

Letter to shareholders 1. Quarter of 2019



BEST ADVICE. BETTER TECHNOLOGY.



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CDO

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CEO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

The results for the first quarter of 2019 confirm the Management Board's favourable growth forecast and bolster our confidence in the company's performance for 2019 as a whole.

Moreover, the acquisition of KOMM Investment- und Anlagevermittlungs GmbH marks an attractive acquisition for us. 300 successful investment brokers with over 550 million Euro in assets under administration and over 5.0 million Euro in revenues will contribute to the expansion of our investment business and therefore to the growth of JDC Group revenues and earnings.

As a consequence and as a result of the conclusion of other agreements with major clients, such as recently with Sparda-Bank Baden-Württemberg and RheinLand Versicherungs AG, we are bolstering JDC Group's claim to be the driver of consolidation in the German insurance and financial services sector.

Results from Q1 2019

Consolidated revenues increased significantly in the first three months of 2019, by around 19 percent, to 26.8 million Euro (Q1 2018: 22.5 million Euro). The Advisortech segment actually grew by over 25 percent. This acceleration in growth is driven by the success of JDC's key account strategy.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by roughly 3 percent to kEUR 1,529 (Q1 2018: kEUR 1,480).

Earnings before interest and taxes (EBIT) continued its steady development compared to the previous year, totalling kEUR 803 (Q1 2018: kEUR 820).

The fact that yield is growing more slowly than revenues is likewise in line with expectations: As we have announced on multiple occasions in recent months we have been focusing on several key clients in the banking sector. This generates costs not offset by any new sales but which will contribute to strong growth of the JDC platform.

At a glance in kEUR

| | Q1/2019 kEUR | Q1/2018 kEUR | Changes compared to previous year in % |
|--------------------------------|-----------------|-----------------|--|
| Revenues | 26,811 | 22,464 | 19.4 |
| there of Advisortech | 23,437 | 18,477 | 26.8 |
| there of Advisory | 6,016 | 6,051 | -0.6 |
| there of Holding/Consolidation | -2,642 | -2,064 | -28.0 |
| EBITDA | 1,529 | 1,480 | 3.3 |
| EBIT | 803 | 820 | -2.1 |
| EBT | 510 | 562 | -9.3 |
| Net profit | 504 | 409 | 23.2 |
| Earnings per share in EUR | 0.04 | 0.03 | 33.3 |

Equity capital stood at 33.8 million Euro as at March 31, 2019. The equity ratio thus rose to a robust 40.6 percent (31 December 2018: 33.3 million Euro and 39.0 percent).

OUR INDIVIDUAL BUSINESS SEGMENTS PERFORMED AS FOLLOWS:

Advisortech

Consolidated revenue of Advisortech increased significantly in the first three months of 2019, by around 26.8 percent, to 23.4 million Euro (Q1 2018: 18.5 million Euro).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 1.9 million Euro in the first three months of 2019 and therefore was significantly higher than the prior year figure, at 1.8 million Euro.

Earnings before interest and taxes (EBIT) remained constant in the first three months of 2019 at 1.2 million Euro (Q1 2018: 1.3 million Euro).

Advisory

In the Advisory segment, revenue in the first three months of 2019 remained constant at 6.0 million Euro compared to the same period last year (Q1 2018: 6.1 million Euro).

Earnings before interest, taxes, depreciation and amortization (EBITDA) for Advisory rose slightly during the first three months to 0.1 million Euro (Q1 2018: 0.0 million Euro) and earnings before interest and taxes (EBIT) also rose slightly to 0.0 million Euro (Q1 2018: -0.1 million Euro).

Outlook

For 2019 as a whole, the company is expecting a marked increase in revenues over last year's 95 million Euro last year, climbing to more than 110 million Euro. A significant improvement in operating EBITDA is also expected.

In addition, we are working on going live with other key accounts that will sustain strong growth beyond 2019. In the Advisortech segment, we will continue to invest in our platform in steady pursuit of our goal of becoming the leading technology platform for transacting and administering insurance and financial products.

The recently acquired KOMM Investment- und Anlagevermittlungs GmbH has already been integrated into the group and, starting April 1, will be incorporated into the group consolidation. This means that KOMM will begin making an appreciable contribution to improving sales and earnings by the second quarter.

Thanks to our employees and shareholders

Last but not least, we wish to once again offer our heartfelt thanks to the employees and sales partners of both JDC Group AG and our subsidiaries, because our success is a product of their commitment and motivation.

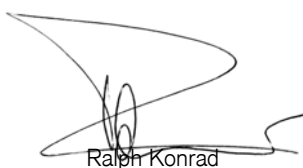
We would also like to extend thanks to our shareholders, who continue to have faith in our business model and support and approve the actions taken by our executive and supervisory boards.

We would be very pleased to enjoy your continued support.

With kind regards,



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann



Consolidated income statement

| | 01/01– 31/03/2019 kEUR | 01/01– 31/03/2018 kEUR |
|---|------------------------------|------------------------------|
| 1. Revenues | 26,811 | 22,464 |
| 2. Capitalised services | 242 | 188 |
| 3. Other operating income | 25 | 100 |
| 4. Commission expenses | -18,941 | -15,095 |
| 5. Personnel expenses | -4,236 | -3,862 |
| 6. Depreciation and amortisation of tangible and intangible assets | -726 | -660 |
| 7. Other operating expenses | -2,372 | -2,315 |
| 8. Other interest and similar income | 1 | 3 |
| 9. Interest and similar expenses | -294 | -261 |
| 10. Operating profit/loss | 510 | 562 |
| 11. Income tax expenses | -5 | -139 |
| 12. Other tax expenses | -1 | -14 |
| 13. Net profit | 504 | 409 |
| 14. Earnings per share | 0.04 | 0.03 |

Segment reporting

| | Advisortech | | Advisory | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Q1/2019 kEUR | Q1/2018 kEUR | Q1/2019 kEUR | Q1/2018 kEUR |
| Segment income | | | | |
| Revenues | 23,437 | 18,477 | 6,016 | 6,051 |
| of which with other segments | 306 | 250 | 2,336 | 1,814 |
| Total segment income | 23,437 | 18,477 | 6,016 | 6,051 |
| Capitalised services | 242 | 188 | 0 | 0 |
| Other income | 41 | 81 | 12 | 19 |
| Segment expenses | | | | |
| Commissions | -17,118 | -12,553 | -4,354 | -4,448 |
| Personnel expenses | -2,932 | -2,691 | -804 | -734 |
| Depreciation and amortisation | -627 | -533 | -98 | -124 |
| Other | -1,801 | -1,711 | -820 | -878 |
| Total segment expenses | -22,478 | -17,488 | -6,076 | -6,184 |
| EBIT | 1,242 | 1,258 | -48 | -114 |
| EBITDA | 1,869 | 1,791 | 50 | 10 |
| Income from investments | 0 | 0 | 0 | 0 |
| Other interest and similar income | 133 | 148 | 4 | 12 |
| Yield on other securities | 0 | 0 | 0 | 0 |
| Depreciation of financial assets | 0 | 0 | 0 | 0 |
| Other interest and similar expenses | -385 | -359 | -156 | -150 |
| Financial result | -252 | -211 | -152 | -138 |
| Segment earnings before tax (EBT) | 990 | 1,047 | -200 | -252 |
| Tax expenses | -72 | -176 | 66 | 24 |
| Segment's net profit | 918 | 871 | -134 | -228 |

| | Holding | | Total reportable segments | | Transfer | | Total | |
|--|-----------------|-----------------|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Q1/2019 kEUR | Q1/2018 kEUR | Q1/2019 kEUR | Q1/2018 kEUR | Q1/2019 kEUR | Q1/2018 kEUR | Q1/2019 kEUR | Q1/2018 kEUR |
| | | | | | | | | |
| | 456 | 497 | 29,909 | 25,025 | -3,098 | -2,561 | 26,811 | 22,464 |
| | 456 | 497 | 3,098 | 2,561 | -3,098 | -2,561 | 0 | 0 |
| | 456 | 497 | 29,909 | 25,025 | -3,098 | -2,561 | 26,811 | 22,464 |
| | 0 | 0 | 242 | 188 | 0 | 0 | 242 | 188 |
| | 0 | 0 | 53 | 100 | -28 | 0 | 25 | 100 |
| | | | | | | | | |
| | 0 | 0 | -21,472 | -17,001 | 2,531 | 1,906 | -18,941 | -15,095 |
| | -500 | -437 | -4,236 | -3,862 | 0 | 0 | -4,236 | -3,862 |
| | -1 | -3 | -726 | -660 | 0 | 0 | -726 | -660 |
| | -346 | -381 | -2,967 | -2,970 | 595 | 655 | -2,372 | -2,315 |
| | -847 | -821 | -29,401 | -24,493 | 3,126 | 2,561 | -26,275 | -21,932 |
| | -391 | -324 | 803 | 820 | 0 | 0 | 803 | 820 |
| | -390 | -321 | 1,529 | 1,480 | 0 | 0 | 1,529 | 1,480 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 251 | 252 | 388 | 412 | -387 | -409 | 1 | 3 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | -140 | -161 | -681 | -670 | 387 | 409 | -294 | -261 |
| | 111 | 91 | -293 | -258 | 0 | 0 | -293 | -258 |
| | -280 | -233 | 510 | 562 | 0 | 0 | 510 | 562 |
| | 0 | -1 | -6 | -153 | 0 | 0 | -6 | -153 |
| | -280 | -234 | 504 | 409 | 0 | 0 | 504 | 409 |

Consolidated Balance Sheet

| Assets | 31/03/2019 kEUR | 31/12/2018 kEUR |
|---------------------------------|---------------------------|--------------------|
| Non-current assets | | |
| Intangible assets | 46,408 | 46,136 |
| Fixed assets | 734 | 759 |
| Financial assets | 148 | 148 |
| | 47,290 | 47,043 |
| Deferred taxes | 2,683 | 2,700 |
| Long-term non-current assets | | |
| Accounts receivable | 840 | 1,068 |
| | 2,006 | 2,257 |
| | | |
| | | |
| Total non-current assets | 52,819 | 53,068 |
| Current assets | | |
| Accounts receivable | 13,745 | 16,657 |
| Other assets | 4,267 | 3,759 |
| Cash and cash equivalents | 12,168 | 11,801 |
| Deferred charges | 436 | 262 |
| Total current assets | 30,616 | 32,479 |
| | | |
| Total assets | 83,435 | 85,547 |

| Liabilities | 31/03/2019 | 31/12/2018 |
|--------------------------------------|-------------------|-------------------|
| | kEUR | kEUR |
| Equity | | |
| Subscribed capital | 13,128 | 13,128 |
| Capital reserves | 21,638 | 21,638 |
| Other retained earnings | 445 | 445 |
| Other equity components | -1,366 | -1,867 |
| Total equity | 33,845 | 33,344 |
| Non-current liabilities | | |
| Deferred taxes | 2,153 | 1,665 |
| Bond | 14,842 | 14,813 |
| Liabilities due to banks | 84 | 107 |
| Accounts payable | 8,908 | 8,810 |
| Other liabilities | 184 | 184 |
| Accruals | 1,612 | 1,455 |
| Total non-current liabilities | 27,783 | 27,034 |
| Current liabilities | | |
| Accrued taxes | 311 | 334 |
| Liabilities due to banks | 2,617 | 2,584 |
| Accounts payable | 13,663 | 17,508 |
| Other liabilities | 5,196 | 4,729 |
| Deferred income | 20 | 14 |
| Total current liabilities | 21,807 | 25,169 |
| Total equity and liabilities | 83,435 | 85,547 |

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The letter to shareholders 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.