

CORPORATE NEWS

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JDC and Lufthansa subsidiary Albatros swiftly implement letter-of-intent and agree on 5-year contract for full outsourcing of transaction processing

- **Sales volume over the contract period up to EUR 100 million, sales growth starting in 2018 up to EUR 20 million p.a., significant contribution to earnings expected**
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- **JDC's customer base grows by 150,000 customers**
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- **Outsourcing business will significantly accelerate JDC growth in the coming years**
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Albatros Versicherungsdienste GmbH, which is part of the Lufthansa Group, and Jung, DMS & Cie. Pool GmbH, part of the JDC Group, quickly implemented the letter-of-intent (LOI) concluded only a few weeks ago, and today signed an agreement to outsource the processing and brokering of financial products for a period of at least 5 years.

Albatros will transfer all the insurance contracts of its approximately 150,000 customers to the JDC platform and handle all new business via JDC IT and its infrastructure.

This will enable Albatros to drastically reduce its own IT investments and focus its own resources on sales instead of IT and administration. In return, JDC will be able to better utilise the existing platform and thus achieve an above average margin on the additional revenue.

"We are pleased that we were able to turn the letter-of-intent into long-term contracts so quickly. Albatros is one of the leading workforce brokers in Germany, serving not only Lufthansa employees but other corporate employees as well - such as those at Coca Cola or Deutsche Post DHL - on insurance matters," said Ralph Konrad, CFO of JDC Group AG, commenting on the ground-breaking conclusion of the JDC deal. "With this partnership, our revenues in the retail sector will grow significantly and, after costs, lead to a very important, long-term recurring contribution to earnings."

"The cooperation between Albatros and JDC shows that digitalization can change structures and earnings potentials in the market permanently. Intermediaries of all kinds - i.e. banks, distributors and also even larger brokers - can be more profitably employed servicing their customers rather than using up effort in increasingly complex administration," 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 sales of EUR 20 million and more. That is why we are convinced of the considerable potential of the processing model we are offering and see the cooperation with Albatros as the first, but essential, step in the outsourcing of the business processes of large brokerage organisations 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, 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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The Directors of JDC Group AG hold a significant participating interest in JDC Group AG and have a self-interest in the nature and content of the information provided in this release.