

Interim Report 1. Half of 2016



BEST ADVICE. BETTER TECHNOLOGY.

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JDC Group AG

At a glance

P & L in kEUR*	1. Quarter 2016 kEUR	1. Quarter 2015 kEUR	Changes compared to previous	30/06/2016 kEUR	30/06/2015 kEUR	Changes compared to previous
Revenues	18,942	19,458	-2.7	36,243	36,802	-1.5
Gross margin	5,545	6,739	-17.7	10,740	11,847	-9.3
Gross margin in %	29.3	34.6	-15.3	29.6	32.2	-8.1
Total operational costs	5,770	6,284	-8.2	11,212	11,585	-3.2
EBITDA	184	843	-78.2	368	1,023	-64.0
EBITDA margin in %	1.0	4.3	-76.7	1	3	-64.3
EBIT	-226	455	>-100	-472	262	>-100
EBIT margin in %	-1.2	2.3	>-100	-1.3	0.7	>-100
Net profit from continuing operations (after shares without dominating influence)	-543	-26	>-100	-776	-351	>-100
Number of shares in thousands (end of period)	11,935	10,850	10.0	11,935	10,850	10.0
Earnings per share in EUR	-0.05	0.0	>-100	-0.07	-0.03	>-100

Cashflow/Balance sheet in kEUR

	30/06/2016 kEUR	30/06/2015 kEUR	Changes compared to year in %
Cash flow from operating activities	2,376	-380	> 100
Total equity and liabilities	73,119	65,802	11.1
Equity	30,151	24,678	22.2
Equity ratio in %	41.2	37.5	10.0
Previous year partly adjusted			



Dr. Sebastian Grabmaier
CEO

Ralph Konrad
CFO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

despite a difficult capital market environment owing to Brexit, we were able to reach important company milestones in the first six months of this year. We purchased two large portfolios, introduced our app "allesmeins" on the market, and concluded additional important partnerships. All told, therefore, we made significant investments in the first half of the year, which means that our cost base was affected by one-time events that reduced our earnings in the 1st half of 2016. We did so willingly, however, since the positive effects will be reflected in the second half of 2016, and JDC Group's profits will see a steep increase in 2017.

JDC purchases Geld.de brand and IT – along with an insurance portfolio of up to 195,000 contracts

In an asset deal in May, we purchased a private insurance portfolio of up to 195,000 customers, a net annual premium of just under EUR 27 million, and annual commission income of up to EUR 5 million. This is the biggest investment in the history of our company to date.

The transfer of the insurance portfolio to our company is going well, even more smoothly than we could have expected, and we now predict that it will be concluded in October of this year. We will see an EBITDA of up to EUR 4 million from the expected commission income of up to EUR 5 million.

Above and beyond the immediate revenue and EBITDA contributions, we expect significant additional income from the introduction of our digital insurance app, "allesmeins," to our newly acquired portfolio of end customers. Since each of these new customers currently only has just over one contract on average, and the average German insurance customer has between six and eight contracts, the innovative smartphone application should significantly increase the average number of contracts held by our new customers, which could in turn further increase earnings from the new portfolio.

JDC Group successfully places a cash capital increase with institutional investors

In preparation for the purchase of an additional portfolio which we completed in June, the JDC Group AG increased its share capital by EUR 1,084,997, i.e. from EUR 10,849,974 to EUR 11,934,971, against cash contributions subject to exclusion of existing shareholders' subscription rights. JDC Group AG thus received gross proceeds of approximately EUR 6.5 million from the capital increase.

JDC purchases part of the retail client business of leading global insurance and reinsurance broker Aon

Only a few days after its capital increase, JDC Group acquired via its subsidiary Jung, DMS & Cie. AG a retail client insurance portfolio with approximately 30,000 contracts and a net annual premium of approximately EUR 8.5 million from Aon Deutschland. These policies are mainly in the areas of legal expense insurance, personal liability insurance, as well as homeowners insurance and comprehensive household insurance, i.e. categories with long holding periods and low termination rates. JDC will generate annual recurring commissions of up to EUR 1.5 million from these contracts. The expected EBITDA contribution, after handling- and customer service-related costs, will be at least EUR 1.2 million per year. The agreement has been concluded and is already in effect.

Investments in the future

The positive earnings contribution of both these portfolio transactions will take effect on a pro rata basis and accumulate in the second half of 2016, and will be fully effective in 2017. In the first half of the year, the costs of both transactions, which amounted to several hundreds of thousands of euros, led to a one-time increase in our cost base.

JDC Group expands its Supervisory Board from three to six members

The capital increase allowed us to acquire additional solid shareholders. This is why at our latest Annual General Assembly, we decided to expand our Supervisory Board from three to six members. We are therefore pleased to welcome Mr Klemens Hallmann, Managing Director of Hallmann Holding International Investment GmbH, Vienna, Mr Stefan Schütze, Manager of FinLab AG, Frankfurt, and Mr Jörg Keimer, Corporate Counsel of JDC Group AG, to the Supervisory Board.

Results for the first half of 2016

The difficult capital market environment owing to Brexit led Group revenues to fall slightly by 1.5 percent to EUR 36.2 million (H1 2015: EUR 36.8 million). Revenues in the second quarter fell to EUR 18.9 million (Q2 2015: EUR 19.5 million). This had to do with the expected drop-off in sales in the investment fund area, which we were largely able to compensate for by increasing sales in the other segments. Product sales were down slightly, to EUR 560 million as opposed to EUR 606 million during the same period last year.

As a result, JDC Group AG's investment funds under administration fell slightly to EUR 4.2 billion, approximately 5 percent lower than the EUR 4.4 billion during the six-month period ended as at 30 June 2015.

Earnings were lower than last year. In addition to the slight decrease in revenue, this was mainly due to upfront costs for the large portfolio acquisitions and the introduction of our digital insurance app, "alles-meins". However, these investments will begin to be amortised in the second half of this year.

During the first six-month period, our Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) were EUR 368k (H1 2015: EUR 1.023 million). The one-time effects of the portfolio purchases mainly affected earnings during the second quarter, when our EBITDA was reduced to EUR 184k (Q2 2015: EUR 843k). Our Earnings Before Interest and Taxes (EBIT) were EUR –472k, i.e. also lower than last year (H1 2015: EUR 262k). In the second quarter, our EBIT dropped to EUR –226k (Q2 2015: EUR 455k).

Accordingly, the Group's Earnings Before Taxes (EBT) was EUR –776k, which was lower than last year (H1 2015: EUR –351k). In the second quarter, our EBT was EUR –543k (Q2 2015: EUR –26k).

On the other hand, our key financial figures were up. As at 30 June 2016, our equity was at EUR 30.1 million, and our equity ratio was 41,2 percent (as at 31 December 2015: EUR 24.7 million and 37.5 percent, respectively). Due to the capital increase, our liquid funds rose to EUR 10.4 million (as at 31 December 2015: EUR 5.3 million).

OUR INDIVIDUAL BUSINESS SEGMENTS PERFORMED AS FOLLOWS:

Advisortech

The Advisortech business segment was stable during the first half of 2016, with revenues of EUR 29.3 million. This was approximately 2 percent lower than in the same period last year (H1 2015: EUR 29.9 million). In the second quarter, revenues were EUR 15.2 million (Q2 2015: EUR 15.4 million).

EBITDA in the first six months of 2016 was EUR 0.8 million, lower than the level last year (H1 2015: EUR 1.1 million). In the second quarter, EBITDA fell to EUR 0.4 million (Q2 2015: EUR 0.7 million).

In the first six months of 2016, EBIT was EUR 0.2 million, i.e. also lower than last year (H1 2015: EUR 0.8 million). In the second quarter, EBIT was EUR 0.1 million, as opposed to EUR 0.6 million in the second quarter of last year.

Advisory

The performance of the Advisory business segment was also stable during the first six months of 2016. Revenues were EUR 10.3 million, as compared to EUR 10.5 million during the same period last year. In the second quarter, revenues were EUR 5.3 million, exactly the same as they were in the second quarter of last year.

The Advisory segment's EBITDA fell in the first six months of 2016 to EUR 0.0 million (H1 2015: EUR 0.4 million). In the second quarter, the EBITDA was EUR 0.0 million, as compared to EUR 0.2 million in the second quarter of last year.

In the first semester, EBIT fell to EUR –0.2 million (H1 2015: EUR 0.2 million). In the second quarter, it was EUR –0.1 million, as compared to EUR 0.1 million in the second quarter of last year.

Outlook

We continue to believe that our overall performance in 2016 will remain positive, buoyed up by a strong second half year. The marketing of our digital insurance app "allesmeins" via strategic partnerships – on which we are currently working – will increase, and our portfolio purchases will begin to have a positive effect on earnings in the second half of the year.

In our opinion, our existing business will also perform better than it did during the first half-year. The effects of Brexit have receded into the background, and our consultants are once again taking in new funds, which will be assessed and generate commissions during the remainder of the year.

Thanks to our employees and shareholders

Last but not least, we would again like to give our heartfelt thanks to the employees and sales partners of both JDC Group AG and its subsidiaries, since our success is based on their commitment and motivation.

We would also like to extend equally hearty thanks to our shareholders, who have believed in our business model and provided support and approval to our Management Board and Supervisory Board.

We would be very pleased to enjoy your continued support.

Sincerely,



Dr. Sebastian Grabmaier



Ralph Konrad

Group management interim report

BUSINESS AND GENERAL CONDITIONS

The German economy had a strong start to the year 2016. Based on calculations compiled by the Federal Statistical Office, price-adjusted gross domestic product (GDP) for the first quarter of the year grew year-on-year by 1.3 percent. There was a 0.7 percent increase against the fourth quarter of 2015. The growth was primarily achieved by an increase in the consumption expenditure of both households and the State. In the second quarter, economic output increased by 0.4 percent against the previous quarter. Exports were the main influence here. According to DIW forecasts, Germany's GDP will grow by 1.7 percent in 2016. It is therefore to be expected that consumer spending will remain at a high level and that exports will increase.

JDC Group AG stands for new advisory technologies flanked by smart financial advice for customers and advisors. In our "Advisortech" segment, we are developing state-of-the-art advisory and administration technologies for customers and advisors alike. Many sales operations and partners view technological change as presenting a problem and see young Fintech players as new competitors. We, by contrast, see the "technology" factor as offering a great opportunity. In future, solutions from the "Advisortech" segment will help advisors support their customers even more closely and thus also generate higher sales. In our "Advisory" segment, our Jung, DMS & Cie. and FiNUM subsidiaries broker financial products to private end customers via independent advisors, brokers and financial sales operations. With more than 16,000 affiliated sales partners, approximately 1,000,000 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.

Market and competition

THE MARKET FOR INVESTMENT FUNDS¹⁾

The German fund industry witnessed a net inflow of new funds totalling EUR 50 billion in the first half of 2016. Special funds also produced very good results, totalling EUR 46.9 billion. Retail funds received a total of EUR 3.8 billion. Institutional funds withdrew EUR 1.1 billion from independent clients.

In the middle of the year, the members of the German Investment Funds Association (BVI) managed retail funds with a total volume of EUR 869 billion. In comparison, EUR 45.0 billion was accrued in the record year 2015. The new business statistics were dominated in particular by balanced funds, which attracted inflows of EUR 24.9 billion. At the end of June 2016, the fund industry managed assets worth EUR 2.7 trillion for its investors. This corresponds to an increase of around 4 per cent, compared to the previous year.

¹⁾ Unless indicated otherwise, all data referred to in the following description of the investment product market was taken from the BVI press release "Investment Statistics for the 1st Half of 2016" dated August 6 2016.

THE INSURANCE MARKET ²⁾

In 2015, premiums received in the insurance industry showed a slight year-on-year increase. This in turn was due to the performance of life insurance and property insurance policies. Assuming the same conditions, 2016 is expected to witness a continuation in this development.

Premiums received for private health insurance policies are currently declining.

However, there is currently a positive development in life insurance contribution income.

Overall, the industry aims to achieve a stable year-on-year premium performance.

OUTLOOK

The financial services market will continue to be shaped by ongoing uncertainty, volatility, and low interest rates in 2016. The interest loss incurred above all on insurance policies in the current low interest climate will further reduce the net return on insurance products. Moreover, sales of investment and life insurance products may decrease compared to the previous year.

Competitive position

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

Competitors in the Advisortech segment

In its Advisortech segment, the JDC Group AG sells via its subsidiaries of Jung, DMS & Cie. Aktiengesellschaft (JDC) products such as investment funds, closed funds, structured products, insurances, and financing products to end customers (B2B).

As a broker pool, JDC is in competition with all companies brokering the aforementioned financial products via independent brokers to downstream brokers or end customers. These include broker networks/pools, such as Fonds Finanz Maklerservice GmbH and BCA AG, as well as commercial banks, savings banks, cooperative banks, and financial sales companies focusing.

Based on the JDC Group's assessment, market barriers to entry are now very high in the broker pool business. Due to past developments, there are large numbers of brokerages, especially broker networks/pools, that are characterized by a widely varying sizes and degrees of professionalism. Having said this, the broker pools market has nevertheless seen substantial consolidation in recent years. During this period, JDC has grown and acquired smaller competitors leaving the market and/or continually integrated their customers.

²⁾ All data referred to in the following description of the insurance market has been taken from the industry data published at gdv.de.

Competitors in Financial Consulting segment

In its Advisory segment, JDC Group AG offers advice on and brokers financial products to end customers (B2C) via its subsidiaries FiNUM.Private Finance Deutschland and FiNUM.Private Finance Österreich. In general, all companies are in competition with numerous market players, i.e. alongside financial sales operations and standalone brokers the companies also compete with exclusivity-bound organizations at insurers and banks, as well as with direct sales, such as internet-based operations. Based on the assessment of JDC Group AG, the companies' main competitors can be identified by reference to the different business models and target groups as follows:

FiNUM.Private Finance Deutschland and FiNUM.Private Finance Österreich focus on advising sophisticated private customers (the so-called "mass affluent market") in Germany and Austria. The business mix consists almost equally of wealth accumulation and wealth protection (insurance). The main competitors are thus commercial and private banks, as well as financial advisory companies focusing on sophisticated customers, such as MLP AG and Horbach Wirtschaftsberatung AG.

COMPANY SITUATION

Net asset position

Assets in kEUR

	H1/2016 kEUR	H1/2015 kEUR	Changes in %
Intangible assets	36,750	31,248	17.6
Fixed assets	362	411	-11.9
Financial assets	144	149	-3.4
Deferred taxes	4,318	4,389	-1.6
Long-term non-current assets			
Accounts receivable	823	791	4.0
Current assets			
Accounts receivable	9,077	11,623	-21.9
Other assets	10,512	11,518	-8.7
Cash and cash equivalents	10,413	5,320	95.7
Deferred charges	720	353	> 100
Total assets	73,119	65,802	11.1

Of the Group's non-current assets, amounting to EUR 42.4 million as of 30 June 2016 (previous year: EUR 37.0 million), around EUR 36.8 million involve intangible assets (previous year: EUR 31.2 million). The increase of EUR 5.5 million resulted primarily from the capitalisation of a customer base and the acquisition of a domain in the amount of EUR 4.9 million.

Current assets rose to EUR 28.2 million (previous year: EUR 28.8 million). The main reason is the reduction in short-term receivables to around EUR 6 million. Due to a capital increase, the amount of cash in credit institutions rose by EUR 5.1 million to EUR 10.4 million.

The balance sheet total increased to EUR 73.1 million, compared to EUR 65.8 million in 2015. This primarily resulted from a capital increase of EUR 6.3 million.

Liabilities in kEUR			
	30.06.2016 kEUR	31.12.2015 kEUR	Changes in %
Equity	30,151	24,678	22.2
Non-current liabilities			
Deferred taxes	1,234	1,481	-16.7
Bonds	12,736	12,688	0.4
Liabilities due to banks	0	0	0
Accounts payable	7,654	7,478	2.4
Other liabilities	1,664	1,664	0.0
Provisions	2,031	2,215	-8.3
Current liabilities			
Accrued taxes	372	362	2.8
Liabilities due to banks	272	3	> 100
Accounts payable	7,957	9,745	-18.3
Other liabilities	9,006	5,412	66.4
Deferred income	42	76	-44.7
Total equity and liabilities	73,119	65,802	11.1

Overall, at EUR 25.3 million, the long-term debt capital has remained constant (previous year: EUR 25.5 million). Current liabilities rose by EUR 2 million to EUR 17.6 million compared to the previous year (EUR 15.6 million). Responsibly therefor is the information shown regarding portfolio purchase as other liability, because the maturity was past the report due date. Furthermore accounts payable decreased by EUR 1.8 million compared to the previous year.

The consolidated JDC Group had an equity ratio corresponding to 41.2 percent of total assets as of 30 June 2016 (previous year: 37.5 percent). The consolidated JDC Group thus continues to benefit from very strong equity resources.

Financial position

The cash flow statement shows how the cash flow developed as a result of inflows and outflows of funds during the period under report.

The cash flow from operating activities increased substantially by Euro 2,756k from Euro -380k to Euro -2,376k in the financial year under report. This was mainly due to the reduction in accounts receivables.

At Euro -2,632k, the cash flow from investing activities was negative. Outgoing payments of Euro 2,610k for investments in intangible assets and property, plant and equipment.

Financing activities resulted in a positive cash flow of Euro 5,349k which was mainly attributable to the incoming payment received upon the capital increase.

Cash and cash equivalents amounted to Euro 10,413k.

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

Earnings performance

P & L in kEUR

	1. Half of 2016 kEUR	1. Half of 2015 kEUR	Changes in %
Revenues	36,243	36,802	-1.5
Gross margin	10,740	11,847	-9.3
Gross margin in %	29.6	32.2	-8.1
Total operational costs	11,212	11,585	-3.2
EBITDA	368	1,022	-64.0
EBITDA margin in %	1.0	2.8	-64.3
EBIT	-472	262	> -100
EBIT margin in %	-1.3	0.7	> -100
Net profit from continuing operations	-776	-351	> -100

The Group's profit situation deteriorated slightly in the first half of 2016. Unadjusted half-year sales basically reduced by EUR 0.5 million, or 1.5 percent, to EUR 36.2 million (1st half of 2015: EUR 36.8 million).

Commission expenses fell by 2.9 percent from EUR 27.4 million in the previous year to EUR 26.6 million.

Of the other expenses, EUR 6.3 million related to personnel expenses (1st half of 2015: EUR 6.0 million) and EUR 4.9 million to other operating expenses, including amortisation (1st half of 2015: EUR 5.6 million). As an annual average, the Group had a total of 182 employees (1st half of 2015: 187 employees).

The largest items amongst the other operating expenses were amortisation at EUR 0.8 million (previous year: EUR 0.7 million), advertising costs at EUR 0.4 million (previous year: EUR 0.4 million), IT costs at EUR 0.8 million (previous year: EUR 0.8 million), legal and consultancy costs at EUR 0.7 million (previous year: EUR 1.3 million), and other costs at EUR 0.7 million (previous year: EUR 0.9 million).

Overall, the result of ordinary operations deteriorated from EUR 0.0 million to EUR -0.9 million. Earnings after tax fell to EUR -0.8 million, compared to EUR -0.4 million in the previous year.

SEGMENT REPORTING

Segment Advisortech

Revenues in the Advisortech segment decreased slightly to Euro 29.2 million, as against Euro 29.9 million in the previous year. EBITDA decreased slightly from Euro 1.1 million in the previous year to Euro 0.8 million. EBIT decreased slightly from Euro 0.8 million in the previous year to Euro 0.2 million. In the 2nd quarter revenues amounted to Euro 15.3 million (2nd quarter 2015: Euro 15.4 million). EBITDA amounted to Euro 0.4 million compared to Euro 0.7 million in the 2nd quarter of the previous year. EBIT amounted to Euro 0.1 million (2nd quarter 2015: Euro 0.6 million).

Segment Advisory

Segment revenues developed stable from Euro 10.5 million in the previous year to Euro 10.3 million. EBITDA decreased to Euro 0.0 million compared to Euro 0.4 million in the previous year. EBIT declined also to Euro –0.2 million compared to Euro 0.2 million in the previous year. In the 2nd quarter revenues amounted to Euro 5.3 million (2nd quarter 2015: Euro 5.4 million). EBITDA amounted to Euro 0.0 million compared to Euro 0.2 million in the 2nd quarter of the previous year. EBIT amounted to Euro –0.1 million (2nd quarter 2015: Euro 0.1 million).

Segment Holding

Segment revenues were Euro 1.0 million after Euro 1.0 million in the previous year. EBITDA improved to Euro 0.4 million after Euro –0.6 million in the first half year of 2015. EBITDA amounted to Euro 0.2 million after Euro –0.1 million in the 2nd quarter of the previous year. EBIT was at Euro –0.2 million (2nd quarter 2015: Euro –0.3 million).

EVENTS AFTER THE BALANCE SHEET DATE

No events of material significance have occurred since the balance sheet date.

OPPORTUNITY AND RISK REPORT

The Group's future business performance involves all opportunities and risks associated with the sale of financial products and the purchase, management and sale of companies. The risk management system at JDC Group AG is structured to facilitate the early detection of risks the derivation of suitable measures to minimize such risks. Financial instruments are used exclusively for hedging purposes. To facilitate the early detection of potential problems at associate companies and their investments, the most important key figures are collected and evaluated on a monthly basis.

JDC Group AG manages the Group by means of a monthly reporting system which includes the most important key figures and takes particular account of the liquidity situation. Furthermore, the Management Board is kept informed of the current liquidity status on a daily basis.

Relevant company-related risks are as follows:

- When brokering financial products and insurance policies, the possibility cannot be excluded that cancellations will give rise to expenses that are not covered by corresponding recourse claims towards brokers. The recovery of this kind of recourse claim is set to play a more important role. In the context of its sales arrangements with insurance companies, JDC Group AG in some cases issues letters of comfort for its subsidiaries.
- Claims may be asserted against the JDC Group AG in connection with incorrect information or incorrect advice provided by its sales partners. Whether the risks involved are covered by existing insurance cover or by recourse claims towards brokers then depends on the details of the individual case.
- Ongoing volatility on the capital markets and difficulty in forecasting product turnover place high requirements in liquidity management. Any lack of liquidity could pose a threat to the Group's continued existence.
- Seller guarantees customary to the market were granted upon the execution of company sales. Any infringement of these seller guarantees may lead to unscheduled expenses for the JDC Group AG.

Relevant market-related risks are as follows:

- The company's business success is basically dependent on macroeconomic developments.
- Developments in national and global financial and capital markets are of significant relevance for the success of the JDC Group AG and the consolidated group. Persistent volatility or negative developments could impact negatively on the earnings strength of JDC Group AG.
- The stability of the legal and regulatory framework in Germany and Austria is a factor of great importance. Any changes in the underlying framework for financial services companies, brokers, or financial products, especially any changes made at short notice, could impact negatively on the business model of JDC Group AG.

Relevant regulatory risks are as follows:

- The implementation of the MiFiD II Directive in Germany may lead to reporting and recording duties. This would necessitate substantial changes or conversions in the business model at JDC Group companies.

Currently further stock- or development-dependent risks for the company cannot be identified by the management.

On the other hand, the JDC Group acted in 2015 to lay key foundations for the years ahead. Having sold loss-making investments and implemented a far-reaching cost-cutting program in 2014, the JDC Group repositioned itself in 2015 to focus more closely on financial technology (fintech). In this context, the company worked together with its subsidiaries to develop the new "allesmeins" technology – a digital insurance organization app – which harbors substantial revenue opportunities for the coming years.

OUTLOOK

Macroeconomic outlook

Global economic growth is expected to amount to 3.0 percent in 2016 and thus to fall short of the long-term trend for the fifth year in succession. The global inflation rate is expected to pick up to 3.7 percent, with this mainly due to the negative impact of commodity prices on inflation turning out lower than in the previous year. In the industrialized economies, we expect growth to slow slightly to 1.3 percent and consumer prices to show a slight increase of 0.8 percent. By contrast, we expect the rate of growth in emerging economies to accelerate to 4.3 percent. The inflation rate in these economies is expected to come to 5.7 percent. Assisted by the oil price and a slow improvement in the labor market, GDP in the euro area should grow by 1.4 percent in 2016. Economic developments in the euro area will receive further support from the expansive monetary policy at the European Central Bank (ECB), which is likely to become even more expansive as the year progresses. Developments will nevertheless also be held back by geopolitical risks, delays in structural reforms, and high levels of private and public debt. Consumer prices are expected to rise by 0.2 percent. Driven by the development in the domestic economy alone, the German economy is expected to grow by 1.7 percent in 2016.

Market and sector outlook

The ECB has further extended its high-volume purchase program for bonds issued by central Governments of EMU member states, issuers with a corresponding mandate, and European Institutions. This has a monthly volume of Euro 60 billion. This program is therefore set to reach a total volume of Euro 1.5 trillion.

According to the ECB, inflation has not developed as expected. Due to the fall in the oil price, inflation has rather fluctuated around 0 percent. The ECB has therefore extended its purchase program not least to stimulate inflation. The volume of liquidity on the market can therefore be expected to remain very high, thus lending yet further momentum to the stock and real estate markets.

The oil price will also remain low overall. This too would indicate that inflation is likely to remain low and consumer confidence high. The various crises around the world are the only factor that could place a damper on the capital market developments.

For the JDC Group, the key focus in 2016 will be on sustainably improving its operating business.

Outlook for the JDC Group consolidated group

EXPECTED BUSINESS PERFORMANCE

The management board expects for the whole group an improvement in the business development compared to the first half year.

For the further development in 2016 the management board has the following estimation:


We continue to believe that our overall performance in 2016 will remain positive, buoyed up by a strong second half year. The marketing of our digital insurance app “allesmeins” via strategic partnerships – on which we are currently working – will increase, and our portfolio purchases will begin to have a positive effect on earnings in the second half of the year.

In our opinion, our existing business will also perform better than it did during the first half-year. The effects of Brexit have receded into the background, and our consultants are once again taking in new funds, which will be assessed and generate commissions during the remainder of the year.

Wiesbaden, September 15, 2016



Dr. Sebastian Grabmaier



Ralph Konrad

Consolidated income statement

	Notes	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	01/01/– 30/06/2016 kEUR	01/01/– 30/06/2015 kEUR
1. Commission income	[1]	18,942	19,458	36,243	36,802
2. Capitalised services	[2]	129	160	312	336
3. Other operating income	[3]	428	1,636	828	2,148
4. Commission expenses	[4]	–13,992	–14,515	–26,643	–27,439
5. Personnel expenses	[5]	–3,215	–3,010	–6,321	–5,977
6. Depreciation and amortisation of tangible and intangible assets		–410	–387	–840	–760
7. Other operating expenses	[6]	–2,146	–2,887	–4,051	–4,848
8. Other interest and similar income		35	3	52	11
9. Interest and similar expenses		–230	–161	–487	–251
10. Operating profit/loss		–459	297	–907	22
11. Income tax expenses		–63	–322	154	–369
12. Other tax expenses		–21	–1	–23	–4
13. Net profit		–543	–26	–776	–351
14. Earnings per share		–0.05	0.00	–0.07	–0.03

Consolidated statement of comprehensive income

	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	01/01/ – 30/06/2016 kEUR	01/01/ – 30/06/2015 kEUR
Profit or loss for the period	-543	-26	-776	-351
Other income				
Net gain from hedging of net investments	0	0	0	0
Income tax effect	0	0	0	0
	0	0	0	0
Currency translation of foreign operations			0	0
Net gain/loss from hedging of cash flows	0	0	0	0
Income tax effect	0	0	0	0
	0	0	0	0
Net gain/loss from available-for-sale financial assets	0	0	0	0
Income tax effect	0	0	0	0
	0	0	0	0
Reclassified income after taxes	0	0	0	0
Total income after taxes	-543	-26	-776	-351
Attributable to:				
Parent company's shareholders	--543	-26	-776	-351
Shares without controlling interests	0	0	0	0

Segment reporting

	Advisortech		Advisory		
	30/06/2016 kEUR	30/06/2015 kEUR	30/06/2016 kEUR	30/06/2015 kEUR	
Segment income					
Commission income	29,299	29,892	10,264	10,522	
of which with other segments	458	1,012	2,861	2,600	
Total segment income	29,299	29,892	10,264	10,522	
Capitalised services	312	199	0	0	
Other income	538	479	275	1,313	
Segment expenses					
Commissions	-22,190	-22,899	-7,607	-7,673	
Personnel expenses	-4,156	-3,838	-1,284	-1,257	
Depreciation and amortisation	-594	-284	-236	-218	
Other	-2,990	-2,701	-1,655	-2,458	
Total segment expenses	-29,930	-29,722	-10,782	-11,606	
EBIT	219	848	-243	229	
EBITDA	813	1,132	-7	447	
Income from investments	0	0	0	0	
Other interest and similar income	407	278	27	103	
Yield on other securities	0	0	0	0	
Depreciation of financial assets	0	0	0	0	
Other interest and similar expenses	-609	-104	-560	-550	
Financial result	-202	174	-533	-447	
Segment earnings before tax (EBT)	17	1,022	-776	-218	
Tax expenses	-254	-291	38	-82	
Segment net profit from continuing operations	-237	731	-738	-300	
Segment net profit from discontinued operations	0	0	0	0	
Minorities	0	0	0	0	
Segment net profit after minority interests	-237	731	-738	-300	

	Holding		Total reportable segments		Transfer		Total	
	30/06/2016 kEUR	30/06/2015 kEUR	30/06/2016 kEUR	30/06/2015 kEUR	30/06/2016 kEUR	30/06/2015 kEUR	30/06/2016 kEUR	30/06/2015 kEUR
	993	997	40,556	41,411	-4,313	-4,609	36,243	36,802
	993	997	4,312	4,609	-4,312	-4,609	0	0
	993	997	40,556	41,411	-4,313	-4,609	36,243	36,802
	0	137	312	336	0	0	312	336
	59	716	872	2,509	-44	-361	828	2,148
	0	0	-29,797	-30,572	3,154	3,133	-26,643	-27,439
	-881	-882	-6,321	-5,977	0	0	-6,321	-5,977
	-10	-258	-840	-760	0	0	-840	-760
	-609	-1,525	-5,254	-6,684	1,203	1,837	-4,051	-4,847
	-1,500	-2,665	-42,212	-43,993	4,357	4,970	-37,855	-39,023
	-448	-815	-472	262	0	0	-472	262
	-438	-557	368	1,022	0	0	368	1,023
	0	0	0	0	0	0	0	0
	715	546	1,149	927	-1,097	-916	52	11
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-415	-513	-1,584	-1,167	1,097	916	-487	-251
	300	33	-435	-240	0	0	-435	-240
	-148	-782	-907	22	0	0	-907	22
	347	0	131	-373	0	0	131	-373
	199	-782	-776	-351	0	0	-776	-351
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	199	-782	-776	-351	0	0	-776	-351

Segment reporting

	Advisortech		Advisory		
	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	
Segment income					
Commission income	15,249	15,443	5,341	5,379	
of which with other segments	228	205	1,419	1,158	
Total segment income	15,249	15,443	5,341	5,379	
Capitalised services	129	23	0	0	
Other income	217	227	175	1,159	
Segment expenses					
Commissions	-11,516	-12,152	-4,051	-3,978	
Personnel expenses	-2,105	-1,921	-661	-656	
Depreciation and amortisation	-283	-24	-122	-109	
Other	-1,593	-954	-838	-1,657	
Total segment expenses	-15,497	-15,051	-5,672	-6,400	
EBIT	98	642	-156	138	
EBITDA	381	666	-34	247	
Income from investments	0	0	0	0	
Other interest and similar income	-37	-50	14	42	
Yield on other securities	0	0	0	0	
Depreciation of financial assets	0	0	0	0	
Other interest and similar expenses	-62	175	-268	-275	
Financial result	-99	125	-254	-233	
Segment earnings before tax (EBT)	-1	767	-410	-95	
Tax expenses	-112	-237	28	-77	
Segment net profit from continuing operations	-113	530	-382	-172	
Segment net profit from discontinued operations	0	0	0	0	
Minorities	0	0	0	0	
Segment net profit after minority interests	-113	530	-382	-172	

	Holding		Total reportable segments		Transfer		Total	
	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR
	494	920	21,084	21,742	-2,142	-2,284	18,942	19,458
	494	920	2,141	2,283	-2,142	-2,284	0	0
	494	920	21,084	21,742	-2,142	-2,284	18,942	19,458
	0	137	129	160	0	0	129	160
	52	593	444	1,979	-16	-343	428	1,636
	0	0	-15,567	-16,130	1,575	1,615	-13,992	-14,515
	-449	-433	-3,215	-3,010	0	0	-3,215	-3,010
	-5	-254	-410	-387	0	0	-410	-387
	-298	-1,288	-2,729	-3,899	583	1,012	-2,146	-2,887
	-752	-1,975	-21,921	-23,426	2,158	2,627	-19,763	-20,799
	-206	-325	-264	455	0	0	-264	455
	-201	-71	146	842	0	0	146	842
	0	0	0	0	0	0	0	0
	367	247	344	239	-309	-236	35	3
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-209	-297	-539	-397	309	236	-230	-161
	158	-50	-195	-158	0	0	-195	-158
	-48	-375	-459	297	0	0	-459	297
	0	-9	-84	-323	0	0	-84	-323
	-48	-384	-543	-26	0	0	-543	-26
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-48	-384	-543	-26	0	0	-543	-26

Consolidated Balance Sheet

Assets			30/06/2016	31/12/2015
	Notes		kEUR	kEUR
Non-current assets				
Intangible assets	[7]		36,750	31,248
Fixed assets			362	411
Financial assets	[8]		144	149
			37,256	31,808
Deferred taxes	[9]		4,318	4,389
Long-term non-current assets	[10]			
Accounts receivable			823	791
Total non-current assets			42,397	36,988
Current assets	[11]			
Accounts receivable			9,077	11,623
Other assets			10,512	11,518
Other securities			0	0
Cash and cash equivalents			10,413	5,320
Deferred charges			720	353
Total current assets			30,722	28,814
Total assets			73,119	65,802

Liabilities

	Notes	30/06/2016 kEUR	31/12/2015 kEUR
Equity			
Subscribed capital		11,935	10,850
Capital reserves		45,851	40,686
Other retained earnings		283	283
Other equity components		-27,918	-27,141
Non-controlling interests		0	0
Total equity		30,151	24,678
Non-current liabilities	[12]		
Deferred taxes	[9]	1,234	1,481
Bond		12,736	12,688
Liabilities due to banks		0	0
Accounts payable		7,654	7,478
Other liabilities		1,664	1,664
Accruals	[13]	2,031	2,215
Total non-current liabilities		25,319	25,526
Current liabilities	[14]		
Accrued taxes		372	362
Liabilities due to banks		272	3
Accounts payable		7,957	9,745
Other liabilities		9,006	5,412
Deferred income		42	76
Total current liabilities		17,649	15,598
Total equity and liabilities		73,119	65,802

Consolidated cash flow statement

	01/01/–30/06/2016 kEUR	01/01/–30/06/2015 kEUR	Changes to previous year in kEUR
1. Result for the period	–776	–351	–425
2. + Depreciation and amortisation of fixed assets	840	760	80
3. –/+ Other non-cash itemised income/expenses	–174	0	–174
4. –/+ Profit/loss from disposals of fixed assets	–175	0	–175
5. –/+ Increase/decrease of inventories, accounts receivable as well as other assets	3,153	5,444	–2,291
6. –/+ Decrease/increase of accounts payable as well as other liabilities	–492	–6,233	5,741
7. = Cash flow from operating activities	2,376	–380	2,756
of which from discontinued operations	0	0	0
8. + Cash receipts from disposals of intangible assets	0	0	0
9. – Cash payments for investments in intangible assets	–2,610	–327	–2,283
10. + Cash receipts from disposals of fixed assets	0	6	–6
11. – Cash payments for investments in fixed assets	–27	–60	33
12. + Cash receipts from disposals of financial assets	5	0	5
13. – Cash payments for investments in financial assets	0	–1,879	1,879
14. – Cash payments for financial assets in the scope of cash forecast	0	0	0
15. = Cash flow from investment activities	–2,632	–2,260	–372
of which from discontinued operations	0	0	0
16. +/- Cash receipts/-payments from capital increase	6,249	0	6,249
17. + Cash payments from the issue of bonds	0	14,576	–14,576
18. – Cash payments from loan redemptions	0	–3,000	3,000
19. – Interest paid	–900	0	–900
20. = Cash flow from financing activities	5,349	11,576	–6,227
of which from discontinued operations	0	0	0
21. Non-cash itemised changes in cash and cash equivalents (total of pos. 7, 15, 20)	5,093	8,936	–3,843
22. Cash and cash equivalents at the beginning of the period	5,320	3,949	1,371
23. = Cash and cash equivalents at the end of the period	10,413	12,885	–2,472
Breakdown of cash and cash equivalents	30/06/2016 kEUR	30/06/2015 kEUR	Changes to previous year in kEUR
Cash and cash in banks	10,413	12,885	–2,472
Current liabilities due to banks	0	0	0
	10,413	12,885	–2,472

* Capitalisation product Bayerische Beamten LV AG does not comply with the purpose of a cash reserve, furthermore it is used for investment purposes cf. IAS 7.7

Consolidated statement of changes in equity

	Number of shares	Subscribed capital kEUR	Capital reserve kEUR	Other retained earnings kEUR	Cash Flow hedge marked to market kEUR	Securities marked to market kEUR	Other equity components kEUR	Shares without dominating influence	Total equity kEUR
As of 01/01/2015	10,849,974	10,850	40,686	283	0	0	-25,413	0	26,406
Result as of 30/06/2015							-351		-351
Capital increase									0
Changes in market valuation for investments									0
Changes in market valuation for cash flow hedge									0
Changes in deferred taxes									0
Other additions/disposals									0
Retained earnings									
– Allocation of earnings									0
Shares without dominating influence									0
– Additions									0
– Disposals									0
– Changes due to the results as of 30/06/2015									0
As of 30/06/2015	10,849,974	10,850	40,686	283	0	0	-25,764	0	26,055
As of 01/01/2016	10,849,974	10,850	40,686	283	0	0	-27,141	0	24,678
Results as of 30/06/2016							-776		-776
Capital increase	1,085,000	1,085	5,164						6,249
Changes in market valuation for investments									0
Changes in market valuation for cash flow hedge									0
Changes in deferred taxes									0
Other additions/disposals									0
Retained earnings									
– Allocation of earnings									0
Shares without dominating influence									0
– Additions									0
– Disposals									0
– Changes due to the results as of 30/06/2016									0
	11,934,974	11,935	45,850	283	0	0	-27,917	0	30,151

Notes

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1 General Information

The JDC Group Group ("JDC Group") is a diversified financial services company with the operative segments Advisortech and Advisory. The company was registered on 6th October 2005 under the name Aragon Aktiengesellschaft (now: JDC Group AG) in the commercial register of the Wiesbaden district court (HRB 22030). The company's registered office is located in Wiesbaden. The address is:

Kormoranweg 1
65201 Wiesbaden
Federal Republic of Germany

JDC Group shares are admitted for the open market (Entry Standard). The interim financial statements for the reporting period from 1 January 2016 to 30 June 2016 relates to the parent company and its subsidiaries on a consolidated basis.

1.1 DECLARATION OF COMPLIANCE BY THE MANAGEMENT BOARD

JDC Group's interim financial statements for the first half year of 2016 and the corresponding previous year period from 1 January 2016 to 30 June 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), which is applicable in the European Union (EU). The term IFRS also includes the International Accounting Standards (IAS) which are still in place. All interpretations binding for financial year 2016 by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as applicable in the EU have likewise been applied. In the following the term IFRS has been used throughout.

The interim report has not been subject to an auditor's review.

JDC Group AG is not a parent company within the meaning of Section 315a (1) and (2) of the German Commercial Code (HGB) that is required to prepare interim financial statements. JDC Group AG voluntarily prepares its interim financial statements under IFRS.

1.2 ACCOUNTING PRINCIPLES AND VALUATION METHODS APPLIED

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

The separate financial statements of JDC Group AG and its subsidiaries have been included in the interim financial statements in observance of the recognition and valuation policies applicable throughout the Group.

The interim financial statements have been prepared in euros (EUR), which is the functional currency of the Group. Except as otherwise indicated, all figures have been rounded to the nearest thousand euros (kEUR). The interim consolidated income statement has been prepared in accordance with the total cost accounting method. The consolidated financial statements have been uniformly prepared for the periods presented here in accordance with the following principles of consolidation, accounting and valuation.

The interim financial statement, including figures from the comparison period in the previous year, was basically compiled according to the consolidation, accounting and valuation principles applied to the annual report 2015. A detailed description of these principles is published in the notes of the annual report 2015. The annual report is available on the company's website: www.jdcgroup.de.

1.3 BASIS OF CONSOLIDATION

In addition to JDC Group AG the interim consolidated financial statements generally include all subsidiaries under IAS 27, in which JDC Group AG holds a majority of voting rights or which it can control by other means. Control within the meaning of IAS 27 is present if there is the possibility of determining the financial and business policy of a company, in order to draw benefit from its activities.

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, FiNUM. Service GmbH (formerly: Jung, DMS & Cie. Maklerservice GmbH), Wien/Österreich, FiNUM. Private Finance AG, Vienna/Austria, and FiNUM. Private Holding GmbH, Vienna/Austria, all of the subsidiaries are registered in Germany. In addition to the parent company, the interim consolidated financial statements also include the direct subsidiaries and sub-groups Jung, DMS & Cie. Aktiengesellschaft, FiNUM. Private Finance Holding, Wiesbaden, and FiNUM. Private Finance Holding GmbH, Vienna/Austria. The JDC Group daughter Jung, DMS & Cie. AG acquired 25.1 percent of the asset manager BB Wertpapier-Verwaltungs-Gesellschaft mbH, which is not part of basis of consolidation due to inessentiality.

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 Commission Income [1]

Income relates essentially to initial and follow-up commission from brokerage services in the three segments of insurance products, investment funds and investments/closed-end funds as well as other services and breaks down as follows:

	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	01/01–30/06/2016 kEUR	01/01–30/06/2015 kEUR
Initial commission				
Insurance products	7,219	7,374	13,496	13,064
Investment funds	3,504	4,715	6,951	9,277
Shares/Closed-end funds	737	616	1,406	1,251
Follow-up commission	5,431	5,038	10,281	9,681
Overrides	500	237	819	518
Other income	1,551	1,478	3,290	3,011
Total	18,942	19,458	36,243	36,802

The commission income decreased by 1.5 percent compared to the previous year to kEUR 36,243. The reduction results exclusively from the investment business. All other main business increased compared to the following year.

The follow-up commissions raises up to kEUR 10,281 stable level of Assets under Administration.

2.1.2 Other capitalised services [2]

Capitalised services amounted to kEUR 312 (30 June 2015: kEUR 336) and were primarily achieved by developing in-house software solutions (Compass, World of Finance, ATWOF, iCRM) (cf. ref. 2.2.1.1 Software and licences).

2.1.3 Other operating income [3]

The other operating income of kEUR 828 (30 June 2015: kEUR 2,148) primarily relates from kEUR 152 of accruals release, kEUR 107 from benefits in kind and kEUR 381 from other income.

2.1.4 Commission expenses [4]

The item contains mainly the commissions for independent brokers. The expenses, which decline in relation to commission income, decreased by kEUR 796 to kEUR 26,643 versus the previous year (30 June 2015: kEUR 27,439).

2.1.5 Personnel expenses [5]

	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	01/01–30/06/2016 kEUR	01/01–30/06/2015 kEUR
Wages and salaries	2,752	2,548	5,411	5,085
Social security	463	462	910	892
Total	3,215	3,010	6,321	5,977

Personnel expenses essentially comprise wages and salaries, remuneration and other payments to the Management Board and employees of the JDC Group.

Social security includes the employer's statutory contributions (social security contributions).

2.1.6 Operating expenses [6]

	2. Quarter 2016 kEUR	2. Quarter 2015 kEUR	01/01–30/06/2016 kEUR	01/01–30/06/2015 kEUR
Marketing costs	163	180	386	424
External services	142	54	264	124
IT costs	424	299	813	776
Occupancy costs	324	325	642	643
Vehicle costs	93	96	181	172
Fees, insurance premiums	222	229	406	395
Postage, telephone	48	42	91	81
Legal and consulting costs	412	1,047	593	1,315
Other	313	615	675	918
Total	2,146	2,887	4,051	4,848

The other expenses primarily consisted of costs regarding charging of group companies kEUR 251 (30 June 2015: kEUR 266), events kEUR 60 (30 June 2015: kEUR 0), training costs kEUR 43 (30 June 2015: kEUR 91) and office costs without rent kEUR 59 (30 June 2015: kEUR 43).

2.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

2.2.1 Intangible assets [7]

2.2.1.1 CONCESSIONS AND LICENCES

The item "Concessions and licences" essentially comprises software licences for standard commercial software (depreciation period 3 years linear) and customer base (depreciation period 10–15 years linear) with a carrying amount of kEUR 12,191 (31 December 2015: 6,691). The increase in 2016 results mainly due to a purchase of a customer base plus a domain of kEUR 4,900.

In the financial period internally generated software tools totalling kEUR 321 (30 June 2015: kEUR 336) were capitalised. These are essentially company-specific software applications (Compass, World of Finance, AT WOF, iCRM) to support sales of financial products.

2.2.1.2 GOODWILL

Goodwill results from the first-time consolidation at the time of the relevant business combination.

	30/06/2016 kEUR	31/12/2015 kEUR
Advisortech	19,096	19,093
Advisory	5,461	5,461
Holding	2	2
	24,559	24,557

2.2.2 Impairment expenses

Goodwill was subjected to an impairment test as of 31 December 2015. The achievable amount of the generating mediums of payment relevant entities Advisortech and Advisory are determined on basis of calculation of use value under application of estimated cash flows before income taxes. The estimation are deviated from management and supervisory board approved detailed budgeting of the group companies for the financial year 2016. For the financial years 2017 and 2018 moderate growth rate (phase I) are assumed. For the subsequent periods, the cash flow was forecasted as perpetual annuity (phase II). 6.0 % (previous year: 2.9 %) was calculated using a risk-free base interest rate of 0.37 % (previous year: 0.65 %) derived from the yield-curve, a market risk premium of 5.63 % (previous year: 2.23 %) and using a beta factor for comparable investments of 0.7 (previous year: 1.1). The discount rate used to determine the present value of the initial cash flows of the perpetual annuity included a growth discount of 1.0 % (previous year: 1.0 %). The assumptions made with regard to the sales growth in the operating units are an additional factor influencing free cash flow.

The rise in the discount rate before taxes to 8.0 % (viz. +2 %) does not mean a loss of value for the mediums of payment relevant entities. The decline of planned EBIT in the mediums of payment relevant entities by –15 % does not require a loss of value. The market capitalisation as of 31 December.

2.2.3 Financial assets and other non-current assets [8]

The breakdown of book values is as follows:

	30/06/2016 kEUR		31/12/2015 kEUR
Available-for-sale			
Shares in affiliated companies		25	25
Investments		119	124
Securities		0	0
Total		144	149

2.2.4 Deferred tax assets and liabilities [9]

	30/06/2016 kEUR		31/12/2015 kEUR
Deferred tax assets			
Tax reimbursements from losses carried forward		4,318	4,739
		4,318	4,739
Deferred tax liabilities			
Intangible assets (software)		-623	-766
From other valuation differences		-611	-714
		-1,234	-1,480

For the German companies, deferred taxes were calculated on the basis of a corporation tax rate of 15.0 % plus solidarity surcharge of 5.5 % and the local trade tax rate of the city of Wiesbaden of 454.0 % (combined income tax rate: 31.72 %).

For the Austrian companies, the corporation tax rate of 25.0 % has been applied, which has been in force since 2005.

2.2.5 Non-current assets [10]

	30/06/2016 kEUR		31/12/2015 kEUR
Accounts receivable		823	791
Total		823	791

The accounts receivable relate essentially to commission receivable from the cancellation reserves.

2.2.6 Current assets [11]

	30/06/2016 kEUR		31/12/2015 kEUR
Accounts receivable		9,077	11,623
Other assets			
Commission advances		3,052	6,023
Deferred charges		720	353
Other		7,460	5,495
Total		20,309	23,494

Accounts receivable essentially relate to commission receivable from partner companies and broker pool partners from brokerage services and the cancellation reserve. The remaining other assets essentially relate to rent deposits, tax refund claims and short-term loans. Prepaid expenses relate to payments on account for advertising events in the subsequent year, insurance, contributions and motor vehicle tax.

2.2.7 Equity

Movements in the Group equity of JDC Group AG are shown in the statement of changes in equity (cf. also ref. 4).

2.2.8 Non-current liabilities [12]

	30/06/2016 kEUR		31/12/2015 kEUR
Bond		12,736	12,688
Liabilities to banks		0	0
Accounts payable		7,654	7,478
Other liabilities			
Other		1,664	1,664
Total		9,318	9,142

The increase of non-current liabilities is due to the compounding of the bond of kEUR 48 plus a slight increase in trade payables of kEUR 176.

2.2.9 Provisions [13]

	30/06/2016 kEUR	31/12/2015 kEUR
Provisions for asset damage prevention	1,613	1,427
Provisions for legal costs	418	788
Total	2,031	2,215

Deductions from commissions that are intended to hedge against potential defaults at brokers have been presented as financial loss provisions. Furthermore, a provision for potential litigation risks has also been presented here of kEUR 418.

2.2.10 Current liabilities [14]

	30/06/2016 kEUR	31/12/2015 kEUR
Provisions for taxes	372	362
Liabilities to banks	272	3
Accounts payable	7,957	9,745
Other current liabilities		
Purchase price liabilities	4,596	0
Loan obligation	0	0
Other	4,410	5,412
Deferred income	42	76
Total	17,649	15,598

The raise in current liabilities is primarily due to balancing of purchase prices regarding insurance stock. Trade payables are served to maturity.

2.3 RELATED PARTIES

Transactions with members of the Management Board and Supervisory Board:

	30/06/2016 kEUR	30/06/2015 kEUR
Supervisory Board		
Remuneration	32	22
Management Board		
Total remuneration ¹⁾	368	368

¹⁾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.

The kEUR 4,914 increase in Group equity during the financial year results from the successful capital increase, reduced by the half-year earnings of kEUR –776.

5 Cash flow statement

The Group's financial position is reflected in the cash flow statement, which forms part of the interim consolidated financial statements in accordance with IFRS. The cash flow from operating activities was positive with 2,376 kEUR.

In the cash flow statement, the changes in cash and cash equivalents in the JDC Group during the financial year under review is reflected by the payment inflows and outflows from operating activities, investment activities and financing activities. Non-cash operations are summarized in one amount and are shown in the cash flow from running operating activities.

Cash and cash equivalents

Cash and cash equivalents are broken down in the consolidated cash flow statement. Cash and cash equivalents with a residual term of a maximum of three months are pooled in this item. Cash equivalents are current investments that can be converted into cash at any time and which are only subject to minor fluctuations in value.

6 Segment Reporting

JDC Group AG reports on three operating segments which are managed independently by committees responsible for the segment in accordance with the type of products and services offered. The designation of company segments as business segments is based in particular on the existence of segment managers responsible for the results who report directly to the chief operating decision maker of the JDC Group Group.

The JDC Group Group is divided into the following segments:

- Advisortech
- Advisory
- Holding

Advisortech

In the Advisortech segment, the Group pools its activities involving independent financial advisers. The offering encompasses all asset classes (investment funds, closed-end funds, insurance products and certificates) provided by different product companies and including order processing and commission settlement as well as various other services relating to investment advice for retail customers. Furthermore the newly developed and for the first time 2016 introduced technology "allesmeins", a digital insurance folder actively managed, is shown here.

Advisory

The Group's activities that focus on advisory and sales services for retail customers are bundled in the Advisory segment. As an independent financial and investment adviser, we offer our customers holistic consultancy services for insurance, investment funds and financing products that are tailored to the customer's particular situation.

Holding

In the segment Holding includes the JDC Group AG.

The measurement principles for JDC Group's segment reporting are based on the IFRS standards used in the consolidated financial statements. JDC Group evaluates the performance of the segments using, among other things, the operating results (EBIT). The revenues and preliminary services between the segments are allocated on the basis of market prices.

GEOGRAPHICAL SEGMENT INFORMATION

JDC Group Group is mainly acting in Germany and Austria, therefore the customer Group forms a single geographic segment (German-speaking region of the European Union).

7 Additional information

7.1 DESCRIPTION OF THE BUSINESS DEVELOPMENT

We continue to believe that our overall performance in 2016 will remain positive, buoyed up by a strong second half year. The marketing of our digital insurance app "allesmeins" via strategic partnerships – on which we are currently working – will increase, and our portfolio purchases will begin to have a positive effect on earnings in the second half of the year.

In our opinion, our existing business will also perform better than it did during the first half-year. The effects of Brexit have receded into the background, and our consultants are once again taking in new funds, which will be assessed and generate commissions during the remainder of the year.

7.2 ADDITIONAL INFORMATION

In the annual average the Group companies employed 182 staff (31 December 2015: 187), excluding Management Board members.

EXECUTIVE BODIES OF JDC GROUP AG

Management Board

DR. SEBASTIAN GRABMAIER

Grünwald

Attorney

CEO

RALPH KONRAD

Mainz

Businessman (Dipl.-Kfm.)

CFO

Supervisory Board

JENS HARIG

Cologne

Independent entrepreneur

Chairman

ALEXANDER SCHÜTZ

Vienna

Independent entrepreneur

(since March 30, 2016)

EMMERICH KRETZENBACHER

Hamburg

Certified Public Auditor

KLEMENS HALLMANN

Vienna

Entrepreneur (since 31 March 2016)

STEFAN SCHÜTZE

Frankfurt am Main

Attorney

(until March 09, 2016/since 31 August 2016)

JÖRG KEIMER

Wiesbaden

Attorney (since 31 March 2016)

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).

Kontakt

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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.