

CORPORATE NEWS

Wiesbaden, Germany, 20 August 2020

Page 1/3

JDC Group increases revenues and profits despite COVID-19 crisis

- **Revenues grew by around 12 percent to EUR 58.8 million in the first six months of 2020**
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- **EBITDA was up by roughly 10 percent and stood at EUR 3.1 million at the end of the first half year despite extraordinary expenditures occasioned by the coronavirus crisis**
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- **Success of digital strategy: further outsourcing contracts signed**
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Figures published today on the performance of JDC Group AG (ISIN DE000A0B9N37) in the first six months of 2020 confirm the success of the group's digital strategy.

Revenues for the first half are around 12 percent higher year on year, at EUR 58.8 million (first six months of 2019: EUR 52.5 million). The revenues of the Advisortech segment are up by around 12 percent, at EUR 49.6 million. The Advisory segment has increased its revenues by approximately 9 percent to EUR 14.0 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by around 10 percent in the first half year of 2020 to EUR 3.1 million (first six months of 2019: EUR 2.86 million), although the second quarter was impacted by extraordinary expenditures as a result of the coronavirus pandemic, which caused EBITDA to fall slightly in the second quarter to EUR 0.94 million (second quarter 2019: EUR 1.09 million). Extraordinary expenditures were mainly incurred by the information technology and operations areas for setting up and implementing the infrastructure required for allowing employees to work from their homes, and for moving the JDC head office to a new location.

Also in the second quarter, the number of orders in relation to new business significantly exceeded those in the same period of the previous year, although during that time extensive social distancing measures led to the cessation of a large number of social activities and temporary closure of many businesses. The lack of activity in the occupational pension products and property businesses due to the COVID-19 crisis was more than compensated for by the strength of the investment and non-life insurance business, which enabled the group to achieve an increase in revenues of almost 7 percent despite the crisis. The number of contracts transferred to the JDC insurance platform in the first half of the year doubled in comparison with the same period of the prior year. However, these contracts will only start to impact revenues and income of the platform in the coming months.

Sparkasse Bremen is the third key account acquired by the JDC Group in connection with an outsourcing project since the beginning of financial year 2020, after Boehringer Ingelheim and Nürnberger Versicherung. With its bancassurance platform, JDC will be the premium distribution partner of s mobile Versicherungsmakler GmbH and will use its administrative and sales support technology to take over the entire processing, settlement and accounting processes for the insurance business of Sparkasse Bremen. With its approximately 80 locations across the metropolitan area and more than 400,000 retail customers in addition to over 26,000 corporate customers, Sparkasse Bremen is one of the largest and most innovative savings banks in Germany.

Commenting on the figures, Ralph Konrad, CFO of the JDC Group, said: 'Against the backdrop of the coronavirus crisis, we are very satisfied with the performance in the first half of the year. Our crisis scenarios initially painted a much more conservative picture at the start of the crisis. The fact that we have been able to grow and to improve our half-year profits – even during a very difficult second quarter – shows that our digital processes strategy is a success and that we are on a steady growth path.'

CEO Dr Sebastian Grabmaier added: 'In the coming weeks and months we intend to go live with further outsourcing projects based on our now market-leading insurance platform. After the successful acquisition of Sparkasse Bremen, we will acquire further key accounts. This will reinforce our reputation as the long-term number one choice for processing and settlement of retail customer insurance transactions for both small and large brokers, banks, tied agents and insurance distribution companies and agents.'

The key figures for the second quarter and the first half of 2020 are as follows:

(in TEUR)	Q2 2020	Q2 2019	Change	YTD 2020	YTD 2019	Change
Revenues	27,381	25,702	6.5%	58,820	52,513	12.0%
- thereof Advisortech	22,450	20,967	7.1%	49,565	44,404	11.6%
- thereof Advisory	6,928	6,843	1.2%	13,998	12,859	8.9%
- thereof Holding/Cons.	-1,997	-2,021	1.2%	-4,743	-4,750	0.1%
EBITDA	939	1,086	-13.5%	3,134	2,861	9.5%
EBIT	-144	1	>-100%	947	817	15.9%
EBT	-504	-310	-62.6%	220	186	18.3%
Net profit	-509	-365	-39.5%	190	125	52.0%

Despite the impacts of the COVID-19 crisis has so far had on its business, JDC Group AG confirms its guidance for the financial year 2020 with revenues between EUR 125 million and EUR 132 million and further increases in EBITDA, provided that there is no renewed lockdown in the area of its business due to COVID-19.

The interim report for the first half and second quarter of 2020 as well as further information on JDC Group AG can be found at www.jdcgroup.de.

The Letter to Shareholders for the 3rd quarter will be published on 19 November 2020.

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, via our subsidiary Jung, DMS & Cie., we provide our customers and advisors with modern advisory and administration technology. 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 help advisors, brokers, banks and other intermediaries 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 using the FiNUM Group. With over 16,000 connected sales partners we are one of the market leaders in the German-speaking region.

Disclaimer:

The Directors of JDC Group AG hold a participating interest in JDC Group AG and have a self-interest in the nature and content of the information provided in this release.