

Interim Report 1. Half of 2022



BEST ADVICE. BETTER TECHNOLOGY.

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JDC Group AG

At a glance

P & L in kEUR			Changes compared to previous year in %			Changes compared to previous year in %
	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR		30/06/2022 kEUR	30/06/2021 kEUR	
Revenues	37,769	32,644	15.7	80,993	68,611	18.0
Gross margin	10,811	8,972	20.5	23,861	18,853	26.6
Gross margin in %	28.6	27.5	4.0	29.5	27.5	7.3
Total operational costs	10,688	8,747	22.2	21,461	16,939	26.7
EBITDA	1,661	1,506	10.3	5,393	4,343	24.2
EBITDA margin in %	4.4	4.6	-4.3	6.7	6.3	6.3
EBIT	123	226	-45.5	2,400	1,914	25.4
EBIT margin in %	0.3	0.7	-57.1	3.0	2.8	7.1
Net profit	-263	-235	-11.9	1,583	980	61.5
Number of shares in thousands (end of period)	13,127	12,623	4.0	13,127	12,623	4.0
Earnings per share in EUR	-0.02	-0.02	0.0	0.12	0.08	51.6

Cashflow/Balance sheet in kEUR			Changes compared to year in %
	30/06/2022 kEUR	31/12/2021 kEUR	
Cash flow from operating activities*	3,059	4,866	-37.1
Total equity and liabilities	119,999	121,753	-1.4
Equity	40,289	38,817	3.8
Equity ratio in %	33.6	31.9	5.3

*previous year 30/06/2021



Stefan Bachmann

CDO

Ralph Konrad

CFO, CIO

Dr. Sebastian Grabmaier

CEO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

JDC Group AG achieved a significant boost in growth and earnings in the first half of 2022, confirming the Management Board's positive growth forecast.

Consolidated revenues grew by around 18 percent to EUR 81.0 million in the first half of 2022, while there was also a significant improvement in profits. Both segments – Advisortech and Advisory – contributed to this growth.

However, JDC also had to pay tribute to the current environment of high inflation, a significant rise in interest rates, stock market weakness and fear of the future with a slower growth in the second quarter.

Important steps during the second quarter of 2022

The JDC affiliates reported important steps in the second quarter:

JDC GROUP AG DECIDES ON BUYBACK PROGRAMME FOR OWN SHARES

With the consent of the Supervisory Board, the Management Board of JDC Group AG has made use of the authorization to acquire own shares pursuant to Section 71 (1) No. 8 AktG resolved at the Annual General Meeting on August 24, 2018. The buyback program for 200,000 shares or a total purchase price of EUR 5,000,000 starts from June 15, 2022 and extends until July 22, 2022 at the latest. 36,168 shares were acquired from the program at an average price of EUR 18.81.

LONG-TERM BROKERAGE JOINT VENTURE WITH BAIN CAPITAL AND CANADA LIFE IRISH HOLDING COMPANY LIMITED.

JDC Group AG has agreed to establish a long-term joint venture with Bain Capital and Canada Life Irish Holding Company Limited, a group company of Great-West Lifeco. This joint venture will be used to acquire and hold insurance brokers or agencies in Germany and Austria. The acquired brokers and agencies will have access to the processing platforms of the JDC Group via service agreements. JDC thus secures long-term revenue streams from the companies acquired in the future.

ECCLESIA AND JDC GROUP START COOPERATION

After the end of the second quarter (but before this reporting), JDC was able to win Ecclesia Group, the largest German insurance broker, for the JDC platform. JDC and Ecclesia had agreed on a 5-year contract for business processing in the private client business. The Ecclesia Group companies are expanding the digital depth of service in the private insurance business through JDC's proprietary broker management program iCRM. After the brokers of Lufthansa, BMW, Böhringer and Volkswagen Bank and now Ecclesia, we want to open our leading platform technology to further major brokers and their group companies.

Results for the first six months and the second quarter of 2022

Consolidated revenues increased by around 18 percent in the first half of 2022, to EUR 81.0 million (first half of 2021: EUR 68.6 million). In the second quarter, revenues increased – despite all the global economic difficulties – by almost 16 percent from EUR 32.6 million previously to EUR 37.8 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) also improved significantly in the first half of 2022, rising to kEUR 5,393 (HY1 2021: kEUR 4,343). This corresponds to an increase of around 24 percent. Quarter-on-quarter, EBITDA increased by approximately 10 percent to kEUR 1,661 (6M 2021: kEUR 1,506).

Earnings before interest and taxes (EBIT) increased to kEUR 2,400 in the first half of 2022 (HY1 2021: kEUR 1,914). In the second quarter, EBIT amounted to kEUR 123, compared with kEUR 226 in 2021.

In the first half of 2022, the consolidated profit improved significantly to kEUR 1,583 (HY1 2021: kEUR 980). The consolidated profit for the second quarter amounted to kEUR –263 (6M 2021: –235 kEUR).

Equity was EUR 40.3 million at June 30, 2022. Thus, the equity ratio increased to healthy 33.6 percent (December 31, 2021: EUR 38.8 million and 31.9 percent).

Overview in kEUR	Q2/2022 kEUR	Q2/2021 kEUR	Changes in %	1. Half of 2022 kEUR	1. Half of 2021 kEUR	Changes in %
Revenues	37,769	32,644	15.7	80,993	68,611	18.0
Advisortech	30,409	25,848	17.6	67,459	56,449	19.5
Advisory	9,046	9,038	0.1	18,141	17,291	4.9
Holding/Consolidation	–1,686	–2,242	24.8	–4,607	–5,129	10.2
EBITDA	1,661	1,506	10.3	5,393	4,343	24.2
EBIT	123	226	–45.5	2,400	1,914	25.4
EBT	–253	–146	–73.3	1,654	1,174	40.9
Net profit	–263	–235	–11.9	1,583	980	61.5

The performance of the individual segments was as follows:

ADVISORTECH

The revenues generated by the Advisortech segment grew by around 20 percent in the first six months of 2022, to EUR 67,5 million (first six months of 2021: EUR 56.4 million). In the second quarter, revenues increased by around 18 percent to EUR 30.4 million, compared to EUR 25.8 million in the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 5.3 million in the first six months of 2022 (HY1 2021: EUR 4.5 million). This corresponds to an increase of 17.7 percent. Quarter-on-quarter, EBITDA rose from EUR 1.5 million to EUR 1.6 million.

Earnings before interest and taxes (EBIT) increased by 16.3 percent to EUR 3.1 million in the first half of 2022 (HY1 2021: EUR 2.7 million). In the second quarter, EBIT amounted to EUR 0.5 million, compared to EUR 0.6 million in the same period of the previous year.

ADVISORY

In the Advisory segment, revenues increased in the first half of 2022 by around 5 percent year-on-year to EUR 18.1 million (HY1 2021: EUR 17.3 million). After a significant jump in the previous year, revenues for the second quarter remained unchanged at EUR 9.0 million (Q2 2021: EUR 9.0 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the Advisory segment increased significantly to EUR 1.5 million in the first half of 2022 (HY1 2021: EUR 0.9 million). In the second quarter, EBITDA rose from EUR 0.5 million in the previous year to currently EUR 0.7 million.

Earnings before interest and taxes (EBIT) more than doubled in the first half of 2022, rising to EUR 0.9 million (H1 2021: EUR 0.4 million). Quarter-on-quarter, EBIT rose from EUR 0.3 million in the prior-year period to EUR 0.4 million.

Outlook

Against the backdrop of a normalization of the economic environment in the second half of 2022, we confirm our positive assessment and continue to expect sales growth to between 165 and 175 million euros and EBITDA of more than 11 million euros.

However, JDC's future business performance also depends on the further development of general conditions, such as the course of the Corona pandemic, inflation, the current energy crisis or even the development of the Ukraine war. Even though the business development so far has hardly been affected, it is possible that the current influences will also affect JDC in the second half of the year.

Thanks to our employees and shareholders

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

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

We very much hope that we can enjoy your continued support

Yours sincerely



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Group management interim report

SITUATION OF THE GROUP

The Group's Business Modell

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

Research and Development

In the Advisortech segment, we offer advanced advisory and administration technologies for our customers and advisers through the Jung, DMS & Cie. Group. JDC Group develops its own software solutions for this purpose. Own work capitalised in the financial year 2020 in connection with this amounted to 661 kEUR. For further details, please see the notes to the consolidated financial statements.

ECONOMIC REPORT

Overall Economic Conditions

The German economy started 2022 with a slightly positive development. According to calculations by the German Federal Statistical Office, gross domestic product (GDP) for the first quarter rose by 0.8 percent (previous quarter) compared with the fourth quarter of 2021, adjusted for price, seasonal and calendar effects. As the year progressed, the difficult global economic conditions were reflected in economic development. For example, the ongoing Corona pandemic, disrupted supply chains, rising prices and the Ukraine war caused GDP to stagnate in Q2 2022 despite sustained private and government consumer spending.

Due to the economic damage caused by the war, the IMF in a recent statement expects a significant slowdown in global economic growth and forecasts a medium-term decline in global growth to around 3.3 percent (compared with an estimated 6.1 percent in 2021).

The Market and Competitive Position

THE MARKET FOR INVESTMENT PRODUCTS¹⁾

The German fund industry saw a net inflow of around 45 billion euros in new funds in the first three months of 2022. January alone accounted for 30.3 billion euros of this, which was also a record inflow at the start of the year. New fund business was subsequently dampened by the slump on the stock markets in the wake of the Ukraine war. Overall, special funds recorded inflows of 31.2 billion euros in the first quarter. Mutual funds saw inflows of 14.1 billion euros in the same period.

Members of the German fund association BVI managed 1.42 trillion euros in open-ended mutual funds at the end of the quarter. Open-end special funds contributed 2.10 trillion euros to the portfolio. Including closed-end funds and mandates, the fund industry managed assets totaling 4.15 trillion euros at the end of March 2022.

THE INSURANCE MARKET²⁾

Premium income in the insurance industry increased by 1.1 percent to 223.4 billion euros in 2021. This was due in particular to developments in private health insurance and property-casualty business. By contrast, premium income in life insurance business declined slightly, falling by 1.4 percent to around 102 billion euros. However, this decline is mainly attributable to a slight reduction in single-premium business, after a new record level had been achieved in the previous year. By contrast, regular premium income in the life insurance sector also increased, rising to 65.3 billion euros.

This slightly positive development is expected to continue in 2022. GDV expects premium growth of two to three percent across all lines of business. Stable growth is expected, particularly in property and casualty insurance, due to inflation-related adjustments to insured sums and coverage expansions.

OUTLOOK

The market for financial services will continue to be characterized by ongoing uncertainty, volatility, moderate interest rates and high inflation in 2022. The interest rate losses caused by low interest rates, particularly in the case of insurance policies, continue to mean reduced net returns on insurance products. As inflation becomes more entrenched and the energy crisis increasingly comes to the fore, customers are also increasingly reluctant to buy. Sales of investment and life insurance products will therefore depend to a large extent on the further development of the global economic environment (corona pandemic, inflation, energy crisis, consequences of the war in Ukraine, etc.).

¹⁾ Unless otherwise indicated, all data in the following description of the market for investment products is from the investment statistics for the first quarter of 2022 provided by the German Investment Funds Association BVI (12 May 2022).

²⁾ All data in the following description of the market for insurance products was taken from the industry data on the website of the German Insurers' Association (GDV) at gdv.de.

Competitive Position

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

COMPETITORS IN THE ADVISORTECH SEGMENT

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

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

Also in the Advisortech segment, JDC offers white-label front-end services, which enable customers (banks, insurance companies, IFAs and retail customers) to view contract data via apps, online tools and web applications. JDC's competitors in this business include Clark and getsafe. In the third subsegment, we offer advisory services for retail customers and a comparison platform for financial products. In this business, JDC is in competition with Verivox and Smava.

The autonomous, independent analyst firm MORGEN & MORGEN supplies impartial insurance data in the form of insurance comparisons, ratings, stochastic simulations and data analytics via its own comparison platform, through individual services and IT solutions. MORGEN & MORGEN's primary competitors are comparison platforms such as Franke & Bornberg, Mr. Money and Softfair.

Competitors in the Advisory Segment

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

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

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

Owing to its high volume of business, its reliability and its growing significance in the market, JDC Group AG is increasingly attractive as a partner to product initiators in both the insurance and the investment sectors.

JDC Group AG is also attractive to financial services distribution companies or financial intermediaries seeking a strong institutional partner to which they can outsource their back-office functions in the rapidly changing regulatory environment.

The positive development resulted from significant increases in sales and earnings, which were observed in both the Advisortech and Advisory segments. In addition, following a very good first quarter - despite all the economic challenges and the noticeable decline in consumption - sales also improved in the second quarter compared with the previous year. The significant deterioration in the global economic environment has therefore not had a serious impact on business performance to date.

Although the consequences of the war, the currently very high inflation and the continuing energy crisis could lead to further declines in consumption in the second half of the year, the Executive Board feels that the current business development confirms its previous course and is confident that it will be able to announce further major projects in the future.

For further details, we refer to the following statements on the status of the JDC Group.

COMPANY SITUATION

Major Key Figures

ASSET POSITION

Assets in kEUR

	30/06/2022 kEUR	31/12/2021 kEUR	Changes in %
Intangible assets	66,271	66,423	-0.23
Fixed assets	4,852	5,584	-13.11
Financial assets	514	417	23.26
Deferred taxes	2,735	3,089	-11.46
Long-term non-current assets			
Accounts receivable	1,129	1,122	0.62
Other assets	323	1,390	-76.76
Current assets			
Accounts receivable	20,615	19,205	7.34
Other assets	1,278	2,226	-42.59
Cash and cash equivalents	21,106	21,906	-3.65
Deferred charges	1,176	391	>100
Total assets	119,999	121,753	-1.44

Of the non-current assets of the Group as of June 30, 2022, amounting to EUR 75.8 million (previous year: EUR 78.0 million), around EUR 66.3 million (previous year: EUR 66.4 million) consist of intangible assets.

Current assets increased slightly to EUR 44.2 million (previous year: EUR 43.7 million).

As of June 30, 2022, total assets amounted to 120.0 million euros (previous year: EUR 121.8 million).

Liabilities in kEUR

	30/06/2022 kEUR	31/12/2021 kEUR	Changes in %
Equity	40,289	38,817	3.79
Non-current liabilities			
Deferred taxes	5,717	6,168	-7.31
Bonds	19,573	19,491	0.42
Liabilities due to banks	0	0	0.00
Accounts payable	12,354	11,513	7.30
Other liabilities	6,495	7,357	-11.72
Provisions	1,380	1,494	-7.63
Current liabilities			
Bonds	0	0	
Accrued taxes	519	545	-4.84
Liabilities due to banks	36	1,015	-96.45
Accounts payable	19,032	23,796	-20.02
Other liabilities	13,624	10,842	25.66
Deferred income	980	715	37.06
Total equity and liabilities	119,999	121,753	-1.44

Overall, non-current liabilities decreased from EUR 46.0 million in the previous year to EUR 45.5 million. Current liabilities fell from EUR 36.9 million to EUR 34.2 million. This includes EUR 19.0 million in trade payables and EUR 13.6 million in other liabilities.

As of June 30, 2022, the Group's equity ratio increased to 33.6 percent of the balance sheet total (December 31, 2021: 31.9 percent). JDC Group AG thus has a very good equity base.

FINANCIAL POSITION

The cash flow statement records the evolution of cash flow within the reporting period in the form of cash inflows and outflows.

Cash flow from operating activities decreased by 1,807 from 4,866 to 3,059 as of June 30, 2022. This was mainly the result of the increase in receivables and the increase in earnings.

Cash flow from investment activity is negative at kEUR –2,125.

The financing activity results in a negative cashflow of kEUR –1,734 , which essentially results from scheduled principal repayments and interest payments.

Cash and cash equivalents amounted to kEUR 21,106.

The Group's financial resources were adequate during the year under report. The company safeguards is short-term liquidity by working with monthly liquidity planning.

EARNINGS POSITION

P & L in kEUR	30/06/2022	30/06/2021	Changes in %
	kEUR	kEUR	
Revenues	80,993	68,611	18.05
Gross margin	23,861	18,853	26.56
Gross margin in %	29.5	27.5	7.27
Total operational costs	21,461	16,939	26.70
EBITDA	5,393	4,343	24.18
EBITDA margin in %	6.7	6.3	6.35
EBIT	2,400	1,914	25.39
EBIT margin in %	3.0	2.8	7.14
Net profit	1,583	980	61.53

The Group's earnings position again improved significantly in the first half of 2022. Half-year revenues increased by EUR 12.4 million or around 18 percent to EUR 81.0 million (H1 2021: EUR 68.6 million).

Gross profit increased by around 26.6 percent to EUR 23.9 million. This is mainly the result of investments acquired in 2021.

EBITDA (earnings before interest, taxes, depreciation and amortization) increased to EUR 5.4 million (H1 2021: EUR 4.3 million) and EBIT to EUR 2.4 million (H1 2021: EUR 1.9 million).

Consolidated profit after tax now amounts to EUR 1.6 million.

SEGMENT REPORTING

Segment Advisortech

Revenues in the Advisortech segment increased significantly from EUR 56.4 million previously to EUR 67.5 million now. EBITDA also increased to EUR 5.3 million, compared with EUR 4.5 million in the prior-year period. EBIT was EUR 3.1 million, compared to EUR 2.7 million in the previous year. In a quarterly comparison, sales amounted to EUR 30.4 million (Q2 2021: EUR 25.8 million) and EBITDA to EUR 1.6 million (Q2 2021: EUR 1.5 million). EBIT is EUR 0.5 million after EUR 0.6 million in Q2 of the previous year.

Segment Advisory

Segment income in the Advisory unit also developed positively, rising to EUR 18.1 million from EUR 17.3 million in the same period of the previous year. EBITDA increased from EUR 0.9 million in the 1st half of the previous year to now EUR 1.5 million. EBIT also more than doubled to EUR 0.9 million, compared with EUR 0.4 million in the same period of the previous year. In a quarterly comparison, sales – after a significant jump in the previous year – remain unchanged at EUR 9.0 million (Q2 2021: EUR 9.0 million). EBITDA amounts to EUR 0.7 million after EUR 0.5 million in Q2 of the previous year and quarterly EBIT is now EUR 0.4 million compared to Q2 2021 with EUR 0.3 million.

Segment Holding

In the Holding segment, segment revenues increased slightly and now amount to EUR 1.1 million after EUR 1.0 million in the previous year. EBITDA decreased to EUR –1.4 million after EUR –1.1 million in the first half of 2021. EBIT also decreased and is now EUR –1.6 million after EUR –1.2 million in the previous year. In a quarterly comparison, sales amount to EUR 0.5 million (Q2 2021: EUR 0.5 million) and EBITDA to EUR –0.6 million (Q2 2021: EUR –0.5 million). EBIT is EUR –0.8 million after EUR –0.6 million in Q2 of the previous year.

OPPORTUNITY AND RISK REPORT

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

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

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

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

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

- The business success of the company is fundamentally dependent on economic developments. Against the backdrop of very high inflation and the worsening energy crisis, customers are increasingly energy crisis, customers are becoming increasingly reluctant to spend. The future therefore depend to a large extent on the further development of the global economic (Corona pandemic, inflation, energy crisis, consequences of the Ukraine war, etc.).
- Developments on the German and global financial and capital markets are of considerable importance to JDC's success. Continuing volatility or adverse developments could have a negative impact on JDC's profitability.
- The stability of the legal and regulatory environment in Germany and Austria is of great importance. Short-term changes in the environment for financial services companies, intermediaries and financial products, in particular, could have adverse impact on JDC's business model.

Relevant **regulatory risks** are as follows:

- The implementation of the European Union's General Data Protection Regulation (GDPR) affects all German companies, but particularly those in the financial services sector, whose business involves working with personal data to a particularly large extent. The GDPR imposes extensive information and documentation obligations on us. As the digital transformation of the insurance industry is just beginning, many processes at JDC still have to be handled manually. This increases the risk of data breaches due to human error.

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. 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 the current year, the JDC Group has again set some decisive course for the following years. For example, JDC concluded a 5-year contract with a subsidiary of R+V Versicherung to pilot a bancassurance platform for Volks- und Raiffeisenbanken. As R+V, the second largest insurance group in Germany, will use the JDC insurance platform as a white label including the customer management system iCRM within the cooperative financial group, this cooperation holds a very large potential for JDC Group AG.

In addition, a far-reaching and long-term cooperation with the Gothaer insurance group has been agreed upon, in which JDC will provide the platform and the necessary interfaces to give Gothaer customers a complete overview of their entire insurance portfolio. The services for Gothaer cover the entire value chain, from policy administration and commission clearing to the ServiceCenter.

JDC has also agreed to form a long-term insurance broker acquisition joint venture with Bain Capital and Canada Life Irish Holding Company Limited. The brokers and agencies acquired by this joint venture are also to be connected to JDC Group's processing platforms by means of service agreements. A new share buyback program, which will run until July 22, 2022, was agreed on June 15, 2022.

In the view of the Management Board, all of this will lead to a further positive overall development of JDC Group AG's shareholdings and thus also of JDC Group AG itself in the financial year 2022.

OUTLOOK

Economic outlook

The global economy, already weakened by the Corona crisis, was hit again by several shocks in 2022. In addition to the ongoing pandemic, the outbreak of war in Ukraine and unexpectedly high inflation caused prices for fossil fuels and food to rise rapidly. As a result of the associated economic damage, global growth is expected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, according to the IMF. In addition, global growth is also expected to decline further in the medium term.

Market and sector outlook

The further development of the global economic environment (Corona pandemic, inflation, energy crisis, consequences of the war in Ukraine, etc.) will also have a significant impact on further developments on the markets. Accordingly, the current market environment is characterized by a high degree of uncertainty, which can already be observed in an increasing reluctance to buy on the part of customers.

With the interest rate hike and the exit from negative interest rates, the ECB has also already taken the first step towards normalizing interest rates. Nonetheless, there will continue to be plenty of liquidity in the market, as the course taken by the ECB has been confirmed once again by the adoption of a further hedging instrument (Transmission Protection Instrument - TPI). Although this should generally boost the stock and real estate markets, the economic damage caused by the war and the associated decline in global economic growth have led to significant distortions on the stock market. As a result, there is currently a high degree of uncertainty in the market with regard to future developments.

Outlook for the JDC Group consolidated group

EXPECTED BUSINESS PERFORMANCE

The assessment of the expected business development of the JDC Group for 2022 is based on the economic assumptions presented in the Group management report.

The future course of business depends to a large extent on the further development of the global economic environment, such as the course of the Corona pandemic, the inflation, the current energy crisis and the development of the war in Ukraine. In particular, very high inflation and the worsening energy crisis are currently making customers increasingly reluctant to spend. Although this noticeable decline in consumption has not yet impaired business development to date, it is possible that current developments in the second half of the year may also affect the financial position, net assets and results of operations of the JDC Group.

Nevertheless, the JDC Group has positioned itself at an early stage with the major customers it has acquired, the scaling of the platform and the optimization of internal processes and cost management in such a way that even a possible temporary decline in investment and consumption can be absorbed. For the further course of 2022, we therefore confirm our positive assessment of future business development and thus also the published guidance.

In 2022, the company expects sales to grow to between EUR 165 and 175 million and EBITDA to exceed EUR 11 million. Overall, the Executive Board expects a positive business development for the Group as a whole.

The corporate planning is based on very detailed surveys and, in the view of JDC Group AG, realistic assumptions. Should the above-mentioned global economic conditions deteriorate further, this may have a negative impact on business development - even if this is not apparent at the moment.

Wiesbaden, 10. August 2022



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Consolidated financial statements

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Consolidated income statement

	Notes	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	01/01/– 30/06/2022 kEUR	01/01/– 30/06/2021 kEUR
1. Commission income	[1]	37,769	32,644	80,993	68,611
2. Capitalised services	[2]	351	294	661	578
3. Other operating income	[2]	27	21	593	37
4. Commission expenses	[3]	-27,336	-23,987	-58,386	-50,373
5. Personnel expenses	[4]	-6,499	-5,017	-13,149	-9,820
6. Depreciation and amortisation of tangible and intangible assets	[5]	-1,538	-1,281	-2,993	-2,429
7. Other operating expenses	[6]	-2,651	-2,449	-5,319	-4,690
8. Other interest and similar income		3	1	3	1
9. Interest and similar expenses		-379	-372	-749	-741
10. Operating profit/loss		-253	-146	1,654	1,174
11. Income tax expenses		-9	-100	-60	-205
12. Other tax expenses		-1	11	-11	11
13. Net profit		-263	-235	1,583	980
of which attributable to minorities		-21	0	38	0
thereof attributable to parent company's shareholders		-284	-235	1,545	980
14. Earnings per share		-0.02	-0.02	0.11	0.07

Consolidated statement of comprehensive income

	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	01/01/– 30/06/2022 kEUR	01/01/– 30/06/2021 kEUR
Profit or loss for the period	-263	-235	1,583	980
Other income				
In following periods in the profit and loss account to be reclassified into other results	0	0	0	0
Gains/losses from the revaluation of defined benefit plans	0	0	0	0
In following periods not in the profit and loss account to be reclassified into other results	0	0	0	0
Other income after taxes	0	0	0	0
Total income after taxes	-263	-235	1,583	980
Attributable to:				
– Minorities	-21	0	38	0
– Parent company's shareholders	-284	-235	1,545	980

Segment reporting YTD

	Advisortech		Advisory	
	30/06/2022 kEUR	30/06/2021 kEUR	30/06/2022 kEUR	30/06/2021 kEUR
Segment income				
Commission income	67,459	56,449	18,141	17,291
of which with other segments	572	609	4,035	4,520
Total segment income	67,459	56,449	18,141	17,291
Capitalised services	661	578	0	0
Other income	588	26	7	11
Segment expenses				
Commissions	-50,359	-42,530	-12,419	-12,670
Personnel expenses	-9,123	-6,518	-2,434	-2,019
Depreciation and amortisation	-2,141	-1,788	-602	-498
Other	-3,937	-3,511	-1,808	-1,714
Total segment expenses	-65,560	-54,347	-17,263	-16,901
EBIT	3,148	2,706	885	401
EBITDA	5,289	4,494	1,487	899
Income from investments	0	0	0	0
Other interest and similar income	252	244	5	0
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-889	-843	-293	-288
Financial result	-637	-599	-288	-288
Segment earnings before tax (EBT)	2,511	2,107	597	113
Tax expenses	228	115	-302	-284
Segment net profit	2,739	2,222	295	-171
Segment net profit from discontinued operations	0	0	0	0
Minority interests	38	0	0	0
Segment net profit after minority interests	2,701	2,222	295	-171

Holding		Total reportable segments		Transfer		Total	
30/06/2022 kEUR	30/06/2021 kEUR	30/06/2022 kEUR	30/06/2021 kEUR	30/06/2022 kEUR	30/06/2021 kEUR	30/06/2022 kEUR	30/06/2021 kEUR
1,056	1,011	86,656	74,751	-5,663	-6,140	80,993	68,611
1,056	1,011	5,663	6,140	-5,663	-6,140	0	0
1,056	1,011	86,656	74,751	-5,663	-6,140	80,993	68,611
0	0	661	578	0	0	661	578
3	0	598	37	-5	0	593	37
0	0	-62,778	-55,200	4,392	4,827	-58,386	-50,373
-1,592	-1,283	-13,149	-9,820	0	0	-13,149	-9,820
-250	-143	-2,993	-2,429	0	0	-2,993	-2,429
-850	-779	-6,595	-6,004	1,276	1,314	-5,319	-4,690
-2,692	-2,205	-85,515	-73,453	5,668	6,141	-79,847	-67,312
-1,633	-1,194	2,400	1,913	0	1	2,400	1,914
-1,383	-1,051	5,393	4,342	0	1	5,393	4,343
0	0	0	0	0	0	0	0
479	440	736	684	-733	-683	3	1
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-300	-293	-1,482	-1,424	733	683	-749	-741
179	147	-746	-740	0	0	-746	-740
-1,454	-1,047	1,654	1,173	0	1	1,654	1,174
3	-25	-71	-194	0	0	-71	-194
-1,451	-1,072	1,583	979	0	1	1,583	980
0	0	0	0	0	0	0	0
0	0	38	0	0	0	38	0
-1,451	-1,072	1,545	979	0	1	1,545	980

Segment reporting 2. Quarter

	Advisortech		Advisory	
	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR
Segment income				
Commission income	30,409	25,848	9,046	9,038
of which with other segments	278	209	1,407	2,033
Total segment income	30,409	25,848	9,046	9,038
Capitalised services	351	294	0	0
Other income	14	12	13	9
Segment expenses				
Commissions	-22,636	-19,527	-6,278	-6,592
Personnel expenses	-4,589	-3,274	-1,173	-1,099
Depreciation and amortisation	-1,061	-956	-302	-254
Other	-1,950	-1,839	-916	-824
Total segment expenses	-30,236	-25,596	-8,669	-8,769
EBIT	538	559	390	278
EBITDA	1,599	1,515	692	532
Income from investments	0	0	0	0
Other interest and similar income	126	122	4	0
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-450	-420	-141	-146
Financial result	-324	-298	-137	-146
Segment earnings before tax (EBT)	214	261	253	132
Tax expenses	111	62	-124	-98
Segment net profit	325	322	129	34
Segment net profit from discontinued operations	0	0	0	0
Minority interests	21	0	0	0
Segment net profit after minority interests	304	322	129	34

Holding		Total reportable segments		Transfer		Total	
2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR
466	465	39,921	35,351	-2,152	-2,707	37,769	32,644
466	465	2,151	2,707	-2,152	-2,707	0	0
466	465	39,921	35,351	-2,152	-2,707	37,769	32,644
0	0	351	294	0	0	351	294
0	0	27	21	0	0	27	21
0	0	-28,914	-26,119	1,578	2,132	-27,336	-23,987
-737	-644	-6,499	-5,017	0	0	-6,499	-5,017
-175	-71	-1,538	-1,281	0	0	-1,538	-1,281
-359	-361	-3,225	-3,024	574	575	-2,651	-2,449
-1,271	-1,076	-40,176	-35,441	2,152	2,707	-38,024	-32,734
-805	-611	123	226	0	0	123	226
-630	-540	1,661	1,506	0	0	1,661	1,506
0	0	0	0	0	0	0	0
233	214	363	336	-360	-335	3	1
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-148	-141	-739	-707	360	335	-379	-372
85	73	-376	-371	0	0	-376	-371
-720	-538	-253	-146	0	0	-253	-146
3	-53	-10	-89	0	0	-10	-89
-717	-591	-263	-235	0	0	-263	-235
0	0	0	0	0	0	0	0
0	0	21	0	0	0	21	0
-717	-591	-284	-235	0	0	-284	-235

Consolidated Balance Sheet

Assets	Notes	30/06/2022 kEUR	31/12/2021 kEUR
Non-current assets			
Intangible assets	[7]	66,271	66,423
Fixed assets	[8]	4,852	5,584
Financial assets	[9]	514	417
		71,637	72,424
Deferred taxes	[10]	2,735	3,089
Long-term non-current assets			
Accounts receivable	[11]	1,129	1,122
Other assets	[11]	323	1,390
		1,452	2,512
Total non-current assets		75,824	78,025
Current assets			
Accounts receivable	[12]	20,615	19,205
Other assets	[12]	1,278	2,226
Other securities		0	0
Cash and cash equivalents		21,106	21,906
Deferred charges		1,176	391
Total current assets		44,175	43,728
Total assets		119,999	121,753

Liabilities

	Notes	30/06/2022 kEUR	31/12/2021 kEUR
Equity			
Subscribed capital		13,668	13,668
Own shares		-518	-505
Capital reserves		29,065	29,153
Other retained earnings		425	425
Other equity components		-2,351	-3,924
Total equity		40,289	38,817
Non-current liabilities			
Deferred taxes	[10]	5,717	6,168
Bond		19,573	19,491
Liabilities due to banks	[13]	0	0
Accounts payable	[13]	12,354	11,513
Other liabilities	[13]	6,495	7,357
Accruals	[14]	1,380	1,494
Total non-current liabilities		45,519	46,023
Current liabilities			
Accrued taxes	[15]	519	545
Liabilities due to banks	[15]	36	1,015
Accounts payable	[15]	19,032	23,796
Other liabilities	[15]	13,624	10,842
Deferred income	[15]	980	715
Total current liabilities		34,191	36,913
Total equity and liabilities		119,999	121,753

Consolidated cash flow statement

	01/01–30/06/2022 kEUR	01/01–30/06/2021 kEUR	Changes to previous year in kEUR
1. Result for the period	1,583	980	603
2. + Depreciation and amortisation of fixed assets	2,993	2,429	564
3. –/+ Other non-cash itemised income/expenses	–140	241	–381
4. –/+ Profit/loss from disposals of fixed assets	–97	121	–218
5. –/+ Profit/loss from disposals of fixed assets	0	0	0
6. –/+ Increase/decrease of inventories, accounts receivable as well as other assets	–187	3,186	–3,373
7. –/+ Decrease/increase of accounts payable as well as other liabilities	–1,093	–2,091	998
8. = Cash flow from operating activities	3,059	4,866	–1,807
9. + Cash receipts from disposals of intangible assets	0	0	0
10. – Cash payments for investments in intangible assets	–904	–720	–184
11. + Cash receipts from disposals of fixed assets	0	0	0
12. – Cash payments for investments in fixed assets	–136	–98	–38
13. + Cash receipts from disposals of financial assets	0	32	–32
14. – Cash payments for investments in financial assets	–97	0	–97
15. + Cash receipts from the disposal of consolidated companies	0	0	0
16. – Cash payments for the acquisition of consolidated companies	–988	–621	–367
17. = Cash flow from investment activities	–2,125	–1,407	–718
18. + Cash receipts/payment to equity	0	0	0
19. + Cash receipts for stock options issued	144	0	144
20. – Payments from the purchase of own shares	–246	0	–246
21. + Cash receipts from the redemption of bonds	0	0	0
22. – Payments from the redemption of bonds	0	0	0
23. + Cash receipts from borrowings	0	0	0
24. – Cash payments from loan redemptions	–1,140	–18	–1,122
25. – Payments for the repayment part of the rental and leasing obligations	–492	–582	90
26. – Interest paid	0	–10	10
27. = Cash flow from financing activities	–1,734	–610	–1,124
28. Non-cash itemised changes in cash and cash equivalents (total of pos. 8,17, 25)	–800	2,849	–3,649
29. Cash and cash equivalents at the beginning of the period	21,906	11,718	10,188
30. = Cash and cash equivalents at the end of the period	21,106	14,567	6,539
Breakdown of cash and cash equivalents			
	30/06/2022 kEUR	30/06/2021 kEUR	Changes to previous kEUR
Cash and cash in banks	21,106	14,567	6,539
Current liabilities due to banks	0	0	0
	21,106	14,567	6,539

Consolidated statement of changes in equity

	Number of shares	Subscribed capital kEUR	Number of own shares	Capital reserve kEUR	Other retained earnings kEUR	Other equity components kEUR	Shares without dominating influence	Total equity kEUR
As of 01/01/2021	13,128,461	13,128	-505	19,064	423	-4,822	0	27,288
Results as of 30/06/2021						980		980
Other results								0
Total					0	980		980
Repurchase of own shares								0
Capital increase								0
Stock options granted								0
Other equity changes								0
As of 30/06/2021	13,128,461	13,128	-505	19,064	423	-3,842	0	28,268
As of 01/01/2022	13,668,461	13,668	-505	29,153	425	-3,924	0	38,817
Results as of 30/06/2022						1,545	38	1,583
Other results								0
Total					0	1,545	38	1,583
Repurchase of own shares			-13	-233				-246
Capital increase								0
Stock options granted				144				144
Other equity changes						-9		-9
As of 30/06/2022	13,668,461	13,668	-518	29,064	425	-2,388	38	40,289

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1 General Information

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

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

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

Söhnleinstrasse 8
65201 Wiesbaden
Germany

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

The interim report for the period from 1 January to 30 June 2022 relates to the parent company and its subsidiaries on a consolidated basis.

1.1 DECLARATION OF COMPLIANCE BY THE MANAGEMENT BOARD

The interim report of JDC Group for the first half of 2022 and the figures for the comparative period of 1 January to 30 June 2021 are prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted in the European Union (EU). The term IFRS includes the International Accounting Standards (IAS), which are still applicable. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as adopted in the EU and which are binding for the financial year 2022, are also applied. The term IFRS is used consistently throughout this report.

The interim report has not been audited.

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

1.2 ACCOUNTING PRINCIPLES AND VALUATION METHODS APPLIED

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

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

The principles of consolidation and the accounting and valuation methods used for the preparation of the interim report and the comparative figures for the previous period are basically the same as those used in the consolidated financial statements for the period ended on 31 December 2021. A detailed description of the accounting and valuation methods is published in the notes to the annual financial statements of the annual report of 2021, which can be found on the company's website at www.jdcgroup.de.

1.3 BASIS OF CONSOLIDATION

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

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, jupoo finance GmbH, Vienna/Austria, FiNUM.Private Finance AG, Vienna/Austria, benefit consulting GmbH, Vienna/Austria, FiNUM.Private Finance Holding GmbH, Vienna/Austria and JDC B-LAB GmbH, Triesen/Liechtenstein, all of the subsidiaries are registered in Germany. In addition to the parent company, the consolidated financial statements also include the direct subsidiaries and sub-groups Jung, DMS & Cie. Aktiengesellschaft; FiNUM.Private Finance Holding GmbH, Wiesbaden, and FiNUM.Private Finance Holding GmbH, Vienna/Austria.

1.4 ADDITIONAL DISCLOSURES RELATING TO COMPANY ACQUISITIONS

Company acquisitions in 2022

In April 2022, the Group acquired 51 percent of the shares of S-FIN smart finanzieren GmbH, Straubing. The purchase price had not yet been allocated at the time the half-year report was prepared.

The Group also acquired 50 percent of the shares in Plug-InSurance GmbH, Munich, in Q2-2022; the allocation of the purchase price is also still outstanding.

2 Notes to the interim consolidated financial statements

2.1 NOTES TO THE CONSOLIDATED INCOME STATEMENT

Income by segment is shown in the segment report.

2.1.1 Revenues [1]

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

	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	01/01–30/06/2022 kEUR	01/01–30/06/2021 kEUR
Initial commission				
Insurance products	17,815	16,872	40,373	35,749
Investment funds	4,429	4,204	8,795	8,394
Shares/Closed-end funds	1,941	1,626	3,582	3,016
Follow-up commission	7,493	5,903	15,230	11,655
Overrides	1,380	1,403	3,690	3,917
Services	1,205	890	2,095	2,140
Fee-based advisory	738	997	1,859	1,940
Other income	2,768	749	5,369	1,800
Total	37,769	32,644	80,993	68,611

At kEUR 80,993, the total revenue for the period was 18.05 percent higher than in the same period of the previous year (kEUR 68,611).

2.1.2 Other capitalised services and other operating income [2]

	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	01/01–30/06/2022 kEUR	01/01–30/06/2021 kEUR
Capitalised services	351	294	661	578
Reversal of impairments/ income from receivables written off	0	0	0	0
Income from provision's release	9	2	375	7
Income from security sales	2	0	4	0
Income from statute-barred debt	0	0	0	0
Income from benefits in kind	12	10	24	21
Other operating income	4	9	190	9
Total	378	315	1,254	615

Other own work capitalised, which amounted to kEUR 661 (previous year: kEUR 578) mainly include the development of software solutions for own use (Compass, iCRM/iCRM-Web, allesmeins and the Geld.de portal). For further information see note 2.2.1.1 Concessions and industrial property rights.

2.1.3 Commission expenses [3]

This item mainly consists of commissions for independent brokers and sales agents. The commissions were up kEUR 8,013 on the previous year, at kEUR 58,386 (previous year kEUR 50,373) in line with the increase in revenue.

2.1.4 Personnel expenses [4]

	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	01/01–30/06/2022 kEUR	01/01–30/06/2021 kEUR
Wages and salaries	5.339	4.192	10.853	8.213
Expenses from granted stock options	84	0	144	0
Social security	1.076	825	2.152	1.607
Total	6.499	5.017	13.149	9.820

The personnel expenses mainly include salaries, emoluments and other remuneration paid to the Management Board and the staff of 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 in the current financial year amount to EUR 144k.

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

The number of people employed by the group during the financial year averaged 392 (full-time equivalents) (previous year: 278). The above-average increase is based on the company acquisitions in 2021.

2.1.5 Depreciation and Amortisation [5]

	2. Quarter 2022 kEUR	2. Quarter 2021 kEUR	01/01–30/06/2022 kEUR	01/01–30/06/2021 kEUR
Depreciation and amortization of intangible assets	-1,046	-915	-2,106	-1,752
Purchased software	-178	-64	-391	-111
Internally developed software	-364	-407	-703	-786
Customer lists	-504	-438	-1,006	-843
Contract preparation costs	0	-6	-6	-12
Other intangible assets	0	0	0	0
Depreciation and amortization of property and equipment	-492	-366	-887	-677
Leasehold improvements	0	0	0	0
Operating and office equipment	-93	-97	-186	-187
Rights of use rental and leasing	-399	-269	-701	-490
Total	-1,538	-1,281	-2,993	-2,429

2.1.6 Operating expenses [6]

	2. Quarter 2022 KEUR	2. Quarter 2021 KEUR	01/01–30/06/2022 KEUR	01/01–30/06/2021 KEUR
Marketing costs	378	164	606	354
Travel costs	85	21	127	-25
External services	145	178	364	359
IT costs	1,111	926	2,166	1,877
Occupancy costs	111	139	311	340
Vehicle costs	48	41	101	106
Office supplies	35	34	80	67
Fees, insurance premiums	259	193	473	343
Postage, telephone	75	74	152	134
Write-downs/impairments of receivables	41	56	112	99
Legal and consulting costs	217	449	436	685
Training costs	22	20	45	38
Human resources	1	4	1	5
Supervisory board compensation	22	23	44	45
Non-deductible input tax	25	15	41	26
Impairment IFRS 9	0	13	-9	13
Other	76	99	269	224
Total	2,651	2,449	5,319	4,690

Advertising costs include exhibitions and trade fairs, customer events, printed matter and hospitality.

Third-party services comprise the costs of agencies, external employees, stock brokerage services and meetings of shareholders.

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

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

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

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

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

2.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

2.2.1 Intangible assets [7]

	30/06/2022 kEUR	31/12/2021 kEUR
Intangible assets		
Concessions and licences	25,018	26,220
Goodwill	41,253	40,203
Total	66,271	66,423

2.2.1.1 CONCESSIONS AND LICENCES

Concessions and licences mainly consists of software licences for standard business software (straight-line amortisation over three years) and customer lists (amortised over a period of 15 years) with a carrying amount of kEUR 25,018 (31 December 2021: kEUR 26,220).

Self-generated software tools valued at kEUR 661 were capitalised during the financial year (30 June 2021: kEUR 578). These are mainly company-specific software applications (Compass, iCRM/iCRM-Web, allesmeins and the Geld.de portal) to support the distribution of financial products.

2.2.1.2 GOODWILL

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

	30/06/2022 kEUR	31/12/2021 kEUR
AdvisorTech	31,896	30,846
Advisory	9,350	9,350
Holding	7	7
Total	41,253	40,203

2.2.2 Property, plant and equipment [8]

	30/06/2022 kEUR	31/12/2021 kEUR
Leasehold improvements	0	0
Operating and office equipment	867	1,017
Rights of use rental and leasing	3,985	4,567
Total	4,852	5,584

Leasehold improvements consist of works carried out in the rented properties. Operating and office equipment mainly consists of office hardware – such as PCs, notebooks and servers – and all office furniture and furnishings. The right-of-use assets arising from rental agreements and leases include the fair value of rented or leased assets for the exclusive use of the group, which under IFRS 16 have to be capitalised.

2.2.3 Impairment losses

The goodwill was tested for impairment as at 31 December 2021. The recoverable value of the Adv-sortech and Advisory cash-generating units is determined by calculating a value in use from forecasts for the cash flow before income tax. These forecasts were made on the basis of detailed budget projections for the group companies for the financial year 2022 approved by Management and the Supervisory Board. For the financial years 2023 to 2024, moderate growth rates (Phase I) are assumed. For subsequent periods, the cash flow was forecast as a perpetuity (Phase II). Given a risk-free base rate of –0.11 percent (2021: –0.31 percent) derived from the yield curve, a market risk premium of 5.39 percent (previous year: 5.81 percent), and applying a beta factor for the comparative investment of 0.60 (previous year: 0.88), the capitalisation rate is 5.5 percent (previous year: 5.5 percent). The capitalisation rate used to determine the present value of the initial cash flows of the perpetuity includes a deduction for growth of 1.0 percent (previous year: 1.0 percent). An additional major factor influencing the free cash flow is the assumptions with regard to growth in revenue and growth in the profits of the operating units.

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

2.2.4 Financial assets and other non-current assets [9]

The breakdown of book values is as follows:

	30/06/2022 kEUR	31/12/2021 kEUR
Shares in affiliated companies	58	55
Investments	269	175
Securities	187	187
Total	514	417

2.2.5 Deferred tax assets and liabilities [10]

	30/06/2022 kEUR	31/12/2021 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	1,170	1,335
Tax reimbursement claims from financial liabilities	1,565	1,754
Total	2,735	3,089
Deferred tax liabilities		
Intangible assets (software)	3,560	3,762
From other recognition differences	1,264	1,448
Total	5,717	6,168

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

2.2.6 Non-current assets [11]

	30/06/2022 kEUR	31/12/2021 kEUR
Accounts receivables	1,129	1,122
Other assets	631	1,698
Impairment from expected losses	-308	-308
Total	1,452	2,512

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

Other assets mainly consists of receivables from intermediaries.

In accordance with IFRS 9, a risk provision for expected losses of 7% was made for the accounts receivable and other receivables. This reduced the other receivables by kEUR 308 (31 December 2021: kEUR 308).

2.2.7 Current assets [12]

	30/06/2022 kEUR	31/12/2021 kEUR
Accounts receivable	20,615	19,205
Other assets		
Commission advances	1,176	391
Prepaid expenses	-102	-102
Other	1,380	2,328
Total	23,069	21,822

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

Miscellaneous other assets mainly result from short-term loans, various accruals and deferrals, and receivables from intermediaries.

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

2.2.8 Equity

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

2.2.9 Non-current liabilities [13]

	30/06/2022 kEUR	31/12/2021 kEUR
Bond	19,573	19,491
Liabilities to banks	0	0
Accounts payable	12,354	11,513
Other liabilities		
Purchase price liabilities	3,416	3,687
Liabilities from rental and lease	2,888	3,463
Other	191	207
Total	38,422	38,361

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

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

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

2.2.10 Provisions [14]

	30/06/2022 kEUR	31/12/2021 kEUR
Pension provisions	479	479
Provisions for cancellation liability	891	1,001
Provisions for threatened claims from financial loss	10	14
Total	1,380	1,494

The pension obligations comprise commitments taken on by the group's subsidiary Jung, DMS & Cie. Pro GmbH on the acquisition of Assekuranz Herrmann. The amount of the pension provisions is calculated once per year on the basis of an actuarial valuation and recognised accordingly as at the end of the financial year. Details of the changes in pension entitlements can be found in the annual report for 2021.

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

2.2.11 Current liabilities [15]

	30/06/2022 kEUR	31/12/2021 kEUR
Pension provisions	41	41
Provisions for taxes	255	254
Provisions for cancellation liability	223	250
Liabilities to banks	36	1,015
Accounts payable	19,032	23,796
Other current liabilities		
Purchase price liabilities	3,311	2,979
Rights of use rental and lease	1,376	1,370
Other	8,937	6,493
Deferred income	980	715
Total	34,191	36,913

Accounts payable are settled at their due dates.

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

2.3 RELATED PARTIES

Transactions with members of the Management Board and Supervisory Board:

	30/06/2022 kEUR	30/06/2021 kEUR
Supervisory Board		
Remuneration	45	45
Management Board		
Total remuneration*	1,158	576

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

3 Significant events after the reporting date

No significant events occurred after the reporting date.

4 Statement of changes in equity

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

5 Cash flow statement

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

The cash flow from operating activities was kEUR 3,059.

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

Cash and cash equivalents

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

6 Segment Reporting

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

The JDC Group Group is divided into the following segments:

- Advisortech
- Advisory
- Holding

Advisortech

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

Advisory

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

Holding

The Holding segment comprises JDC Group AG.

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

GEOGRAPHICAL SEGMENT INFORMATION

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

7 Executive Bodies of JDC Group AG

Management Board

[DR. SEBASTIAN GRABMAIER](#)

Grünwald
Attorney
CEO

[RALPH KONRAD](#)

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

[STEFAN BACHMANN](#)

Frankfurt
Businessman
CDO

Supervisory Board

[JENS HARIG](#)

Kerpen
Independent entrepreneur
Chairman

[PROF. DR. MARKUS PETRY](#)

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

[MARKUS DREWS](#)

Köln
CEO Canada Life Assurance Europe plc

[DR. IGOR RADOVIĆ](#)

Köln
Director product and sales management
Canada Life Assurance Europe plc

[CLAUDIA HAAS](#)

Mainz
Head of Market Management DACH
Euler Hermes

[DR. PETER BOSSE](#)

Bruckmühl
Head of IT
Versicherungskammer Bayern
(since 27/07/2022)

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

Contact

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

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