

CORPORATE NEWS

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JDC signs letter of intent for process outsourcing with Lufthansa subsidiary Albatros

- **Revenues of EUR 20 million to be added from 2018 onwards; significant earnings contribution expected**
 - **Outsourcing activities will significantly accelerate the growth of the JDC Group in the next few years**
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Albatros Versicherungsdienste GmbH, part of the Lufthansa Group, and Jung, DMS & Cie. Pool GmbH have signed a letter of intent for a minimum of five years for the outsourcing of the processing and distribution of financial products.

Following the successful completion of a pilot project in mid-2017, both partners are now working on the implementation of an extensive cooperation which is to begin at the end of this year. Albatros plans to transfer insurance contracts from its more than 150,000 customers entirely to the JDC platform and to handle all new business through JDC's IT and infrastructure.

This cooperation combines the competencies of both companies and has many advantages for both Albatros and JDC. Albatros can dramatically cut its own IT investments and focus its own resources on sales, rather than on IT and administration. Albatros' customers will benefit from modern end-user technologies, such as the JDC smartphone app "allesmeins". JDC at the same time will be able to make better use of the existing platform and thus realize an above average margin on the additional revenue.

"We are very happy about this cooperation. Albatros is the leading employee insurance broker in Germany, who, in addition to advising Lufthansa employees also advises employees of other corporates such as Coca Cola, Breuninger, Merck and Deutsche Post DHL on insurance matters," comments Ralph Konrad, JDC Group's CFO on the conclusion of the contract. "With this cooperation, our revenues from business with private customers will grow significantly and lead to additional recurring earnings in the long-term."

"The cooperation between Albatros and JDC shows that digitalization can change the level of earnings potential in the market substantially. Intermediaries of all kinds - i.e. banks, distributors and also even larger brokers will be able to provide better service to customers rather than using their resources for increasingly complex administration issues," adds Dr. Sebastian Grabmaier, JDC Group's CEO. "On the other hand, we are concentrating fully on the automation and digitalization of business processes in the brokerage of financial products and can thus bring significant advantages and synergies to larger brokerage firms, even those with revenues of EUR 20 million and more. For this reason we are convinced of the considerable potential our processing model offers and see the cooperation with Albatros as the first, but essential, step in

the outsourcing of the business processes of large brokerage organizations and banks in Germany."

You can find more information on JDC Group AG at www.jdcgroup.de.

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About JDC Group AG

JDC Group AG (ISIN: DE000A0B9N37) stands for modern financial advice and intelligent financial technology for advisors and customers. In the "Advisortech" business unit, we provide our customers and advisors with modern advisory and administration technology using the Jung, DMS & Cie. Groups. While many sales and distribution partners perceive the technological transformation as a problem and the young Fintech companies as the new competitors, we perceive the "technology" factor to be a great opportunity. Solutions from the "Advisortech" business unit will help advisors in the future to take even better care of their customers and generate increased sales in their earnings. In the "Advisory" segment, we procure financial products for private end customers via free advisors, brokers and financial distributors using the FiNUM Group. With over 16,000 connected sales partners, around 1,200,000 end customers, a portfolio of more than EUR 4.5 billion and over EUR 1.4 billion in product sales each year, we are one of the market leaders in the German-speaking region.

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