Annual Report 2023

JDC GROUP

BEST ADVICE. BETTER TECHNOLOGY.

Content

JDC Group AG

At a glance

P & L in kEUR	31/12/2023 kEUR	31/12/2022 kEUR	Changes compared to previous year in %
Revenues	171,714	156,080	10.0
Gross margin	52,890	47,794	10.7
Gross margin in %	30.8	30.6	0.7
Total operational costs	47,050	44,880	4.8
EBITDA	11,726	8,966	30.8
EBITDA margin in %	6.8	5.7	19.3
EBIT	5,839	2,914	> 100
EBIT margin in %	3.4	1.9	78.9
Net profit	3,832	939	> 100
Number of shares in thousands (end of period)	13,213	12,981	1.8
Earnings per share in EUR	0.28	0.07	> 100

Cash flow/Balance in kEUR	31/12/2023 kEUR	31/12/2022 kEUR	Changes compared to previous year in %
Cash flow from operating activities	18,032	7,567	> 100
Total equity and liabilities	141,902	112,983	25.6
Equity	52,805	36,971	42.8
Equity ratio in %	37.2	32.7	13.7

Highlights 2023

Marcus Rex strengthens JDC Executive Board

With effect from June 1, 2023, the experienced digital platform manager Marcus Rex has been appointed to the Executive Board of JDC Group AG. After holding top-tier positions at Interhyp and Planethome, in his most recent role, Marcus Rex was responsible for the insurance activities of Hypoport SE as CSO Insurance Market. Marcus Rex will primarily be responsible for marketing and sales and will also take over the key account business from Stefan Bachmann.

Provinzial acquires a stake of around 5 % in JDC

Against the backdrop of closer cooperation with the savings banks in the sale of third-party insurance products, JDC sold around 5% of shares it had acquired from two share buyback programs over the past few years to the Provinzial Group, the second-largest public insurer in Germany. JDC thus received around 13 million Euro in liquid funds. Hidden reserves of around 7 million Euro were raised, increasing the equity of the JDC Group.

Issue of the new 2023/2028 bond successfully completed, refinancing of the 2019/2024 bond secured

JDC subsidiary, Jung, DMS & Cie. Pool GmbH, achieved a very pleasing placement result of 20 million Euro for its new 2023/2028 bond (ISIN DE000A3514Q0). Due to the Group's very good liquidity position, the placement volume of 25 million Euro from the 2019/2024 bond was reduced to 20 million Euro for the 2023/2028 bond that has now been issued, thereby improving the equity ratio. The remaining 5 million Euro will remain as a financing and placement reserve. At 7.00 %, the final coupon is in the middle of the offered interest rate range (6.75 %–7.25 %). This ensures the Group's long-term financing at very good conditions in the current environment.

In the third quarter, JDC signed exclusive cooperation agreements for the insurance business of the savings banks

Until now, savings banks in the VKB and SV business area had only distributed VKB and SV insurance contracts to their customers. In order to support their customers in the future with the management of contracts of other insurance companies, insurance contracts of savings bank customers outside the VKB and SV product range, so-called third-party insurance products, will be bundled on the JDC platform via an interface to the S-Versicherungsmanager (S-VM) already established at the savings banks and managed by the in-house brokerage companies of VKB ("FidesSecur") and SV ("Sicher gut betreut Versicherungsvermittlung").

Buyback program for own shares

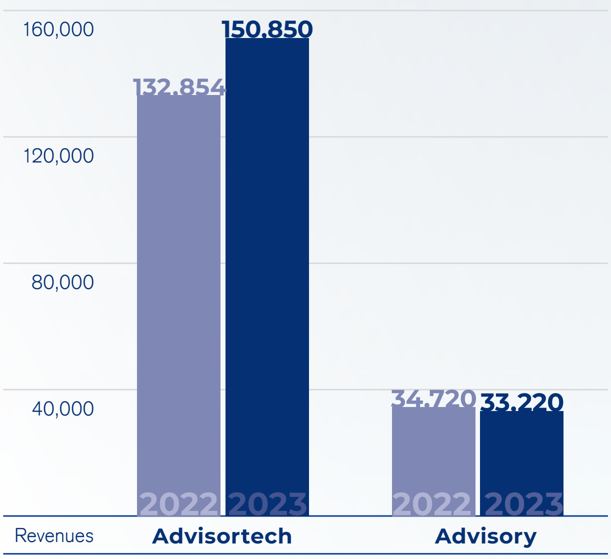
On November 10, 2023, the Executive Board of JDC Group AG, with the approval of the Supervisory Board, resolved to buy back a maximum of up to 350,000 treasury shares of JDC Group AG via the stock exchange. The total volume of the share buyback is set at a maximum of 5 million Euro excluding incidental costs. The buyback program is to be completed by May 15, 2024 at the latest. In this context, 64,545 shares have been repurchased at the end of the year.

Expansion of the technology platform in the investment area

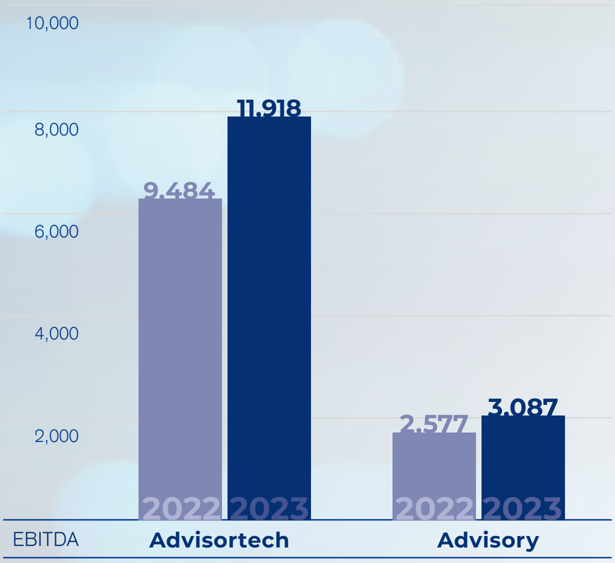
In January 2023, Jung, DMS & Cie. AG signed a purchase agreement to acquire significant parts of the Top Ten Financial Network Group. With the help of the software solution acquired as part of this deal, JDC is expanding its product portfolio specifically in the areas of asset management, liability umbrella solutions and label funds. This will make the JDC platform even more attractive for customers. The transaction was completed in December 2023.

Highlights 2023

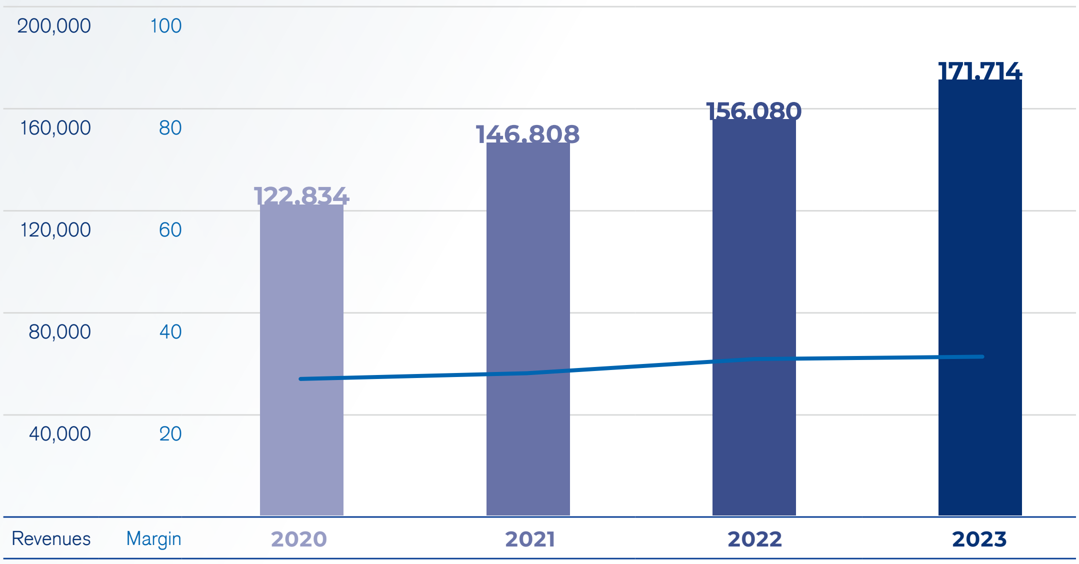
Revenues by operating segments in kEUR



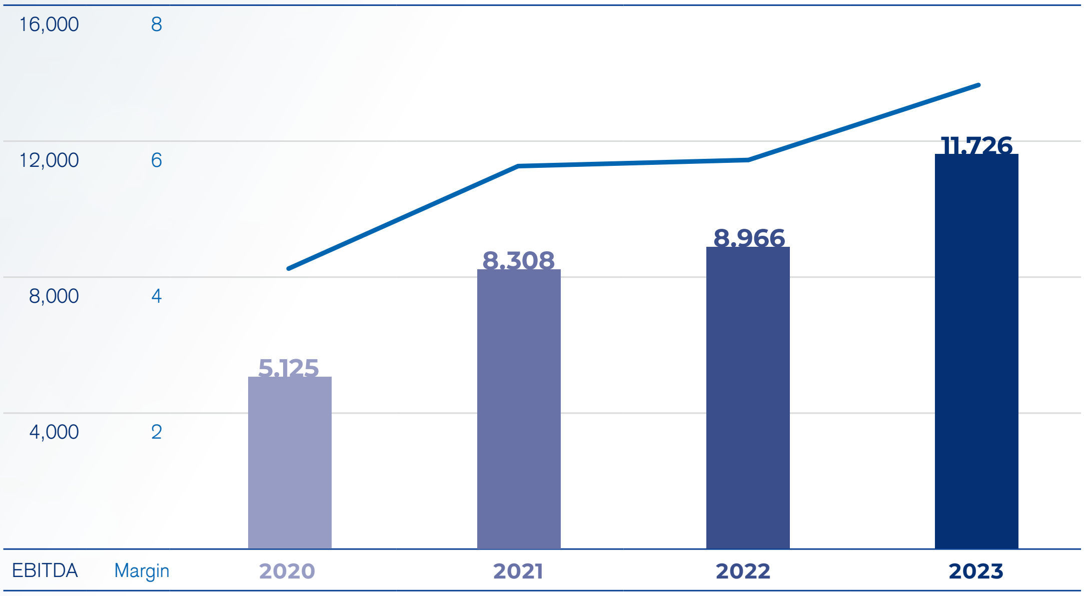
EBITDA by operating segments in kEUR



Revenues in kEUR
Gross margin in %



EBITDA in kEUR
EBITDA margin in %



Executive board letter

DEAR SHAREHOLDERS AND BUSINESS PARTNERS,

with a very strong fourth quarter, JDC Group AG has achieved a pleasing year-end result. Despite the difficult global economic conditions, revenues increased by 10 percent to 171.7 million Euro. This also had a clearly positive impact on the annual result: earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 30.8 percent to 11.7 million Euro, compared to 9.0 million Euro in the previous year.

Milestones in the 2023 financial year

In 2023, JDC Group AG achieved important milestones and also concluded other important agreements that will have a positive impact on the Group's future development:

Marcus Rex strengthens JDC Executive Board

With effect from June 1, 2023, the experienced digital platform manager Marcus Rex has been appointed to the Executive Board of JDC Group AG. After holding relevant positions at Interhyp and Planethome, Marcus Rex was most recently responsible for the insurance activities of Hypoport SE as CSO Insurance Market. Marcus Rex will primarily be responsible for sales and marketing and will also take over the key account business from Stefan Bachmann.

In the third quarter, JDC signed exclusive cooperation agreements for the insurance business of the savings banks in the business area of Versicherungskammer Bayern (VKB) and SparkassenVersicherung (SV).

Until now, savings banks in the VKB and SV business area had only brokered VKB and SV insurance contracts for their customers. In order to support their end customers in the future with the management of contracts of other insurance companies, insurance contracts of savings bank customers outside the VKB product range or the management of SV products will be bundled on the JDC platform via an interface to the S-Versicherungsmanager (S-VM) already established at the savings banks and managed by the inhouse brokerage companies of VKB ("FidesSecur") and SV ("Sicher gut betreut Versicherungs-vermittlung").

Provinzial acquires a stake of around 5 percent in JDC

Against the backdrop of closer cooperation with the savings banks in the sale of third-party insurance products, JDC sold around 5 percent of shares it had acquired from two share buyback programs over the past few years to the Provinzial Group, the second-largest public insurer in Germany. JDC thus received around 13 million Euro in liquid funds. Hidden reserves of around 7 million Euro were raised, increasing the equity of the JDC Group.

Issue of the new 2023/2028 bond successfully completed, refinancing of the 2019/2024 bond secured

JDC subsidiary, Jung, DMS & Cie. Pool GmbH, achieved a very pleasing placement result of 20 million Euro for its new 2023/2028 bond (ISIN DE000A3514Q0). Due to the Group's very good liquidity position, the placement volume of 25 million Euro from the 2019/2024 bond was reduced to 20 million Euro for the 2023/2028 bond that has now been issued, thereby improving the equity ratio. The remaining 5 million Euro will remain as a financing and placement reserve. At 7.00 percent, the final coupon is in the middle of the offered interest rate range (6.75 – 7.25 percent). This ensures the Group's long-term financing at very good conditions in the current environment.

New buyback program for own shares

Shortly before the end of the financial year, the company launched a new share buyback program. Between November 16 and the end of the year, 64,545 shares, or around 0.5 percent of the share capital, were bought back. The share buyback program runs until 15 May 2024 and is limited to 350,000 shares with a maximum volume of 5 million Euro.

Results for the 2023 financial year

Group revenues increased by 10 percent to 171.7 million Euro in 2023 (2022: 156.1 million Euro). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 30.8 percent to 11.7 million Euro (2022: 9.0 million Euro). Earnings before interest and taxes (EBIT) doubled to 5.8 million Euro (2022: 2.9 million Euro).

In the promising platform business (Advisortech segment), revenues increased by almost 13.5 percent to 150.8 million Euro (previous year: 132.9 million Euro). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 2.4 million Euro to 11.9 million Euro (2022: 9.5 million Euro). Earnings before interest and taxes (EBIT) also improved significantly and now stand at 7.6 million Euro (2022: 5.0 million Euro).

The Advisory segment reported a good Q4 result, with EBITDA and EBIT improving in particular. At 33.2 million Euro, revenue was nevertheless down on the previous year's figure of 34.7 million Euro. However, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 3.1 million Euro (2022: 2.6 million Euro) and earnings before interest and taxes (EBIT) stood at 1.9 million Euro at the end of the 2023 financial year (2022: 1.3 million Euro).

Outlook

The new financial year will also be significantly influenced by the further development of the global trouble spots, the German economy and future inflation and interest rate trends. The signs are currently pointing to a fall in inflation and interest rates. If this emerging trend is sustainable, it will ease the burden on households and may have a positive impact on our customers' purchasing behavior.

Irrespective of this development, the company expects revenues to grow to between 205 million Euro and 220 million Euro and EBITDA of between 14.5 million Euro and 16.0 million Euro in 2024 based on cooperation agreements already concluded.

Thanks to employees and shareholders

Finally, we would like to express our special thanks once again to our employees and sales partners of JDC Group AG and our subsidiaries, as they are the basis of our success with their commitment and motivation.

Equally, we would like to thank our shareholders, who believe in our business model and support and confirm the Executive Board and Supervisory Board.

We would be very pleased if you would continue to accompany us on our journey and remain

sincerely, yours

Dr. Sebastian Grabmaier | Ralph Konrad | Marcus Rex

The group

Business concept and structure

JDC Group AG is a cutting-edge financial services company known for intelligent financial services distribution and leveraging new technologies for financial advice. This is encapsulated in our slogan, BEST ADVICE. BETTER TECHNOLOGY.

The operating activities of JDC Group AG are divided among the Advisortech and Advisory operating segments.

In the **Advisortech** segment, JDC Group AG offers a digital platform for insurance, investment funds and all other financial products and services under the brands Jung, DMS & Cie., MORGEN & MORGEN, allesmeins, Top Ten and Geld.de. By offering and handling almost all product providers within the financial market with a complete product range and full data and document supply, JDC Group AG 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. Whether via smartphone, tablet or PC, customers and intermediaries get a complete overview of the individual insurance and fund portfolio. In addition, there are simple transfer options for contracts from almost all insurers and tailored closing routes. This not only enables a complete market comparison, but also simultaneously offers customers and advisors the direct opportunity to optimize the cost-performance ratio.

In the **Advisory** segment, about 250 well-trained advisers sell financial products to retail customers via the FiNUM group (financial products and services distribution – FiNUM. Private Finance AG and FiNUM.Finanzhaus AG). This segment complements the platform offering and enables JDC Group AG to cover the entire value chain in its financial services distribution business.

JDC GROUP
BEST ADVICE. BETTER TECHNOLOGY.

Advice on and mediation of financial products in return for commission from product providers or fees from the customers advised.

ADVISORTECH

Placement of financial products via financial intermediaries (independent financial advisers and brokers) to end-costumers pursuant to § 93 HGB as trade brokers

Digital platform with end customer app allesmeins

Investment funds, closed-end-funds, insurances etc.

JUNG, DMS & CIE.

GELD.de

MORGEN & MORGEN

ADVISORY

Mediation of financial products to end customers as sales represen-tatives pursuant to § 84 HGB.

Insurances, securitites, material values, financing

FiNUM. Private Finance

FiNUM. Finanzhaus

The individual subsidiaries of JDC Group AG operate with their own identity in their individual target markets. As a holding company, JDC Group AG performs central management functions including capital market communications, finance, and administration. The centralization of these functions and activities gives JDC Group AG the benefit of cost synergies.

Dr. Sebastian Grabmaier, CEO

"We look back on 2023 with one eye crying and one eye smiling: high interest rates brought the real estate and financing business to a standstill across the market, and capital investment was also barely able to record any growth in this market environment. Fortunately, our very strong insurance business in the Advisortech segment more than compensated for all of this. This means a strong tailwind for 2024: in addition to strong growth in insurance, we expect a return of real estate and financing business as well as stronger new business in the investment area. As the TopTen Group has now also been contributing to turnover and earnings since December, we expect our growth to double in 2024 with a further significant improvement in profits!"

Business Units

ADVISORTECH - THE DIGITAL PLATFORM FOR BROKERING FINANCIAL PRODUCTS TO PRIVATE END CUSTOMERS VIA FINANCIAL INTERMEDIARIESTHE FIRST FINANCIAL HOME FOR ALL FINANCIAL SERVICES CUSTOMERS

This business segment covers B2B activities in the broker pool and platform area. The technical platform developed by JDC connects internal and external systems and thus provides the perfect workplace for financial intermediaries of all kinds. Digitalized and automated processes, from customer service to data processing in the backend, enable problem-free, seamless advice. With a range of around 12,000 products from more than 1,000 companies, the portfolio includes all the financial products and services required to offer a comprehensive bancassurance concept. However, this business area is not aimed exclusively at financial intermediaries, but also offers the first genuine financial home for financial services customers. In addition to a complete overview of the individual insurance and fund portfolio, customers (and intermediaries) receive a complete market comparison to optimize their insurance and pension provision with an ideal cost-performance ratio.

With its subsidiary **Jung, DMS & Cie. AG (JDC)**, JDC Group AG is a leading platform provider in the broker pool market. With offices in Munich, Wiesbaden, Troisdorf and Vienna/Austria, JDC is one of the largest broker pools in the German-speaking region with the highest turnover. The inhouse developed system by JDC, iCRM, includes professional software for managing customer and contract data as well as an expert back-office team that takes care of the entire administrative processing of customer and contract data and all business transactions in the portfolios. The iCRM system is adaptable, can be used without extraordinary technical requirements and is based on the overall logic of typical business transactions of brokers and intermediary organizations, thus guaranteeing practical application.

The digital finance manager **allesmeins** also gives end customers a quick overview of all their insurance contracts with corresponding documentation. In contrast to the anonymous conventional fintech solutions, with allesmeins the customer retains their individual insurance and investment advisor, with whom they have built up a relationship of trust over years or even decades in some cases, with all their professional expertise - and it is completely free to use. In addition, the allesmeins app offers comparison calculators for property insurance in the areas of household contents, residential buildings, personal liability, animal, accident, and legal protection, which furthermore make it possible to compare benefits and take out policies from the comfort of your own home.

MORGEN & MORGEN GmbH is a wholly owned subsidiary of Jung, DMS & Cie. AG, but an independent quality provider of neutral insurance data for the entire market. Despite being part of the Group, it is therefore a long-term independent company, so that the neutrality of the data and insurance platform continues to be guaranteed. As the market leader for analysis and comparison software with cross-sector price-performance comparisons, MORGEN & MORGEN is the place to go for well-founded and independent expert knowledge. As the company and product ratings are also among the leading in the German market, major brokers and insurance companies as well as the business press regularly rely on data and calculations from MORGEN & MORGEN for insurance comparisons and analyses, ratings and rankings.

In addition to ratings, the range of services also includes stochastic simulations of potential returns, data analytics at the point of sale and individual analyses.

Since JDC Group AG serves not only a large number of individual brokers, but also leading financial distributors, the financial intermediaries are connected to the product companies via two further subsidiaries of Jung, DMS & Cie AG - Jung, DMS & Cie Pool GmbH and Jung, DMS & Cie Pro GmbH.

Jung, DMS & Cie. Pool GmbH supports individual brokers and employee brokers (Böhringer Ingelheim, Bavaria Wirtschaftsagentur, etc.). Its clients include Albatros Versicherungsdienste GmbH, which belongs to the Lufthansa Group, and the Ecclesia Group, Germany's largest insurance broker for companies and institutions. **Jung, DMS & Cie. Pro GmbH** is responsible for supporting multi-insurance-agents, such as Volkswagen Financial Services or the Gothaer insurance group. This area has become even more important in recent years thanks to the collaboration with Provinzial and the cooperation entered with R+V Versicherung.

In addition, the Advisortech business segment includes the online comparison platform **Geld.de**, an outstanding brand for the direct brokerage of financial products to end customers.

The acquisition of the shares in **Top Ten Investment-Vermittlungs AG** and **DFP Deutsche Finanz Portfolioverwaltung GmbH** (together: **Top Ten Financial Network Group**) was completed in December of the reporting year. With around 50 employees, the Group offers services in the areas of investment consulting, asset management and fund management. Using its own software solutions, Top Ten manages over 2 billion Euro in investment assets for around 1,000 brokers in the network.

ADVISORY – INDEPENDENT PENSION AND INVESTMENT ADVICE FOR PRIVATE CLIENTS

The needs, wishes and goals of every client are different. To do justice to this individuality, the Advisory business segment was created with a clear vision: we want to work freely and entirely in the interests of our clients. For this reason, the advice and brokerage of financial products to end customers in this segment is also provider- and product-neutral.

The **FiNUM Group** – consisting of FiNUM.Private Finance AG, Berlin (FPF D), FiNUM.Private Finance AG, Vienna/Austria (FPF A), and FiNUM.Finanzhaus AG (FFH) – serves discerning private clients, freelancers and business clients. It currently manages assets of around two billion euros (AuM) in Germany and Austria. As an independent financial and investment advisor, personal advice is the highest priority.

FiNUM.Private Finance (FPF) (FPF) is currently represented nationwide in Germany and Austria by 142 experienced and licensed advisors. The advisors currently advise over 60,000 clients on all financial issues in a holistic manner and across all asset classes, regardless of the product. In addition to the areas of capital accumulation and investment, the support also covers the topics of pension provision, risk protection, financing, and capital procurement.

FiNUM.Finanzhaus AG has 110 advisors and around 25,000 customers. The company focuses on the insurance and real estate business, but also examines and analyzes all other relevant aspects of holistic customer advice, such as retirement provision and investments. As customer welfare is the focus of FiNUM.Finanzhaus AG, it is also strongly oriented towards consumer protection criteria.

History

2020

03/2020
JDC managed to move its entire operation to a virtual environment that enabled employees to work from home, despite the global stock market crisis.

04/2020
JDC Group AG continues to expand its key account business and wins the Nuremberg subsidiary InsureDirect24 and the Boehringer subsidiary BI Secura as further key accounts.

07/2020
With Volkswagen Bank JDC has connected the first key accounts purely using the JDC API.

07/2020
505,202 shares were repurchased in the share buyback programme. Thanks to the buyback at an average price of 6.10 Euro per share, JDC has considerable hidden reserves.

10/2020
The first ever digital insurance wallet, allesmeins was introduced by JDC in 2015 and is now a central component of the value chain. More than 25 white label mandates are now connected to allesmeins, in addition to many brokers, who use the basic version. This is impressive evidence of the scalability of the platform.

11/2020
One of Germany's largest savings banks, Sparkasse Bremen, relies on JDC as a distribution partner. JDC is building the white label solution in record time.

12/2020
JDC Group subsidiary Jung, DMS & Cie. generates subgroup revenues of more than 100 million Euro for the first time in the company's history – and continues to grow.

2021

01/2021
JDC is one of the TOP 100 most innovative companies in Germany and was convincing in all audit categories.

02/2021
JDC Group AG and Provinzial Group plan a cooperation for the insurance business of the savings banks in the private customer segment.

05/2021
TME study declares JDC Group's digital platform the winner among digital financial platform providers.

06/2021
Jung, DMS & Cie. AG acquires 100 % of the shares in the data analysis and comparison software house MORGEN & MORGEN GmbH.

06/2021
JDC and Provinzial Group set up the joint venture "Einfach Gut Versichert GmbH".

09/2021
JDC resolves a cash capital increase and agrees on a long-term cooperation with Versicherungskammer Bayern.

12/2021
Jung, DMS & Cie. achieves a turnover of over EUR 120 million and thus grows by 18 percent.

2022

02/2022
JDC signs a 5-year contract with a subsidiary of R+V Versicherung to pilot a bancassurance platform for Volks- and Raiffeisenbanken.

03/2022
Jung, DMS & Cie. and the Gothaer insurance group agree on a far-reaching cooperation to establish a 360-degree portfolio view for the customers of Gothaer agency sales.

06/2022
JDC Group AG resolves a share buyback program, which ended as planned at the end of December 23, 2022. In this context, a total of 181,820 shares were repurchased.

08/2022
JDC wins the Ecclesia Group, Germany's largest insurance broker for companies and institutions, for its platform technology.

10/2022
JDC Group AG launches Summitas Group with Bain Capital Insurance and Canada Life Irish Holding Company Limited as a consolidation platform for insurance intermediaries.

10/2022
The comparison calculator of the independent analysis company MORGEN & MORGEN is successfully integrated on JDC's customer management system iCRM.

11/2022
JDC has won a tender against all competitors and renewed the successful cooperation with its largest customer, Albatros Versicherungsdienste GmbH, a member of the Lufthansa Group, for 5 years.

12/2022
Jung, DMS & Cie. sales rise to over 134 million Euros. This means that growth is once again in the double digits.

2023

01/2023
Jung, DMS & Cie. AG acquires significant parts of the Top Ten Group and expands its product portfolio specifically in the areas of asset management, liability umbrella solutions and label funds. The transaction was completed in December 2023.

05/2023
Digital platform expert Marcus Rex joins the Executive Board of JDC Group AG as the new CSO/CMO.

08/2023
JDC signs exclusive cooperation agreements for the insurance business of the savings banks in the business area of Versicherungskammer Bayern (VKB) and SparkassenVersicherung (SV).

09/2023
To strategically underpin the long-term partnership with the savings banks, the Provinzial Group holds a stake of around 5% in JDC Group AG.

10/2023
Jung, DMS & Cie. Pool GmbH successfully places its new bond with a volume of EUR 20 million on the market (Bond 2023/2028).

11/2023
With the approval of the Supervisory Board, the Executive Board of JDC Group AG has decided to make use of its authorization to acquire treasury shares this year. By the end of the year, 64,545 shares had been repurchased in this context.

12/2023
Jung, DMS & Cie. subgroup revenue rise to over EUR 150 million. Growth is therefore once again in double figures.

Shareholder structure

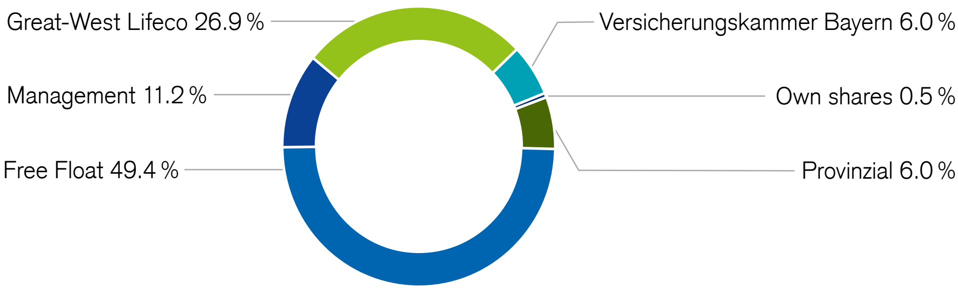
In total, JDC Group AG has subscribed capital of EUR 13,668,461 with a market capitalization of 282.9 million Euro (as of March 26, 2024).

A stable shareholder structure continues to form the basis for long-term and continuous growth. Great-West Lifeco remains the anchor shareholder of JDC Group AG with a 26.9 percent stake. In addition, Versicherungskammer Bayern and Provinzial each hold a strategic stake of 6.0 percent.

Executive Board members Dr. Sebastian Grabmaier (Grace Beteiligungs GmbH) and Ralph Konrad (Aragon Holding GmbH) hold a total stake of 11.2 percent in JDC Group AG.

In addition, the Executive Board of JDC Group AG decided, with the approval of the Supervisory Board, to make use of its authorization to acquire treasury shares this year. As part of the buyback program carried out from 10 November 2023 to 15 May 2024 at the latest, 64,545 shares were repurchased. This increased the proportion of treasury shares held by JDC Group AG to 0.5 percent as of December 31, 2023.

The remaining 49.4 percent of the 13,668,461 shares issued are in free float.



Marcus Rex, CSO/CMO

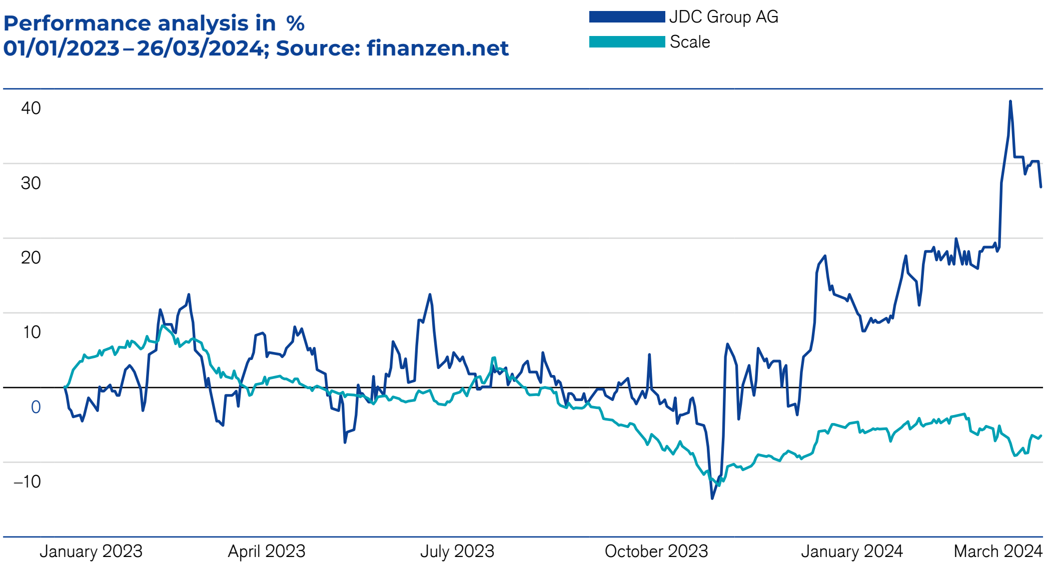
„The automation and digitalization of business processes in financial services is vital. That‘s why we are constantly developing our broker management program iCRM and our WebApps. So that our sales partners‘ customers have access to the best financial services products.“

Share price performance

Last year's positive development continued at the start of the new financial year. In particular, the announcement of the acquisition of the TopTen Group at the end of January provided additional impetus. The upward trend was then confirmed again at the end of October following the subsequent sideways movement. Accompanied by good quarterly figures, very promising business prospects in the wake of the newly concluded cooperation agreements and the share buyback program launched on November 10, 2023, the JDC share recorded further significant price gains at the end of the year. At the end of 2023, the share price stood at 19.50 Euro, which corresponds to an annual performance of over 12 percent. This means that the JDC share was also able to outperform the index significantly in the past financial year (annual return index: –4.84%).

The JDC share has continued to develop positively in the new financial year. The share price is currently relatively stable at EUR 22.00 (as of March 26, 2024) and thus significantly higher than at the beginning of the reporting year (January 2, 2023: EUR 17.35).

Performance analysis in %
01/01/2023–26/03/2024; Source: finanzen.net



Group management report

Group management report

SITUATION OF THE GROUP

The Group’s Business modell

In its Advisortech business unit, JDC Group AG offers a digital platform for insurance, investment funds and all other financial products and services. By offering and handling almost all product providers of the financial market with a complete product range and full data and document supply, it creates the perfect workplace for financial intermediaries of all kinds (brokers, agents, company-affiliated intermediaries, banks, exclusive organizations, FinTechs) via its view systems and interfaces and the first real financial home for financial services customers. Via smartphone app, tablet or PC, customers and intermediaries receive a complete overview of the individual insurance and fund portfolio, simple closing routes and transfer options, and also a complete market comparison, so that customers and advisors can optimize coverage and provision easily and with an ideal benefit-cost ratio.

In the Advisory segment, around 250 well-trained advisors under the FiNUM brand complement the platform offering for discerning and upscale private customers.

The chart on the next page shows the segment structure of JDC Group AG and the relevant investments.

Research and development

In the Advisortech business unit, we offer modern consulting and management technologies for our customers and consultants via the Jung, DMS & Cie. group. In this context, the JDC Group operates the development of self-created software solutions. In fiscal year 2023, own work in the amount of EUR 1,725 thousand was capitalized in this connection. For further details, please refer to the relevant disclosures in the notes to the consolidated financial statements.

The following chart shows the segment structure of JDC Group AG and the relevant subgroups and investments:

Advisortech

Jung, DMS & Cie. AG
(100.0 %) *

- Broker pool, primarily brokerage of financial products via intermediaries (IFAs, independent brokers, etc.)
- Investment funds, closed-end funds, insurance, certificates
- Currently approx. 16,000 intermediary

Jung, DMS & Cie. Pro GmbH
(100.0 %) *

- Support of multiple agents and connection of these to the product companies
- Currently over 200,000 customers

MORGEN & MORGEN GmbH
(100.0 %) *

- Independent and autonomous analysis house
- Insurance comparisons, ratings, statistical simulations and data analytics

Advisory

FiNUM.Private Finance AG, Vienna
(100.0 %) *

- Brokerage of financial products to end customers
- Life insurance, pension plans, investment funds, financing
- Currently 49 consultants

FiNUM.Private Finance AG, Berlin
(100.0%) *

- Brokerage of financial products to end customers
- Life insurance, pensions, investment funds, financing
- Currently 93 consultants

FiNUM.Finanzhaus AG, Munich
(100.0%) *

- Brokerage of financial products to end customers
- Life insurance, pensions, investment funds, financing
- Currently 110 consultants

Holding

JDC Group AG

- Holding activities
- Shared Service Center

* Ownership interest held by JDC Group AG to 31 December 2023

ECONOMIC REPORT

Overall economic conditions[1)]

The global recovery from the COVID-19 pandemic continues to be slow and uneven. Although the global economy developed positively again last year, the pre-crisis level has still not been reached. This is due to several factors. In addition to the long-term consequences of the pandemic, the ongoing war in Ukraine, high inflation and the associated tightening of monetary policy also weighed on the global economic recovery.

1) Unless otherwise indicated, all data in the following description of the macroeconomic environment were taken from the accompanying material to the press conference held by the Federal Statistical Office on January 15, 2024, and from statements made by the IMF in January 2024.

According to the IMF's January 2024 assessment, global growth fell to 3.0 percent last year (previous year: 3.5 percent). The result was therefore once again below the historical average of 3.8 percent (period from 2000 to 2019). In this still crisis-ridden environment, overall economic development in Germany also came to a standstill last year. In Germany, GDP is now 0.7 percent higher than in 2019, the year before the coronavirus pandemic began, although price-adjusted gross domestic product in 2023 fell by 0.3 percent compared to the previous year. Adjusted for calendar effects, the decline in economic output in Germany amounted to 0.1 percent.

Sector-specific conditions

THE MARKET FOR INVESTMENT FUNDS [2)]

The German investment fund industry had total assets under management of 4,149 billion Euro as of December 31, 2023. The volume increased by around nine percent compared to the previous year (December 31, 2022: 3,805 billion Euro). Over a ten-year period, assets under management for private and institutional investors have therefore almost doubled. According to the European Central Bank, the German fund market now accounts for 27 percent of the entire EU market.

As of December 31, 2023 (value as of December 31, 2022, in brackets), 1,382 billion Euro (1,281 billion Euro) were invested in mutual funds and 2,079 billion Euro (1,944 billion Euro) in special funds. 634 billion Euro (529 billion Euro) were invested in mandates and 54 billion Euro in closed-end funds (51 billion Euro).

The fund volume of the mutual funds as of December 31, 2023 (the value as of December 31, 2022, is shown in brackets) is broken down by asset class as follows

- Equity funds: 623.6 billion Euro (532.1 billion Euro)
- Pension funds: 211.3 billion Euro (188.3 billion Euro)
- Money market funds: 39.4 billion Euro (34.0 billion Euro)
- Open-ended real estate funds: 130.8 billion Euro (131.1 billion Euro)
- Mixed and other funds: 377.1 billion Euro (395.2 billion Euro)

Although the past year was characterized by geopolitical crises, persistent inflation and a return of interest rates, the mood on the capital markets was positive. This was reflected in the sales of open-ended mutual funds. While outflows in 2022 amounted to 3.4 billion Euro, such funds received new money of 12.9 billion Euro last year. The turnaround in new business was particularly evident in bond funds. After outflows of 16.5 billion Euro in 2022, bond funds recorded net inflows of 12.7 billion Euro last year. The rise in interest rates created attractive prospects here. However, equity funds also received significantly more money than in the previous year with inflows of 12.9 billion Euro (2022: 0.5 billion Euro). Against the backdrop of last year's challenges, 2023 was therefore a remarkable fund year.

[2)] All data in the following description of the market for investment products was taken from the BVI press release dated February 13, 2024, unless otherwise indicated.

[3)] All data in the following description of the insurance market was taken from the website of the German Insurance Association (GDV), unless otherwise indicated.

THE MARKET FOR INSURANCE PRODUCTS [3)]

The German insurance industry also performed well last year. Against the backdrop of difficult global conditions, the 2023 financial year was also satisfactory here. The industry recorded premium growth of 3.8 percent across all lines of business.

Premium income for life insurers fell by 5.2 percent to around 92 billion Euro in 2023. This was due to the difficult overall economic situation, the weak development of real wages and the associated consumer restraint. However, this development was primarily reflected in the single-premium business. Regular premiums, on the other hand, remained largely robust.

In property and casualty insurance, income grew by 6.7 percent to 84.5 billion Euro. Private health insurance companies also recorded 2.3 percent more income than in the previous year. Premium income in this sector rose to 48.2 billion Euro.

The outlook for the coming financial year is more optimistic than in previous years, particularly in the area of life insurance. Higher interest rates are improving companies' earning power and rising profit participation is making products more attractive. GDV therefore expects a stable premium trend in the life insurance business in 2024. In the property and casualty insurance sector, GDV forecasts premium growth of 7.7 percent. It is expected that the development in motor vehicle insurance in particular will be characterized by catch-up effects.

COMPETITIVE POSITION

In the individual business segments, JDC Group competes with different companies.

Competitors in the Advisortech segment

In the Advisortech business area, the JDC Group brokers financial products such as investment funds, alternative investment funds, structured products, insurance and financing products to end customers via independent financial brokers (B2B2C) through the subsidiaries of the JDC Group (JDC). As a technical platform, JDC competes with all companies that broker the above-mentioned financial products to resellers or end customers via independent intermediaries. This includes broker networks/broker pools such as Fonds Finanz Maklerservice GmbH and BCA AG, but also commercial banks, savings banks, Volksbanks and financial sales companies that are geared to end customers.

In addition, JDC offers white-label front-end services in the Advisortech business unit, where customers (banks, insurance companies, IFAs, end customers) can display contract data via app, online tools as well as web applications. Here JDC is in competition with e. g. Clark or getsafe.

In the third subsegment, we offer end customer advice and a comparison platform for financial products. Here, JDC competes with Verivox and Smava.

[3)] All data in the following description of the insurance market was taken from the website of the German Insurance Association (GDV), unless otherwise indicated.

The independent analysis company MORGEN & MORGEN provides neutral insurance data in the form of insurance comparisons, ratings, stochastic simulations and data analytics via its own comparison platform, through individual services and IT services. Its main competitors are comparison platforms such as Franke & Bornberg, Mr. Money, and Softfair.

The Top Ten Financial Network Group offers services in the areas of investment advice, asset management and fund management. Using its own software solutions, Top Ten manages over 2 billion Euro in investment assets for around 1,000 brokers in the network. It competes with Fondskonzept, Netfonds, Fondsnet and BCS/BfV.

Competitors in the Advisory segment

In the ADVISORY business area, JDC Group AG offers advice on and brokerage of financial products to end customers (B2C) via its subsidiaries FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria. In principle, all companies compete with a large number of market participants, i.e. in addition to financial product distributors and individual brokers, also exclusive organizations of insurance companies and banks, but also direct sales, e. g. via the Internet. According to the JDC Group's assessment, the main competitors of the companies can be derived as follows on the basis of the different business models and target groups:

FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria focus on advising sophisticated private clients (so-called mass affluent market) in Germany and Austria. The business mix consists almost equally of asset accumulation and hedging business (insurance business). Accordingly, the main competitors are commercial or private banks and large financial sales companies such as MLP AG or Horbach Wirtschaftsberatung AG.

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

JDC Group AG is an increasingly attractive partner for product initiators from both the insurance and investment industries due to its sales strength, increasing market relevance and reliability.

At the same time, JDC Group AG is also attractive as an institutional partner for financial distributors or financial intermediaries who are looking for a strong partner to outsource their back office in the rapidly changing regulatory environment.

Overall, the Executive Board can look back on a very pleasing business performance. Despite the difficult global economic conditions, the earnings situation has developed positively compared to the previous year. Consolidated earnings more than quadrupled to kEUR 3,832 (previous year: kEUR 939) and consolidated revenues also increased by around 10 percent. The increase in turnover is mainly due to the positive development of the core business, the acquisition of new major customers and the first-time consolidation of the Top Ten Group. Although revenues (171.7 million Euro) are not within the communicated guidance (175 to 190 million Euro), EBITDA improved significantly and now stands at 11.7 million Euro. The target value is therefore within the guidance range (11.5 to 13.0 million Euro).

For further explanations, we refer to the following presentations on the situation of the JDC Group.

NET ASSETS, FINANCIAL AND INCOME POSITION

Key financial figures of JDC Group

For the assessment of the economic success and for the management of the Group as a whole and its segments, the Executive Board of the JDC Group primarily uses the development of revenues and the gross profit remaining after deduction of commission expenses as well as EBITDA as measures of target achievement, which are therefore to be regarded as the most important financial performance indicators. Non-financial performance indicators that are of material importance for an understanding of the Company's business performance or position are not currently apparent.

Net assets

Assets in kEUR	31/12/2023 kEUR	31/12/2022 kEUR	Changes 2022 to 2023 in %
Intangible assets	69,177	64,052	8.0
Property, plant and equipment	8,717	4,869	79.0
Financial assets	3,378	856	>100
Shares in associated companies	787	757	3.9
Deferred tax assets	3,411	2,518	35.4
Non-current receivables and other assets			
Trade receivables	1,055	1,134	-6.9
Other assets	869	304	>100
Current assets			
Trade receivables	24,453	17,601	38.9
Receivables from associated companies	295	0	>100
Other receivables and other assets	3,399	4,220	–19.5
Cash at banks	26,362	16,672	58.1
Balance sheet total	**141,902**	112,983	25.6

The Group's non-current assets of 87.4 million Euro as of December 31, 2023 (previous year: 74.5 million Euro) consist of around 69.2 million Euro (previous year: 64.1 million Euro) in intangible assets. The increase in non-current assets of 12.9 million Euro resulted from the first-time consolidation of the Top Ten Group, the increase in the investment in Summitas and IFRS 16. In addition, deferred tax assets increased (+0.9 million Euro).

Current assets amounted to 54.5 million Euro as of December 31, 2023 (previous year: 38.5 million Euro). This increase is mainly due to the increase in bank balances and the increase in trade receivables. Compared to the previous year, bank balances increased significantly by 9.7 million Euro to 26.4 million Euro in the financial year. The main driver of this development was the sale of treasury shares to Provinzial.

Total assets increased significantly from 113.0 million Euro in 2022 to 141.9 million Euro in 2023 – mainly due to the 9.7 million Euro increase in bank balances and the first-time consolidation of the Top Ten Group.

Liabilities in kEUR	**31/12/2023 kEUR**	31/12/2022 kEUR	Changes 2022 to 2023 in %
Equity	52,805	36,971	42.8
Non-current liabilities			
Deferred tax liabilities	7,212	5,502	31.1
Bonds	19,357	19,655	–1.5
Liabilities to banks	0	4	–100.0
Liabilities from deliveries and services	14,528	12,975	12.0
Other liabilities	7,330	3,774	94.2
Provisions	1,475	1,366	8.0
Current liabilities			
Bonds	0	0	
Other provisions	284	286	–0.8
Tax liabilities	174	329	–47.2
Liabilities to banks	7	24	–71.6
Liabilities from deliveries and services	29,031	18,132	60.1
Other liabilities	9,700	13,965	–30.5
Balance sheet total	**141,902**	112,983	25.6

Equity increased significantly from 37.0 million Euro to 52.8 million Euro. Due to the sale of treasury shares to Provinzial, the capital reserve increased by around 12.3 million Euro. The purchase of treasury shares as part of the share buy-back program reduced the capital reserve by 1.1 million Euro.

Non-current liabilities also increased in the reporting year. While this item amounted to 43.3 million Euro in the previous year, non-current liabilities amounted to 49.9 million Euro at the end of 2023. This development is mainly due to an increase in other liabilities and Liablities from deliveries and services. Current liabilities rose from 32.7 million Euro to 39.2 million Euro. This increase is mainly due to the rise in Liablities from deliveries and services (+10.9 million Euro).

The equity ratio in the JDC Group rose to 37.2 percent (previous year: 32.7 percent) of total assets as of the balance sheet date.

Financial position

The cash flow statement shows how cash flow developed within the reporting period as a result of cash inflows and outflows.

Cash flow from operating activities rose from kEUR 7,567 to kEUR 18,032 in the financial year. This was mainly due to the increase in trade payables and other liabilities (+11.1 million Euro).

Cash flow from investing activities is negative at kEUR –13,264, but significantly higher than the previous year's figure of kEUR –3,236. This is mainly due to the higher payments for the acquisition of consolidated companies and financial assets, which had a significant impact of 9.2 million Euro.

Financing activities resulted in a cash flow of kEUR 4,922, which was mainly influenced by equity injections of 13.1 million Euro and less the reduction of the bond in the amount of 4.4 million Euro.

Cash and cash equivalents at the end of the financial year amounted to kEUR 26,362.

The financial resources were always more than sufficient in the reporting year. Short-term liquidity is secured by means of monthly liquidity planning. In the following year, the Group will again make partial loan repayments in accordance with the contract, which can be made from sufficient liquidity.

The equity ratio on the reporting date was 37.2 percent (previous year: 32.7 percent). As of the reporting date, medium and long-term liabilities accounted for 35.2 percent (previous year: 38.3 percent) of total assets, or 49.9 million Euro in absolute terms, of which 19.3 million Euro was attributable to a corporate bond.

Income position

Income statement in kEUR	31/12/2023 kEUR	31/12/2022 kEUR	Changes 2022 to 2023 in %
Revenue	171,714	156,080	10.0
Gross profit	52,890	47,794	10.7
Gross profit margin in %	30.8	30.6	
Total costs	47,050	44,880	4.8
EBITDA	11,726	8,966	30.8
EBITDA margin in %	6.8	5.7	
EBIT	5,839	2,914	>100
EBIT margin in %	3.4	1.9	
Group result	**3,832**	939	>100

The past financial year was very gratifying for JDC Group AG. Despite all the adversities, the earnings situation and the consolidated result have once again improved significantly.

Group revenue rose by 10 percent to 171.7 million Euro (previous year: 156.1 million Euro) thanks to strong core business and the integration of new major customers.

Commission expenses increased by 9.9% to 122.3 million Euro compared to the previous year (111.3 million Euro).

The resulting gross profit increased from 47.8 million Euro in the previous year to 52.9 million Euro in the current financial year. In relation to revenues, the margin is 30.8 percent (previous year: 30.6 percent).

Of the other costs, 28.8 million Euro (previous year: 27.2 million Euro) is attributable to personnel costs and 12.3 million Euro (previous year: 11.6 million Euro) to other operating expenses. The annual average number of employees (full-time equivalent) – considering the acquisition of the Top Ten Group – was 394 (previous year: 388).

Depreciation and amortization for the financial year decreased to 5.9 million Euro (previous year: 6.1 million Euro).

The largest items within other operating expenses were IT costs at 4.6 million Euro (previous year: 4.5 million Euro), other expenses at 1.9 million Euro (previous year: 1.2 million Euro), legal and consulting costs at 1.2 million Euro (previous year: 1.2 million Euro), advertising and travel expenses at 1.4 million Euro (previous year: 1.4 million Euro) and occupancy costs at 0.7 million Euro (previous year: 0.7 million Euro).

Overall, EBITDA increased to 11.7 million Euro (previous year: 9.0 million Euro). At 5.8 million Euro, EBIT doubled compared to the previous year (2.9 million Euro). The result from ordinary activities increased significantly from 1.1 million Euro to 3.8 million Euro.

SEGMENT REPORTING

Advisortech segment

The Advisortech segment developed positively across the board. Revenues improved significantly and, at 150.9 million Euro, were around 13.5 percent higher than in the previous year (132.9 million Euro). EBITDA also increased significantly and, at 11.9 million Euro, was almost 2.5 million Euro higher than in the previous year (9.5 million Euro). EBIT also improved significantly to 7.6 million Euro after 5.0 million Euro in the previous year.

Advisory segment

Revenues in the Advisory segment fell short of expectations due to the difficult conditions. At 33.2 million Euro, segment income was just below the previous year's figure of 34.7 million Euro. However, EBITDA rose to 3.1 million Euro compared to 2.6 million Euro in the previous year. In turn, EBIT rose to 1.9 million Euro after 1.3 million Euro in the previous financial year.

Holding segment

Revenues in the Holding segment rose from 2.1 million Euro in the previous year to 2.3 million Euro in the reporting year. At -3.3 million Euro after –3.1 million Euro, EBITDA was also slightly below the previous year's figure, as was EBIT at –3.6 million Euro after –3.4 million Euro.

OPPORTUNITIES AND RISK REPORT

The future business development of the Group involves all opportunities and risks associated with the distribution of financial products and the acquisition, management and sale of companies. The risk management system of JDC Group AG is designed to identify risks at an early stage and to minimize them by deriving appropriate measures. Financial instruments are used exclusively for hedging purposes. In order to identify potential problems in the affiliated companies and their shareholdings at an early stage, key ratios are queried and assessed. Monthly, weekly and daily reports are prepared on sales, revenue and the liquidity situation. The management receives a daily overview of the key sales and liquidity figures.

JDC Group AG is managed by means of a monthly reporting system that includes the key performance indicators and takes particular account of the liquidity situation. In addition, the Executive Board is informed about the current liquidity situation on a daily basis.

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

— In the context of brokering financial products and insurance policies, it cannot be ruled out that expenses may be incurred as a result of cancellations that are not covered by corresponding recovery claims against the brokers. With the increase in insurance revenues at JDC, receivables management for the realization of such recovery claims is becoming increasingly important.
— JDC can be held liable for clarification or consulting errors by sales partners. Whether in individual cases the risks are then covered by the existing insurance coverage or the claims for recovery against intermediaries cannot be presented in a generalized manner.
— Due to the persistently volatile capital markets and the difficulty in forecasting product sales, great demands must be placed on liquidity management. A lack of liquidity could become an existential problem.
— JDC is increasingly in the focus of the capital market. In addition, JDC counts more and more large corporations among its customers. If the company’s image were to be damaged, this could lead to a loss of revenues.

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

— The Company’s business success is fundamentally dependent on the development of the national economy.
— The development of national and global financial and capital markets is of considerable relevance to JDC’s success. Persistent volatility or negative developments may have a negative impact on JDC’s earnings power.
— The stability of the legal and regulatory framework in Germany and Austria is of great importance. In particular, short-term changes in the framework conditions for financial services companies, intermediaries and financial products can have a negative impact on JDC’s business model.

— Various trouble spots around the world are causing uncertainty with regard to economic development. Energy prices may become more expensive or inflation may be fueled again. This can have a negative impact on companies' willingness to invest and lead to a reluctance to spend on the part of consumers. If this development materializes, it will have a negative impact on JDC's earnings power.

Relevant **regulatory risks** are as follows:

— The implementation of the European DSGVO (General Data Protection Regulation) affects all German companies, but especially companies in the financial services sector that work with personal data to a particular extent. Here, we are affected by extensive information and documentation obligations. As the digitalization of the insurance industry is still in its infancy, many processes at JDC still have to be handled manually. This increases the risk of data mishaps due to human error.

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.

The management sees the **opportunities** as follows: Many financial product distributors are currently financially weakened. As a result, the financial resources of many competitors are exhausted and the pressure to consolidate is increasing - from which the major market players, including the JDC Group companies, are benefiting.

In 2023, JDC Group AG was able to set the course for the coming years. With the purchase agreement concluded in January for the acquisition of significant parts of the Top Ten Financial Network Group and the software solution acquired in the process, the product portfolio in the areas of asset management, liability umbrella solutions and label funds was expanded in a targeted manner. In addition, the experienced digital platform manager Marcus Rex was appointed to the Executive Board of JDC Group AG with effect from June 1, 2023. He will be responsible for marketing and sales as well as the key account business. In the third quarter, JDC also signed exclusive cooperation agreements for the insurance business of the savings banks in the business area of Versicherungskammer Bayern (VKB) and SparkassenVersicherung (SV). This means that almost 300 of the approximately 350 savings banks in Germany will have access to JDC's services in future.

In the view of the Executive Board, all of this will lead to a further overall positive development of the investments of JDC Group AG and thus also of JDC Group AG itself in the financial year 2024.

OUTLOOK

Economic outlook

Higher interest rates, persistent inflation and the ongoing war in Ukraine will continue to weigh on the economy in the new year. However, inflation is falling faster than expected in most regions. The IMF recently predicts that overall global inflation will fall to 5.8 percent in 2024 and to 4.4 percent in 2025, paving the way for a soft landing. According to initial forecasts, global growth is expected to remain at 3.1 percent in the reporting year and then rise again for the first time in 2025.

By contrast, the forecasts for Germany are mixed. While the ifo Institute expects economic growth of 0.9 percent, the German Economic Institute anticipates a decline in gross domestic product. The decisive factor here will be the further development of general conditions. As the construction industry is still suffering from increased financing costs and many companies are holding back on investments due to the depressed order situation, overall economic demand and the further development of inflation will have a decisive influence on this year‘s development.

Markets and sector outlook

The positive mood on the stock markets continued at the start of 2024: fund sales got off to a positive start in 2024, the DAX reached new record highs and uncertainty has decreased as the effects of the war in Ukraine and other geopolitical tensions have now been priced in. Nevertheless, the difficult global conditions and the numerous trouble spots facing the German economy cannot be ignored, so it is currently impossible to predict how the capital markets will develop overall.

OUTLOOK FOR THE JDC GROUP

Expected business performance

The assessment of the JDC Group's expected business performance for 2024 is based on the economic assumptions presented in the Group management report. The continuing difficult global conditions could also have an impact on the JDC Group's financial position, net assets and results of operations in the new financial year. The corporate planning is therefore based on very detailed surveys and, in the view of JDC Group AG, realistic assumptions.

In 2024, the JDC Group will focus on a significant and sustainable improvement in its operating business. In 2024, the Group will continue to focus on

- growth in the Asset Management division,
- growth and thus the scaling of the platform and
- optimization of internal processes and cost management.

In 2024, the company expects revenues to grow to 205 million Euro to 220 million Euro and EBITDA of 14.5 million Euro to 16.0 million Euro on the basis of cooperation agreements already concluded.

Overall, the Executive Board expects business to develop positively for the Group as a whole.

Wiesbaden, March 20, 2024

Dr. Sebastian Grabmaier　　Ralph Konrad　　Marcus Rex

Supervisory Board and Executive Board

Supervisory Board and Executive Board

Report of the Supervisory Board

DEAR SHAREHOLDERS,

Report of the Supervisory Board

the Supervisory Board regularly monitored and advised the Executive Board related to its work in the 2023 financial year based on the detailed written and verbal reports submitted by the Executive Board. The Supervisory Board was involved in all decisions of material importance to the company. In addition, there was a regular exchange of information between the Chairman of the Supervisory Board and the Chairman of the Executive Board as well as the other members of the Executive Board. In this way, the Supervisory Board was always informed about the intended business policy, corporate planning including financial, investment and personnel planning, the profitability of the company and the course of business as well as the situation of the company and the Group.

Where the approval of the Supervisory Board was required by law, the articles of association or the rules of procedure for management decisions or measures, the members of the Supervisory Board discussed and approved the proposed resolutions at the meetings. The economic situation and development prospects of the Group and its subsidiaries described in the Report of the Executive Board as well as corporate management and planning issues were discussed in detail, as were the reports on risk, liquidity and capital management, significant legal disputes and transactions and events of considerable importance to the company.

Activity report

In the 2023 financial year, the Supervisory Board held a total of seven meetings, both in person and via Microsoft Teams. In addition, two Supervisory Board resolutions were passed by written circulation procedure. The average attendance rate at Supervisory Board meetings in the 2023 financial year was 97.8 percent.

The Supervisory Board's activities, which it dealt with in several meetings, focused on the further development of organic growth and the associated key account projects as well as the strategic planning of inorganic growth.

Meeting on March 14, 2023

The Executive Board reported on the preliminary business figures for 2022 as well as the current business performance of the individual units and the Group as a whole. In 2022, the slightly downwardly revised guidance was achieved and the Group companies made a successful start to 2023. The guidance for the current year 2023 was discussed. The Executive Board and Supervisory Board continued to discuss options for inorganic growth. The Supervisory Board's attendance rate at this meeting was 100 percent.

Meeting on March 27, 2023 (balance sheet meeting – via Teams)

The subject of the second meeting in the presence of the auditor was the deep discussion of the 2022 annual report of JDC Group AG and the audit reports previously sent to the Supervisory Board members and the 2022 consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). Another topic was the detailed discussion of the updated risk report. For organizational reasons, the Supervisory Board also approved the establishment of a new service company. The attendance rate of the Supervisory Board at this meeting was 80 percent.

Resolution on April 17, 2023

The Supervisory Board resolved by written circulation procedure to appoint Marcus Rex to the Executive Board of JDC Group AG, whom the Supervisory Board had met in previous discussions and at the meeting on March 27, 2023. The participation rate of the Supervisory Board was 100 percent.

Extraordinary meeting on June 7, 2023 (via Teams)

The Supervisory Board approves the agenda for the convening of the 2023 Annual General Meeting and approves the termination agreement with Stefan Bachmann effective as of June 30, 2023. The attendance rate of the Supervisory Board was 100 percent.

Meeting on June 21, 2023 (via Teams)

At the third regular meeting, the Supervisory Board first dealt with the April figures for JDC Group AG and its individual companies. The results are developing positively and individual FiNUM companies are on target. Discussions focused on organic growth and further projects for inorganic growth. The acquisition of Dirr & Kollegen GmbH was approved unanimously. A loan to the seller was discussed for a further inorganic growth opportunity. The Supervisory Board approved this model subject to certain conditions. The participation rate of the Supervisory Board was 100 percent.

Meeting on September 13, 2023 (via Teams)

At the fourth regular meeting, the Supervisory Board and Executive Board were first educated by lawyer Stefan Behrendt on the subject of insider trading. The Executive Board then presented the results for the month of July 2023. The figures for the first half of the year were very pleasing and liquidity continues to increase. The Supervisory Board also discussed organic and inorganic growth. The Supervisory Board unanimously approved the sale of treasury shares. The Supervisory Board also unanimously approved the acquisition of the remaining shares in Plug-InSurance GmbH. The attendance rate of the Supervisory Board was 100 percent.

Resolution on October 4, 2023

The Supervisory Board resolved by written circulation procedure to approve the resolution of the Executive Board of JDC Group AG on the issue of a bearer bond by Jung, DMS & Cie. Pool GmbH. With the resolution approved by the Supervisory Board, the Executive Board of JDC Group AG gave its consent to the resolution of the Executive Board of Jung, DMS & Cie. AG and the management of Jung, DMS & Cie. Pool GmbH dated October 4, 2023, to issue a bearer bond 2023/2028. The participation rate of the Supervisory Board was 100 percent.

Extraordinary meeting on November 10, 2023 (via Teams)

The Executive Board reports on the start of a new share buyback program. The Supervisory Board unanimously approved the Executive Board's resolution of 10 November 2023 on the implementation of a share buyback program. The participation rate of the Supervisory Board was 100 percent.

Meeting on December 13, 2023 (per Teams)

At this meeting, the Executive Board reported on the current figures and the forecast for 2023. The main topic of the meeting was the planning for 2024, which was presented by the Executive Board and unanimously approved by the Supervisory Board after intensive discussion. In another item on the agenda, the Executive Board provided information on organic and inorganic growth. Sustainability risks were included in the risk report for the first time and are now discussed regularly on a quarterly basis.
The participation rate of the Supervisory Board was 100 percent.

Overall, the Supervisory Board participated in the decisions of the Executive Board within the scope of its legal and statutory responsibilities and satisfied itself of the legality, regularity, and efficiency of the company's management. No audit measures pursuant to Section 111 (2) sentence 1 of the German Stock Corporation Act (AktG) were required in the 2023 financial year.

The Supervisory Board did not form any committees during the reporting period.

Changes in the Supervisory Board of JDC Group AG

There were no changes to the Supervisory Board of JDC Group AG in 2023.
Mr. Michael Schlieckmann from Provinzial attended the last meeting of 2023 as a guest.
As of December 31, 2023, the Supervisory Board of JDC Group AG thus consisted of six members: Jens Harig (Chairman), Prof. Dr. Markus Petry (Deputy Chairman), Markus Drews, Dr. Igor Radovic, Dr. Peter Boße and Claudia Haas.

Audit of the annual and consolidated financial statements 2023

The consolidated financial statements and the Group management report were prepared in accordance with International Financial Reporting Standards (IFRS). The annual report and management report were prepared in accordance with the provisions of the German Commercial Code (HGB). The annual and consolidated financial statements as well as the management report and Group management report for the 2023 financial year were audited by Dr. Merschmeier + Partner GmbH, Wirtschaftsprüfungsgesellschaft, Münster, who were elected by the Annual General Meeting on July 20, 2023, and appointed by the Supervisory Board, and issued with an unqualified audit opinion.

The unqualified audit opinions for the consolidated and annual financial statements for the 2023 financial year were signed jointly by auditors Michael Jäger and Wolfgang Scheiper on March 21, 2024/March 14, 2024.

The aforementioned documents and the auditor's reports were made available to the members of the Supervisory Board. The Supervisory Board examined the documents relating to the annual and consolidated financial statements itself and discussed them in the presence of the auditor at the meeting on March 21, 2024. The auditor reported on the key findings of its audit. The results of the audit did not give rise to any objections. The annual financial statements of JDC Group AG and the consolidated financial statements prepared by the Executive Board were approved by the Supervisory Board, as were the Group management report and the management report of JDC Group AG. The annual financial statements are thus adopted.

Thanks to the Executive Board and employees

The Supervisory Board would also like to thank the Executive Board and all employees of JDC Group AG and the entire Group for their commitment and performance in the past financial year, which was very successful.

For the Supervisory Board
Wiesbaden, March 21, 2024

Jens Harig
Chairman of the Supervisory Board

EXECUTIVE BOARD

Dr. Sebastian Grabmaier

Grünwald
Executive Board Chairman – CEO

Dr. Sebastian Grabmaier is chairman of the JDC Group AG Executive Board and is responsible for the business units Corporate Strategy, Corporate Communications and Investors Relations, Legal/Compliance, Procurement and Sales. Dr. Sebastian Grabmaier is Managing Director of Jung, DMS & Cie. AG and FiNUM. Finanzhaus AG.

He studied law at the Ludwig Maximilian University, Munich, and the University of Chicago, receiving a doctorate in law (Dr. jur.) in 2001. Having worked in law firms in Munich and Sydney from 1992 onwards, he joined the Allianz Group in 1999, succeeding in various positions up to 2001 including that of assistant to the Executive Board and branch manager at Allianz Private Krankenversicherung AG. In parallel, he continued to study at the University of St. Gallen in Switzerland, the Vlerick-Leuven Business School in Belgium and the University of Nyenrode in the Netherlands, graduating with an MBA in Financial Services & Insurance in 2002.

Ralph Konrad

Wiesbaden
Executive Board – CFO

Ralph Konrad has a degree in business studies (Dipl.-Kfm.) and his Executive Board responsibility covers Finance, Internal Audit, IT, Legal, Compliance, Mergers & Acquisitions, Data Protection and Investment Management. Ralph Konrad is also managing director of the JDC Group subsidiaries Jung, DMS & Cie. AG and JDC Geld.de GmbH.

After two years of corporate consultancy work in the SME sector (studying in parallel for some of the time), Ralph Konrad worked for three years at a venture capital company of the savings banks, initially as a project assistant and subsequently as project manager. In these roles, he implemented growth and venture financing projects. Ralph Konrad then set up a holding company based in Cologne as a partnership, where he was the sole Executive Board member for a period of four years.

Ralph Konrad has been a member of the JDC Group Executive Board since September 2005. He has more than 20 years of experience in the private equity industry and has played an active role in IPOs, mergers and acquisitions and company restructuring projects.

Ralph Konrad, CFO, CIO

„Despite a slow start to the year, 2023 was a very challenging year in operational terms. Around 500,000 contracts were sent to us by our intermediaries through a so-called portfolio transfer and around 150,000 new applications were concluded via the JDC platform. These are absolute record figures and we will continue to grow in 2024. I am very proud of our entire team, with whom we are mastering this growth.“

Marcus Rex
Kümmersbruck
Executive Board – CMO, CSO

As an experienced digital platform expert, Marcus Rex is responsible for sales, marketing, product management for insurance, financing and occupational pension plans, the service center, project- and sales-partner management.

He has more than 25 years of experience in various management positions in banking, insurance and financial services. This includes eight years as Senior Vice President at Interhyp AG, where he was responsible for building up the private customer business and later the intermediary business. As CEO Germany, he introduced the Bayview Lending Group in Miami, to the German market. As founding CEO, he established a real estate financing distribution business through franchising. Before Marcus Rex was appointed to the Executive Board of Hypoport's wholly owned subsidiary SmartInsurTech AG in January 2019, he spent three years as Managing Director of PlanetHome Group GmbH, where he was responsible for the real estate financing and installment loan business as well as Group Marketing. Before joining the Executive Board of JDC Group AG in June 2023, he was responsible for Hypoport's further growth in the insurance platform segment as Chief Sales Officer Insurance Market at the beginning of 2021.

SUPERVISORY BOARD

Jens Harig
Kerpen
Independent entrepreneur
Chairman

Prof. Dr. Markus Petry
Wiesbaden
Holder of the chair of financial services controlling at the business school Wiesbaden
Vice Chairman

Dr. Peter Boße
Bruckmühl
Bereichsleiter IT Versicherungskammer Bayern

Markus Drews
Cologne
Businessman
(until February 23, 2024)

Dr. Igor Radovic
Cologne
Executive Board Member Canada Life Assurance Europe plc

Claudia Haas
Mainz
Chief Market Officer Norther Europe Region, Coface NL D

Consolidated financial statements

Consolidated income statement

		Notes	01/01/ – 31/12/2023 kEUR	01/01/ – 31/12/2022 kEUR
1.	Revenues	[1]	171,714	156,080
2.	Capitalised services	[2]	1,725	1,440
3.	Other operating income	[2]	1,773	1,591
4.	Commission expenses	[3]	–122,322	–111,317
5.	Personnel expenses	[4]	–28,837	–27,235
6.	Depreciation and amortisation of tangible and intangible assets	[5]	–5,887	–6,052
7.	Other operating expenses	[6]	–12,327	–11,593
8.	Income from participations	[7]	5	0
9.	Share in the result of associated companies	[7]	–14	–309
10.	Income from securities	[7]	2	0
11.	Financial Income	[7]	375	46
12.	Impairment losses of financial instruments	[7]	–9	–8
13.	Financial expenses	[7]	–2,421	–1,541
14.	**Operating profit/loss**		**3,777**	1,102
15.	Income tax expenses	[8]	72	–129
16.	Other tax expenses	[8]	–18	–34
17.	**Net profit**		**3,832**	939
	of which attributable to minorities		67	38
	thereof attributable to parent company's shareholders		3,765	901
18.	**Earnings per share**	[9]	**0.28**	0.07

Consolidated statement of comprehensive income

	01/01/ – 31/12/2023 kEUR	01/01/ – 31/12/2022 kEUR
Profit or loss for the period	**3,832**	939
Other income		
In following periods in the profit and loss account to be reclassified into other result	0	0
Profits/losses from the revaluation of defined benefit plans	–22	90
In following periods in the profit and loss account to be reclassified into other result	–22	90
Other income after taxes	–22	90
Total income after taxes	**3,810**	1,029
Attributable to		
Minorities	67	38
Parent company‘s shareholders	3,743	991

Segment reporting

	Advisortech		Advisory	
	2023 kEUR	2022 kEUR	**2023 kEUR**	2022 kEUR
Segment income				
Revenues	150,850	132,854	33,220	34,720
of which with other segments	1,030	980	11,542	10,514
Total segment income	**150,850**	132,854	**33,220**	34,720
Capitalised services	1,725	1,440	0	0
Other income	1,048	1,517	686	70
Segment expenses				
Commission expenses	–112,288	–98,707	–22,172	–23,685
Personnel expenses	–19,995	–18,856	–5,104	–5,103
Depreciation and amortisation	–4,338	–4,460	–1,192	–1,259
Other	–9,422	–8,763	–3,543	–3,425
Total segment expenses	**–146,043**	–130,786	**–32,011**	–33,471
EBIT	**7,580**	5,024	**1,895**	1,319
EBITDA	**11,918**	9,484	**3,087**	2,577
Income from investments	5	0	0	0
Income from at-equity valuation	–14	–309	0	0
Other interest and similar income	715	516	6	32
Yield on other securities	2	0	0	0
Depreciation of financial assets	–9	–8	0	0
Other interest and similar expenses	–2,586	–1,795	–596	–619
Financial result	**–1,887**	–1,597	**–590**	–588
Segment earnings before tax (EBT)	**5,693**	3,427	**1,305**	731
Tax expenses	347	271	–294	–439
Segment net profit from continuing operations	**6,041**	3,698	**1,011**	292
Segment net profit from discontinued operations	0	0	0	0
Minority interests	67	38	0	0
Segment net profit after minority interests	5,973	3,660	1,011	292
Additional information				
Investments in tangible and intangible assets	7,872	2,485	908	250
Shares in companies accounted for using the equity method	787	1,164	0	0
Other non-cash itemised expenses except for scheduled depreciation	–1,400	–1,884	–224	–1,358
Scheduled depreciation	–4,344	–4,460	–1,192	–1,259
Unscheduled depreciation	0	0	0	0
Total segment assets	**91,565**	80,419	**14,394**	12,978
Total segment liabilities	**73,907**	63,300	**14,902**	14,522

	Holding		Total reportable segments		Transfer		Total	
	2023 kEUR	2022 kEUR	**2023 kEUR**	2022 kEUR	**2023 kEUR**	2022 kEUR	**2023 kEUR**	2022 kEUR
	2,317	2,067	186,388	169,641	–14,674	–13,561	171,714	156,080
	2,102	2,067	14,674	13,561	–14,674	–13,561	0	0
	2,317	2,067	**186,388**	169,641	**–14,674**	–13,561	**171,714**	156,080
	0	0	1,725	1,440	0	0	1,725	1,440
	47	11	1,781	1,598	–8	–8	1,773	1,591
	0	0	–134,460	–122,392	12,138	11,075	–122,322	–111,317
	–3,737	–3,276	–28,837	–27,235	0	0	–28,837	–27,235
	–357	–333	–5,887	–6,052	0	0	–5,887	–6,052
	–1,906	–1,899	–14,870	–14,087	2,544	2,493	–12,327	–11,593
	–6,000	–5,508	**–184,054**	–169,765	**14,682**	13,568	**–169,372**	–156,197
	–3,635	–3,429	**5,839**	2,914	**0**	0	**5,839**	2,914
	–3,279	–3,096	**11,727**	8,966	**0**	0	**11,726**	8,966
	0	0	5	0	0	0	5	0
	0	0	–14	–309	0	0	–14	–309
	938	970	1,660	1,517	–1,285	–1,472	375	46
	0	0	2	0	0	0	2	0
	0	0	–9	–8	0	0	–9	–8
	–524	–598	–3,706	–3,013	1,285	1,472	–2,421	–1,541
	414	371	**–2,062**	–1,813	**0**	0	**–2,062**	–1,813
	–3,221	–3,058	**3,777**	1,101	**0**	0	**3,777**	1,102
	1	6	55	–163	0	0	55	–163
	–3,220	–3,052	**3,832**	938	**0**	0	**3,832**	939
	0	0	0	0	0	0	0	0
	0	0	67	38	0	0	67	38
	–3,220	–3,052	3,765	900	0	0	3,765	901
	189	292	8,969	3,027	0	0	8,969	3,027
	0	0	787	1,164	0	0	787	1,164
	317	–454	–1,307	–3,696	0	0	–1,307	–3,696
	–357	–333	–5,893	–6,052	0	0	–5,893	–6,052
	0	0	0	0	0	0	0	0
	77,625	57,038	**183,584**	150,435	**–41,682**	–37,452	**141,902**	112,983
	28,384	24,778	**117,193**	102,600	**–28,070**	–26,588	**89,123**	76,012

Consolidated balance sheet

Assets

	Notes	31/12/2023 kEUR	31/12/2022 kEUR
Non-current assets			
Intangible assets	[10]	69,177	64,052
Fixed assets	[11]	8,717	4,869
Financial assets	[12]	3,378	856
Shares in associated companies	[12]	787	757
		82,059	70,534
Deferred taxes	[8]	3,411	2,518
Non-current assets			
Accounts receivable	[13]	1,055	1,134
Other receivables and other assets	[13]	869	304
		1,925	1,438
Total non-current assets		**87,394**	74,490
Current assets			
Accounts receivable	[14]	24,453	17,601
Receivables from associated companies	[14]	295	0
Other receivables and other assets	[14]	3,289	4,220
Securities	[14]	110	0
Means of payment	[15]	26,362	16,672
Total current assets		**54,508**	38,493
Total assets		**141,902**	112,983

Liabilities

	Notes	31/12/2023 kEUR	31/12/2022 kEUR
Equity			
Subscribed capital	[16]	13,668	13,668
Own shares	[16]	–65	–687
Capital reserves	[16]	38,000	26,472
Other retained earnings	[17]	238	516
Other equity components	[17]	858	–3,036
Equity of the owners of the parent company	[17]	52,700	36,933
Non-controlling interests	[17]	105	38
Total equity		**52,805**	36,971
Non-current liabilities			
Deferred taxes	[8]	7,212	5,502
Bonds	[18]	19,357	19,655
Liabilities due to banks	[18]	0	4
Accounts payable	[18]	14,528	12,975
Other liabilities	[18]	7,330	3,774
Provisions	[19]	1,475	1,366
Total non-current liabilities		**49,902**	43,276
Current liabilities			
Other provisions	[20]	284	286
Tax liabilities	[20]	174	329
Liabilities due to banks	[20]	7	24
Accounts payable	[20]	29,031	18,132
Other liabilities	[20]	9,700	13,965
Total current liabilities		**39,195**	32,736
Total equity and liabilities		**141,902**	112,983

Consolidated cash flow statement

			01/01/– 31/12/2023 kEUR	01/01/– 31/12/2022 kEUR	Changes compared to previous year kEUR
1.		Result for the period	3,832	939	2,893
2.	+	Depreciation and amortisation of fixed assets	5,893	6,052	–159
3.	–/+	Decrease/increase of provisions	–1,381	–58	–1,323
4.	–/+	Other non-cash itemised income/expenses	74	283	–209
5.	–/+	Profit/loss from disposals of fixed assets	0	0	0
6.	–/+	Increase/decrease of inventories, accounts receivable as well as other assets	–1,282	1,079	–2,361
7.	–/+	Decrease/increase of accounts payable as well as other liabilities	11,062	–601	11,663
8.	–/+	Gezahlte / erstattete Ertragssteuern	–166	–127	–39
9.	**=**	**Cash flow from operating activities**	**18,032**	7,567	10,465
10.	+	Cash receipts from disposals of intangible assets	9	20	–11
11.	–	Cash payments for investments in intangible assets	–3,233	–1,946	–1,287
12	+	Cash receipts from disposals of fixed assets	179	44	135
13.	–	Cash payments for investments in intangible assets	–1,180	–150	–1,030
14.	+	Cash receipts from disposals of financial assets	179	344	–165
15.	–	Cash payments for investments in financial assets	–2,501	–1,548	–953
16.	+	Cash receipts from the disposal of consolidated companies	0	0	0
17.	–	Cash payments for the acquisition of consolidated companies	–6,717	0	–6,717
18.	–	Cash payments for investments funds within the borders of short-term finance disposition	0	0	0
19.	+	Cash receipts from investments funds within the borders of short-term finance disposition	0	0	0
20.	**=**	**Cash flow from investment activities**	**–13,264**	–3,236	–10,028
21.	+	Cash receipts/payment to equity	13,053	0	13,053
22.	–	Payments from the purchase of own shares	–1,178	–3,163	1,985
23.	+	Cash receipts from issuance of bonds	20,000	0	20,000
24.	–	Payments from the redemption of bonds	–24,400	0	–24,400
25.	+	Cash receipts from borrowings	0	0	0
26.	–	Cash payments from loan redemptions	–12	–3,954	3,942
27.	–	Auszahlungen für die Ausschüttungen von Ergebnisanteilen	–31	0	–31
28.	–	Payments for the repayment part of the rental and leasing obligations	–1,417	–1,116	–301
29.	–	Paid interests	–1,093	–1,332	239
30.	**=**	**Cash flow from financing activities**	**4,922**	–9,565	14,487
31.		Changes in cash and cash equivalents (total of pos. 9,20,30)	9,690	–5,234	14,924
32.	+	Cash and Cash equivalents at the beginning of the period	16,672	21,906	–5,234
33.	**=**	**Cash and Cash equivalents at the end of the period**	**26,362**	16,672	9,690

Breakdown of cash and cash equivalents	31/12/2023	31/12/2022	
Cash and cash in banks	26,362	16,672	9,690
Current liabilities due to banks	0	0	0
	26,362	16,672	9,690

Consolidated statement of changes in equity

	Number of shares	Sub-scribed capital kEUR	Number of own shares	Capital reserve kEUR	Other retained earnings kEUR	Other equity components kEUR	Non-control-ling interests kEUR	Total equity kEUR
As of 01/01/2022	**13,668,461**	**13,668**	**–505**	**29,153**	**425**	**–3,921**	**0**	**38,820**
Results as of 31/12/2022						901	35	936
Other results								0
Total					**0**	**901**	**35**	**936**
Repurchase of own shares			–182	–2,980				–3,162
Capital increase								0
Stock options granted				299				299
Other equity changes					91	–13		78
As of 31/12/2022	**13,668,461**	**13,668**	**–687**	**26,472**	**516**	**–3,033**	**35**	**36,971**
As of 01/01/2023	**13,668,461**	**13,668**	**–687**	**26,472**	**516**	**–3,033**	**35**	**36,971**
Results as of 31/12/2023						3,765	67	3,832
Other results					–22			–22
Total					**–22**	**3,765**	**67**	**3,810**
Repurchase of own shares			–65	–1,113				–1,178
Sale of own shares			687	12,366				13,053
Capital increase								0
Stock options granted				308				308
Release of reserve					–250			–250
Other equity changes				–33	–6	127		91
As of 31/12/2023	**13,668,461**	**13,668**	**–65**	**38,000**	**238**	**859**	**105**	**52,805**

Notes to the consolidated financial statements

1 General information

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

The Company was entered in the commercial register of the Wiesbaden Local Court (HRB 22030) on October 06, 2005 under the name Aragon Aktiengesellschaft. The Annual General Meeting on July 24, 2015 resolved to change the company's name to JDC Group AG, which was executed with the entry in the Commercial Register on July 31, 2015.

The registered office of the company is Wiesbaden. The address is:

Söhnleinstrasse 8
65201 Wiesbaden
Federal Republic of Germany

JDC Group shares are listed in the Open Market (Scale) sub-segment.

The Executive Board prepared the consolidated financial statements on March 20, 2024 and will release them for publication on March 28, 2024. The consolidated financial statements for the financial year 2023 relate to the parent company and its subsidiaries on a consolidated basis.

1.1 DECLARATION OF COMPLIANCE BY THE EXECUTIVE BOARD

The consolidated financial statements of the JDC Group for the financial year 2023 as well as the previous year are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as applicable in the European Union (EU). The term IFRS also includes the International Accounting Standards (IAS) still in force. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as applicable in the EU and mandatory for fiscal year 2023 have also been applied. In the following, the term IFRS is used consistently.

JDC Group AG is not a parent company within the meaning of Section 315e (1) or (2) of the German Commercial Code (HGB) that is required to prepare consolidated financial statements in accordance with IFRS. JDC Group AG prepares the IFRS consolidated financial statements voluntarily in accordance with Section 315e (3) HGB. The supplementary provisions of commercial law to be observed pursuant to Section 315e (1) HGB have been taken into account.

The fiscal year 2023 of the Group companies covers the period from January 1 to December 31, 2023.

2 Summary of significant accounting policies

2.1 ACCOUNTING PRINCIPLES

The consolidated financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, 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 using uniform accounting policies applicable to the Group. The consolidated financial statements are presented in euros (EUR), the functional currency of the Group. Unless otherwise stated, all figures are rounded to the nearest thousand euros (kEUR). The consolidated income statement has been prepared using the nature of expense method. The consolidated financial statements have been prepared consistently for the periods presented herein in accordance with the following consolidation, accounting and valuation principles.

The consolidated financial statements have been prepared on a historical cost basis, except that derivative financial instruments and available-for-sale financial assets are stated at fair value.

2.1.1 Standards, interpretations and amendments to standards and interpretations to be applied for the first time in the financial year

The accounting methods applied generally correspond to the methods applied in the previous year, with the following exceptions.

JDC Group AG applied the new and revised IASB pronouncements listed below for the first time in the financial year ended January 1, 2023:

IFRS 17 INSURANCE CONTRACTS (INCLUDING THE AMENDMENTS FROM JUNE 2020 AND DECEMBER 2021)

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 Insurance Contracts.

IFRS 17 describes a general model that is modified for insurance contracts with direct participation features („variable fee approach"). If certain criteria are met, the general model is simplified by measuring the liability for the remaining insurance cover using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and makes an explicit assessment of the cost of this uncertainty. It takes into account market interest rates and the effects of policyholder options and guarantees.

The first-time application of the standard had no impact on the consolidated financial statements, as no corresponding insurance contracts are held.

AMENDMENTS TO IAS 1 AND IFRS GUIDANCE DOCUMENT 2 DISCLOSURE OF ACCOUNTING POLICIES

The amendments change the requirements in IAS 1 with regard to the disclosure of accounting policies. The amendments replace all places where the term „significant accounting policies“ was used with „material information about accounting policies“. Information about accounting policies is material if, together with other information included in an entity‘s financial statements, it could reasonably be expected to influence decisions that the primary users of IFRS financial statements make on the basis of those financial statements.

It also clarifies that information about accounting policies relating to immaterial transactions, other events or conditions is immaterial and therefore not required to be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all information about accounting policies that relates to significant transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain the application of the four-step process model contained in IFRS Practice Statement 2.

The changes had no material impact on the consolidated financial statements.

AMENDMENTS TO IAS 12 DEFERRED TAXES RELATING TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

The amendments further restrict the scope of the initial recognition exemption for deferred taxes. Accordingly, an entity does not apply the exemption to transactions that give rise to taxable and deductible temporary differences of the same amount.

Depending on the applicable tax law, the same taxable and deductible temporary differences may arise on initial recognition of an asset and a liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss. This may be the case, for example, when recognizing a lease liability and the corresponding right-of-use asset when applying IFRS 16 Leases at the inception of the lease.

Following the amendments, an entity is now required to recognize the corresponding deferred tax assets and liabilities, whereby the recognition of a deferred tax asset is subject to the recoverability criteria in IAS 12 Income Taxes.

The changes had no material impact on the consolidated financial statements, as the previous accounting treatment could be retained due to the previous allocation of the tax deduction to the right of use.

AMENDMENTS TO IAS 12 INTERNATIONAL TAX REFORM – PILLAR 2 MODEL RULES

The amendments introduce a temporary exemption from accounting for deferred taxes in IAS 12, so that the recognition of deferred taxes is excluded from the scope of the standard due to the structure of supplementary taxes under the Pillar 2 minimum taxation regime. Additional disclosures in the notes are also required, depending on the status of implementation of the minimum taxation requirements in the respective national tax law.

The changes had no impact on the consolidated financial statements.

AMENDMENTS TO IAS 8 DEFINITION OF ACCOUNTING ESTIMATES

Previously, IAS 8 only contained a definition of a change in accounting estimates, but not a definition of an accounting estimate itself. According to the new definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainties.

The previous definition of a change in accounting estimates has been deleted. However, the IASB has retained the concept of changes in accounting estimates in the standard with the following clarifications:

- A change in an accounting estimate resulting from new information or new developments is not an error correction.
- The effects on an accounting estimate due to a change in an input or a valuation technique constitute a change in an accounting estimate, unless they result from the correction of errors from previous periods.

The changes had no material impact on the consolidated financial statements.

2.1.2 Standards, interpretations and amendments published but not yet implemented

Standards published up to the date of publication of the consolidated financial statements but not yet mandatory are listed below. The Group intends to apply these standards when they come into force.

AMENDMENTS TO IFRS 10 AND IAS 28 SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

The amendments address a conflict between the requirements of IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements. They clarify that in the case of transactions with an associate or joint venture, the extent to which profit or loss is recognized depends on whether the assets sold or contributed constitute a business in accordance with IFRS 3. The IASB has since postponed the date of initial application of the amendments indefinitely.

To date, transactions with associates or joint ventures in the Group have not included a business within the meaning of IFRS 3, but only individual assets. The Group therefore assumes that the amendments to IFRS 10 and IAS 28 will have no impact on consolidated net income. The amendments are to be applied for financial years beginning on or after January 1, 2024.

AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, the IASB published amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current.
The amendments clarify the following:

- The right to postpone the fulfillment of a debt is explained.
- The right to defer settlement of a liability must exist on the balance sheet date.
- For classification purposes, it is irrelevant whether the company expects that it will actually exercise this right.
- Only if a derivative that is embedded in a convertible debt instrument is an equity instrument to be accounted for separately do the terms of the debt instrument not have to be taken into account when classifying it.

The amendments apply to financial years beginning on or after January 1, 2024, and are to be applied retrospectively. The Group is currently examining what impact the amendments will have on current accounting practice.

AMENDMENTS TO IFRS 16 LEASE LIABILITY IN A SALE AND LEASEBACK TRANSACTION

The amendments include requirements for the subsequent measurement of leases as part of a sale and leaseback (SLB) for seller-lessees. Accordingly, in the subsequent measurement of lease liabilities under an SLB, the payments expected at the beginning of the term must be determined in such a way that profit realization in relation to the retained right of use is excluded. In each period, the lease liability is reduced by the underlying expected payments and the difference to the actual payments is recognized in profit or loss.

The amendments are mandatory for the first time for financial years beginning on or after January 1, 2024. The amendments will not have a material impact on the consolidated financial statements, as the Group does not generally enter into sale and leaseback agreements with variable lease payments.

AMENDMENTS TO IAS 7 AND IFRS 7 SUPPLIER FINANCE ARRANGEMENTS

The amendments add a further disclosure objective to IAS 7 Statement of Cash Flows, which requires an entity to disclose information about its supplier finance arrangements that enables users of financial statements to evaluate the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 Financial Instruments: Disclosures was amended to include financing arrangements with suppliers as an example in the requirements to disclose information regarding an entity's liquidity risk.

The term “supplier finance arrangements” is not defined. Instead, the features that characterize such agreements are described.
To meet the disclosure objective, an entity shall disclose the following information in aggregate for its supplier financing arrangements:

- the terms of the agreements
- for liabilities that are part of such an agreement, their carrying amount and the balance sheet item in which they are recognized
- the carrying amount and balance sheet items of the liabilities for which the suppliers have already received payments from the financial services provider
- the range of due dates both for financial liabilities that are part of these agreements and for comparable trade payables that are not part of such agreements
- Information on liquidity risk

The amendments, which contain specific transitional relief for first-time application, must be applied for the first time for financial years beginning on or after January 1, 2024. The Group is currently examining what effects the changes will have on current accounting practice.

AMENDMENTS TO IAS 21 LACK OF EXCHANGEABILITY OF A CURRENCY

The amendments require an entity to apply a consistent approach in assessing whether a currency is not exchangeable and, if so, in determining the exchange rate to be used and the disclosures required in the notes.

The amendments are mandatory for the first time for financial years beginning on or after January 1, 2025. The Group does not expect the application of the amendments to have a material impact on the consolidated financial statements, as transactions are not generally conducted in non-exchangeable currencies.

2.2 INFORMATION REGARDING CONSOLIDATION

2.2.1 Reporting entity

In addition to JDC Group AG, the consolidated financial statements generally include all subsidiaries in which JDC Group AG holds the majority of voting rights or over which it otherwise has the power to exercise control, in accordance with IFRS 10.

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, Top Ten Investment Consulting GmbH, Vienna/Austria, Top finanziert GmbH, Vienna/Austria, FiNUM.Private Finance AG, Vienna/Austria, benefit consulting GmbH, Vienna/Austria, JDC Group Austria GmbH GmbH, Vienna/Austria, Fund Development and Advisory, Buochs/Switzerland and JDC-B-Lab, Triesen/Liechtenstein, the subsidiaries are domiciled in Germany. In addition to the parent company, the consolidated financial statements include the direct subsidiaries and the subgroups Jung, DMS & Cie. Aktiengesellschaft, FiNUM.Private Finance Holding GmbH, Wiesbaden and JDC Group Austria GmbH, Vienna.

The adjacent table shows the scope of consolidation of JDC Group AG.

MEG AG, Kassel, is not included in the consolidated financial statements due to lack of control. FVV GmbH, Wiesbaden, is not included in the consolidated financial statements due to its immateriality.

A list with the complete list of shareholdings of JDC Group AG can be found in Annex 3 to these Notes and is filed with the electronic company register.

2.2.2 Principles of consolidation

Subsidiaries are entities in which JDC Group AG holds, either directly or indirectly, more than half of the voting rights. Control in this sense of IFRS 10 exists when JDC Group AG can use its power of disposition to influence the amount of return.

Under IFRS, all business combinations must be accounted for using the purchase method. Capital consolidation was performed as of the date of acquisition using the purchase method. The date of acquisition is the date on which the Group obtains control by assuming the risks and rewards of ownership. Under the purchase method, the purchase price of the acquired shares is offset against the pro rata fair value of the acquired assets and liabilities and contingent liabilities of the subsidiary at the acquisition date. The relevant values are those at the date on which control over the subsidiary was obtained. Any positive difference arising from the offsetting is capitalized as derivative goodwill. Any negative difference is recognized immediately in profit or loss after reassessment of the identifiable assets, liabilities and contingent liabilities.

When acquiring additional shares in companies that are already included in the consolidated financial statements as subsidiaries, the difference between the purchase price and the proportionate share of equity acquired is recognized as goodwill.

Subsidiaries

	Capital share in %	Date of first-time consolidation
1. JDC Group-Konzern		
Jung, DMS & Cie. Aktiengesellschaft, Munich	100.0	31/03/2004
JDC Group Austria GmbH, Vienna/Austria	100.0	01/10/2009
FiNUM.Private Finance Holding GmbH, Wiesbaden	100.0	01/10/2011
JDC B-LAB GmbH, Triesen/Liechtenstein	100.0	01/01/2018
2. Sub-group Jung, DMS & Cie. Aktiengesellschaft		
Jung, DMS & Cie. GmbH, Vienna/Austria	100.0	31/03/2004
Jung, DMS & Cie. Pool GmbH, Wiesbaden	100.0	07/05/2004
Jung, DMS & Cie. Pro GmbH, Wiesbaden	100.0	17/01/2008
JDC plus GmbH, Wiesbaden	100.0	01/10/2013
JDC Geld.de GmbH, Wiesbaden	100.0	01/09/2010
MORGEN & MORGEN GmbH, Rüsselsheim	100.0	01/08/2022
BB-Wertpapierverwaltungsgesellschaft mbH, Augsburg	75.1	01/07/2022
Jung, DMS & Cie. Pro Service GmbH, Wiesbaden	100.0	01/05/2023
Plug-InSurance GmbH, Wiesbaden	100.0	01/10/2023
DFP Deutsche Finanzportfolioverw. GmbH, Nuremberg	100.0	01/12/2023
Top Ten Investment-Vermittlungs AG, Nuremberg	100.0	01/12/2023
Top Ten Investment Consulting, Vienna/Austria	100.0	01/12/2023
Fund Development and Advisory, Buochs/Schweiz	100.0	01/12/2023
3. Sub-group FiNUM.Private Finance Holding GmbH, Vienna/Austria		
FiNUM.Private Finance AG, Vienna/Austria	100.0	31/12/2009
Top finanziert GmbH GmbH, Vienna/Austria	100.0	01/09/2011
benefit consulting GmbH, Vienna/Austria	100.0	01/04/2022
4. Sub-group FiNUM.Private Finance Holding GmbH		
FiNUM.Private Finance AG, Berlin	100.0	31/12/2011
FiNUM.Finanzhaus AG, Munich	100.0	12/07/2013
FiNUM.Pension Consulting GmbH, Wiesbaden	100.0	01/09/2012

In the case of investments of less than 100 % in the equity of the subsidiary, minority interests are to be taken into account. In the case of consolidation using the revaluation method, the equity attributable to minority interests is increased by the proportionate hidden reserves. Any hidden reserves and liabilities identified when measuring assets and liabilities at fair value in the course of initial consolidation are carried forward, amortized or reversed in subsequent periods in line with the development of the assets and liabilities. Derivative goodwill is allocated to the relevant cash-generating unit and regularly tested for impairment in subsequent periods and, if impaired, written down to the lower recoverable amount.

Income and expenses of a subsidiary are included in the consolidated financial statements from the date of acquisition. Income and expenses of a subsidiary remain included in the consolidated financial statements until the date on which control by the parent ceases. The difference between the proceeds from the disposal of the subsidiary and its carrying amount is recognized in the consolidated statement of income as a gain or loss on disposal of the subsidiary at the date of disposal. Expenses and income, receivables and liabilities, as well as results between the companies included in the consolidated financial statements are eliminated.

Associates are entities over which JDC Group AG or one of its subsidiaries has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the profits and losses of associates, calculated using the equity method, from the date that significant influence commences until the date that significant influence ceases. Investments in associates are initially recognized at the Group's share of the revalued assets (plus any goodwill), liabilities and contingent liabilities. Goodwill arising from the application of the equity method is not amortized. The carrying amount of the investment resulting from the application of the at-equity method is reviewed for impairment whenever there is an indication that the investment may be impaired. Unrealized gains and losses on transactions with these entities are eliminated on a pro rata basis. Where the Group's share of losses exceeds the carrying amount of the investment in the associate, this is recognized as zero. Additional losses are accounted for by recognizing a liability to the extent that JDC Group AG has incurred economic and legal obligations or made payments on behalf of the associate.

Intragroup balances and transactions and unrealized gains on intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains on transactions with associates are eliminated to the extent of the Group's interest in the associate; unrealized losses are treated in the same way as unrealized gains, but only when there is no indication of impairment of the carrying amount of the investment.

Deferred taxes are recognized on consolidation adjustments recognized in profit or loss in accordance with IFRS.

2.3 Currency translation

Foreign currency transactions are translated into euros at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies existing at the balance sheet date are translated into euros at the closing rate. Exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value at the balance sheet date were translated into euros using the exchange rate at the date when the fair value was determined.

2.4 INTANGIBLE ASSETS

2.4.1 Goodwill

Goodwill can generally arise from the purchase of parts of a company, the acquisition of subsidiaries, associated companies and joint ventures. In the case of business combinations, goodwill is calculated using the provisions of IFRS 3 as the excess of the cost of the investment over the acquired share of the revalued equity of the acquired company.

Goodwill is tested for impairment at least annually on the basis of the recoverable amount of the cash-generating unit and, in the event of impairment, written down to the recoverable amount ("impairment only" approach). The impairment test must also be performed whenever there are indications that the cash-generating unit is impaired.

For the purpose of impairment testing, goodwill acquired in a business combination must be allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. This applies regardless of whether other assets or liabilities of the acquiree have already been allocated to those units or groups of units.

If the carrying amount of the cash-generating unit to which the goodwill has been allocated exceeds its recoverable amount, the goodwill allocated to this cash-generating unit must be impaired and written down by the difference. Impairment losses on goodwill may not be reversed. If the impairment loss on the cash-generating unit exceeds the carrying amount of the goodwill allocated to it, the excess impairment loss must be recognized by reducing the carrying amounts of the assets allocated to the cash-generating unit on a pro rata basis. The recoverable amount of a cash-generating unit is determined based on its value in use or fair value less costs to sell. The value in use is generally calculated using the discounted cash flow (DCF) method. These DCF calculations are based on forecasts that are based on the financial plans approved by the Executive Board and are also used for internal purposes. The planning horizon selected reflects the assumptions for short- to medium-term market developments. Cash flows beyond a forecast period of generally 3 years are calculated using appropriate growth rates. Key assumptions on which the determination of fair value less costs to sell is based include assumptions regarding the number of contracts brokered, gross margin, cash outflows for operating activities, growth rates and discount rate. In addition, external information is included in the cash flow calculations. In order to determine the fair value less costs to sell, market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is applied. This is based on valuation multiples or other available fair value indicators.

Each unit or group of units to which goodwill has been allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than an operating segment as defined in IAS 8. For IAS 36, operating segments before aggregation are considered the upper limit of a group.

2.4.2 Other intangible assets

Other intangible assets acquired from Group companies, for example software and licenses or customer base, are measured at cost plus incidental acquisition costs (for example software customizing), less accumulated amortization and impairment losses (cf. also Note 3.1.3). 3.1.5).

Internally generated software is capitalized at cost to the extent that a clear allocation of expenses is possible and both the technical feasibility and the internal use (or marketing) of the intangible asset are assured and the development activity is sufficiently likely to lead to a future economic benefit. Capitalized development costs comprise all costs directly attributable to the individual software development and pro rata overheads. Internally generated intangible assets are capitalized less accumulated amortization and impairment losses (see Note 3.1.5). 3.1.5). Research expenditure and borrowing costs are not capitalized, but are expensed as incurred.

Amortization of other intangible assets with finite useful lives is calculated using the straight-line method over their estimated useful lives. Amortization begins when the intangible asset is available for use.

The expected useful life is for:

Self-created software	5 years
“Compass”, “World of Finance”, “allesmeins”, “Portal GELD.de” and “iCRM”	
Purchased software	3 years
Licenses	1 to 10 years
Customer base	10–15 years

The useful lives and depreciation methods are reviewed at least at each annual reporting date. If expectations differ from previous estimates, the corresponding changes are recognized as changes in accounting estimates in accordance with IAS 8.

Intangible assets are impaired if the recoverable amount - the higher of the asset‘s fair value less costs to sell and its value in use - is lower than the carrying amount.

As part of the acquisition of the activities relating to Geld.de, intangible assets (domain) with indefinite useful lives were acquired; no amortization was recognized in this regard.

2.4.3 Shares in associated companies

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over the decision-making processes.

The considerations used to determine significant influence are similar to those required to determine control of subsidiaries. The Group's investment in an associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of the net assets of the associate or joint venture since the date of acquisition. Goodwill associated with the associate is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment.

The income statement includes the Group's share of the associate's profit or loss for the period. Changes in other comprehensive income of these investees are recognized in other comprehensive income of the Group. In addition, changes recognized directly in equity of the associate are recognized by the Group to the extent of its interest and, where necessary, presented in the statement of changes in equity. Unrealized gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate or joint venture.

The Group's total share of profit or loss of an associate is not presented in the income statement as part of operating profit and relates to profit or loss after tax and after non-controlling interests in the subsidiaries of the associate.

The financial statements of the associated company are prepared as of the same reporting date as the financial statements of the Group. Where necessary, adjustments are made to conform to uniform Group accounting policies. After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in an associate. It assesses at each reporting date whether there is objective evidence that the investment in the associate is impaired. If any such indication exists, the amount of the impairment loss is measured as the difference between the asset's recoverable amount and the carrying amount of the investment in the associate, and the loss is recognized in profit or loss under „Share of profit or loss of associates and joint ventures“.

Upon loss of significant influence over an associate, the Group measures any investment it retains in the former associate or joint venture at fair value. Differences between the carrying amount of the investment in the associate at the date of loss of significant influence or joint control and the fair value of the investment retained and the proceeds on disposal are recognized in the income statement.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses in accordance with the cost model.

Cost includes the purchase price and directly attributable costs to bring the asset to its intended working condition, as well as the estimated costs of demolition and removal of the item.

Subsequent expenditures are capitalized only when it is probable that the economic benefits associated with the expenditure will flow to the asset concerned and the cost can be measured reliably. All other expenses, such as maintenance expenses, are expensed as incurred. Borrowing costs are not capitalized.

Depreciation on property, plant and equipment is calculated using the straight-line method over the expected useful lives of the assets. In the year of acquisition, property, plant and equipment are depreciated on a pro rata temporis basis.

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term.

The expected useful life is for:

IT hardware/devices	2 to 5 years
Business equipment	5 to 13 years
Exhibition stands	6 years
Car	6 years
Office equipment	12 to 13 years
Leasehold improvements	4 to 25 years

If an item of property, plant and equipment consists of several components with different useful lives, the individual significant components are depreciated over their individual useful lives.

On disposal of an item of property, plant and equipment, or when no further economic benefits are expected from its use or disposal, the carrying amount of the item is derecognized. The gain or loss on derecognition of an item of property, plant and equipment is the difference between the net disposal proceeds and the carrying amount of the item and is recognized in other operating income or other operating expenses at the time of derecognition.

The residual carrying amounts, useful lives and depreciation methods of assets are reviewed at least at each annual reporting date. If expectations differ from previous estimates, the corresponding changes are accounted for as changes in accounting estimates in accordance with IAS 8.

2.6 LEASED ITEMS

The Group has entered into rental and lease agreements for various office buildings, motor vehicles and operating and office equipment.

All leases (with the exception of short-term leases and leases where the underlying asset is of low value) are recognized and measured using a single model. Liabilities to make lease payments and rights of use for the right to use the underlying asset are recognized.

The Group recognizes rights of use at the date of commitment (i.e., the date when the underlying leased asset is available for use). Rights-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. The cost of rights-of-use assets includes the recognized lease liability, the initial direct costs incurred, and lease payments made at or before the time the asset is made available for use, less any lease incentives received. Rights-of-use assets are amortized on a straight-line basis over the shorter of the lease term or the expected useful life of the asset as follows. Leases for office buildings are concluded for up to ten years, while the lease term for vehicles is between three and four years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost includes the exercise of a purchase option, depreciation is determined based on the expected useful life of the leased asset.

At the commitment date, the Group recognizes lease liabilities at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including de facto fixed payments) less any lease incentives to be received, variable lease payments linked to an index or (interest) rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it, and penalties for termination of the lease if the term takes into account that the Group will exercise the termination option. Variable lease payments that are not linked to an index or (interest) rate are expensed in the period in which the event or condition giving rise to the payment occurs.
recognized (unless they are caused by the production of inventories).

In calculating the present value of lease payments, the Group uses its marginal borrowing rate at the commitment date, as the interest rate underlying the lease cannot be readily determined. After the commitment date, the amount of the lease liability is increased to reflect the higher interest expense and decreased to reflect lease payments made. In addition, the carrying amount of the lease liability is remeasured for changes in the lease, changes in the lease term, changes in the lease payments (e.g., changes in future lease payments as a result of a change in the index or interest rate used to determine those payments), or a change in the assessment of a call option on the underlying asset.

The Group's lease liabilities are included in other liabilities (see 3.2.4 and 3.2.6).

The Group applies the exception for short-term leases (i. e., leases with a lease term beginning on or after provision date is twelve months or less and that do not include a purchase option). It also applies the exemption for leases based on an asset of low value to leases for office equipment that are classified as low-value. Lease payments for short-term leases and for leases that have an asset value of minor value are recognized as an expense on a straight-line basis over the term of the lease.

2.7 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

Non-current assets and disposal groups held for sale are classified as such if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are measured at the lower of carrying amount or fair value less costs to sell. These assets are no longer depreciated or amortized. Impairment losses are generally only recognized for these assets if the fair value less costs to sell is below the carrying amount. In the event of a subsequent increase in fair value less costs to sell, the previously recognized impairment loss must be reversed. The reversal is limited to the impairment losses previously recognized for the assets concerned.

2.8 IMPAIRMENT IN VALUE OF INTANGIBLE ASSET ITEMS AND PROPERTY, PLANT AND EQUIPMENT

Impairment is determined by comparing the carrying amount with the recoverable amount. The recoverable amount of assets is the higher of an asset's fair value less costs to sell and its value in use. For assets to which no cash flows can be directly allocated, the recoverable amount must be determined for the cash-generating unit to which the asset belongs.

At each reporting date, an assessment is made as to whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or cash-generating unit is determined. The corresponding impairment loss is recognized in profit or loss.

If the reasons for previously recognized impairment losses no longer apply, the impairment losses are reversed. However, impairment losses are reversed only to the extent that the carrying amount of an asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized. Goodwill is not written up.

The recoverable amount of the cash-generating units is generally determined using a discounted cash flow method. This involves using financial budgets to make projections of cash flows that are expected to be generated over the estimated useful life of the asset or cash-generating unit. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. The internal pre-tax interest rate was applied in the amount of 7.0 % (previous year: 5.5 %).

The cash flows determined reflect management's assumptions.

2.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include, in particular, held-to-maturity investments, non-derivative and derivative financial assets held for trading, trade receivables, other loans and receivables, and cash and cash equivalents. Financial liabilities regularly give rise to a right of return in cash or another financial asset. These include in particular bonds, trade accounts payable, liabilities to banks and derivative financial liabilities.

Financial instruments are generally recognized as soon as the JDC Group becomes a party to the contractual provisions of the financial instrument.

On initial recognition, financial assets are classified for subsequent measurement either as at amortized cost (AC), at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL). The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets.

The Group's business model for managing its financial assets reflects how an entity manages its financial assets to generate cash flows. Depending on the business model, cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both. The JDC Group makes purchases of financial assets exclusively with the aim of collecting contractual cash flows. This means that sales before maturity are generally excluded and all financial assets are classified under the "hold" business model.

The category "Financial assets measured at amortized cost (debt instruments)" is the most significant for the consolidated financial statements. The Group measures financial assets at amortized cost if both of the following conditions are met:

— The financial asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows, and
— the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

Financial assets measured at amortized cost are measured in subsequent periods using the effective interest method and are to be tested for impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets measured at amortized cost include the following items trade receivables and other receivables recognized under other assets.

The Group recognizes an allowance for expected credit losses (ECL) on all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows to be paid under the contract and the total cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are an integral part of the contractual terms.

Expected credit losses are recognized in two steps. For financial instruments for which the risk of default has not increased significantly since initial recognition, an allowance for credit losses is recognized in the amount of the expected credit losses based on a default event within the next twelve months (12-month ECL). For financial instruments whose default risk has increased significantly since initial recognition, an entity shall recognize a loan loss provision in the amount of the expected credit losses over the remaining term to maturity, irrespective of when the default event occurs (total maturity ECL).

For trade receivables and other assets, the Group applies a simplified method to calculate expected credit losses. Therefore, it does not track changes in credit risk, but instead records an allowance for credit losses at each reporting date based on the overall maturity ECL. The Group applies the simplified approach (loss rate approach). Under this approach, historical loss rates are determined for defined portfolios with the same risk characteristics. Criteria for portfolio formation are similar contractual terms of the assets and comparable counterparty characteristics. Expected losses are estimated on the basis of historical losses.

A financial instrument is derecognized when it is not reasonably certain that all or part of a financial asset will be recoverable, for example, after the termination of insolvency proceedings or after a court decision.

After initial recognition, financial liabilities are generally measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss upon derecognition and through the amortization process.

2.10 OTHER FINANCIAL INSTRUMENTS

2.10.1 Classification of the maturities for assets

An asset is classified as current if
- the realization of the asset is expected within the normal operating cycle or the asset is held for sale or consumption within this period,
- the asset is held primarily for trading purposes,
- the asset is expected to be realized within twelve months after the reporting date, or
- it is cash or cash equivalents, unless the exchange or use of the asset to settle a liability is restricted for at least twelve months after the reporting date.

All other assets are classified as non-current.
Deferred tax assets are classified as non-current assets.

2.10.2 Trade receivables

Trade accounts receivable and other current receivables are carried at amortized cost using the effective interest method, if applicable, less any necessary impairment losses. The impairment losses, which are recognized in the form of specific valuation allowances, take sufficient account of the expected default risks. Specific defaults result in the derecognition of the receivables concerned. Receivables from unbilled services relate to commission receivables from brokerage contracts. The income is recognized when the contract is concluded. All identifiable risks are taken into account.

2.10.3 Derivative financial instruments

Derivative financial instruments are used exclusively for hedging purposes in order to hedge interest rate risks resulting from operating, financing and investing activities. Derivative financial instruments are neither held nor issued for speculative purposes. Derivative financial instruments that do not meet the requirements of a hedging instrument (hedge accounting) must be classified as “financial assets and liabilities held for trading”. Derivative financial instruments with a positive fair value are then recognized at fair value upon addition and reported under the item “Securities” in current assets; derivative financial instruments with a negative fair value are reported under other current liabilities. If no market values are available, fair values must be calculated using recognized financial mathematical models. In subsequent periods, these are recognized in accordance with the fair value at the balance sheet date, with any resulting gains or losses being recognized in profit or loss.

For derivative financial instruments, the fair value is the amount that the JDC Group would receive or pay to terminate the financial instrument at the reporting date. This is calculated using the relevant interest rates, exchange rates and credit ratings of the contracting parties at the reporting date. Mid-market rates are used for the calculations. For interest-bearing derivative financial instruments, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes accrued interest. The fair values recognized correspond to the full fair value or the dirty price.

The decisive factor for the recognition of changes in fair value – recognition through profit or loss in the income statement or recognition directly in equity – is whether or not the derivative financial instrument is part of an effective hedging relationship. If there is no hedge accounting, the changes in the fair values of the derivative financial instruments must be recognized immediately in profit or loss. If, on the other hand, an effective hedging relationship exists, the hedging relationship is accounted for as such.

Depending on the type of hedged item, a distinction is made between **fair value hedges**, **cash flow hedges** and **hedges of a net investment in a foreign operation**.

JDC Group generally uses derivative financial instruments only to hedge interest rate risks resulting from operating activities, financial transactions and investments (interest rate swap); no derivative financial instruments were used as of the reporting date. The principles of accounting for a **cash flow hedge** are described below.

Cash flow hedges are used to hedge the exposure to variability in future cash flows from assets and liabilities recognized in the balance sheet or from highly probable forecast transactions. If a cash flow hedge exists, the effective portion of the change in value of the hedging instrument is recognized directly in equity (hedging reserve) until the gain or loss on the hedged item is recognized; the ineffective portion of the change in value of the hedging instrument is recognized in profit or loss.

IFRS 9 imposes strict requirements on the application of hedge accounting. These are met by the JDC Group as follows: At the inception of a hedge, both the relationship between the financial instrument used as a hedging instrument and the hedged item and the objective and strategy of the hedge are documented. This includes both the specific allocation of the hedging instruments to the corresponding assets or liabilities or (firmly agreed) future transactions and an assessment of the degree of effectiveness of the hedging instruments used. Existing hedges are continuously monitored for effectiveness. If a hedge becomes ineffective, it is immediately terminated.

2.10.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances with a remaining term of up to three months. These holdings are measured at amortized cost.

2.10.5 Financial liabilities

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition are also recognized for all financial liabilities that are not subsequently measured at fair value through profit or loss.

Trade accounts payable and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method.

In the case of financial liabilities, JDC Group has so far not made use of the option to designate these as financial liabilities at fair value through profit or loss upon initial recognition.

2.11 IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the carrying amounts of financial assets that are not measured at fair value through profit or loss are assessed to determine whether there is objective evidence of impairment, such as significant financial difficulties of the debtor, a high probability that insolvency proceedings will be initiated against the debtor, the disappearance of an active market, or significant changes in the economic or legal environment.

Any impairment loss resulting from a lower fair value compared with the carrying amount is recognized in profit or loss. If impairments of the fair values of available-for-sale financial assets were previously recognized directly in equity, they must be eliminated from equity up to the amount of the identified impairment and reclassified to profit or loss.

If, at subsequent measurement dates, it is determined that the fair value has objectively increased as a result of events that occurred after the impairment was recognized, the impairment losses are reversed through profit or loss in the corresponding amount. Impairment losses relating to unquoted equity instruments classified as available-for-sale and carried at cost may not be reversed. The fair value of held-to-maturity securities and the fair value of loans and receivables carried at cost to be determined in the impairment test corresponds to the present value of the estimated future cash flows discounted at the original effective interest rate. The fair value of unquoted equity instruments measured at cost is the present value of expected future cash flows discounted at the current interest rate that reflects the particular risk of the investment.

As a result of the introduction of IFRS 9, the possible defaults on receivables and other assets are divided into three levels, whereby the JDC Group makes use of the possible relief and combines levels 2 and 3.

In stages 2 and 3, the expected defaults over the entire term are estimated for all receivables and other assets. The average defaults of the last five years were determined for the estimate. For 2023, this means an expected default risk of 7% of the receivables in Levels 2 and 3.

Impairment losses under IFRS 9 are as follows:

Impairments in accordance with IFRS 9

	2023 kEUR	2022 kEUR
As of 1 January	319	410
Allowance for expected bad debt losses	366	319
Reversal	–319	–410
Exchange rate changes	0	0
As of 31 December	**366**	319

The impairments were recognized as long-term and shoert-term as of the reporting date:

thereof		
long-term	213	213
short-term	153	106
	366	319

2.12 LIABILITIES

2.12.1 Classification of the maturities for liabilities

A debt is classified as current if:

— settlement of the liability is expected within the normal operating cycle,
— the debt is held primarily for trading purposes,
— the liability is expected to be settled within twelve months after the balance sheet date, or
— the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other debt is classified as non-current.
Deferred tax liabilities are classified as non-current liabilities.

2.12.2 Other provisions

Other provisions are recognized in the consolidated statement of financial position when a legal or constructive obligation to a third party has arisen as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the expected provision. These provisions are measured at the expected settlement amount, taking into account all identifiable risks, and may not be offset against reimburse-ments. The settlement amount is calculated on the basis of a best estimate.

Non-current other provisions are recognized at their settlement amount discounted to the balance sheet date if the interest effect is material.

Changes in estimates of the amount or timing of payments or changes in the interest rate used to measure provisions for decommissioning, restoration and similar obligations are recognized in accordance with the change in the carrying amount of the corresponding asset. In the event that a reduction in the provision exceeds the carrying amount of the corresponding asset, the excess amount is recognized immediately as income.

2.12.3 Pension provisions

Retirement benefits in the Group are provided on the basis of defined benefit and defined contribution plans.

In the case of defined contribution plans, JDC pays contributions to state or private pension insurance providers on the basis of statutory or contractual provisions or on a voluntary basis. Once the contributions have been paid, JDC has no further benefit obligations. Obligations for contributions to defined contribution plans are recognized as an expense when the related service is rendered. Prepaid contributions are recognized as an asset to the extent that a right to reimbursement or reduction of future payments arises.

Provisions for pension obligations arising from defined benefit plans are measured using the projected unit credit method prescribed by IAS 19 “Employee Benefits”. The pension commitments are partly financed by reinsurance policies. Almost all reinsurance policies meet the requirements for plan assets, so that in the balance sheet according to IAS 19, the claims from reinsurance policies are netted against the corresponding pension provisions. The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current and prior periods. This amount is discounted and the fair value of any plan assets is deducted therefrom. For the valuation of pension obligations, JDC uses actuarial calculations to estimate the impact of future developments on the expenses and income as well as obligations and claims to be recognized from these plans. These calculations are based on assumptions regarding the discount rate, mortality and future pension increases. JDC bases the discount rate used to discount post-employment benefits on the interest rates of senior, fixed-rate corporate bonds.

Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income. The remeasurement includes actuarial gains and losses, the return on plan assets (excluding interest) and the effect of any asset ceiling (excluding interest). The Group determines the net interest cost (income) on the net defined benefit liability (asset) for the reporting period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period. This discount rate is applied to the net defined benefit liability (asset) at that date. This takes into account any changes that occur in the net defined benefit liability (asset) as a result of contribution and benefit payments during the reporting period. Net interest expense and other expenses relating to defined benefit plans are recognized in profit or loss.

2.12.4 Income tax liabilities

Income tax liabilities correspond to the expected tax liability resulting from taxable income for the period. This takes into account the tax rates that have been enacted or substantively enacted by the balance sheet date and the adjustment of taxes owed from previous periods.

2.12.5 Contingent liabilities and receivables

Contingent liabilities and assets are possible obligations or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events. Contingent liabilities are also present obligations that arise from past events, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or where the amount of the obligation cannot be reliably estimated.

Contingent liabilities are recognized at fair value if they are assumed as part of a business combination. Contingent assets are not recognized. If an outflow of economic benefits is not improbable, disclosures on contingent liabilities are made in the notes to the consolidated financial statements. This also applies to contingent assets if an inflow is probable.

2.12.6 Equity options

As remuneration for work performed, employees of the Group (including executives) receive share-based payment in the form of equity instruments (so-called equity-settled transactions). The cost of equity-settled transactions is measured at fair value at the grant date using an appropriate valuation model.

These costs, together with a corresponding increase in equity (other capital reserves), are recognized in employee benefit expense over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (vesting period). The cumulative expense recognized at each reporting date until the vesting date of the equity instruments reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will vest at the end of the vesting period. The income or expense recognized in profit or loss for the period is the change in the cumulative expense recognized at the beginning and end of the reporting period.

Service- and market-independent performance conditions are not taken into account when determining the fair value of compensation agreements at the grant date. However, the probability that the conditions will be met is assessed as part of the Group's best estimate of the number of equity instruments that will vest at the end of the vesting period. Market-based performance conditions are reflected in the fair value at grant date. If the terms of an equity-settled award are modified, an expense is recognized for at least the grant-date fair value of the unmodified award if the original vesting conditions of the award are satisfied. If a compensation agreement is cancelled by the Company or the counterparty, any remaining element of the fair value of the compensation agreement is immediately recognized in profit or loss.

The dilutive effect of outstanding stock options is included in the calculation of earnings per share (diluted) as an additional dilution.

2.13 INCOME AND EXPENSES

2.13.1 Income

Revenue is recognized when it is probable that an economic benefit will flow to the Group and the amount of the benefit can be measured reliably. For the main types of income of the Group this means:
Revenue from service transactions is recognized by reference to the stage of completion of the transaction at the balance sheet date. If the outcome of a service transaction cannot be estimated reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Acquisition commissions from the brokerage of financial products are recognized when the brokerage service has been rendered in accordance with the underlying contract. Portfolio commissions are recognized when the legal entitlement arises, while income from other services is recognized when the service has been rendered.

Interest is recognized as income over the period in which the principal is earned using the effective interest method, while dividends are recognized when the Group's right to receive payment is established.

2.13.2 Income taxes

Income taxes comprise current and deferred taxes. Current income taxes correspond to the expected tax liability resulting from taxable income for the period. This takes into account the tax rates that have been enacted or substantively enacted by the balance sheet date and adjustments to tax payable in respect of previous periods.

Deferred tax assets and liabilities are recognized for all taxable temporary differences between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base. Deferred taxes are measured on the basis of the regulations enacted by the legislature of the country in which the entity is domiciled at the end of the respective fiscal year for the fiscal years in which the differences are expected to reverse. Deferred tax assets on temporary differences are only recognized if it appears sufficiently certain that they will be realized in the near future. Deferred tax liabilities are recognized for temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, deferred tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and it affects neither accounting profit nor taxable profit or loss. Deferred taxes are recognized for temporary differences arising from the fair value accounting of assets and liabilities in connection with business combinations. Deferred taxes are only recognized on temporary differences relating to derivative goodwill if the derivative goodwill is also deductible for tax purposes.

Tax loss carryforwards result in the recognition of deferred tax assets when it is probable that future taxable profit will be available against which the loss carryforwards can be utilized.

2.13.3 Results from discontinued operations

IFRS 5 contains special measurement and disclosure requirements for discontinued operations held for sale and non-current assets held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets or disposal groups are classified as held for sale if their
carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is only the case if the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. In accordance with IFRS 5.32a, a subsidiary acquired exclusively with a view to disposal is to be classified
as discontinued operations.

In the income statement for the reporting period and the comparative period, income and expenses from discontinued operations are recognized separately from income and expenses from continuing operations and presented separately as income after taxes from discontinued operations. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized. For a subsidiary acquired exclusively with a view to resale, it is not necessary to present a breakdown of earnings after income, expenses and taxes in the notes.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale shall be presented separately from other assets in the statement of financial position. If the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale at the date of acquisition, disclosure of the major classes of assets and liabilities is not required. These assets and liabilities may be netted and presented as a separate amount.

2.14 SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The presentation of the net assets, financial position and results of operations in the consolidated financial statements is dependent on recognition and measurement methods and requires assumptions to be made and estimates to be used that affect the reported amounts of assets and liabilities, income and expenses, and contingent liabilities. The significant estimates and related assumptions listed below, as well as the uncertainties associated with the accounting policies selected, are critical to an understanding of the underlying financial reporting risks and the effects that these estimates, assumptions and uncertainties may have on the consolidated financial statements.

In individual cases, the actual values may differ from the assumptions and estimates made. Changes are recognized in profit or loss when better knowledge becomes available.

Significant assumptions and estimates relate to the following cases:

The measurement of **intangible assets and property, plant and equipment** involves estimates to determine the fair value at the acquisition date if they were acquired in a business combination. Furthermore, the expected useful life of the assets must be estimated. The determination of the fair values of assets and liabilities and the useful lives of assets is based on management's judgment. Internal development costs for internally generated software tools are capitalized upon entry into the development phase. Capitalized expenses are amortized over an expected useful life of six years from the date on which the asset is ready for use.

Share transfer agreements in the context of business combinations partly contain purchase price adjustment clauses based on future earnings of the acquired subsidiaries. The amount of the acquisition costs of these shares is estimated as best as possible at the time of initial consolidation on the basis of planning calculations. The actual purchase prices may differ from this estimate.

In the course of **determining the impairment of** intangible assets and property, plant and equipment, estimates are also made that relate, among other things, to the cause, timing and amount of the impairment. Impairment is based on a variety of factors. Generally, consideration is given to the development of the economic environment, changes in current competitive conditions, expectations regarding growth in the financial services industry, gross margin development, increases in the cost of capital, changes in the future availability of financing, current replacement costs, purchase prices paid in comparable transactions and other changes that indicate impairment. The recoverable amount and fair values are generally determined using the DCF method, which incorporates appropriate assumptions. The identification of indications of impairment, the estimation of future cash flows and the determination of the fair values of assets (or groups of assets) involve significant judgments that management is required to make with respect to the identification and testing of impairment indicators, expected cash flows, applicable discount rates, respective useful lives and residual values.

The determination of the **recoverable amount of a cash-generating unit** involves estimates by management. The methods used to determine the value in use and fair value less costs to sell include methods based on discounted cash flows and methods using quoted market prices as a basis. Significant assumptions on which management's determination of value in use and fair value less costs to sell is based include assumptions regarding the number of financial products brokered, gross margin development, lapse rate and broker retention costs. These estimates, including the methods used, may have a material impact on the determination of value in use and fair value and ultimately on the amount of goodwill amortization.

Management establishes allowances for **doubtful accounts** to account for expected losses resulting from customers' inability to pay. The bases used to assess the adequacy of the allowance are based on past charge-offs of receivables, the creditworthiness of customers, and changes in payment terms. In the event of a deterioration in the financial position of customers, the amount of actual losses on receivables may exceed the amount of the allowance recognized.

The expected current **income tax** must be calculated for each taxable entity in the Group and the temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the financial statements prepared for tax purposes must be assessed. Where temporary differences exist, these differences generally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management is required to make judgments in the calculation of current and deferred taxes. In order to assess the probability of future utilization of deferred tax assets, various factors have to be taken into account, such as past earnings, operational planning, loss carryforward periods, tax planning strategies. If actual results differ from these estimates or if these estimates have to be adjusted in future periods, this could have an adverse effect on the net assets, financial position and results of operations. If there is a change in the assessment of the recoverability of deferred tax assets, a write-down must be recognized in profit or loss.

The recognition and measurement of **provisions** and the amount of **contingent liabilities** involve estimates by the JDC Group to a considerable extent. Thus, the assessment of the probability of utilization as well as the quantification of the possible amount of the payment obligation is based on the estimation of the respective situation. If losses from pending transactions are imminent, provisions are recognized if a loss is probable and this loss can be reliably estimated. Due to the uncertainty associated with this assessment, actual losses may differ from the original estimates and thus from the amount of the provision. In addition, the determination of provisions for taxes, legal risks and cancellation reserves involves significant estimates. These estimates may change as a result of new information. In obtaining new information, JDC Group uses internal and external sources. Changes in estimates may have a significant impact on future earnings.

Revenue recognition of unbilled brokerage services is determined based on brokerage services rendered or brokerage income for the prior period. A change in estimates may result in differences in the amount and timing of revenue for subsequent periods.
in the amount and date of income may result for subsequent periods.

2.15 INVESTMENTS IN ASSOCIATED COMPANIES

Company acquisitions in 2023

ACQUISITION TOP TEN GROUP:

In December 2023, the Group acquired all shares in the Top Ten Group, consisting of
— Deutsche Finanz Portfolioverwaltung GmbH, Nuremberg
— Top Ten Investment-Vermittlungs AG, Nuremberg
— Top Ten Investment Consulting, Vienna / Austria
— Fund Development and Advisory AG, Buochs, Switzerland.

The JDC Group acquired the investment portfolio (customer base) of the Top Ten Group, and the existing sales structure was transferred to the Group with the acquisition.

The Top Ten Group offers services in the areas of investment advice, asset management and fund management. Using its own software solutions, Top Ten manages over 2 billion Euro in investment assets for around 1,000 brokers in the network.

The fair values of the identifiable assets and assumed liabilities of the Top Ten Group and the cash outflows are as follows:

Top Ten group	**30/11/2023 kEUR**
Total purchase price	**7,438**
Activated customer base	2,840
Other intangible assets	0
Goodwill	3,032
Property, plant and equipment	23
Financial assets	236
Acquired means of payment	2,801
Other assets	5,530
Provisions	–1,533
Deferred tax liabilities	–901
Other liabilities	–4,590
Total net assets	**7,438**
Total purchase price	7,438
of which settled by cash and cash equivalents in the period	6,438
Acquired means of payment	2,801
Cash outflow	**3,637**

Goodwill in the amount of kEUR 3,032 comprises the value of expected synergies from the company acquisition. The goodwill is allocated in full to the Advisortech segment. It is assumed that the goodwill recognized is not deductible for tax purposes.

Since the acquisition, the Top Ten Group has generated revenue of kEUR 4,582. The net profit for the period amounted to kEUR 372.

ACQUISITION OF PLUG-INSURANCE GMBH, MUNICH:

In June 2022, the Group had already acquired 50.0% of the shares in Plug-InSurance GmbH. In September 2023, further shares were acquired through additional purchases, bringing the stake to 100%. Plug-InSurance GmbH offers consulting support for company pension schemes via a portal solution.

The fair values of the identifiable assets and assumed liabilities of Plug-InSurance GmbH and the cash outflows are as follows:

Plug-InSurance GmbH	30/09/2023 kEUR
Total purchase price	**97**
Activated IT system (BAV portal)	200
Goodwill	4
Property, plant and equipment	1
Acquired means of payment	19
Other assets	55
Provisions	–1
Deferred tax liabilities	–63
Other liabilities	–118
Total net assets	**97**
Total purchase price	97
of which settled by cash and cash equivalents in the period	53
Acquired means of payment	19
Cash outflow	**34**

Since its acquisition, Plug-InSurance GmbH has generated revenue of kEUR 34. The result for the period amounted to kEUR 6.

THE FOLLOWING APPLIES TO ALL BUSINESS COMBINATIONS:

In the financial year 2023, i.e. beyond the period of inclusion in the Group, the two acquisitions generated revenue totaling 24.4 million Euro, with net profit for the year amounting to 0.3 million Euro.

3 Notes to the consolidated financial statements

3.1 NOTES TO THE CONSOLIDATED INCOME STATEMENT

Income by segments is shown in the segment report.

3.1.1 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:

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Initial commission		
Insurance products	101,096	83,452
Investment funds	12,529	12,661
Closed-end funds	4,216	6,061
Follow-up commission	31,276	29,404
Overrides	6,427	6,893
Construction financing	2,020	3,477
Fee-based advisory	2,958	3,386
Other income	11,190	10,746
Total	**171,714**	156,080

Total revenues of kEUR 171,714 in the year under review were 10.0 % higher than in the previous year (kEUR 156,080).

3.1.2 Other capitalised services/other operating income [2]

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Capitalised services	1,725	1,440
Reversal of impairments/income from receivables written off	0	1
Income from provision's release	971	639
Income from security sales	0	0
Income from statute-barred debt	46	202
Income from benefits in kind	52	47
Other operating income	704	702
Total	**3,498**	3,031

Other own work capitalized amounting to kEUR 1,725 (previous year: kEUR 1,440) mainly comprises the development of internally used software solutions (Compass, iCRM/iCRM-Web, allesmeins and the portal Geld.de), see note 3.2.1.1.1 Concessions and industrial property rights.

Miscellaneous other operating income of kEUR 1,773 (previous year: kEUR 1,591) mainly includes income of kEUR 971 (previous year: kEUR 639) from the reversal of provisions.

3.1.3 Commission expenses [3]

This item mainly includes commissions for independent brokers and commercial agents. Commissions increased by kEUR 11,005 year-on-year to kEUR 122,322 (previous year: kEUR 111,317) in line with the increase in revenues.

3.1.4 Personnel expenditure [4]

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Wages and salaries	23,980	22,642
Expense from stock options granted	307	300
Social security	4,550	4,293
Total	**28,837**	27,235

Personnel expenses mainly comprise salaries, emoluments and other compensation paid to the Executive Board and employees of the JDC Group.

With the approval of the Supervisory Board, the Executive Board has resolved and implemented the introduction of a stock option model from the 2021 financial year. The resulting personnel expenses amounted to kEUR 307 in the financial year (previous year: kEUR 300). For further information, please refer to para. 2.12.6 and para. 3.1.9.1.

Social security contributions mainly include the statutory contributions (social security contributions) to be borne by the employer.

The average number of employees in the financial year was 394 full-time equivalents (previous year: 388); the Group also employs an average of 19 trainees (previous year: 15).

3.1.5 Depreciation, amortisation and impairment charges [5]

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Depreciation and amortization of intangible assets	–3,971	–4,297
Purchased software	–608	–693
Internally developed software	–1,285	–1,573
Customer lists	–2,054	–2,007
Contract preparation costs	–24	–24
Other intangible assets	0	0
Depreciation and amortization of property and equipment	–1,916	–1,755
Leasehold improvements	0	0
Operating and office equipment	–367	–367
Rights of use rental and leasing	–1,549	–1,388
Total	–5,887	–6,052

The changes in intangible assets and property, plant and equipment are shown in annexes 1 and 2 of the notes.

As in the previous year, there were no impairment charges on property, plant and equipment.

3.1.6 Other operating expenses [6]

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Marketing costs	1,120	1,166
Travel costs	298	260
External services	918	975
IT costs	4,584	4,535
Occupancy costs	691	698
Vehicle costs	246	222
Office supplies	136	162
Fees, insurance premiums	957	889
Postage, telephone	361	312
Write-downs/impairments of receiveables	8	249
Legal and consulting costs	1,231	1,239
Training costs	132	110
Human resources	2	6
Supervisory boad compensation	96	94
Non-deductible input tax	14	88
Impairment IFRS 9	0	-7
Other	1,534	595
Total	**12,327**	11,593

Advertising expenses include expenses for trade fairs, customer events, printed matter and hospitality.

Outside services include expenses for agencies, outside workers, share support and general meetings.

IT costs include expenses for general IT operations (servers, clients, computer center), software leasing, scanning services, and software licenses where these cannot be capitalized.

Occupancy costs include expenses for ancillary rental costs, energy supply and cleaning costs. In accordance with IFRS 16, rental expenses are shown under depreciation of rights of use and interest expense from compounding of rights of use.

Vehicle costs include the expenses of the vehicle fleet. In accordance with IFRS 16, vehicle leasing is shown under depreciation of rights of use and interest expense from compounding of rights of use.

Expenses from insurance policies, contributions to professional associations and BaFin/FMA (Austria) fees are recognized under fees and insurance.

Legal and consulting costs include expenses for legal issues/legal advice, tax advice, annual financial statements and audit costs, and general accounting costs.

Due to the given sales structure and the non-taxable services contained therein, the JDC Group has an input tax deduction rate of approximately 13 %, this is recalculated annually due to ongoing shifts in the sales structure.

Measurement in accordance with IFRS 9 resulted in expenses from additional impairment losses of kEUR 0 (previous year: kEUR –7).

3.1.7 Financial result [7]

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Income from investments	5	0
Share of income from associated companies	–14	–309
Financial income	375	46
Impairment of goodwill	0	0
Income from securities	2	0
Impairment losses on financial instruments	–9	–8
Financial expenses	–2,421	–1,541
Accretion of rights of use	–309	–232
Interest on bond	–1,825	–1,264
Other interest expenses	–287	–45
Total	**–2,062**	–1,812

Interest expenses mainly include interest on the bond issued by the Group subsidiary Jung, DMS & Cie. Pool GmbH in the amount of kEUR 1,825 (previous year: kEUR 1,264) and interest from rights of use in accordance with IFRS 16 in the amount of kEUR 309 (previous year: kEUR 232).

The financial result is allocated to the following measurement categories in accordance with IFRS 7:

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Loans and receivables (AC)	366	–263
Securities until final maturity (AC)	–7	–8
Financial assets (AC)	0	0
Financial liabilities measured at amortised cost (AC)	–2,421	–1,541
Total	**–2,062**	–1,812

3.1.8 Income and other taxes [8]

The tax expenditure and income can be broken down as follows:

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Current income tax	–70	–223
Actual tax expense (tax income)	–122	–188
Actual income taxes relating to other periods	52	–35
Deferred taxes	142	94
Total income tax	**72**	–129
Other taxes	–18	–34
Total tax expenditure	**54**	–163

The changes in deferred income taxes relate exclusively to the current reporting year.

For the 2023 and 2022 financial years, the tax expense deviates from the effective values using the expected tax rate of 31.72 % (previous year 31.72 %) as follows:

	01/01/–31/12/2023 kEUR	01/01/–31/12/2022 kEUR
Earnings before income taxes	3,759	1,068
Calculated tax expense at expected tax rate (31.72% prev. yr.: 31.72%)	1,192	339
Share of profit of associates	–4	98
Other non-deductible expenses	95	95
Utilization of previously unrecognized tax losses	636	–232
Other	–1,847	–171
Income tax as stated in the income statement	**72**	129

The effective tax rate is 1.91 % (previous year: 12.06 %).

The change in deferred taxes has the following effects on the income statement:

	31/12/2023 kEUR	31/12/2022 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	–302	–403
Tax reimbursement claims from financial liabilities	1,189	–169
	888	–572
Deferred tax liabilities		
Intangible assets (software/customer base)	–1	117
Customer base	409	404
From other recognition differences	–1,153	145
	–745	666

The deferred tax assets and liabilities are attributable to the following accounts:

	31/12/2023 kEUR	31/12/2022 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	645	942
Tax reimbursement claims from financial liabilities	2,765	1,576
	3,411	2,518
Deferred tax liabilities		
Intangible assets (software/customer base)	905	841
Customer base	3,850	3,358
From other recognition differences	2,456	1,303
	7,212	5,502

Intangible assets relate to customer bases, software and contract initiation costs.

Deferred taxes were calculated for the domestic companies on the basis of the corporate income tax rate of 15.0 % plus solidarity surcharge of 5.5 % and the trade tax multiplier of the City of Wiesbaden of 454.0 % (combined income tax rate: 31.72 %).

The corporate income tax rate of 25.0 % applicable since 2005 was applied to the Austrian company.

The increase in deferred tax assets is mainly the result of capitalization within the scope of IFRS 16, in this case the corresponding liabilities. The increase in deferred tax liabilities also essentially results from capitalization in the context of IFRS16.

3.1.9 Earnings per share [9]

	2023 kEUR	2022 kEUR
Consolidated net income	3,765	901
Weighted average number of shares (number)	13,356,252	12,812,401
Own shares	65	687
Earnings per share in EUR diluted	**0,28**	0,07
Number of stock options granted	143,000	143,000
Number of ordinary shares weighted before dilution	13,213,252	12,669,401
Earnings per share adjusted for the dilution effect	**0,28**	0,07

The weighted average number of shares from 2023 includes the weighted average effect of treasury shares (2023) during the year.

No dividend payment was made in fiscal year 2023.

3.1.9.1 STOCK OPTIONS

Stock option plan 2018

At the Annual General Meeting on August 24, 2018, the Executive Board of the Company was authorized to issue subscription rights to up to 420,000 shares of the Company on one or more occasions until August 23, 2023, under the 2018 Stock Option Plan. The subscription rights have a term of 7 years with a waiting period of 4 years. The subscription rights can only be exercised after the end of the waiting period if the closing price of the JDC Group AG share in Xetra trading exceeds the subscription price by at least 25% on the last ten trading days prior to the day on which the subscription right is exercised. The subscription price corresponds to the average closing price of the JDC Group AG share in Xetra trading on the last five trading days prior to the respective allocation date.

A total of 90,000 subscription rights were granted to the Board of Management from the stock option plan on December 21, 2021, and a further 53,000 options for employees were added in 2022.

Development of subscription rights/share options

	2023 kEUR	2022 kEUR
Status as of January 01	143,000	90,000
In the reporting period:		
granted	0	53,000
forfeited	0	0
exercised	0	0
expired	0	0
Status as of 31 December	**143,000**	143,000

The subscription rights were measured using a binomial model taking into account the absolute performance target. The following parameters were included in the valuation of the subscription rights:

Valuation of subscription rights/stock options

	2022	2021
Number of options	53,000	90,000
Valuation date	18/01/2022	21/12/2021
Subscription price	24.28 €	23.80 €
Share price	24.50 €	24.60 €
Risk-free interest rate	–0.35 %	–0.52 %
Dividend yield	0,00 %	0,00 %
Expected volatility	43,00 %	43,00 %
Runtime	7 Jahre	7 Jahre
Fair value	8.76 €	8.51 €

The estimate for the expected volatility was derived from the historical share price development of JDC Group AG. The remaining term of the option rights was used as the time window.

The personnel expenses recognized in the financial year from the granting of stock options amounted to kEUR 307.

	2023 TEUR	2022 TEUR
Profit/loss attributable to holders of ordinary shares in the parent company		
continuing operations	3.765	901
discontinued operations	0	0
Profit/loss attributable to holders of ordinary shares in the parent company for calculation of basic earnings	3.765	901
Weighted average number of ordinary shares for calculation of basic earnings per share	13.213.252	12.669.401
Effect of dilution arising from		
stock options	143.000	143.000
convertible preference shares	0	0
Weighted average number of ordinary shares, adjusted for effect of dilution	13.356.252	12.812.401

3.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

3.2.1 Non-current assets

The composition of, and changes in, the fixed assets are shown in the consolidated statement of changes in fixed assets (annex 1).

Changes in the net carrying amounts of the Group's fixed assets for the financial year are shown in annex 2 of the notes.

Scheduled amortisation of intangible assets and depreciation of property, plant and equipment are shown in note 3.1.5.

3.2.1.1 INTANGIBLE ASSETS [10]

	31/12/2023 kEUR	31/12/2022 kEUR
Concessions, industrial property rights and similar rights and values	25,939	23,849
Goodwill	43,238	40,203
Total	**69,177**	64,052

3.2.1.1.1 Concessions, industrial property rights and similar rights and assets

This item mainly includes customer bases from portfolio acquisitions, software licenses for standard business software, and internally generated software.

Customer bases are amortized on a straight-line basis mainly over 15 years, acquired software on a straight-line basis over three years and internally generated software on a straight-line basis over five-six years.

The geld.de domain (kEUR 800) was acquired as part of the acquisition of the "Geld.de" customer base. The Company assumes that the domain will retain its value over the long term, so it is not amortized on an ongoing basis.

Internally developed software tools amounting to kEUR 1,725 (previous year: kEUR 1,673) were capitalized in the financial year. These are mainly company-specific software applications (Compass, iCRM/iCRM-Web, allesmeins and the Geld.de portal) to support the sale of financial products.

As at the balance sheet date, the carrying amount of internally generated software tools was kEUR 3,520 (previous year: kEUR 3,080).

3.2.1.1.2 Goodwill

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

	31/12/2023 kEUR	31/12/2022 kEUR
Advisortech	33,882	30,846
Advisory	9,350	9,350
Holding	7	7
	43,239	40,203

3.2.1.1.3 Impairment losses

With regard to the impairment of intangible assets, please refer to Note 3.1.5 there are no indications of impairment for other software and licenses.

Goodwill was tested for impairment as of December 31, 2023. Any need for impairment is determined by comparing the carrying amount of the CGU or group of CGUs, including the goodwill allocated to it, with its recoverable amount. If the carrying amounts exceed the recoverable amount, an impairment loss on goodwill must be recognized in the income statement. The recoverable amount is the maximum of the fair value less costs to sell and the value in use.

The recoverable amount of the Advisortech and Advisory cash-generating units was determined on the basis of a value-in-use calculation using cash flow forecasts before income taxes. These forecasts were derived from the detailed planning accounts of the Group companies for the financial year 2024 approved by management and the Supervisory Board. Moderate growth rates (Phase I) are assumed for the financial years 2025 to 2026. For subsequent periods, the cash flow was forecast as a perpetual annuity (Phase II).

The discount factor (capitalization interest rate) for the Group companies is determined on the basis of the capital asset pricing model. The assumptions underlying the calculation of the capitalization interest rate, including the risk-free basic interest rate, the market risk premium and the beta factor, are determined on the basis of publicly available information and capital market data. With a risk-free basic interest rate of 2.3 % (previous year: 2.58 %) derived from the yield curve, a market risk premium of 4.7 % (previous year: 2.92 %) and taking into account a beta factor for the comparative investment of 0.81 (previous year: 0.84), the capitalization rate is calculated at 7.0 % (previous year: 5.5 %). A growth discount of 1.0 % (previous year: 1.0 %) is taken into account in the capitalization rate used to determine the present value of the first cash flows of the perpetual annuity. An additional, significant factor influencing free cash flow is the assumptions regarding revenue growth and the earnings performance of the operating units.

The increase in the pre-tax discount rate to 9 % (i. e. + 2.0 %) would not result in an impairment requirement for the cash-generating units. The decrease in the planned EBIT in the cash-generating units by –20 % would not result in an impairment requirement. A further significant reduction in the planned EBT growth could result in the carrying amount exceeding the recoverable amount. However, as significant measures to increase EBT have already been initiated, the Executive Board does not consider this scenario to be likely.

The fair value less costs to sell was also determined for the Advisortech and Advisory cash-generating units. As in the previous year, no amortization of goodwill was required in the financial year. As of 31 December 2023, the Group's market capitalization exceeded the carrying amount of its equity.

3.2.1.2 PROPERTY, PLANT AND EQUIPMENT [11]

	31/12/2023 kEUR	31/12/2022 kEUR
Property, plant and equipment		
Tenant fixtures	110	0
Operating and office equipment	862	759
Rights of use rental and leasing	7,745	4,110
Total	**8,717**	4,869

Operating and office equipment mainly comprises PC hardware including servers, notebooks and printers, office equipment, cars and office furnishings.

The rights of use from rental and lease agreements contain the present values of the rental and lease assets exclusively available to the Group to be capitalized in accordance with IFRS 16.

The development of acquisition costs, depreciation and amortization, and carrying amounts is shown in the consolidated statement of changes in non-current assets (Annexes 1 and 2).

As in the previous year, there were no indications of impairment of property, plant and equipment in the financial year under review.

3.2.1.3 NON-CURRENT FINANCIAL ASSETS [12]

The changes in financial assets are shown in the consolidated statement of changes in non-current assets (annexes 1 and 2). The additional disclosures regarding financial instruments required by IFRS 7 are contained in annex 4.

The breakdown of carrying amounts is as follows:

	31/12/2023 kEUR	31/12/2022 kEUR
Shares in affiliated companies	55	55
Investments	2,566	407
Shares in associated companies	787	757
Securities	757	394
Total	**4,165**	1,613

Shares in affiliated companies relate to the shares in FVV GmbH.

In addition, the item "Investments" includes two (previous year: two) shares in companies in which the Group holds an interest of between 10.0 % and 30.0 %. As the influence of these investments on the net assets, financial position and results of operations of the Group is of minor significance, these investments have not been accounted for using the equity method.

Among other items, securities include a reinsurance policy for pension commitments amounting to kEUR 247 (previous year: kEUR 157).

3.2.1.4 NON-CURRENT RECEIVABLES AND OTHER ASSETS [13]

	31/12/2023 kEUR	31/12/2022 kEUR
Trade receivables	1,055	1,134
Other assets	1,082	517
Impairment from expected losses	–213	–213
Total	**1,925**	1,438

Trade receivables mainly relate to commission receivables from the cancellation reserve. Other assets mainly include receivables from brokers.

In accordance with IFRS 9, a risk provision for expected losses of 7% was recognized for trade receivables and other receivables, which reduced other receivables by kEUR 213 (December 31, 2022: kEUR 213).

3.2.2 Current assets

3.2.2.1 ACCOUNTS RECEIVABLE AND OTHER ASSETS [14]

	31/12/2023 kEUR	31/12/2022 kEUR
Trade receivables	24,453	17,601
Receivables from associated companies	295	0
Other assets		
Securities	110	0
Prepaid expenses and deferred charges	511	337
Impairment losses from expected losses	–153	–106
Other	2,931	3,989
Total	**28,146**	21,821

Trade receivables mainly relate to commission receivables from partner companies and pool partners for brokerage services. The remaining other assets mainly result from receivables from brokers.

In accordance with IFRS 9, a risk provision for expected losses of 7% was recognized for trade receivables and other receivables, which reduced other receivables by kEUR 153 (December 31, 2022: kEUR 106).

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

3.2.2.2 CASH AND CASH EQUIVALENTS [15]

	31/12/2023 kEUR	31/12/2022 kEUR
Cash and cash equivalents	26,362	16,672
Total	**26,362**	16,672

The changes in cash and cash equivalents during the financial year are shown in the consolidated statement of cash flows. Further details can be found in note 3.9.

3.2.3 Equity

The changes in the consolidated equity of JDC Group AG are shown in the statement of changes in equity (see also note 3.8).

	31/12/2023 kEUR	31/12/2022 kEUR
Subscribed capital		
Own shares	13,668	13,668
Capital reserves	–65	–687
Own shares	38,000	26,472
Other revenue reserves	238	516
Other equity components	858	–3,036
Minorities	105	38
Total	**52,805**	36,971

3.2.3.1 SUBSCRIBED CAPITAL AND CAPITAL RESERVES [16]

Subsribed capital and capital reserves

The Company's share capital is divided into 13,668,461 no-par value bearer shares (previous year: 13,668,461) with a notional interest in the share capital of EUR 1.00 per share. The shares of JDC Group AG are listed in the Open Market (Scale) segment of the Frankfurt Stock Exchange. WKN: A0B9N3, ISIN: DE000A0B9N37.

Share buyback programme

At the beginning of the year, the company held 687,022 treasury shares. These shares were sold to Provinzial in September 2023.

On November 10, 2023, the Executive Board of JDC Group AG, with the approval of the Supervisory Board, resolved to buy back a maximum of up to 350,000 treasury shares of JDC Group AG via the stock exchange. The total volume of the share buyback is set at a maximum of 5 million Euro excluding incidental costs. The share buyback program is to be completed by 15 May 2024.

As of December 31, 2023, the company held a total of 64,545 treasury shares.

The capital reserve results from the issue of shares in JDC Group AG in previous years above their notional value. Capital procurement costs incurred in this context were deducted from the capital reserve. Premiums paid in connection with the share buyback were also deducted.

The capital reserve of the parent company is subject to the disposal restrictions of §150 AktG.

Conditional capital

The share capital is conditionally increased by up to EUR 5,500,000 by issuing up to 5,500,000 new no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital 2023/I).

The share capital of the Company is conditionally increased by up to a further EUR 420,000 by issuing up to 420,000 new no-par value bearer shares, each with a notional value of EUR 1.00 each (Conditional Capital 2018/II).

The share capital of the Company is conditionally increased by up to a further EUR 420,000 by issuing up to 420,000 new no-par value bearer shares, each representing EUR 1.00 of the share capital (Conditional Capital 2021/I).

Authorised capital

The Board of Management is authorized, with the approval of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before July 26, 2027, by up to a total of kEUR 6,834,230.00 by issuing on one or more occasions a total of up to 6,564,230 new no-par value bearer shares in return for cash contributions and/or contributions in kind (Authorized Capital 2022).

3.2.3.2 OTHER EQUITY [17]

Retained earnings include statutory reserves of subsidiaries and revaluation reserve from the remeasurement of defined benefit pension obligations in the amount of kEUR 238 (previous year: kEUR 516).

The other components of equity include the earnings generated in the past by the companies included in the consolidated financial statements, to the extent that they have not been distributed.

The development of retained earnings and other components of equity is shown in the statement of changes in equity.

3.2.4 Non-current liabilities [18]

	31/12/2023 kEUR	31/12/2022 kEUR
Bonds	19,357	19,655
Liabilities to banks	0	4
Accounts payable	14,528	12,975
Other liabilities		
Purchase price liabilities	781	559
Liabilities from rental and lease	6,342	3,017
Others	206	198
Total	**41,215**	36,408

The liabilities from bonds relate to the 2023/2028 bond issued by Jung, DMS & Cie. Pool GmbH. The bond is secured by the claims from existing and future trail commissions and other commission claims in the amount of at least 33.33 % of the issue proceeds assigned as part of a blanket assignment. The bond matures on November 1, 2028, at the latest.

Non-current trade accounts payable relate to liabilities from brokerage commissions retained until expiry of the cancellation liability. The obligation to pay the broker commission regularly has a remaining term of one to five years. Miscellaneous other liabilities mainly relate to the non-current portion of loan liabilities.

Since first-time application in 2019, the liabilities from rights of use for rental and leasing recognized in accordance with IFRS 16, in this case the non-current portion, have been presented under other liabilities.

Deferred tax liabilities are also reported under this balance sheet item, see also Note 3.1.8.

The allocation of the individual items to the IFRS 7 measurement categories is presented in Annex 4.

3.2.5 Long-term provisions [19]

	31/12/2023 kEUR	31/12/2022 kEUR
Pension provisions	478	376
Provisions with reversal liabilities	982	980
Asset damage precaution	15	10
Total	**1,475**	1,366

The changes in the pension provisions were as follows:

Pension provisions	2023 kEUR	2022 kEUR
Present value from defined benefit obligation as of 1 January	927	956
Interest expenses	12	3
Ongoing service costs	128	11
Paid benefits	–38	–41
Actuarial loss	–19	–2
Debt from defined benefit obligation as of 31 December	**1,010**	927

Fair value of plan assets	2023 kEUR	2022 kEUR
1 January	510	523
Income from plan assets	22	30
Paid benefits	–38	–43
31 December	494	510
Debt from defined benefit obligation	**516**	417

The plan assets consist exclusively of reinsurance policies.

Pension obligations are calculated on the basis of a pension increase of 1.25 % (previous year: 1.25 %) and a discount rate of 4.14 % (previous year: 1.06 %).

Liabilities from defined benefit obligations are broken down as follows:
— non-current portion kEUR 478 (previous year: kEUR 376)
— current portion kEUR 38 (previous year: kEUR 41)

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.

3.2.6 Current liabilities [20]

	31/12/2023 kEUR	31/12/2022 kEUR
Pension provisions	38	41
Provisions for cancellation liability	246	245
Tax liabilities	174	329
Bonds	0	0
Liabilities to banks	7	24
Liabilities from deliveries and services	29,031	18,132
Other current liabilities	9,700	13,965
Loan liabilities	0	0
Purchase price liabilities	1,117	3,138
Liabilities from rental and lease agreements	1,761	1,400
Other	6,821	9,427
Total	**39,195**	32,736

Pension accruals represent the current portion due for payment within one year.

Tax provisions include the expected final payments of corporate income tax, solidarity surcharge and trade tax for the assessment period 2022–2023.

Liabilities to banks mainly include a working capital loan from Jung, DMS & Cie. GmbH, Vienna/Austria, issued by Bank Austria AG.

Trade accounts payable also include obligations from the cancellation reserve with a maturity of up to one year.

Miscellaneous other liabilities include, among other things, liabilities for wage and church tax, as well as value-added tax, current interest liabilities from the corporate bond and liabilities for services already purchased.

Since first-time application in 2019, other liabilities have also included the liabilities from rights of use for rental and leasing recognized in accordance with IFRS 16, in this case the current portion.

3.2.7 Changes in liabilities arising from financing activities

	01/01/2023 kEUR	Cashflow kEUR	Other kEUR	31/12/2023 kEUR
Non-current bonds	19,655	0	–298	19,357
Current bonds	0			0
	19,655	**0**	**–298**	**19,357**
Non-current liabilities due to banks	4		–4	0
Current liabilities due to banks	24	–21	4	7
./. Components of cash and cash equivalents	0			0
	28	**–21**	**0**	**7**
Other liabilities				
Non-current loan liabilities	198		8	206
Current loan liabilities				0
Non-current Rights of use rental and leasing	3,017		3,325	6,342
Current Rights of use rental and leasing	1,400	–1,795	2,156	1,761
Non-current purchase price obligations	559		222	781
Current purchase price obligations	3,138	–3,080	1,059	1,117
	8,312	**–4,875**	**6,770**	**10,207**
Total liabilities from financing activities	**27,995**	**–4,896**	**6,472**	**29,571**

The item "Other" includes the effects of the reclassification between non-current and current liabilities due to the expiry or prolongation of loans, the effects of interest accrued but not yet paid on loans, and the effects of measuring the bond at amortized cost using the effective interest method.

3.3 LEASE DISCLOSURES

The carrying amounts of the recognized right-of-use assets and the changes during the reporting period are shown in the consolidated statement of changes in non-current assets (Annex 1).

The following table shows the carrying amounts of the rental/leasing liabilities and the changes during the reporting period.

	2023 kEUR	2022 kEUR
As of January 1	4,417	4,833
Additions	5,361	931
Departures	–189	0
Interest growth	309	232
Payments	–1,795	–1,579
As of December 31	**8,103**	4,417
thereof short-term	1,761	1,400
thereof long-term	6,342	3,017

The following amounts were recognized in profit or loss in the reporting period:

	2023 kEUR	2022 kEUR
Amortization expense for rights of use	1,549	1,388
Interest expenses for rental/leasing liabilities	309	232
Total amount recognized in profit or loss	**1,858**	1,620

The Group's cash outflows for rental/leasing agreements amounted to kEUR 1,795 in 2023 (2022: kEUR 1,579).

If a lease is not accounted for in accordance with IFRS 16 due to its short-term nature or the absence of a transfer of exclusive use, the other financial obligations arising from it are reported according to residual terms.

The future minimum lease payments from operating leases are as follows:

	31/12/2023 kEUR	31/12/2022 kEUR
Residual term		
up to one year	37	245
between two and five years	0	0
longer than five years	0	0
Total	**37**	245

There are leases for office machines and IT equipment.

The contracts have remaining terms of up to 12 months (previous year: up to 12 months) and in some cases contain extension and price adjustment clauses.

3.4 CONTINGENCIES

a) Liability for products on the “master list”

As business partners of JDC Group companies, independent financial brokers are liable for their investment recommendations if they have not complied with all statutory review and research obligations with regard to the products offered. For selected products, Jung, DMS & Cie. AG arranges for these liability-releasing checks to be carried out by its own employees and with the assistance of external research firms.

The pool automatically and voluntarily assumes liability for revenues from these audited products, which can be found in the master lists, insofar as the revenues are processed via the Group companies.

b) Professional liability cover

Through Jung DMS & Cie. GmbH, Vienna/Austria, Jung, DMS & Cie. AG assumes further-reaching liability for financial brokers who are exclusively bound by a pool partner agreement. Jung, DMS & Cie. AG is directly liable to the customers of the so-called “pool partner” for any incorrect advice. For the purpose of largely avoiding a burden from this external liability, the pool partner shall indemnify Jung, DMS & Cie., Vienna/Austria, internally against all such claims; in addition, Jung, DMS & Cie., Vienna/Austia, shall take out suitable fidelity insurance for each pool partner.

c) Letters of comfort

JDC Group AG has issued letters of comfort to various insurance companies and banks on behalf of its subsidiaries.

Jung, DMS & Cie. AG has issued letters of comfort for its subsidiary Jung, DMS & Cie. Pool GmbH to various insurance companies.

d) Other contingencies

There were no other contingent liabilities at the reporting date.

3.5 CONTINGENT LIABILITIES

There are no contingent liabilities until the publication of the annual report.

3.6 RELATED PARTY DISCLOSURES

In accordance with IAS 24, persons or entities that control or are controlled by JDC Group AG must be disclosed unless they are included in the consolidated financial statements of JDC Group as a consolidated entity. Control exists if a shareholder holds more than half of the voting rights in JDC Group AG or has the power to govern the financial and operating policies of JDC Group AG's management by virtue of a contractual agreement.

In addition, the disclosure requirements under IAS 24 extend to transactions with associates and transactions with persons who have significant influence over the financial and operating policies of JDC Group AG, including close family members or intermediaries. Significant influence over the financial and operating policies of JDC Group AG may be based on a shareholding in JDC Group AG of 20 % or more, a seat on the Executive Board or Supervisory Board, or another key management position.

The following disclosure requirements apply to JDC Group AG for the financial year:

The largest single shareholder at present is Great-West Lifeco with a 26.9 % stake, the two members of the Executive Board with their associated companies Aragon Holding GmbH and Grace Beteiligungs GmbH together hold around 11.2 %, Versicherungskammer Bayern holds 6.0 %, Provinzial 6.0 %, 0.5 % are treasury shares and a further 49.4 % are in free float.

There is a loan receivable of EUR 50,416.67 (interest rate 5 %, term until December 31, 2025, repayment variable but max. 25 kEUR p. a.) from the Executive Board member Marcus Rex as of December 31, 2023.

Transactions with members of the Board of Management and the Supervisory Board:

	31/12/2023 kEUR	31/12/2022 kEUR
Supervisory Board		
Total remuneration	**94**	94
Executive Board [1), 2)]		
Total remuneration	**1.913**	1.732

1) The total remuneration of the members of the Executive Board of JDC Group AG is shown, even if it was paid by subsidiaries. The stated remuneration corresponds to the total remuneration to be disclosed in accordance with Section 314 (1) No. 6 HGB.
2) These are short-term benefits. There are no long-term benefits due to persons in key positions.

3.7 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

3.8 STATEMENT OF CHANGES IN EQUITY

The development of the Group's equity as of the balance sheet date is presented in the statement of changes in equity, which forms part of the consolidated financial statements.

Changes in equity

	kEUR
Equity 31/12/2022	36,974
Capital increase	0
Repurchase own shares	–1,178
Sale of treasury shares	13,053
Stock options granted	308
other equity movements	–184
Net profit	3,832
Equity 31/12/2023	**52,805**

3.9 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The financial position of the Group is presented in the cash flow statement, which forms part of the consolidated financial statements in accordance with IFRS. Cash flow from operating activities was positive at kEUR 18,032.

The cash flow statement shows the change in cash and cash equivalents in the JDC Group during the financial year through the cash flows from operating activities, investing activities and financing activities. Non-cash transactions are shown together as a total amount exclusively in the cash flow from operating activities.

Cash and cash equivalents

The composition of cash and cash equivalents is presented in the consolidated statement of cash flows. Cash and cash equivalents comprise cash and cash equivalents with a remaining maturity of three months or less and short-term bank overdrafts. Cash equivalents are short-term investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

3.10 SEGMENT REPORTING

Under IFRS 8, the identification of reportable operating segments is based on the management approach. According to this approach, external segment reporting is based on the Group's internal organizational and management structure as well as internal financial reporting to the chief operating decision maker.
In the JDC Group, the Executive Board of JDC Group AG is responsible for assessing and managing the performance of the segments and is considered to be the chief operating decision maker within the meaning of IFRS 8.

The JDC Group reports on three segments, which are managed independently by segment-responsible bodies in accordance with the nature of the products and services offered. The designation of company components as business segments is based in particular on the existence of segment managers responsible for results, who report directly to the top management body of the JDC Group.

The JDC Group is divided into the following business segments:

- Advisortech
- Advisory
- Holding

Advisortech

In the Advisortech segment, the Group bundles its business activities with independent financial brokers. It offers all asset classes (investment funds, closed-end funds, insurance policies and certificates) from various product companies, including application processing and commission settlement, as well as various other services relating to investment advice for end customers. The advisors are supported in this by various software products developed in-house, such as the digital insurance folder “allesmeins” and iCRM-Web.

Advisory

The Advisory segment combines our Group activities focused on advisory services and sales to end customers. As independent financial and investment advisors, we offer our customers comprehensive advice on insurance, investments and financing tailored to each individual situation.

Holding

JDC Group AG is presented in the Holding segment.

The measurement principles for the JDC Group's segment reporting are based on the IFRS standards used in the consolidated financial statements. The JDC Group assesses the performance of the segments on the basis of operating profit (EBITDA and EBIT), among other things. Sales and intermediate inputs between the segments are offset on the basis of market prices.

Segment assets and liabilities comprise all assets and liabilities that are attributable to the operating sphere and whose positive and negative results determine the operating result. Segment assets include in particular intangible assets, property, plant and equipment, commission receivables and other receivables. Segment liabilities relate in particular to trade payables and other liabilities. Segment capital expenditure includes additions to intangible assets and property, plant and equipment.

In the individual business segments, the JDC Group reports the following employee figures:

	2023	2022
Advisortech	329	310
Advisory	50	63
Holding	15	15
Total as of December 31	**394**	388

Geographical segment information

The JDC Group operates mainly in Germany and Austria, so that in terms of the customer base there is only one geographical segment (German-speaking area of the European Union).

4 Other disclosures

4.1 BUSINESS PURPOSE AND KEY ACTIVITIES

The statutory business purpose of JDC Group AG is the acquisition, management and sale of investments in companies, in particular in the financial services sector, as well as the provision of management, consulting and other services, in particular for the companies listed below.

The parent company is an investment holding company that primarily acquires majority interests in sales companies engaged in the placement of financial products and related services. The Company provides consulting and management services to the subsidiaries. The business strategy is to integrate the investments into the Group on a long-term basis and to increase the earnings power of the respective subsidiaries by achieving synergy effects. Within the framework of the holding structure created, the strategic management of the Group's business and financial policy is carried out by JDC Group AG. Operational responsibility, on the other hand, lies with the subsidiaries. The parent company also acts as the interface to the capital market.

Jung, DMS & Cie. AG operates as an investment holding company. The business of this company and its subsidiaries is the operation of purchasing and processing centers for independent financial agents – so-called broker pools – which perform central functions for independent financial agents such as product purchasing, marketing, central business processing and training. In return for the above services, the broker pools retain a portion of the acquisition commissions and a portion of the follow-up commissions. Jung, DMS & Cie. AG, including its subsidiaries, is currently active in Wiesbaden, Munich, Troisdorf, Nuremberg and Vienna/Austria.

FiNUM.Private Finance AG, Vienna/Austria, as well as FiNUM.Private Finance AG, Berlin, and FiNUM.Finanzhaus AG, Munich, focus their advisory services on the interests of end customers. As independent financial advisors, they offer individually tailored advice in the areas of insurance, investments and financing. The other Group companies based in Germany are not financial services institutions as defined by section 1 (1a) of the German Banking Act (KWG) and are generally not subject to BaFin supervision. Jung, DMS & Cie. GmbH, Vienna, is a licensed securities services company and is subject to supervision by the Financial Market Authority (FMA) of Austria. FiNUM.Private Finance AG, Berlin, is a licensed securities services company and is subject to supervision by the Financial Market Authority (BaFin) of Germany.

4.2 CAPITAL MANAGEMENT

Capital management is concerned with the management of cash and cash equivalents in the Group in line with requirements, including the selection and management of financing sources. The aim is to provide the necessary means of payment at the lowest possible cost. The control criteria here are in particular the debit and credit interest rates. To fulfill this task, capital management has access to daily and monthly reporting with target/actual comparisons.

4.3 RISK MANAGEMENT, FINANCIAL DERIVATIVES AND OTHER INFORMATION ON CAPITAL MANAGEMENT

The future business development of the Group involves all opportunities and risks associated with the distribution of financial products and the acquisition, management and sale of companies. The risk management system of JDC Group AG is designed to identify risks at an early stage and to minimize them by deriving appropriate measures. Financial instruments are used exclusively for hedging purposes. In order to identify potential problems in the affiliated companies and their shareholdings at an early stage, key ratios are queried and assessed. Monthly, weekly and daily reports are prepared on sales, revenue and the liquidity situation. The management receives a daily overview of the key sales and liquidity figures.

JDC Group AG is managed by means of a monthly reporting system that includes the key performance indicators and takes particular account of the liquidity situation. In addition, the Executive Board is informed about the current liquidity situation on a daily basis.

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

— In the context of brokering financial products and insurance policies, it cannot be ruled out that expenses may be incurred as a result of cancellations that are not covered by corresponding recovery claims against the brokers. With the increase in insurance sales at JDC, receivables management for the realization of such recovery claims is becoming increasingly important.
— JDC can be held liable for clarification or consulting errors by sales partners. Whether in individual cases the risks are then covered by the existing insurance coverage or the claims for recovery against intermediaries cannot be presented in a generalized manner.
— Due to the persistently volatile capital markets and the difficulty in forecasting product sales, great demands must be placed on liquidity management. A lack of liquidity could become an existential problem.
— JDC is increasingly in the focus of the capital market. In addition, JDC counts more and more large corporations among its customers. If the company's image were to be damaged, this could lead to a loss of sales.

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

- The Company's business success is fundamentally dependent on the development of the national economy.
- The development of national and global financial and capital markets is of considerable relevance to JDC's success. Persistent volatility or negative developments may have a negative impact on JDC's earnings power.
- The stability of the legal and regulatory framework in Germany and Austria is of great importance. In particular, short-term changes in the framework conditions for financial services companies, intermediaries and financial products can have a negative impact on JDC's business model.
- Various trouble spots around the world are causing uncertainty with regard to economic development. Energy prices may become more expensive or inflation may be fueled again. This can have a negative impact on companies' willingness to invest and lead to a reluctance to spend on the part of consumers. If this development occurs, it will have a negative impact on JDC's earnings power.

Relevant **regulatory risks** are as follows:

- The implementation of the European DSGVO (General Data Protection Regulation) affects all German companies, but especially companies in the financial services sector that work with personal data to a particular extent. Here, we are affected by extensive information and documentation obligations. As the digitalization of the insurance industry is still in its infancy, many processes at JDC still have to be handled manually. This increases the risk of data mishaps due to human error.

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.

In 2023, JDC Group AG was able to set the course for the coming years. With the purchase agreement concluded in January for the acquisition of significant parts of the Top Ten Financial Network Group and the software solution acquired in the process, the product portfolio in the areas of asset management, liability umbrella solutions and label funds was expanded in a targeted manner. In addition, the experienced digital platform manager Marcus Rex was appointed to the Executive Board of JDC Group AG with effect from June 1, 2023. He will be responsible for marketing and sales as well as the key account business. In the third quarter, JDC also signed exclusive cooperation agreements for the insurance business of the savings banks in the business area of Versicherungskammer Bayern (VKB) and SparkassenVersicherung (SV). This means that almost 300 of the approximately 350 savings banks in Germany will have access to JDC's services in future.

In the view of the Executive Board, all of this will result in the continued positive overall development of JDC Group AG's investments and thus also of JDC Group AG itself in the 2024 financial year.

4.4 RISK MANAGEMENT OBJECTIVES AND METHODS

Risk management objectives and methods have been defined and documented at JDC Group level. There are four groups in which the risks are classified as follows:

1. Strategic risks concerning, inter alia:
- expertise;
- staff: recruitment, management and motivation;
- market relevance;
- merger and acquisition measures;
- allocation of resources; and
- communication.

2. Financial risks concerning, inter alia:
- medium and long-term financing;
- short-term liquidity supply;
- financial derivatives;
- value-added tax risk; and
- infidelity.

3. Operational risks concerning, inter alia:
- project and acquisition risks; and
- contract risk.

4. External risks concerning, inter alia:
- IT security;
- financial market situation; and
- legal, practical and social changes.

For each potential area of risk, the risk management system for Group companies includes early identification of risks, information and communication, handling of risks by determining and implementing appropriate countermeasures, and documentation of the risk management system.

4.5 ADDITIONAL DISCLOSURES IN ACCORDANCE WITH SECTION 315E, PARAGRAPH 1 OF THE GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH, HGB)

The list of shareholdings is attached to these notes in the Appendix.

The following fees were charged by the group auditor in the financial year:

Auditor fees

	2023 kEUR	2022 kEUR
Auditor services	130	121
Other confirmation services	27	17
Consulting	7	6
Total	**164**	144

On average, the Group companies employed 394 people (previous year: 388) – full-time equivalent – during the year.

Executive Bodies of JDC Group AG

EXECUTIVE BOARD

Dr. Sebastian Grabmaier
Grünwald
Attorney
CEO

Stefan Bachmann
Frankfurt
Businessman
CDO
(until June 30, 2023)

Ralph Konrad
Wiesbaden
Businessman (Dipl.-Kfm.)
CFO, CIO

Marcus Rex
Kümmersbruck
Businessman
CSO, CMO
(since June 1, 2023)

SUPERVISORY BOARD

Jens Harig
Kerpen
Independent entrepreneur
Chairman

Prof. Dr. Markus Petry
Wiesbaden
Holder of the chair of financial services controlling at the business school Wiesbaden
Vice Chairman

Dr. Peter Boße
Bruckmühl
Bereichsleiter IT Versicherungskammer Bayern

Markus Drews
Cologne
Businessman
(until February 23, 2024)

Dr. Igor Radovic
Cologne
Executive Board Member Canada Life Assurance Europe plc

Claudia Haas
Mainz
Chief Market Officer Norther Europe Region, Coface NL D

The remuneration of the Executive Board and Supervisory Board is shown in Note 3.6 are listed. There is no obligation to disclose the remuneration of each individual member of the Executive Board in accordance with Section 162 AktG, as JDC Group AG is not a listed stock corporation within the meaning of Section 3 (2) AktG.

Appendix 1

Statement of changes in consolidated fixed assets as of 31 December 2023

	Cost of Acquisition/production					
	01/01/2023 kEUR	Reclassifications kEUR	First consolidation kEUR	Additions kEUR	Disposals kEUR	**31/12/2023 kEUR**
I. Intangible assets						
1. Concessions, industrial property rights and similar rights and values	54,444	3,019	3,049	0	0	60,513
a) internally generated industrial property rights and similar rights and values	15,106	1,725	0	0	0	16,832
b) for remuneration aquired concessions and similar rights and values	9,436	97	209	0	0	9,741
c) Customer base	29,735	1,197	2,841	0	0	33,773
d) Contract preparation costs	166	0	0	0	0	166
2. Company Value	40,203	0	3,035	0	0	43,238
3. Payments made	9	0		9	0	0
	94,656	**3,019**	**6,085**	**9**	**0**	**103,751**
II. Property, plant and equipment						
1. Tenant improvements	0	114	0	0	0	114
2. Other equipment, operating and business equipment	4,204	436	31	87	0	4,585
3. Rights of use rental and leasing	7,508	5,361	0	1,039	0	11,830
a) Real estate tenancies	6,673	4,995	0	1,039	0	10,629
b) Vehicle leasing	835	366	0	0	0	1,201
	11,712	**5,911**	**31**	**1,126**	**0**	**16,528**
III. Financial assets	55	0	0	0	0	55
1. Shares in affiliated companies	408	2,157	1	0	0	2,566
2. Closed-end fund investments	757	0	209	179	0	787
3. Shares in associated companies	402	222	146	0	0	771
4. Securities held as fixed assets	**1,622**	**2,380**	**356**	**178**	**0**	**4,178**
	107,990	**11,310**	**6,472**	**1,313**	**0**	**124,457**

Depreciation/amortisation						Book value	
01/01/2023 kEUR	Depreciation/ Amortisation in financial year kEUR	Disposals kEUR	Reclassifications kEUR	First consolidation kEUR	**31/12/2023 kEUR**	31/12/2022 kEUR	**31/12/2023 kEUR**
30,602	3,971	0	0	0	34,573	23,841	25,939
12,026	1,285	0	0	0	13,311	3,081	3,520
6,847	608	0	0	0	7,454	2,589	2,287
11,622	2,054	0	0	0	13,676	18,112	20,097
107	24	0	0	0	131	59	35
0	0	0	0	0	0	40,203	43,238
0	0	0	0	0	0	9	0
30,603	**3,971**	**0**	**0**	**0**	**34,573**	**64,052**	**69,177**
0	3	0	0	0	3	0	110
3,444	364	86	0	0	3,723	759	862
3,398	1,549	862	0	0	4,085	4,110	7,745
2,900	1,283	862	0	0	3,322	3,773	7,307
497	266	0	0	0	763	337	437
6,842	**1,917**	**948**	**0**	**0**	**7,811**	**4,868**	**8,717**
0	0	0	0	0	0	55	55
0	0	0	0	0	0	408	2,566
0	0	0	0	0	0	757	787
8	7	0	0	0	14	394	757
8	**7**	**0**	**0**	**0**	**14**	**1,614**	**4,165**
37,453	**5,894**	**947**	**0**	**0**	**42,399**	**70,535**	**82,059**

Appendix 2

Statement of changes in the net book values of consolidated fixed assets as of 31 December 2023

	Book value 01/01/2023 kEUR	First consolidation kEUR	Reclassi-fications kEUR	Additions/ Reclassi-fications kEUR	Disposals kEUR	Depreciation/ amortisation in the financial year kEUR	**Book value 31/12/2023 kEUR**
I. Intangible assets							
1. Concessions, industrial property rights and similar rights and values	23,840	3,050	0	3,019	0	3,971	25,939
a) internally generated industrial property rights and similar rights and values	3,080	0	0	1,725	0	1,285	3,520
b) for remuneration aquired concessions and similar rights and values	2,589	209	0	97	0	608	2,287
c) Customer base	18,112	2,841	0	1,197	0	2,054	20,097
d) Contract preparation costs	59	0	0	0	0	24	35
2. Company Value	40,203	3,035	0	0	0	0	43,238
3. Payments made	9	0	0	0	9	0	0
	64,052	**6,085**	**0**	**3,019**	**9**	**3,971**	**69,177**
II. Property, plant and equipment							
1. Tenant improvements	0	0	0	114	0	3	110
2. Other equipment, operating and business equipment	759	31	0	437	2	364	862
3. Rights of use rental and leasing	4,110	0	0	5,361	177	1,549	7,745
a) Real estate tenancies	3,773	0	0	4,995	177	1,283	7,307
b) Vehicle leasing	337	0	0	366	0	266	437
	4,869	**31**	**0**	**5,911**	**179**	**1,917**	**8,717**
III. Financial assets							
1. Shares in affiliated companies	55	0	0	0	0	0	55
2. Closed-end fund investments	408	1	0	2,157	0	0	2,566
3. Shares in associated companies	757	209	0	0	179	0	787
4. Securities held as fixed assets	394	146	0	222	0	7	756
	1,613	**356**	**0**	**2,380**	**179**	**7**	**4,165**
	70,535	**6,472**	**0**	**11,310**	**367**	**5,894**	**82,059**

Appendix 3

List of shareholdings as of 31 December 2023

Company name and registered office

Subsidiaries included in the consolidated financial statements:	Shareholding in %
Jung, DMS & Cie. Aktiengesellschaft, Munich	100.0
JDC Group Austria GmbH, Vienna/Austria	100.0
JDC B-LAB, Triesen/Liechtenstein	100.0
BB-Wertpapier Verwaltungsgesellschaft mbH, Augsburg	75.1
FiNUM.Private Finance AG, Vienna/Austria [1]	100.0
benefit consulting GmbH, Vienna/Austria [1]	100.0
Jung, DMS & Cie. GmbH, Vienna/Austria [1]	100.0
Jung, DMS & Cie. Pool GmbH, Wiesbaden [1]	100.0
MORGEN & MORGEN GmbH, Rüsselsheim [1]	100.0
Top-finanziert GmbH, Vienna/Austria [1]	100.0
DFP Deutsche Finanz Portfolioverwaltung GmbH, Nuremberg [1]	100.0
Top Ten Investment-Vermittlungs AG, Nuremberg [1]	100.0
Top Ten Investment-Consulting GmbH, Vienna/Austria [1]	100.0
Fund Development and Advisory AG, Buochs/Switzerland [1]	100.0
Jung, DMS & Cie. Pro GmbH, Wiesbaden [1]	100.0
Jung, DMS & Cie. Pro Service GmbH, Wiesbaden [1]	100.0
FiNUM.Pension Consulting GmbH, Wiesbaden [1]	100.0
Plug-InSurance GmbH, Munich [1]	100.0
JDC plus GmbH, Wiesbaden [1]	100.0
JDC Geld.de GmbH, Wiesbaden [1]	100.0
FiNUM.Private Finance Holding GmbH, Wiesbaden	100.0
FiNUM.Private Finance AG , Berlin [1]	100.0
FiNUM.Finanzhaus AG, Munich [1]	100.0

[1] Indirect shareholding, indication of the proportion of shares held by the subsidiary

Company name and registered office

Non-consolidated subsidiaries and investments:	Shareholding in %	Equity 31/12/2023 kEUR	Net profit 2023 kEUR
1. Non-consolidated subsidiaries			
MEG AG, Kassel	100.0	k,A,	k,A,
FVV GmbH, Wiesbaden [2]	100.0	19	–1
2. Other investments			
S-Fin Smart Finanzieren GmbH, Straubing [4]	49.9	–199	–153
Opal Hard- und Software Consulting GmbH, Nuremberg [3, 4]	50.0	1,061	95
Sobaco Betax AG, Regensburg [4]	25.0	896	115
Einfach gut versichert GmbH	25.1	1,373	65
Dr. Jung & Partner GmbH Generalrepräsentanz, Essenbach [1, 3]	30.0	181	15

[1] Indirect shareholding via Jung, DMS & Cie. Pool GmbH, [2] Indirect shareholding via FiNUM.Private Finance AG, Berlin,
[3] Data from 31.12.2022, [4] Indirect shareholding via Jung, DMS & Cie. AG

Appendix 4

Additional informations concerning Financial instruments IFRS 7 as of 31 December 2023

	Measurement categories as defined by IFRS 7	Book value 31/12/2023 kEUR	Continuing book kEUR	Cost of acquisition kEUR	Fair Value – not affecting net income kEUR
Assets					
Non-current assets					
Financial assets					
Shares in affiliated companies	AC	55		55	
Closed-end fund investments	AC	2,566		2,566	
Shares in associated companies	AC	787	787		
Securities	AC	757		757	
Accounts receivable	AC	1,055	1,055		
Other assets	AC	869	869		
Current assets					
Accounts receivable	AC	24,453	24,453		
Receivables from associated companies	AC	295	295		
Other assets	AC	3,289	3,289		
Cash and cash equivalents	AC	110	110		
Cash at banks	AC	26,362	26,362		
Liabilities					
Non-current liabilities					
Bonds	AC	19,357	19,357		
Liabilities due to banks	AC	0	0		
Accounts payable	AC	14,528	14,528		
Other liabilities	AC	7,330	7,330		
Current liabilities					
Liabilities due to banks	AC	7	7		
Accounts payable	AC	29,031	29,031		
Other liabilities					
Other liabilities	AC	9,700	9,700		

* The management realised that the disclosed time values of all positions with exception of the issued bond mainly due to the short time span of these instruments meet their book value. The fair value of the bond liability was deviated from the bond's market price.

	Fair Value – affecting net income kEUR	**Fair Value 31/12/2023 kEUR**	Book value 31/12/2022 kEUR	Continuing book value kEUR	Cost of acquisition kEUR	Fair Value – not affecting net income kEUR	Fair Value – affecting net income kEUR	Fair Value 31/12/2022 kEUR
		55	55		55			55
		2,566	408		408			408
		787	757	757				757
		757	394		394			394
		1,055	1,134	1,134				1,134
		869	304	304				304
		24,453	17,601	17,601				17,601
		295	0	0				0
		3,289	4,220	4,220				4,220
		110	0	0				0
		26,362	16,672	16,672				16,672
		21,022	19,655	19,655				19,655
		0	4	4				4
		14,528	12,975	12,975				12,975
		7,330	3,774	3,774				3,774
		7	24	24				24
		29,031	18,132	18,132				18,132
		9,700	13,965	13,965				13,965

Independent Auditor's report

To JDC Group AG, Wiesbaden

OPINIONS

We have audited the consolidated financial statements of JDC Group AG and its subsidiaries (the Group), which comprise the balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2023 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the joint management report of JDC Group AG for the financial year from January 1 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), and in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and

— the accompanying joint management report as a whole provides an appropriate view of the Group's position. In all material respects, this joint management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the joint management report does not cover the content of the non-financial Group declaration and the corporate governance statement mentioned above.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the joint management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the joint management report in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the joint management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the joint management report.

OTHER INFORMATION

The legal representatives are responsible for the other information. The other information comprises the remaining parts of the annual report, with the exception of the audited consolidated financial statements and the joint management report and our auditor's report.

Our opinions on the consolidated financial statements and on the joint management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the joint management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there has been a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the legal representatives and of the Supervisory Board for the consolidated financial statements and the joint management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for fidancial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the joint management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a joint management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the joint management report.

Auditor’s Responsibilities for the Audit of the consolidated financial statements and of the joint management report

Our objectives are to obtain reasonable assurance about whether the consolidated fidancial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the joint management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, whether it complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the joint management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this joint management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the joint management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the joint management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures
- Conclude on the appropriateness of the legal representatives use of the going concern basis of account-ing and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the joint management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the joint management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the joint management report with the consolidated financial statements, its conformity with law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the joint management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance, inter alia regarding the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

Münster, March 21, 2024

Dr. Merschmeier + Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Jäger
(Wirtschaftsprüfer)

Scheiper
(Wirtschaftsprüfer)

Contact

JDC Group AG
Rheingau-Palais
Söhnleinstraße 8
65201 Wiesbaden

Telefon: +49 611 335322-00
Telefax: +49 611 335322-09

info@jdcgroup.de
www.jdcgroup.de

DISCLAIMER

The Annual Report of JDC Group AG is available in German and English. The English translation of the Group Management Report and the consolidated financial statements has been provided for conveniance. The German version of the 2023 Annual Report (including the opinion of an independant auditor) is legally binding and can be viewed on the company's website: www.jdcgroup.de

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