

CORPORATE NEWS

Wiesbaden, May 25, 2016

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JDC Group acquires insurance portfolio of up to 195,000 customers and thus boosts EBITDA by up to Euro 4 million a year

- **Jung, DMS & Cie. AG, a subsidiary of JDC Group AG, invests in an asset deal with a medium-sized broker a small double-digit million euro amount**

- **Commission income set to rise by up to Euro 5 million a year**

- **EBITDA growth of up to 4 million Euro a year following portfolio transfer**

- **Great cross-selling potential mainly due to the new digital finance assistant “allesmeins” within the customer portfolio acquired**

Jung, DMS & Cie. AG, a subsidiary of JDC Group and one of Europe’s largest broker pools, has agreed an asset deal to acquire a private customer insurance portfolio of up to 195,000 customers, a net annual premium of almost Euro 27 million, annual commission income of up to Euro 5 million and an expected EBITDA contribution after handling and customer support costs of up to Euro 4 million.

The customer contracts are mainly in the field of legal protection insurance, personal liability insurance, household and household contents insurance. The asset deal agreement is subject to various conditions precedent. It should be completed by the middle of the year. As a result, the impact on revenues and EBITDA outlined above will take effect on a pro-rated basis in the current year.

The transaction will be financed with the Euro 15 million bond placed successfully in June 2015 and issued in order to acquire broker portfolios. Upon implementation of the latest transaction, this capital will be fully invested. Over and above the immediate positive impact on revenues and EBITDA, the management of JDC Group also expects to generate substantial additional revenues by deploying its newly introduced “allesmeins” insurance wallet in the newly acquired customer portfolio. As the average contract density in the acquired portfolio currently amounts to just over one contract per customer, compared with a German average of around eight contracts per customer, this innovative smartphone application should enable the contract density per customer to be significantly raised in the new portfolio. This in turn could lead to even more positive earnings contributions from the portfolio acquired.

“allesmeins” is a digital insurance wallet based on state-of-the-art technology that unites the interests both of end customers and of their Independent Financial Advisors (IFAs). It provides end customers with a rapid overview of all their insurance contracts and relevant contract documentation on their smartphones or tablets. The app also

enables customers to add contracts, optimize them or report damages. However, unlike normal, non-personalized fintech solutions, “allesmeins” still offers end customers access to their individual financial advisors, with whom they have built up a relationship of trust over years or even decades in some cases, and to all of their specialist competence. If they wish, the 195,000 customers in the portfolio acquired will thus have access in future to one of JDC’s IFAs.

“JDC Group is the ideal buyer for this kind of broker portfolios. That’s not only because we have extensive transaction experience but also because once the transfer has been completed we can also ensure in the interest of the retail customers that they receive suitable support, particularly should any insurance events arise”, comments JDC’s CEO Dr. Sebastian Grabmaier. “JDC Group is one of only few market players to combine the latest and most efficient transaction services and state-of-the-art advisortech solutions with the most important component – the human factor. Not least by deploying our ‘allesmeins’ smartphone application, we will ensure ideal customer retention and create additional revenue potential for our IFAs and hence for ourselves.”

“The portfolio now acquired will substantially improve our key financials. The contracts are predominantly in insurance segments with above-average duration periods and high commission expectations”, adds Ralph Konrad, CFO of JDC Group. “We are delighted that this transaction also enables us to confirm the forecasts provided in the business plan when placing the bond last year. With a return on revenues of more than 50 percent on the portfolio acquired and a return on investment of up to 30 percent we are absolutely on target and are able to demonstrate the great success of our ‘portfolio acquisition’ business model. We plan to acquire more insurance portfolios shortly.”

About JDC Group AG

JDC Group AG (ISIN: DE000A0B9N37) stands for smart financial distribution flanked by new advisory technologies in the age of the digital natives.

In our “Advisory” segment, our Jung, DMS & Cie. and FiNUM subsidiaries broker financial products to private customers via independent advisors, brokers and financial sales operations. With more than 16,000 affiliated sales partners, more than 900,000 end customers, a managed portfolio of more than Euro 4 billion and new business of more than Euro 1.3 billion a year, we are one of the market leaders in German-speaking countries.

In our “Advisortech” segment, we are developing state-of-the-art advisory and administration technologies for customers and advisors alike. Many competitors of JDC view technological change as presenting a problem and see young fintech players as new rivals. We, by contrast, see the “technology” factor as offering a great opportunity. In future, solutions from the “Advisortech” segment will help our advisors support their

customers even more closely and thus also generate higher sales.

Disclaimer:

Members of the Management Board of JDC Group AG hold material shareholdings in JDC Group AG and thus have proprietary interests in the nature and contents of the information provided in this notification.

Detailed information regarding the company and its daughters can be found under www.jdcgroup.de.

Information regarding the new Finance-App can be found under www.allesmeins.de.