

Interim Report 1. Half of 2017



BEST ADVICE. BETTER TECHNOLOGY.

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JDC Group AG

At a glance

P & L in kEUR*	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	Changes compared to previous	30/06/2017 kEUR	30/06/2016 kEUR	Changes compared to previous
Revenues	20,438	19,056	7.3	40,327	36,624	10.1
Gross margin	6,455	5,507	17.2	13,502	10,740	25.7
Gross margin in %	31.6	28.9	9.3	33.5	29.3	14.3
Total operational costs	6,660	5,771	15.4	13,343	11,212	19.0
EBITDA	581	146	> 100	1,712	368	> 100
EBITDA margin in %	2.8	0.8	> 100	4.2	1	> 100
EBIT	-205	-264	22.3	159	-472	> 100
EBIT margin in %	-1.0	-1.4	28.6	0.4	-1.3	> 100
Net profit	-606	-543	-11.6	-582	-776	25.0
Number of shares in thousands (end of period)	11,935	11,935	0.0	11,935	11,935	0.0
Earnings per share in EUR	-0.05	-0.05	0.0	-0.05	-0.07	28.6

Cashflow/Balance sheet in kEUR

	30/06/2017 kEUR	31/12/2016 kEUR	Changes compared to year in %
Cash flow from operating activities	3,335	2,376**	40.4
Total equity and liabilities	69,639	72,922	-4.5
Equity	29,131	29,713	-2.0
Equity ratio in %	41.8	40.7	2.7

*Previous year partly adjusted

**30/06/2016



Stefan Bachmann
CDO

Ralph Konrad
CFO, CIO

Dr. Sebastian Grabmaier
CEO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

We are delighted to be able to tell you that, in the past few months, JDC Group AG has significantly exceeded its results in its most important key figures compared to the previous year due to the strategic realignment and the positive development of the capital market.

The positive performance from the first quarter also continued in the second quarter. Underpinned by investments in portfolio acquisitions and good organic performance, revenues in the Advisortech segment improved by another 6 percent compared to the same quarter of the previous year. Revenues in the Advisory segment in fact increased by around 15 percent. This means a 10 percent increase in Group revenues in the first half compared to the first half of the previous year.

JDC Group Supervisory Board complete again

Mr Cristobal Mendez de Vigo y zu Loewenstein was elected as the new member of the Supervisory Board at the 2017 Annual General Meeting. He replaces Mr Alexander Schütz on the board. Mr Schütz had stepped down from his position due to possible conflicts of interest after being appointed to the Deutsche Bank Supervisory Board. We also take this opportunity to again congratulate Mr Schütz on this responsible board role.

Executive Board enlarged

Since 1 June, Mr Stefan Bachmann has enlarged the Executive Board as its new Chief Digital Officer (CDO). The former Google manager is responsible for the digitisation strategy and, as part of the end-customer interface, will particularly deal with the further development of our newest subsidiary Geld.de. In the first few weeks of his term in office, he has already set the initial strategic course.

Results for the 1st half and 2nd quarter of 2017

JDC Group AG significantly exceeded its revenues and earnings of the first half of the previous year.

First half revenues rose significantly by 10 percent to Euro 40.3 million (H1 2016: Euro 36.6 million). The quarterly revenues of the second quarter, which is usually weak in the broker market, also increased by around 7 percent to Euro 20.4 million (Q2 2016: Euro 19.1 million) and thus, uncharacteristically, were in fact above the first-quarter revenues. This is unique in our corporate history.

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the first half increased almost fivefold to Euro 1.7 million (H1 2016: Euro 368k). EBITDA in the second quarter quadrupled in comparison to the same quarter of the previous year to Euro 581k (Q2 2016: Euro 146k).

In the first half, earnings before interest and tax (EBIT) increased in comparison to the previous year to Euro 159k (H1 2016: Euro –472k). Amortisation of the acquired portfolios meant EBIT improved only slightly in comparison to the same quarter of the previous year to Euro –205,000 (Q2 2016: Euro –264k).

The Group earnings after tax (EAT) was also slightly above the previous year's level at Euro –582k (H1 2016: Euro –776k).

IN TERMS OF RELEVANT KEY FINANCIAL DATA, THE JDC GROUP AG PERFORMED VERY POSITIVELY

As at 30 June 2017, equity amounted to Euro 29.1 million. The equity ratio was thus 41.8 percent (31 December 2016: Euro 29.7 million and 40.7 percent). Liquid assets rose to Euro 3.4 million (as at 31 December 2016: Euro 2.9 million).

JDC Group AG's assets under administration increased slightly year-on-year to Euro 4.4 billion, approximately 5 percent higher than the previous year's figure as at 30 June 2016 of Euro 4.2 billion.

OUR INDIVIDUAL BUSINESS SEGMENTS PERFORMED AS FOLLOWS

Advisortech

The Advisortech business segment significantly increased its revenues to Euro 33.0 million in the first half of 2017. This was thus around 11 percent above the same period of the previous year (H1 2016: Euro 29.7 million). In the second quarter, revenues were Euro 16.3 million (Q2 2016: Euro 15.4 million).

At Euro 1.9 million in the first six months of 2017, earnings before interest, tax, depreciation and amortisation (EBITDA) was significantly higher than the level of the previous year (H1 2016: Euro 0.8 million). In the second quarter, EBITDA increased to Euro 0.7 million (Q2 2016: Euro 0.4 million).

At Euro 0.6 million in the first six months of 2017, earnings before interest and tax (EBIT) was also higher than the previous year (H1 2016: Euro 0.2 million). In the second quarter, EBIT was Euro 0.0 million, compared to Euro 0.1 million in the second quarter of last year.

Advisory

The Advisory business segment's revenues rose sharply in the first six months of 2017. Revenues were Euro 11.7 million, as compared to Euro 10.3 million during the same period last year. In the second quarter, revenue increased to Euro 6.2 million (Q2 2016: Euro 5.3 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the Advisory segment increased to Euro 0.3 million in the first six months of 2017 (H1 2016: Euro 0.0 million). In the second quarter, EBITDA was Euro 0.2 million, as compared to Euro 0.0 million in the second quarter of last year.

Earnings before interest and tax (EBIT) increased to Euro 0.1 million in the first six months of 2017 (H1 2016: Euro –0.2 million).

Outlook

Our estimate for the remainder of 2017 is as follows:

In the first half of 2017, JDC Group significantly increased its revenue and earnings compared to the same period of the previous year. The portfolio purchases in particular have made a positive contribution.

Due to the strategic realignment, the first half has gained relevance for business development. Nevertheless, the second half and in particular the fourth quarter – as is customary in the sector – will bring a significant increase in revenue and thus make the main contribution to earnings.

We therefore confirm the guidance we communicated at start of the year and anticipate revenues of between Euro 85 and 95 million and EBITDA of between Euro 5 and 6 million.

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.


Thanks also go to our shareholders, who believe in our business model and provided support and approval to the Executive and Supervisory Boards.

We would be very pleased to enjoy your continued support.

Sincerely,



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Group management interim report

SITUATION OF THE GROUP

The Group's Business Modell

JDC Group AG 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. Group. 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 as a result. In the "Advisory" segment, we broker financial products to private end customers via independent advisors, brokers and financial distributors using the FINUM. Group. With over 16,000 connected sales partners, around 1.2 million end customers, a portfolio of more than Euro 4.5 billion and over Euro 1.4 billion in product sales each year, we are one of the market leaders in the German-speaking area.

Research and Development

Jung, DMS & Cie. Group offers within the business unit „Advisortech“ modern advisor and administration technologies for customers and advisors. In this context JDC Group runs the development of internally generated software solutions. In the first half of 2017 this context kEUR 307 in own performance were activated. Furthermore we refer to the detailed explanations in the appendix of the consolidated financial statement.

ECONOMIC REPORT

Overall Economic Conditions

The German economy had a strong start to the year 2017. Based on calculations by the Federal Statistical Office, gross domestic product (GDP) for the first quarter of the year grew by 0.7 percent compared to the 4th quarter of 2016. The growth in the 2nd quarter was 0.6 percent compared to the previous quarter. The growth was primarily achieved by an increase in the consumption expenditure of both households and the state. Performance was slightly impaired by external developments, since imports increased more than exports. According to German Federal Government and DIW forecasts, Germany's GDP is expected to grow by 1.5 percent in 2017. It is therefore to be expected that private and public spending will remain high. Due to the high liquidity in the market, there are no signs of an economic slowdown. However, the low interest rate environment had a negative impact on the business development of the JDC Group and its subsidiaries. Households are currently cutting back on spending on investments or life insurance products. This, therefore, resulted in a decrease in sales.

The Market and Competitive Position

THE MARKET FOR INVESTMENT PRODUCTS¹⁾

The German fund industry witnessed a net inflow of new funds totalling Euro 79 billion in the first half of 2017. This is the second best new business in any half year period. Special funds also produced very good results, totalling Euro 49.2 billion. Retail funds received a total of Euro 36.4 billion.

In the middle of the year, the members of the German Investment Funds Association (BVI) managed retail funds with a total volume of Euro 972 billion and open-ended special funds with a total volume of Euro 1.5 trillion. At the end of June 2017, the fund industry managed assets worth Euro 2.9 trillion for its investors. This corresponds to an increase of around 7 percent, compared to the previous year.

THE MARKET FOR INSURANCE PRODUCTS²⁾

In 2016, 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, 2017 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 2017. 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. However, the segment of property insurance will continue to rise significantly and compensate some of the weaker segments.

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).

¹⁾ Unless indicated otherwise, all data referred to in the following description of the investment product market was taken from the BVI press release on 9 August 2017.

²⁾ Unless indicated otherwise, all data referred to in the following description of the insurance market was taken from the website of the Gesamtverband der deutschen Versicherungswirtschaft e.V. (GDV).

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.

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.

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

Given the strength of its turnover figures, increasing market relevance and reliability for product initiators from both insurance and investment industries, JDC Group AG is an increasingly attractive partner.

At the same time, JDC Group AG is also attractive as an institutional partner for financial sales operations and financial brokers, who are looking for a strong partner in the rapidly changing regulatory climate.

Therefore, the JDC Group continues to gain market share in both the Advisortech and Advisory segments.

Overall the management looks back on a positive business development from there point of view.

Progress in the subsidiaries operative development reflects in comparison to the previous year a improved earnings situation. However, the group result is still negative. Group revenues increased by 10 percent. The reason therefore is the growth due to the difficult market conditions behind the estimated growth. Nevertheless the forecasted positive development fort he Group has already been achieved in the current year. This is due to the purchase of insurance portfolios.

For further comments we refer to the following illustrations to the situation of JDC Group concern.

COMPANY SITUATION

Major Key Figures

FINANCIAL POSITION

Assets in kEUR

	30/06/2017 kEUR	31/12/2016 kEUR	Changes in %
Intangible assets	44,581	45,090	-1.13
Fixed assets	739	714	3.50
Financial assets	143	143	0.00
Deferred taxes	3,698	3,847	-3.87
Long-term non-current assets			
Accounts receivable	861	847	1.65
Other assets	1,860	2,448	-24.02
Current assets			
Accounts receivable	10,637	13,354	-20.35
Other assets	3,201	2,987	7.16
Cash and cash equivalents	3,444	2,913	18.23
Deferred charges	475	579	-17.96
Total assets	69,639	72,922	-4.50

Of the Group's non-current assets, amounting to Euro 51.9 million as of 30 June 2017 (previous year: Euro 53.1 million), around Euro 44.6 million involve intangible assets (previous year: Euro 45.1 million). The slight decrease is mainly caused by the scheduled depreciation.

Current assets reduce to Euro 17.8 million (previous year: Euro 19.8 million). The main reason is the reduction in short-term receivables. Due to a capital increase, the amount of cash in credit institutions rose by Euro 0.5 million to Euro 3.4 million.

The balance sheet total decreased to Euro 69.6 million, compared to Euro 72.9 million in 2016. The main reason is the reduction in long-term receivables (Euro 1.2 million) and short-term receivables (Euro 2 million).

Liabilities in kEUR

	30/06/2017 kEUR	31/12/2016 kEUR	Changes in %
Equity	29,131	29,713	-1.96
Non-current liabilities			
Deferred taxes	1,312	1,279	2.58
Bonds	14,649	12,871	13.81
Liabilities due to banks	245	291	-15.81
Accounts payable	8,178	7,889	3.66
Other liabilities	920	170	>100
Provisions	1,567	1,577	-0.63
Current liabilities			
Accrued taxes	156	168	-7.14
Liabilities due to banks	99	97	2.06
Accounts payable	9,259	12,820	-27.78
Other liabilities	4,048	5,999	-32.52
Deferred income	75	48	56.25
Total equity and liabilities	69,639	72,922	-4.50

Overall, at Euro 26.9 million, the long-term debt capital rose slightly (previous year: Euro 24.1 million). Primarily resulted from the fact, that JDC Group AG successfully placed their corporate bond of Jung, DMS & Cie. Pool GmbH.

Current liabilities decreased by Euro 5.5 million to Euro 13.6 million compared to the previous year (Euro 19.1 million), including Euro 9.3 million accounts payable trade and Euro 4.0 million other liabilities.

The consolidated JDC Group had an equity ratio corresponding to 41.8 percent of total assets as of 30 June 2017 (previous year: 40.7 percent). The consolidated JDC Group thus continues to benefit from very strong equity resources.

CASH FLOWS

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 by Euro 0,959k from Euro 2,376k to Euro 3,335k in the financial year under report. This was mainly due to the increase in depreciation and the profit improvement. At Euro -1,062k, the cash flow from investing activities was negative. The outgoing payments included only investments in intangible assets and property, plant and equipment. Financing activities resulted in a negative cash flow of Euro 1,743k which was mainly attributable to scheduled redemptions and interest payments.

Cash and cash equivalents amounted to Euro 3,444k.

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

	30/06/2017 kEUR	30/06/2016 kEUR	Changes in %
Revenues	40,327	36,624	10.11
Gross margin	13,502	10,740	25.72
Gross margin in %	33.5	29.3	14.33
Total operational costs	13,343	11,212	19.01
EBITDA	1,712	368	>100
EBITDA margin in %	4.2	1.0	>100
EBIT	159	-472	>100
EBIT margin in %	0.4	-1.3	>100
Net profit	-582	-776	25.00

The Group's profit situation significantly improved in the first half of 2017. The half-year revenues basically rose by Euro 3.7 million, or 10.1 percent, to Euro 40.3 million (1st half of 2016: Euro 36.6 million).

The gross margin significantly increased by 26 percent to Euro 13.5 million. This is due to the purchase of insurance portfolios.

EBITDA (earnings before interest, taxes, depreciation and amortization) more than quintupled to Euro 1.7 million. EBIT also multiplied to Euro 0.2 million.

Overall, the result of ordinary operations increased from Euro -0.9 million to Euro -0.3 million. Earnings after tax rose to Euro -0.6 million, compared to Euro -0.8 million in the previous year.

SEGMENT REPORTING

Segment Advisortech

Revenues in the Advisortech segment increased significantly to Euro 33.0 million, as against Euro 29.7 million in the previous year. EBITDA also increased significantly from Euro 0.8 million in the previous year to Euro 1.9 million. EBIT increased from Euro 0.2 million in the previous year to Euro 0.6 million. In the 2nd quarter revenues amounted to Euro 16.3 million (2nd quarter 2016: Euro 15.4 million). EBITDA amounted to Euro 0.7 million compared to Euro 0.4 million in the 2nd quarter of the previous year. EBIT amounted to Euro 0.0 million (2nd quarter 2016: Euro 0.1 million).

Segment Advisory

Segment revenues developed positive from Euro 10.3 million in the previous year to Euro 11.7 million. EBITDA increased to Euro 0.3 million compared to Euro 0.0 million in the previous year. EBIT rose also to Euro 0.1 million compared to Euro -0.2 million in the previous year. In the 2nd quarter revenues amounted to Euro 6.2 million (2nd quarter 2016: Euro 5.3 million). EBITDA amounted to Euro 0.2 million compared to Euro 0.0 million in the 2nd quarter of the previous year. EBIT amounted to Euro 0.2 million (2nd quarter 2016: Euro -0.2 million).

Segment Holding

Segment revenues were Euro 1.0 million after Euro 1.0 million in the previous year. EBITDA decreased to Euro –0.6 million after Euro –0.4 million in the first half year of 2016. Also EBIT decreased to Euro –0.6 million after Euro –0.4 million in the first half year of 2016. Segment revenues were Euro 0.5 million after Euro 0.5 million in the 2nd quarter of the previous year. EBITDA amounted to Euro –0.3 million after Euro –0.2 million in the 2nd quarter of the previous year. EBIT was at Euro –0.3 million (2nd quarter 2016: Euro –0.2 million).

EVENTS AFTER THE BALANCE SHEET DATE

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

OPPORTUNITY AND RISK REPORT

The future business performance of our company involves all opportunities and risks associated with the sale of financial products and the acquisition, management and sale of companies. The risk management system at JDC Group AG is structured to facilitate the early detection of risks and the derivation of suitable measures to minimise such risks. Financial instruments are exclusively used for hedging purposes. In order to identify possible problems in the affiliated companies and their investments at an early stage, the most important key figures are collected and evaluated on a monthly basis.

JDC Group AG is managed 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 situation 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 increased insurance revenue in the JDC Group means the recovery of this type of recourse claim is set to play a more important role. In the context of its sales arrangement with insurance companies, JDC Group AG in some cases issues letters of comfort for its subsidiaries.
- Claims may be asserted against the JDC Group in connection with incorrect information or advisory provided by its sales partners. Whether the risks involved are covered by existing insurance cover or recourse claims towards brokers can only be assessed on a case-by-case basis.
- Ongoing volatility on the capital markets and the difficulty in forecasting product turnover place high requirements on liquidity management. Lack of liquidity could pose a threat to the Group's continued existence.
- Seller guarantees customary to the market were granted upon execution of the company sales. Any infringement of these seller guarantees may lead to unscheduled expenses for the JDC Group.

Relevant market-related risks are as follows:

- The company's business success is basically dependent on economic developments.
- Developments in national and global financial and capital markets are of considerable importance to the success of JDC Group AG and the consolidated group. Persistent volatility or negative developments could impact negatively on the profitability of JDC Group AG.
- The stability of the legal and regulatory framework in Germany and Austria is a factor of great importance. Particularly changes at short notice to the underlying framework for financial services companies, brokers and financial products 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 increased reporting and recording duties. This would result in important business processes of the JDC Group companies needing to be significantly restructured or converted, which may lead to an increase in IT costs, to an extent which cannot yet be quantified.

The Management Board cannot currently detect any further risks to the company's continued existence or development and they believe that the identified risks are manageable and do not jeopardise the continuance of the group.

The Management Board sees the Group's opportunities as follows: Many financial sales operations are currently in a weak financial position. In parallel with poor sales results in recent years, the regulatory requirements have increased significantly. As a result, many financial competitors have now exhausted their financial resources and the pressure to consolidate has intensified – a process from which large market players, including JDC Group subsidiaries, stand to benefit.

With the acquisition of the insurance portfolios and the acquisition of the Geld.de platform, the JDC Group is excellently positioned for the future, on both the technological side and the earnings side.

The Management Board believes that all of this will lead to the investments of JDC Group AG, and consequently also JDC Group AG itself, developing positively overall in the 2017 financial year.

OUTLOOK

Economic outlook

Global economic growth is expected to accelerate moderately to 3.4 percent in 2017. However, the inflation rate will increase, particularly due to the rising commodity prices. In accordance with expectations, growth in the euro zone will slow to 1.3 percent in 2017. The upcoming elections in the large EU countries and the uncertainty associated with these are specified as a reason for this.

For 2017, the Federal Government and the IMF expect economic growth of 1.4 percent. Private consumption will continue at a high level. However, risks arise from rising energy prices.

In view of the numerous risks, the uncertainty of our global forecast remains relatively high. The financial markets may react considerably more negatively than assumed, if the significant growth spurt expected by the new US government is smaller than anticipated or if protectionist measures are taken. On the other hand, during the course of a revival of growth in the US, interest rates may rise more than expected. This may have a negative impact globally on household and company spending. Furthermore, an escalation of geopolitical risks may arise, particularly with the conflicts in the Middle East. In Europe, a chaotic Brexit, a flare-up in the debate about the further course of monetary policy and the future of the euro zone may develop considerable interference potential for our forecasts. In addition, a resurgence of the refugee crisis may further intensify political disunity in the European Union.

Market and sector outlook

The ECB continues to maintain its extensive purchase programme for bonds issued by central governments of the EMU Member States, issuers with a development mandate and European institutions. Inflation will tend to rise, not least, due to rising energy prices.

Therefore, it is expected that there will continue to be a great deal of liquidity in the market, thus lending further momentum to the equity and real estate markets. If inflation should rise, this may have an impact on the consumption mood of consumers, which is still high. How long the ECB will continue to pursue its loose monetary policy is another question, particularly as the USA has clearly adopted a different monetary policy. Various crises around the world may have a negative impact on the global economic situation.

For the JDC Group, the key focus in 2017 will be one significantly and sustainably improving its operating business. In 2017, the Group will be focusing on optimising internal processes, acquiring broker portfolios and the further expansion of the fintech strategy.

Outlook for the JDC Group consolidated group

EXPECTED BUSINESS PERFORMANCE


The business development in the first half year as well as the second quarter meets the expectations of the Group and confirms the success of the strategic reorientation.

In detail, we expect the Group revenues in 2017 to be around 15 percent above the level of 2016 and the Group EBITDA to be reached, which will exceed last year's EBITDA. Therefore, the Management Board expects positive business performance for the entire Group.

Wiesbaden, August 24, 2017



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Consolidated income statement

	Notes	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	01/01/– 30/06/2017 kEUR	01/01/– 30/06/2016 kEUR
1. Commission income	[1]	20,438	19,056	40,327	36,624
2. Capitalised services	[2]	157	129	307	312
3. Other operating income	[2]	200	314	451	447
4. Commission expenses	[3]	–14,340	–13,992	–27,583	–26,643
5. Personnel expenses	[4]	–3,557	–3,215	–6,961	–6,321
6. Depreciation and amortisation of tangible and intangible assets	[5]	–786	–410	–1,553	–840
7. Other operating expenses	[6]	–2,317	–2,146	–4,829	–4,051
8. Other interest and similar income		2	35	7	52
9. Interest and similar expenses		–273	–230	–504	–487
10. Operating profit/loss		–476	–459	–338	–907
11. Income tax expenses		–129	–63	–242	154
12. Other tax expenses		–1	–21	–2	–23
13. Net profit		–606	–543	–582	–776
14. Earnings per share		–0.05	–0.05	–0.05	–0.07

Consolidated statement of comprehensive income

	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	01/01/ – 30/06/2017 kEUR	01/01/ – 30/06/2016 kEUR
Profit or loss for the period	-606	-543	-582	-776
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	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	-606	-543	-582	-776
Attributable to:				
Parent company's shareholders	-606	-543	-582	-776
Shares without controlling interests	0	0	0	0

Segment reporting

	Advisortech		Advisory		
	30/06/2017 kEUR	30/06/2016 kEUR	30/06/2017 kEUR	30/06/2016 kEUR	
Segment income					
Commission income	33.014	29.680	11.684	10.264	
of which with other segments	678	458	3.693	2.862	
Total segment income	33.014	29.680	11.684	10.264	
Capitalised services	307	312	0	0	
Other income	158	157	193	275	
Segment expenses					
Commissions	-23.118	-22.190	-8.528	-7.607	
Personnel expenses	-4.804	-4.156	-1.250	-1.284	
Depreciation and amortisation	-1.301	-594	-243	-236	
Other	-3.626	-2.990	-1.750	-1.655	
Total segment expenses	-32.849	-29.930	-11.771	-10.782	
EBIT	630	219	106	-243	
EBITDA	1.931	813	349	-7	
Income from investments	0	0	0	0	
Other interest and similar income	372	407	31	27	
Yield on other securities	0	0	0	0	
Depreciation of financial assets	0	0	0	0	
Other interest and similar expenses	-724	-609	-309	-560	
Financial result	-352	-202	-278	-533	
Segment earnings before tax (EBT)	278	17	-172	-776	
Tax expenses	-232	-254	-12	38	
Segment net profit	46	-237	-184	-738	

	Holding		Total reportable segments		Transfer		Total	
	30/06/2017 kEUR	30/06/2016 kEUR	30/06/2017 kEUR	30/06/2016 kEUR	30/06/2017 kEUR	30/06/2016 kEUR	30/06/2017 kEUR	30/06/2016 kEUR
	993	993	45.691	40.937	-5.364	-4.313	40.327	36.624
	993	993	5.364	4.313	-5.364	-4.313	0	0
	993	993	45.691	40.937	-5.364	-4.313	40.327	36.624
	0	0	307	312	0	0	307	312
	100	59	451	491	0	-44	451	447
	0	0	-31.646	-29.797	4.063	3.154	-27.583	-26.643
	-907	-881	-6.961	-6.321	0	0	-6.961	-6.321
	-9	-10	-1.553	-840	0	0	-1.553	-840
	-754	-609	-6.130	-5.254	1.301	1.203	-4.829	-4.051
	-1.670	-1.500	-46.290	-42.212	5.364	4.357	-40.926	-37.855
	-577	-448	159	-472	0	0	159	-472
	-568	-438	1.712	368	0	0	1.712	368
	0	0	0	0	0	0	0	0
	551	715	954	1.149	-947	-1.097	7	52
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-418	-415	-1.451	-1.584	947	1.097	-504	-487
	133	300	-497	-435	0	0	-497	-435
	-444	-148	-338	-907	0	0	-338	-907
	0	347	-244	131	0	0	-244	131
	-444	199	-582	-776	0	0	-582	-776

Segment reporting

	Advisortech		Advisory		
	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	
Segment income					
Commission income	16,288	15,363	6,163	5,341	
of which with other segments	443	228	1,570	1,419	
Total segment income	16,288	15,363	6,163	5,341	
Capitalised services	157	129	0	0	
Other income	75	103	100	175	
Segment expenses					
Commissions	-11,622	-11,516	-4,532	-4,051	
Personnel expenses	-2,465	-2,105	-622	-661	
Depreciation and amortisation	-661	-283	-121	-122	
Other	-1,766	-1,593	-904	-838	
Total segment expenses	-16,514	-15,497	-6,179	-5,672	
EBIT	6	98	84	-156	
EBITDA	667	381	205	-34	
Income from investments	0	0	0	0	
Other interest and similar income	182	-37	12	14	
Yield on other securities	0	0	0	0	
Depreciation of financial assets	0	0	0	0	
Other interest and similar expenses	-361	-62	-154	-268	
Financial result	-179	-99	-142	-254	
Segment earnings before tax (EBT)	-173	-1	-58	-410	
Tax expenses	-122	-112	-8	28	
Segment net profit	-295	-113	-66	-382	

	Holding		Total reportable segments		Transfer		Total	
	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR
	527	494	22,978	21,198	-2,540	-2,142	20,438	19,056
	527	494	2,540	2,141	-2,540	-2,142	0	0
	527	494	22,978	21,198	-2,540	-2,142	20,438	19,056
	0	0	157	129	0	0	157	129
	25	52	200	330	0	-16	200	314
	0	0	-16,154	-15,567	1,814	1,575	-14,340	-13,992
	-470	-449	-3,557	-3,215	0	0	-3,557	-3,215
	-4	-5	-786	-410	0	0	-786	-410
	-373	-298	-3,043	-2,729	726	583	-2,317	-2,146
	-847	-752	-23,540	-21,921	2,540	2,158	-21,000	-19,763
	-295	-206	-205	-264	0	0	-205	-264
	-291	-201	581	146	0	0	581	146
	0	0	0	0	0	0	0	0
	255	367	449	344	-447	-309	2	35
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-205	-209	-720	-539	447	309	-273	-230
	50	158	-271	-195	0	0	-271	-195
	-245	-48	-476	-459	0	0	-476	-459
	0	0	-130	-84	0	0	-130	-84
	-245	-48	-606	-543	0	0	-606	-543

Consolidated Balance Sheet

Assets			30/06/2017	31/12/2016
	Notes		kEUR	kEUR
Non-current assets				
Intangible assets	[7]		44,581	45,090
Fixed assets			739	714
Financial assets	[8]		143	143
			45,463	45,947
Deferred taxes	[9]		3,698	3,847
Long-term non-current assets	[10]			
Accounts receivable			861	847
Other assets			1,860	2,448
			2,721	3,295
Total non-current assets			51,882	53,089
Current assets	[11]			
Accounts receivable			10,637	13,354
Other assets			3,201	2,987
Other securities			0	0
Cash and cash equivalents			3,444	2,913
Deferred charges			475	579
Total current assets			17,757	19,833
Total assets			69,639	72,922

Liabilities

	Notes	30/06/2017 kEUR	31/12/2016 kEUR
Equity			
Subscribed capital		11,935	11,935
Capital reserves		45,851	45,851
Other retained earnings		283	283
Other equity components		-28,938	-28,356
Non-controlling interests		0	0
Total equity		29,131	29,713
Non-current liabilities	[12]		
Deferred taxes	[9]	1,312	1,279
Bond		14,649	12,871
Liabilities due to banks		245	291
Accounts payable		8,178	7,889
Other liabilities		920	170
Accruals	[13]	1,567	1,577
Total non-current liabilities		26,871	24,077
Current liabilities	[14]		
Accrued taxes		156	168
Liabilities due to banks		99	97
Accounts payable		9,259	12,820
Other liabilities		4,048	5,999
Deferred income		75	48
Total current liabilities		13,637	19,132
Total equity and liabilities		69,639	72,922

Consolidated cash flow statement

	01/01–30/06/2017 kEUR	01/01–30/06/2016 kEUR	Changes to previous year in kEUR
1. Result for the period	–582	–776	194
2. + Depreciation and amortisation of fixed assets	1,553	840	713
3. –/+ Other non-cash itemised income/expenses	–21	–174	153
4. –/+ Profit/loss from disposals of fixed assets	183	–175	358
5. –/+ Increase/decrease of inventories, accounts receivable as well as other assets	3,181	3,153	28
6. –/+ Decrease/increase of accounts payable as well as other liabilities	–979	–492	–487
7. = Cash flow from operating activities	3,335	2,376	959
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	–877	–2,610	1,733
10. + Cash receipts from disposals of fixed assets	0	0	0
11. – Cash payments for investments in fixed assets	–185	–27	–158
12. + Cash receipts from disposals of financial assets	0	5	–5
13. – Cash payments for investments in financial assets	0	0	0
14. – Cash payments for financial assets in the scope of cash forecast	0	0	0
15. = Cash flow from investment activities	–1,062	–2,632	1,570
of which from discontinued operations	0	0	0
16. +/- Cash receipts/-payments from capital increase	0	6,249	–6,249
17. + Cash payments from the issue of bonds	0	0	0
18. – Cash payments from loan redemptions	–796	0	–796
19. – Interest paid	–947	–900	–47
20. = Cash flow from financing activities	–1,743	5,349	–7,092
of which from discontinued operations	0	0	0
21. Non-cash itemised changes in cash and cash equivalents (total of pos. 7, 15, 20)	531	5,093	–4,562
22. Cash and cash equivalents at the beginning of the period	2,913	5,320	–2,407
23. = Cash and cash equivalents at the end of the period	3,444	10,413	–6,969
Breakdown of cash and cash equivalents	30/06/2017 kEUR	30/06/2016 kEUR	Changes to previous kEUR
Cash and cash in banks	3,444	10,413	–6,969
Current liabilities due to banks	0	0	0
	3,444	10,413	–6,969

Consolidated statement of changes in equity

	Number of shares	Sub- scribed capital kEUR	Capital reserve kEUR	Other retained earnings kEUR	Cash flow hedge marked to market kEUR	Securities marked to market kEUR	Other equity com- ponents kEUR	Shares without domi- nating influence	Total equity kEUR
As of 01/01/2016	10,849,974	10,850	40,686	283	0	0	-27,141	0	24,678
Result as of 30/06/2016							-776		-776
Capital increase	1,085,000	1,085	5,164						6,249
Retained earnings									0
– Allocation from earnings									0
As of 30/06/2016	11,934,974	11,935	45,850	283	0	0	-27,917	0	30,151
As of 01/01/2017	11,934,974	11,935	45,851	283	0	0	-28,356	0	29,713
Result as of 30/06/2017							-582		-582
Capital increase									0
Retained earnings									0
– Allocation from earnings									0
As of 30/06/2017	11,934,974	11,935	45,851	283	0	0	-28,938	0	29,131

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 (Scale). The interim financial statements for the reporting period from 1 January 2017 to 30 June 2017 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 2017 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 interim 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 2016. A detailed description of these principles is published in the notes of the annual report 2016. 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 Finance 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.

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 2017 kEUR	2. Quarter 2016 kEUR	01/01–30/06/2017 kEUR	01/01–30/06/2016 kEUR
Initial commission				
Insurance products	7,973	7,219	14,996	13,496
Investment funds	3,696	3,504	7,325	6,951
Shares/Closed-end funds	645	737	1,692	1,406
Follow-up commission	4,876	5,431	9,605	10,281
Overrides	1,242	500	3,117	819
Services	93	0	159	0
Fee-based advisory	876	0	1,637	0
Other income	1,037	1,665	1,796	3,671
Total	20,438	19,056	40,327	36,624

The commission income increased by 10.1 percent compared to the previous year to kEUR 40,327. The main reason is the purchase of insurance portfolios in 2016 and their first full year effect in 2017. All other main business increased compared to the previous year.

2.1.2 Other capitalised services and other operating income [2]

	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	01/01–30/06/2017 kEUR	01/01–30/06/2016 kEUR
Capitalised services	157	129	307	312
Reversal of impairments/ income from receivables written off	0	0	0	0
Income from provision's release	47	111	52	152
Income from security sales	0	0	0	0
Income from statute-barred debt	3	0	29	2
Income from benefits in kind	57	46	111	86
Other operating income	93	157	259	207
Total	357	443	758	759

Capitalised services amounted to kEUR 307 (30 June 2016: kEUR 312) 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 Commission expenses [3]

The position contains mainly the commissions for independent brokers. The expenses, which rise in relation to commission income, increased by kEUR 940 to kEUR 27,583 versus the previous year (30 June 2016: kEUR 26,643).

2.1.4 Personnel expenses [4]

	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	01/01–30/06/2017 kEUR	01/01–30/06/2016 kEUR
Wages and salaries	2,989	2,752	5,885	5,411
Social security	568	463	1,076	910
Total	3,557	3,215	6,961	6,321

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).

The personnel expenses are at a constant level without the new employees of the insurance portfolio purchase (kEUR 575), which weren't included in last year's report.

In the annual average the Group companies employed 231 staff (31 December 2016: 226), excluding Management Board members.

2.1.5 Depreciation and Amortisation [5]

	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	01/01–30/06/2017 kEUR	01/01–30/06/2016 kEUR
Depreciation and amortization of intangible assets	0	0	-1,394	-764
Purchased software	-120	-97	-215	-218
Internally developed software	-342	-266	-686	-530
Insurance portfolios	-250	-10	-493	-16
Other intangible assets	0	0	0	0
Depreciation and amortization of property and equipment	-74	-37	-159	-76
Total	-786	-410	-1,553	-840

2.1.6 Operating expenses [6]

	2. Quarter 2017 kEUR	2. Quarter 2016 kEUR	01/01–30/06/2017 kEUR	01/01–30/06/2016 kEUR
Marketing costs	269	118	542	283
Travel costs	104	50	182	103
External services	152	142	336	264
IT costs	539	424	1,063	813
Occupancy costs	347	324	699	642
Vehicle costs	106	93	189	181
Office supplies	19	33	48	59
Fees, insurance premiums	124	222	288	406
Postage, telephone	69	48	134	91
Write-downs/impairments of receivables	18	0	19	0
Legal and consulting costs	444	412	672	593
Training costs	14	43	33	43
Human resources	11	22	12	40
Supervisory board compensation	25	16	41	32
Non-deductible input tax	51	57	91	105
Other	25	142	480	396
Total	2,317	2,146	4,829	4,051

The advertising expenses are comprised of costs for trade fairs, customer events, printed matter and entertainment.

Third-party services include expenses for agencies, external workers, share services and general meetings.

IT costs are comprised of expenses for the general IT operation (servers, clients, data centre), software leasing, scanning services and software licences, if they are not capitalisable.

Occupancy costs include expenses for rent, incidental rental costs, energy supply and cleaning costs. Vehicle costs include expenses for the vehicle fleet, including vehicle leasing.

Under fees and insurance premiums, expenses from insurance policies, contributions to professional associations and BaFin/FMA (Austria) fees are reported in the balance sheet.

The legal and advisory costs include expenses for legal issues/legal advisory, tax advisory, annual financial statement and auditing costs, as well as general accounting costs.

On the basis of the existing revenue structure and the included, non-taxable payments, the JDC Group has an input tax deduction rate of approx. 13 %, this is recalculated annually on the basis of the ongoing shifts in the revenue structure.

2.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

2.2.1 Intangible assets [7]

2.2.1.1 CONCESSIONS AND LICENCES

The position "Concessions and Licences" essentially comprises software licences for standard commercial software (depreciation period 3 years linear) and customer base (depreciation period 15 years linear) with a carrying amount of kEUR 13,011 (31 December 2016: 13,386).

In the financial period internally generated software tools totalling kEUR 307 (30 June 2016: kEUR 312) 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.

	30/06/2017		31/12/2016
	kEUR		kEUR
Advisortech		19,096	19,096
Advisory		5,461	5,461
Holding		2	2
		24,559	24,559

2.2.2 Impairment expenses

Goodwill was subjected to an impairment test as of 31 December 2016. 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 percent (previous year: 6.0 %) was calculated using a riskfree base interest rate of 1.10 % (previous year: 1.10 %) derived from the yield-curve, a market risk premium of 5.63 % (previous year: 5.63 %) and using a beta factor for comparable investments of 0.7 (previous year: 0.7). 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. A significant reduction of the planned EBT growth beyond this may lead to the book value exceeding the achievable amount. However, as significant measures have already been initiated for increasing EBT, the Management Board regards this scenario as unlikely. The market capitalisation as of 31 December 2016 of the group is above the equity's book value.

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

The breakdown of book values is as follows:

	30/06/2017 kEUR		31/12/2016 kEUR
Available-for-sale			
Shares in affiliated companies		25	25
Investments		118	118
Securities		0	0
Total		143	143

2.2.4 Deferred tax assets and liabilities [9]

	30/06/2017 kEUR		31/12/2016 kEUR
Deferred tax assets			
Tax reimbursements		3,698	3,847
Total		3,698	3,847
Deferred tax liabilities			
Intangible assets (software)		1,312	1,279
Total		1,312	1,279

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]

	30/06/2017 kEUR		31/12/2016 kEUR
Accounts receivables		861	847
Other assets		1,860	2,448
Total		2,721	3,295

The accounts receivable relate essentially to commission receivable from the cancellation reserves. The other assets contain mainly of receivables to consultants.

2.2.6 Current assets [11]

	30/06/2017 kEUR		31/12/2016 kEUR
Accounts receivable		10,637	13,354
Other assets			
Prepaid expenses		475	579
Other		3,201	2,987
Total		14,313	16,920

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]

	30/06/2017 kEUR		31/12/2016 kEUR
Bond		14,649	12,871
Liabilities to banks		245	291
Accounts payable		8,178	7,889
Other liabilities			
Other		920	170
Total		23,992	21,221

The increase of non-current liabilities is due to the compounding of the bond of kEUR 51 plus a sale of shares of kEUR 1,621 held by the Group.

The reason for the increase of the other liabilities is a prolongation of kEUR 750. It is merely a reclassification of current to non-current liabilities.

2.2.9 Accruals [13]

	30/06/2017 kEUR	31/12/2016 kEUR
Accruals for asset damage prevention	1,504	1,338
Accruals for legal costs	63	239
Total	1,567	1,577

Under provisions for cancellation liability is determined on basis of estimation and therefore not on personell classifiable parts of cancellation risks from business parts displayed. Furthermore are here provisions for threatened claims from financial loss displayed.

2.2.10 Current liabilities [14]

	30/06/2017 kEUR	31/12/2016 kEUR
Provisions for taxes	156	168
Liabilities to banks	99	97
Accounts payable	9,259	12,820
Other current liabilities		
Purchase price liabilities	1,277	1,277
Loan obligation	0	1,521
Other	2,771	3,201
Deferred income	75	48
Total	13,637	19,132

Trade payables are served at maturity.

50% of the loan obligations are served at maturity plus interests and the other 50% were prolonged and reclassified as non-current liabilities.

2.3 RELATED PARTIES

Transactions with members of the Management Board and Supervisory Board:

	30/06/2017 kEUR	30/06/2016 kEUR
Supervisory Board		
Remuneration	41	32
Management Board		
Total remuneration ¹⁾	379	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.

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 3,335 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

In the first half of 2017, JDC Group significantly increased its revenue and earnings compared to the same period of the previous year. The portfolio purchases in particular have made a positive contribution.

Due to the strategic realignment, the first half has gained relevance for business development. Nevertheless, the second half and in particular the fourth quarter – as is customary in the sector – will bring a significant increase in revenue and thus make the main contribution to earnings.

We therefore confirm the guidance we communicated at start of the year and anticipate revenues of between 85 and 95 million Euro and EBITDA of between 5 and 6 million Euro.

7.2 ADDITIONAL INFORMATION

In the annual average the Group companies employed 231 staff (31 December 2016: 226), 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, CIO

[STEFAN BACHMANN](#)

Frankfurt
Businessman
CDO

Supervisory Board

[JENS HARIG](#)

Kerpen
Independent entrepreneur
Chairman

[EMMERICH KRETZENBACHER](#)

Hamburg
Graduated Certified Accountant
Deputy Chairman

[STEFAN SCHÜTZE](#)

Frankfurt am Main
Attorney

[ALEXANDER SCHÜTZ](#)

Vienna
Independent entrepreneur
(until 21. April 2017)

[KLEMENS HALLMANN](#)

Vienna
Independent entrepreneur

[JÖRG KEIMER](#)

Hünstetten
Attorney

[CRISTOBAL MENDEZ DE VIGO Y
ZU LOEWENSTEIN](#)

London
Independent entrepreneur
(since 30 Juni 2017)

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.