

Letter to shareholders

1. Quarter of 2021



BEST ADVICE. BETTER TECHNOLOGY.



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Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

Despite the continuing Covid-19 crisis, JDC achieved a further boost to growth and profits in the first quarter of 2021, confirming the Management Board's positive growth forecast.

In the first three months of 2021, consolidated revenues grew by 14.4 percent to EUR 36.0 million, with both the Advisortech and the Advisory segments again contributing to the growth.

Important steps during the first quarter of 2021

One of the most important steps in the history of the JDC Group AG to date is surely the initiation of the collaboration with the Provinzial insurance group and its around 120 savings banks. A joint venture is being created by JDC and Provinzial, through which a digital insurance platform based on JDC's information technology systems and services is to be provided to the savings banks and their customers in Provinzial's business region. The joint business plan projects the number of customers using this digital insurance platform at around a million within five years.

However, JDC's teams were also successful in areas apart from this major project. Germany's leading multi-banking app Finanzguru is JDC's newest platform client. With the help of JDC's platform technology, Finanzguru will also allow its customers to manage and conclude insurance policies.

JDC is also to handle all the insurance business of Banca Mediolanum (MIL) in Germany. Via an interface to the JDC platform, MIL's entire German insurance business is to be handled through our platform. This will give customers and intermediaries in Germany access to the entire product range of MIL's German branch office.

JDC wins award for innovativeness: TOP 100 champion innovator

JDC is excellent and continues to be awarded: Die JDC Group AG is now one of the 100 most innovative companies in Germany. Backed by scientific analysis, the innovation contest is based on the question of whether innovation is the result of a systematic approach or chance – in other words, whether the innovative achievements can be repeated. Another factor is whether, and how, the solutions developed become established on the market. JDC Group AG impressed the judges in all five test categories, which were fostering of innovation by management; innovative climate; innovative processes and organisation; outward orientation / open innovation; and innovation success. The company has been one of Germany's TOP 100 champion innovators since January 2021. This makes us really proud!

Jung, DMS & Cie.'s broker management program iCRM is the best one of its kind developed by a broker pool

The insurance magazine Versicherungsmagazin has announced the results of its annual online survey to find the Champion Broker of 2021. The question asked was: which provider offers the best broker management program in terms of integration capacity (the extent to which the services offered are compatible with the structures and processes of the broker), the skill potential (essential contribution of the services to sales success) and additional benefits (real value-added for the broker).

This year's survey finds iCRM, the broker management program developed by Jung, DMS & Cie., in second place, compared with fourth place in 2020. The only company now ranked above JDC is one which provides only IT, with no settlement or processing services of its own. This makes it clear that Jung, DMS & Cie. offers the best of both worlds – a broker pool along with a broker management program.

Results for the first quarter of 2021

Consolidated revenues markedly rose by 14.4 percent to EUR 36.0 million in the first quarter of 2021 (first quarter of 2020: EUR 31.4 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the first quarter significantly increased by around 29 percent to kEUR 2,837 (first quarter of 2020: kEUR 2,195).

Earnings before interest and tax (EBIT) were up by as much as roughly 55 percent year on year and stood at kEUR 1,689 (first quarter of 2020: kEUR 1,091).

Equity was EUR 28.5 million as at 31 March 2021. Thus the equity ratio grew to a healthy 32.0 percent (31 December 2020: EUR 27.3 million and 29.7 percent).

At a glance

	Q1/2021 kEUR	Q1/2020 kEUR	Changes compared to previous year in %
Revenues	35,967	31,439	14.4
there of Advisortech	30,601	27,115	12.9
there of Advisory	8,253	7,070	16.7
there of Holding/Consolidation	-2,887	-2,746	-5.1
EBITDA	2,837	2,195	29.2
EBIT	1,689	1,091	54.8
EBT	1,320	724	82.3
Net profit	1,215	699	73.8

THE PERFORMANCE OF THE INDIVIDUAL SEGMENTS WAS AS FOLLOWS

Advisortech

The revenues generated by the Advisortech segment grew by around 13.0 percent in the first three months of 2021, to EUR 30.6 million (first quarter of 2020: EUR 27.1 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the first three months of 2021 were up again on the same period of the previous year, at EUR 3.0 million compared with EUR 2.5 million, a year-on-year increase by 20.3 percent.

Earnings before interest and tax (EBIT) increased to EUR 2.1 million in the first three months of 2021 (first quarter of 2020: EUR 1.6 million). EBIT thus improved by as much as 35.1 percent.

Advisory

In the Advisory segment, following a weaker fourth quarter in 2020, revenues in the first three months of 2021 grew significantly by around 17 percent year-on-year to EUR 8.3 million (first quarter of 2020: EUR 7.1 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the Advisory segment have nearly doubled and rose to EUR 0.4 million in the first three months of 2021 (first quarter of 2020: EUR 0.2 million).

Earnings before interest and tax (EBIT) were also up in the first three months of 2021 and stood at EUR 0.1 million (first quarter of 2020: EUR 0.0 million).

Outlook

For the rest of the year 2021 we confirm our positive assessment and the guidance published: On the basis of collaborations already entered into, for 2021 the company expects higher revenues of between EUR 135 million and EUR 142 million and EBITDA of more than EUR 7 million.

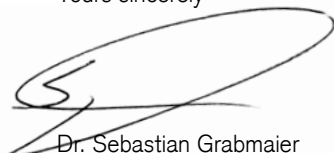
Thanks to our employees and shareholders

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



Consolidated income statement

	01/01– 31/03/2021 kEUR	01/01– 31/03/2020 kEUR
1. Revenues	35,967	31,439
2. Capitalised services	284	224
3. Other operating income	16	121
4. Commission expenses	–26,386	–22,885
5. Personnel expenses	–4,803	–4,498
6. Depreciation and amortisation of tangible and intangible assets	–1,148	–1,104
7. Other operating expenses	–2,241	–2,206
8. Other interest and similar income	0	11
9. Interest and similar expenses	–369	–378
10. Operating profit/loss	1,320	724
11. Income tax expenses	–105	–3
12. Other tax expenses	0	–22
13. Net profit	1,215	699
14. Earnings per share	0.10	0.05

Segment reporting

	Advisortech		Advisory	
	Q1/2021 kEUR	Q1/2020 kEUR	Q1/2021 kEUR	Q1/2020 kEUR
Segment income				
Revenues	30,601	27,115	8,253	7,070
of which with other segments	400	325	2,487	2,421
Total segment income	30,601	27,115	8,253	7,070
Capitalised services	284	224	0	0
Other income	14	119	2	5
Segment expenses				
Commissions	-23,003	-20,393	-6,078	-5,072
Personnel expenses	-3,244	-2,996	-920	-949
Depreciation and amortisation	-832	-887	-244	-210
Other	-1,672	-1,591	-890	-848
Total segment expenses	-28,751	-25,867	-8,132	-7,079
EBIT	2,148	1,591	123	-4
EBITDA	2,980	2,478	367	206
Income from investments	0	0	0	0
Other interest and similar income	122	200	0	5
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-423	-482	-142	-159
Financial result	-301	-282	-142	-154
Segment earnings before tax (EBT)	1,847	1,309	-19	-158
Tax expenses	53	16	-186	-41
Segment's net profit	1,900	1,325	-205	-199

	Holding		Total reportable segments		Transfer		Total	
	Q1/2021 kEUR	Q1/2020 kEUR	Q1/2021 kEUR	Q1/2020 kEUR	Q1/2021 kEUR	Q1/2020 kEUR	Q1/2021 kEUR	Q1/2020 kEUR
	546	370	39,400	34,555	-3,433	-3,116	35,967	31,439
	546	370	3,433	3,116	-3,433	-3,116	0	0
	546	370	39,400	34,555	-3,433	-3,116	35,967	31,439
	0	0	284	224	0	0	284	224
	0	0	16	124	0	-3	16	121
	0	0	-29,081	-25,465	2,695	2,580	-26,386	-22,885
	-639	-553	-4,803	-4,498	0	0	-4,803	-4,498
	-72	-7	-1,148	-1,104	0	0	-1,148	-1,104
	-418	-307	-2,980	-2,746	739	540	-2,241	-2,206
	-1,129	-867	-38,012	-33,813	3,434	3,120	-34,578	-30,693
	-583	-497	1,688	1,090	1	1	1,689	1,091
	-511	-490	2,836	2,194	1	1	2,837	2,195
	0	0	0	0	0	0	0	0
	226	210	348	415	-348	-404	0	11
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-152	-141	-717	-782	348	404	-369	-378
	74	69	-369	-367	0	0	-369	-367
	-509	-428	1,319	723	1	1	1,320	724
	28	0	-105	-25	0	0	-105	-25
	-481	-428	1,214	698	1	1	1,215	699

Consolidated Balance Sheet

Assets	31/03/2021 KEUR	31/12/2020 KEUR
Non-current assets		
Intangible assets	47,442	47,930
Fixed assets	5,010	5,117
Financial assets	178	216
	52,630	53,263
Deferred taxes	3,343	3,552
Long-term non-current assets		
Accounts receivable	900	891
Other assets	360	1,746
	1,260	2,637
Total non-current assets	57,233	59,452
Current assets		
Accounts receivable	15,305	18,364
Other assets	1,473	1,838
Cash and cash equivalents	14,257	11,718
Deferred charges	928	419
Total current assets	31,963	32,339
Total assets	89,196	91,791

Liabilities	31/03/2021 kEUR	31/12/2020 kEUR
Equity		
Subscribed capital	13,128	13,128
Own shares	-505	-505
Capital reserves	19,064	19,064
Other retained earnings	423	423
Other equity components	-3,605	-4,822
Total equity	28,505	27,288
Non-current liabilities		
Deferred taxes	4,025	4,140
Bond	19,375	19,337
Liabilities due to banks	1,087	33
Accounts payable	10,389	10,280
Other liabilities	3,755	3,636
Accruals	1,336	1,240
Total non-current liabilities	39,967	38,666
Current liabilities		
Bonds	0	0
Accrued taxes	298	284
Liabilities due to banks	10	1,067
Accounts payable	15,658	19,872
Other liabilities	4,685	4,545
Deferred income	73	69
Total current liabilities	20,724	25,837
Total equity and liabilities	89,196	91,791

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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.