is published in the notes to the annual financial statements of the annual report of 2020, which can be found on the company's website at [www.jdcgroup.de](http://www.jdcgroup.de).

## 1.3 BASIS OF CONSOLIDATION

In accordance with IFRS 10, the interim financial statements include JDC Group AG and all subsidiaries in which JDC Group AG holds the majority of the voting rights or which it has the possibility of controlling by other means.

The subsidiaries have their registered offices in Germany, apart from Jung, DMS & Cie. GmbH; jupoo finance GmbH; FiNUM.Private Finance AG; FiNUM.Private Finance Holding GmbH and JDC B-LAB GmbH, Liechtenstein, all of which are based in Vienna, Austria. The interim financial statements include the parent company and the direct subsidiaries, in addition to the sub-groups Jung, DMS & Cie. Aktiengesellschaft; FiNUM.Private Finance Holding GmbH, based in Wiesbaden, Germany; and FiNUM.Private Finance Holding GmbH, based in Vienna, Austria.

## 1.4 ADDITIONAL DISCLOSURES RELATING TO COMPANY ACQUISITIONS

Company acquisitions in 2021

In April 2021 the Group acquired all the shares of benefit consulting GmbH, based in Vienna, Austria, along with the company's customer list. The existing sales and marketing structure was taken over by the Group on acquisition.

The purchase price for benefit consulting GmbH was EUR 4 million, in addition to a profit escalator clause. The purchase price allocation had not yet been finalised at the time this report was prepared. It will be documented in the annual financial statements of JDC Group AG as at 31 December 2021.

# 2 Notes to the interim consolidated financial statements

## 2.1 NOTES TO THE CONSOLIDATED INCOME STATEMENT

Income by segment is shown in the segment report.

### 2.1.1 Revenues [1]

The revenues mainly comprise initial commission and renewal or portfolio commission on brokerage services for insurance, investment funds and equity investments/closed-end funds, as well as on other services, and can be broken down as follows:

	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01–30/06/2021 kEUR	01/01–30/06/2020 kEUR
Initial commission				
Insurance products	16,872	13,314	35,749	29,368
Investment funds	4,204	4,322	8,394	8,340
Shares/Closed-end funds	1,626	965	3,016	2,444
Follow-up commission	5,903	5,023	11,655	10,292
Overrides	1,403	1,316	3,917	3,553
Services	890	796	2,140	1,707
Fee-based advisory	997	708	1,940	1,365
Other income	749	937	1,800	1,751
<b>Total</b>	<b>32,644</b>	<b>27,381</b>	<b>68,611</b>	<b>58,820</b>

At kEUR 68,611, the total revenue for the period was 16.6 percent higher than in the same period of 2020 (kEUR 58,820).

### 2.1.2 Other capitalised services and other operating income [2]

	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01–30/06/2021 kEUR	01/01–30/06/2020 kEUR
Capitalised services	294	256	578	480
Reversal of impairments/ income from receivables written off	0	0	0	0
Income from provision's release	2	9	7	12
Income from security sales	0	0	0	0
Income from statute-barred debt	0	0	0	6
Income from benefits in kind	10	11	21	22
Other operating income	9	7	9	108
<b>Total</b>	<b>315</b>	<b>283</b>	<b>615</b>	<b>628</b>

Other own work capitalised, which amounted to kEUR 578 (previous year: kEUR 480) mainly include the development of software solutions for own use (Compass, iCRM/iCRM-Web, allesmeins and the Geld.de portal). For further information see note 2.2.1.1 Concessions and industrial property rights.

### 2.1.3 Commission expenses [3]

This item mainly consists of commissions for independent brokers and sales agents. The commissions were up kEUR 7,805 on the previous year, at kEUR 50,373 (previous year kEUR 42,568) in line with the increase in revenue.

### 2.1.4 Personnel expenses [4]

	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01–30/06/2021 kEUR	01/01–30/06/2020 kEUR
Wages and salaries	4,192	3,713	8,213	7,499
Social security	825	723	1,607	1,435
<b>Total</b>	<b>5,017</b>	<b>4,436</b>	<b>9,820</b>	<b>8,934</b>

The personnel expenses mainly include salaries, emoluments and other remuneration paid to the Management Board and the staff of JDC Group.

Social security comprises the employer's statutory social security contributions.

The number of people employed by the group during the financial year averaged 278 (full-time equivalents) (previous year: 277).

### 2.1.5 Depreciation and Amortisation [5]

	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01–30/06/2021 kEUR	01/01–30/06/2020 kEUR
Depreciation and amortization of intangible assets	-915	-786	-1,752	-1,594
Purchased software	-64	-68	-111	-134
Internally developed software	-407	-361	-786	-692
Customer lists	-438	-351	-843	-756
Contract preparation costs	-6	-6	-12	-12
Other intangible assets	0	0	0	0
Depreciation and amortization of property and equipment	-366	-297	-677	-593
Leasehold improvements	0	-3	0	-5
Operating and office equipment	-97	-60	-187	-119
Rights of use rental and leasing	-269	-234	-490	-469
<b>Total</b>	<b>-1,281</b>	<b>-1,083</b>	<b>-2,429</b>	<b>-2,187</b>

## 2.1.6 Operating expenses [6]

	2. Quarter 2021 kEUR	2. Quarter 2020 kEUR	01/01–30/06/2021 kEUR	01/01–30/06/2020 kEUR
Marketing costs	164	218	354	483
Travel costs	21	2	–25	77
External services	178	144	359	290
IT costs	926	800	1,877	1,607
Occupancy costs	139	201	340	390
Vehicle costs	41	46	106	81
Office supplies	34	43	67	70
Fees, insurance premiums	193	168	343	300
Postage, telephone	74	107	134	161
Write-downs/impairments of receivables	56	45	99	60
Legal and consulting costs	449	336	685	548
Training costs	20	22	38	39
Human resources	4	0	5	0
Supervisory board compensation	23	29	45	58
Non-deductible input tax	15	46	26	102
Impairment IFRS 9	13	0	13	0
Other	99	399	224	546
<b>Total</b>	<b>2,449</b>	<b>2,606</b>	<b>4,690</b>	<b>4,812</b>

Advertising costs include exhibitions and trade fairs, customer events, printed matter and hospitality. Third-party services comprise the costs of agencies, external employees, stock brokerage services and meetings of shareholders.

Information technology (IT) costs consist of the costs of general IT operations (servers, clients, data centre), software leasing, scanning services and software licences that cannot be capitalised.

Occupancy costs include incidental rental costs, energy supply and cleaning costs. The rental costs are recognised in accordance with IFRS 16 and shown under amortisation of right-of-use assets and under interest expense arising from the compounding of interest on right-of-use assets.

Vehicle costs consist of vehicle fleet expenses. Vehicle leasing is shown under amortisation of right-of-use assets and under interest expense from the compounding of interest on right-of-use assets, in compliance with IFRS 16.

Fees and insurance comprises the expenses for insurance policies, subscriptions to professional associations and fees to the German Federal Financial Supervisory Authority (BaFin) and the Financial Market Authority of Austria (FMA). Legal and consulting costs include expenses relating to legal issues/legal advice, tax advice, financial statements and auditing costs, and general accounting costs.

Due to the existing revenue structure and the non-taxable services it comprises, JDC Group has an input tax deduction rate of approximately 13 percent. This is recalculated every year on the basis of the continual changes in the revenue structure.

## 2.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

### 2.2.1 Intangible assets [7]

#### 2.2.1.1 CONCESSIONS AND LICENCES

Concessions and licences mainly consists of software licences for standard business software (straight-line amortisation over three years) and customer lists (amortised over a period of 15 years) with a carrying amount of kEUR 21,769 (31 December 2020: kEUR 20,809).

Self-generated software tools valued at kEUR 578 were capitalised during the financial year (30 June 2020: kEUR 480). These are mainly company-specific software applications (Compass, iCRM/iCRM-Web, allesmeins and the Geld.de portal) to support the distribution of financial products.

#### 2.2.1.2 GOODWILL

Goodwill arises on the first-time consolidation at the date of the business combination concerned. The breakdown by segment is as follows:

	30/06/2021 kEUR	31/12/2020 kEUR
AdvisorTech	21,653	21,653
Advisory	8,009	5,461
Holding	7	7
<b>Total</b>	<b>29,669</b>	27,121

### 2.2.2 Property, plant and equipment

	30/06/2021 kEUR	31/12/2020 kEUR
Leasehold improvements	0	0
Operating and office equipment	886	914
Rights of use rental and leasing	4,251	4,203
<b>Total</b>	<b>5,137</b>	5,117

Tenants' fittings consist of works carried out in the rented properties.

Operating and office equipment mainly consists of office hardware – such as PCs, notebooks and servers – and all office furniture and furnishings.

The right-of-use assets arising from rental agreements and leases include the fair value of rented or leased assets for the exclusive use of the group, which under IFRS 16 have to be capitalised.



### 2.2.3 Impairment losses

The goodwill was tested for impairment as at 31 December 2020. The recoverable value of the Advisor-tech and Advisory cash-generating units is determined by calculating a value in use from forecasts for the cash flow before income tax. These forecasts were made on the basis of detailed budget projections for the group companies for the financial year 2021 approved by Management and the Supervisory Board. For the financial years 2022 to 2023, moderate growth rates (Phase I) are assumed. For subsequent periods, the cash flow was forecast as a perpetuity (Phase II). Given a risk-free base rate of –0.31 percent (2020: –0.35 percent) derived from the yield curve, a market risk premium of 5.81 percent (previous year: 5.85 percent), and applying a beta factor for the comparative investment of 0.88 (previous year: 1.11), the capitalisation rate is 5.5 percent (previous year: 6.0 percent). The capitalisation rate used to determine the present value of the initial cash flows of the perpetuity includes a deduction for growth of 1.0 percent (previous year: 1.0 percent). An additional major factor influencing the free cash flow is the assumptions with regard to growth in revenue and growth in the profits of the operating units.

The increase in the discount rate before taxes to 7.5 percent (up 2 percent) would mean no impairment was necessary for the cash-generating units. The 20 percent decline in the planned EBIT figures in the cash-generating units would not result in any impairment. A significant additional reduction in the planned EBT growth could lead to the carrying amount exceeding the recoverable amount. However, the Management Board believes such a scenario is unlikely, as significant measures to increase the EBT have already been introduced.

### 2.2.4 Financial assets and other non-current assets [8]

The breakdown of book values is as follows:

	30/06/2021 kEUR		31/12/2020 kEUR
Shares in affiliated companies		55	55
Investments		123	123
Securities		6	38
<b>Total</b>		<b>184</b>	216

### 2.2.5 Deferred tax assets and liabilities [9]

	30/06/2021 kEUR		31/12/2020 kEUR
<b>Deferred tax assets</b>			
Tax reimbursement claims from loss carry-forwards		1,715	1,863
Tax reimbursement claims from financial liabilities		1,578	1,689
<b>Total</b>		<b>3,293</b>	3,552
<b>Deferred tax liabilities</b>			
Intangible assets (software)		3,349	2,718
From other recognition differences		1,287	1,422
<b>Total</b>		<b>4,636</b>	4,140

The deferred taxes for the German companies were calculated on the basis of the corporate tax rate of 15 percent, plus the solidarity surcharge of 5.5 percent and the municipal trade tax rate for the German city of Wiesbaden of 454.0 percent (combined income tax rate: 31.72 percent). For the Austrian companies, the corporation tax rate of 25 percent applicable since 2005 was used.

The deferred taxes for the German companies were calculated on the basis of the corporate tax rate of 15 percent, plus the solidarity surcharge of 5.5 percent and the municipal trade tax rate for the German city of Wiesbaden of 454.0 percent (combined income tax rate: 31.72 percent). For the Austrian companies, the corporation tax rate of 25 percent applicable since 2005 was used.

### 2.2.6 Non-current assets [10]

	30/06/2021 kEUR	31/12/2020 kEUR
Accounts receivables	978	891
Other assets	1,393	2,067
Impairment from expected losses	-321	-321
<b>Total</b>	<b>2,050</b>	<b>2,637</b>

Accounts receivable mainly relates to commissions receivable from the cancellation reserves.

Other assets mainly consists of receivables from intermediaries.

In accordance with IFRS 9, a risk provision for expected losses of 7 % was made for the accounts receivable and other receivables. This reduced the other receivables by kEUR 321 (31 December 2020: kEUR 321).

### 2.2.7 Current assets [11]

	30/06/2021 kEUR	31/12/2020 kEUR
Accounts receivable	15,205	18,364
Other assets		
Commission advances	882	419
Prepaid expenses	-107	-107
Other	2,042	1,945
<b>Total</b>	<b>18,022</b>	<b>20,621</b>

Accounts receivable relates mainly to commission receivable from partner companies and broker pool partners for intermediary services.

Other miscellaneous assets are mainly the result of claims for tax refunds and short-term loans, in addition to receivables from intermediaries.

Prepaid expenses relate to advance payments made for promotional events in the following year, insurance, contributions and vehicle tax.

## 2.2.8 Equity

The changes in the consolidated equity of JDC Group AG are shown in the statement of changes in equity (see also note 4).

## 2.2.9 Non-current liabilities [12]

	30/06/2021 kEUR	31/12/2020 kEUR
Bond	19,414	19,337
Liabilities to banks	32	33
Accounts payable	10,603	10,280
Other liabilities		
Liabilities from rental and lease	3,407	3,437
Other	199	199
<b>Total</b>	<b>33,655</b>	<b>33,286</b>

The bonds include a corporate bond issued by Jung, DMS & Cie. Pool GmbH in 2019, which is recognised at amortised cost using the effective interest method.

Non-current accounts payable relate to broker commissions withheld until expiry of the cancellation liability. The obligation to pay the broker's commission generally has a residual term of one to five years. The other liabilities mainly consist of the long-term portion of loan liabilities.

Other liabilities comprises the liabilities corresponding to the right-of-use assets recognised for rent and leases under IFRS 16 since it was first adopted in 2019. The long-term portion is reported here.

## 2.2.10 Provisions [13]

	30/06/2021 kEUR	31/12/2020 kEUR
Pension provisions	434	434
Provisions for cancellation liability	986	774
Provisions for threatened claims from financial loss	30	32
<b>Total</b>	<b>1,450</b>	<b>1,240</b>

The pension obligations comprise commitments taken on by the group's subsidiary Jung, DMS & Cie. Pro GmbH on the acquisition of Assekuranz Herrmann. The amount of the pension provisions is calculated once per year on the basis of an actuarial valuation and recognised accordingly as at the end of the financial year. Details of the changes in pension entitlements can be found in the annual report for 2020.

The provision for cancellation liability shows the portion of the cancellation risk of a sub-segment that is calculated on the basis of an estimate and therefore cannot be allocated to specific staff. Also recognised here is a provision for an impending claim for financial losses.

## 2.2.11 Current liabilities [14]

	30/06/2021 kEUR	31/12/2020 kEUR
Pension provisions	41	41
Provisions for taxes	180	49
Provisions for cancellation liability	247	194
Liabilities to banks	1,085	1,067
Accounts payable	17,420	19,872
Other current liabilities		
Rights of use rental and lease	1,082	938
Other	6,554	3,607
Deferred income	73	69
<b>Total</b>	<b>26,682</b>	<b>25,837</b>

Accounts payable are settled at their due dates.

Other liabilities comprises the liabilities corresponding to the right-of-use assets recognised for rent and leases under IFRS 16 since it was first adopted in 2019. The short-term portion is reported here.

## 2.3 RELATED PARTIES

Transactions with members of the Management Board and Supervisory Board:

	30/06/2021 kEUR	30/06/2020 kEUR
Supervisory Board		
Remuneration	45	58
Management Board		
Total remuneration*	576	486

\*The total remuneration of the Boards of JDC Group AG is disclosed, even when the costs have been borne by subsidiaries.

## 3 Significant events after the reporting date

No significant events occurred after the reporting date.

## 4 Statement of changes in equity

The development in Group equity as of the reporting date is shown in the statement of changes in equity, which forms part of the interim consolidated financial statements.

## 5 Cash flow statement

The financial position of the group is presented in the statement of cash flows, which forms part of the interim financial statements in accordance with IFRS.

The cash flow from operating activities was kEUR 4,866.

The statement of cash flows shows the changes in the cash and cash equivalents of JDC Group during the financial year through cash flows from operating activities, investing activities and financing activities. Non-cash transactions are added together and shown in the cash flow from operating activities.

### **Cash and cash equivalents**

The consolidated statement of cash flows shows a breakdown of the cash and cash equivalents. Cash and cash equivalents with maturities of up to three months are added together with short-term current account overdrafts under this item. Cash equivalents are short-term financial investments that can be converted into cash at any time and for which there is a low risk of changes in value.

## 6 Segment Reporting

JDC Group reports on three segments which are managed separately, according to the type of products and services offered, by committees responsible for the segments. Designation of components of the group as operating segments is based mainly on the existence of segment managers who are responsible for the performance of the segments and who report to the top management of JDC Group.

The JDC Group Group is divided into the following segments:

- Advisortech
- Advisory
- Holding

### **Advisortech**

The Advisortech segment comprises all the group's business with independent financial intermediaries. The segment offers all asset classes (investment funds, closed-end funds, insurance products and structured products) from different product companies, including application processing and commission statements, in addition to various other services relating to investment advice for retail customers. Advisers are supported by a variety of software products developed in-house, such as the digital insurance folder allesmeins and iCRM Web.

### **Advisory**

The Advisory segment comprises the group's activities in relation to advice and distribution to retail customers. As independent financial and investment advisers, we offer our customers a holistic advisory service tailored to every individual situation, covering insurance, investment and financing products.

### **Holding**

The Holding segment comprises JDC Group AG.

The valuation principles for JDC Group's segment reporting are based on the IFRS standards used for the consolidated financial statements. JDC Group assesses the performance of the segments according to, among other things, their operating profit/loss (EBITDA and EBIT). Intersegment revenues and advance payments are offset against each other on the basis of market prices.

### **GEOGRAPHICAL SEGMENT INFORMATION**

JDC Group operates mainly in Germany and Austria. Its customer base therefore forms a single geographical segment (the German-speaking area of the European Union).

# Executive Bodies of JDC Group AG

## Management Board

[DR. SEBASTIAN GRABMAIER](#)

Grünwald  
Attorney  
CEO

[RALPH KONRAD](#)

Mainz  
Businessman (Dipl.-Kfm.)  
CFO, CIO

[STEFAN BACHMANN](#)

Frankfurt  
Businessman  
CDO

## Supervisory Board

[JENS HARIG](#)

Kerpen  
Independent entrepreneur  
Chairman

[KLEMENS HALLMANN](#)

Vienna  
Independent entrepreneur  
Deputy Chairman

[DR. MARKUS SCHACHNER](#)

Wollerau (Schweiz)  
Managing Director

[PROF. DR. MARKUS PETRY](#)

Wiesbaden  
Holder of the chair of financial services  
controlling at the business school Wiesbaden

[MARKUS DREWS](#)

Köln  
CEO Canada Life Assurance Europe plc

[DR. IGOR RADOVIĆ](#)

Köln  
Director product and sales management  
Canada Life Assurance Europe plc  
since 29/06/2021

The remuneration of the Management Board and Supervisory Board is disclosed under ref. 2.3. There is no obligation to disclose the remuneration of individual members of the Management Board in accordance with Section 314 (1) No. 6a Clause 5 ff. of the German Commercial Code (HGB), as JDC Group AG is not a listed joint stock company within the meaning of Section 3 (2) of the German Stock Corporation Act (AktG).

# Contact

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The Interim Report 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](http://www.jdcgroup.de)

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