

Interim Report 1. Half of 2019



BEST ADVICE. BETTER TECHNOLOGY.

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JDC Group AG

P & L in kEUR	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	Changes compared to previous	30/06/2019 kEUR	30/06/2018 kEUR	Changes compared to previous
Revenues	25,702	22,010	16.8	52,513	44,474	18.1
Gross margin	7,457	6,694	11.4	15,594	14,351	8.7
Gross margin in %	29.0	30.4	-4.6	29.7	32.3	-8.0
Total operational costs	7,479	6,861	9.0	14,813	13,698	8.1
EBITDA	838	534	56.9	2,367	2,014	17.5
EBITDA margin in %	3.3	2.4	37.5	4.5	4.5	0.0
EBIT	-22	-167	86.8	781	653	19.6
EBIT margin in %	-0.1	-0.8	87.5	1.5	1.5	0.0
Net profit	-360	-619	41.8	145	-210	> 100
Number of shares in thousands (end of period)	13,128	11,935	10.0	13,128	11,935	10.0
Earnings per share in EUR	-0.03	-0.05	40.0	0.01	-0.02	> 100

Cashflow/Balance sheet in kEUR	30/06/2019 kEUR	31/12/2018 kEUR	Changes compared to year in %
Cash flow from operating activities	491	1,066*	-53.9
Total equity and liabilities	83,427	85,547	-2.5
Equity	33,485	33,344	0.4
Equity ratio in %	40.1	39.0	2.8

*30/06/2018



Stefan Bachmann
CDO

Ralph Konrad
CFO, CIO

Dr. Sebastian Grabmaier
CEO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

We are happy to be able to report to you that during the first half of 2019 JDC Group AG was once again able to significantly increase revenues and operating profit compared to the previous year.

Revenues increased by roughly 18 percent in the first half of 2019. Earnings before interest, taxes, depreciation and amortisation (EBITDA) also rose by 18 per cent and earnings before interest and taxes (EBIT) rose by around 20 percent compared to the previous year.

Results for the 1st half and the 2nd quarter of 2019

JDC Group AG again significantly outperformed the first half of the previous year in terms of revenues and earnings.

Revenues in the first half of the year saw an encouraging rise of 18 percent to 52.5 million Euro (H1 2018: 44.5 million Euro). Quarterly revenues in the second quarter, which is normally a weak quarter in the broker market, rose by around 17 percent to 25.7 million Euro (Q2 2018: 22.0 million Euro) and were therefore atypically only slightly below the level of the first quarter.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by around 18 percent to 2.4 million Euro in the first half of the year (H1 2018: 2.0 million Euro). At kEUR 838, EBITDA for the second quarter was even around 57 percent above the level of the same quarter of the previous year and within plan despite increased personnel costs and IT costs in anticipation of the acquired large projects (Q2 2018: kEUR 534). During the course of the year, we expect to see further growth and additional improvements in income as a result of additional expenditures invested for new key accounts.

Despite slightly negative earnings before interest and taxes (EBIT) in the second quarter (EBIT: kEUR -22 compared to kEUR -167 in the same quarter of the previous year), EBIT rose significantly in the first half to kEUR 781, which corresponds roughly to an increase of 20 percent. (H1 2018: kEUR 653).

At kEUR 206, consolidated earnings before taxes (EBT) were therefore also significantly above the previous year (H1 2018: kEUR 70).

JDC Group AG also developed positively in terms of relevant key financial data:

As at 30 June 2019, equity capital stood at 33.5 million Euro. The equity capital ratio therefore stood at 40.1 percent (31 December 2018: 33.3 million Euro and 39.0 percent).

Our individual business segments performed as follows:

ADVISORTECH

The Advisortech segment increased its revenues even more than the entire Group in the first half of 2019 to 44.4 million Euro. It was therefore roughly 22 percent above the same period of the previous year (H1 2018: 36.5 million Euro). In the second quarter, revenues stood at 21.0 million Euro and therefore around 17 percent above the 2nd quarter of 2018 (18.0 million Euro).

Earnings before interest, taxes, depreciation and amortization (EBITDA) came to 3.1 million Euro in the first six months of 2019 and were significantly higher than the previous year's level (H1 2018: 2.6 million Euro). In the second quarter, EBITDA rose to 1.3 million Euro (Q2 2018: 0.8 million Euro).

At 1.8 million Euro, earnings before interest and taxes (EBIT) in the first six months of 2019 were likewise significantly above the previous year (H1 2018: 1.5 million Euro). In the second quarter, EBIT was 0.6 million Euro, as compared to 0.2 million Euro in the same quarter of the previous year.

ADVISORY

In the Advisory business segment, revenues in the first six months of 2019 increased by 6.2 percent. Revenues were 12.9 million Euro, as compared to 12.1 million Euro during the same period of the previous year. In the second quarter, revenues also remained above the level of the previous year (6.8 million Euro compared to 6.1 million Euro in Q2 2018).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the Advisory segment fell slightly to Euro 0.0 million in the first six months of 2019 and in the second quarter (H1 2018: Euro 0.1 million).

Earnings before interest and taxes (EBIT) for the segment thus likewise decreased slightly in the first six months of 2019 to -0.2 million Euro (H1 2018: -0.1 million Euro). In the second quarter, EBIT was -0.2 million Euro, as compared to 0.0 million Euro in the same quarter of the previous year.

Outlook

Our forecast for the remainder of 2019 is positive.

In the first half of 2019, JDC Group significantly increased revenues and earnings compared to the same period of the previous year. The Advisortech segment was able to grow particularly strongly, due to the key account sales. However, significant parts of this growth will only become apparent from the second half of 2019.

The costs already allocated for the administration of key accounts still influence the Group's profitability, but the economies of scale of the business model can already be identified.

In the coming weeks and months, we will acquire several new key accounts on the basis of our market-leading settlement platform. In doing so, we want to finally establish JDC as the outsourcing partner for large and very large financial intermediaries in Central Europe and over the long term make it the first choice for handling retail client insurance transactions for banks, major brokers, captive brokers and insurance agents.

It is primarily from this segment that we anticipate further significant increases and therefore positive earnings contributions as is typical every year and for the sector.

This is why we are reaffirming our guidance and continue to expect sales of at least 110 million Euro and significantly improved earnings.

Thanks to our employees and shareholders

Last, but not least, we would again like to offer our heartfelt thanks in particular to the employees and sales partners of both JDC Group AG and our subsidiaries, since our success is based on 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.

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 we are one of the market leaders in the German-speaking area.

Research and Development

The "Advisortech" business unit provides our clients and consultants with advanced consulting and administration technology through the Jung, DMS & Cie. Group. The JDC Group is involved in pursuing the development of proprietary software solutions. During first half year 2019, in-house efforts in this regard amounted to kEUR 488. Please also refer to the relevant remarks contained in the annex to the consolidated financial statement.

ECONOMIC REPORT

Overall Economic Conditions

The German economy started the year 2019 with growth. Based on calculations compiled by the Federal Statistical Office, gross domestic product (GDP) for the first quarter of the year in comparison to the fourth quarter of 2018 grew by 0.4 percent. In the second quarter of 2019, GDP was 0.1 percent lower compared to the previous quarter. The decline is due to the lower trade balance. According to the federal government's forecasts, Germany's GDP will grow by 0.5 percent in 2019. DIW forecasts growth of 0.9 percent. It is the lowest level in six and a half years, according to DIW. Uncertainty is particularly caused by the growing concerns about individual European countries, primarily Italy, and the possibility of an escalating trade conflict between the US and the rest of the world. It impairs the investment activity of companies worldwide. In the first half-year, German exports grew slightly, but the trend is moving downwards. However, the uncertain global economic situation has 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. If an economic downturn actually occurs, it will result in declining revenues.

The Market and Competitive Position

THE MARKET FOR INVESTMENT PRODUCTS¹⁾

The German fund industry witnessed a net inflow of new funds totalling EUR 42 billion in the first half of 2019. Special funds showed high inflows of EUR 38.3 billion. Retail funds received a total of EUR 1.8 billion.

In the middle of the year, the members of the German Investment Funds Association (BVI) managed retail funds with a total volume of EUR 1,053 billion. Open-ended special funds contribute EUR 1.8 billion to the portfolio. At the end of June 2019, the fund industry managed total assets worth EUR 3.2 trillion for its investors. This corresponds to an increase of around 6 percent compared to the previous year.

THE MARKET FOR INSURANCE PRODUCTS²⁾

In 2018, premiums received in the insurance industry showed a slight year-on-year increase. The performance of private health insurance, property insurance and life insurance was responsible for this. Assuming the same conditions, a continuation in this development of approx. 2 percent is expected for 2019.

Premiums received for private health insurance policies are currently showing slightly positive performance. There is currently also a positive development in property insurance contribution income. Premiums received for life insurance are currently showing positive performance again.

Overall, the industry aims to achieve stable or slightly increasing year-on-year premium performance.

OUTLOOK

The financial services market will continue to be shaped by ongoing uncertainty, volatility, and low interest rates in 2019. 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).

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 13 August 2019.

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.

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 the Advisory Segment 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, Horbach Wirtschaftsberatung AG as well as private banking units of commercial banks and saving banks).

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

Owing to its strength in sales, increasing market relevance and reliability for product initiators from both the insurance and investment sectors, JDC Group AG has become an increasingly attractive partner.

Meanwhile, JDC Group AG is also an institutional partner for financial product distributors and/or financial product brokers that are looking for a strong partner for their back offices in dealing with a rapidly changing regulatory environment.

The positive performance results primarily from an increase in sales and revenues in the Advisortech segment. The outsourcing arranged with Albatros Versicherungsdienste, as well as other acquired key accounts, are providing a distinct increase in sales. Increased personnel costs and material expenses in anticipation of additionally acquired large projects had a slight negative impact on the result. However, a clearly positive earnings trend can be determined overall. In the second half-year, we will be able to announce additional large products. With consistent costs, this will lead to higher profitability.

For further details, we refer to the following statements on the status of the JDC Group.

COMPANY SITUATION

Major Key Figures

FINANCIAL POSITION

Assets in kEUR

	30/06/2019 kEUR	31/12/2018 kEUR	Changes in %
Intangible assets	50,602	46,136	9.68
Fixed assets	705	759	-7.11
Financial assets	186	148	25.68
Deferred taxes	2,601	2,700	-3.67
Long-term non-current assets			
Accounts receivable	824	1,068	-22.85
Other assets	2,048	2,257	-9.26
Current assets			
Accounts receivable	15,447	16,657	-7.26
Other assets	4,936	3,759	31.31
Cash and cash equivalents	5,522	11,801	-53.21
Deferred charges	556	262	>100
Total assets	83,427	85,547	-2.48

Of the Group's non-current assets, amounting to EUR 57.0 million as of 30 June 2019 (previous year: EUR 53.1 million), EUR 50.6 million (previous year: EUR 46.1 million) are comprised of intangible assets. The increase results from the acquisition of equity investments in the Advisorstech segment.

Current assets fell to EUR 26.5 million (previous year) EUR 32.5 million). The main reason is the reduction in short-term receivables and deposits with banks. Bank deposits fell by EUR 6.3 million to EUR 5.5 million.

The balance sheet total decreased to EUR 83.4 million, compared to EUR 85.5 million in 2018. This essentially results from a reduction of the credit balance by around EUR 6.3 million and a rise in intangible assets by EUR 4.5 million, compared to 31 December 2018.

Overall, at EUR 31.4 million, the long-term debt capital has increased slightly (previous year: EUR 27.0 million). Current borrowed capital fell to EUR 18.5 million as compared with EUR 25.2 million in the previous year. This includes EUR 14.5 million of accounts payable trade and EUR 3.7 million of other liabilities.

The consolidated JDC Group had an equity ratio of 40.1 percent of total assets as of 30 June 2019 (31 December 2018: 39.0 percent) of the balance sheet total. The consolidated JDC Group thus continues to benefit from very strong equity resources.

Liabilities in kEUR			
	30/06/2019	31/12/2018	Changes
	kEUR	kEUR	in %
Equity	33,485	33,344	0.42
Non-current liabilities			
Deferred taxes	3,145	1,665	88.89
Bonds	14,862	14,813	0.33
Liabilities due to banks	2,548	107	>100
Accounts payable	8,993	8,810	2.08
Other liabilities	184	184	0.00
Provisions	1,704	1,455	17.11
Current liabilities			
Accrued taxes	137	334	-58.98
Liabilities due to banks	92	2,584	-96.44
Accounts payable	14,527	17,508	-17.03
Other liabilities	3,687	4,729	-22.03
Deferred income	63	14	>100
Total equity and liabilities	83,427	85,547	-2.48

CASH FLOWS

The cash flow statement records the evolution of cash flow within the reporting period in the form of cash inflows and outflows.

Cash flow from ongoing business activity fell by kEUR 575, from kEUR 1,066 to kEUR 491, as of 30 June 2019. This mainly results from the reduction of liabilities.

Cash flow from investment activity is negative at kEUR -4,989. This is exclusively comprised of payments for investments in consolidated companies.

The financing activity results in a negative cashflow of kEUR -1,782, which essentially results from scheduled principal repayments and interest payments.

Cash and cash equivalents amounted to kEUR 5,522.

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			
	30/06/2019	30/06/2018	Changes
	kEUR	kEUR	in %
Revenues	52,513	44,474	18.08
Gross margin	15,594	14,351	8.66
Gross margin in %	29.7	32.3	-8.05
Total operational costs	14,813	13,698	8.14
EBITDA	2,367	2,014	17.53
EBITDA margin in %	4.5	4.5	0.00
EBIT	781	653	19.60
EBIT margin in %	1.5	1.5	0.00
Net profit	145	-210	>100

The Group's profit situation improved in the first half of 2019. Half-year sales increased by EUR 8.0 million, or 18.1 percent, to EUR 52.5 million (H1 2018: EUR 44.5 million).

Gross profit increased by around 9 percent to EUR 15.6 million. This is primarily attributable to the key account contracts.

EBITDA (earnings before interest, taxes, depreciation and amortisation) rose slightly by 18 percent to EUR 2.4 million (H1 2018: EUR 2.0 million). EBIT also grew to EUR 0.8 million (H1 2018: EUR 0.7 million).

Earnings after tax improved to EUR 0.1 million, compared to EUR -0.2 million in the previous year.

SEGMENT REPORTING

Segment Advisortech

Revenues in the Advisortech segment grew significantly to EUR 44.4 million, compared to EUR 36.5 million in the previous year. At EUR 3.1 million, the EBITDA also increased significantly, after EUR 2.6 million in the same period of the previous year. EBIT stood at EUR 1.8 million, compared to EUR 1.5 million in the previous year. In the second quarter, sales amounted to EUR 21.0 million (Q2 2018: EUR 18.0 million). EBITDA amounts to EUR 1.3 million after EUR 0.8 million in the second quarter of the previous year. EBIT is at EUR 0.6 million (Q2 2018: EUR 0.2 million).

Segment Advisory

Segment revenues performed positively, reaching EUR 12.9 million, as compared with EUR 12.1 million in the same period of the previous year. EBITDA fell from EUR 0.1 million in the same period of the previous year to EUR 0.0 million. EBIT also fell from EUR -0.1 million to EUR -0.2 million. In the second quarter, sales rose to EUR 6.8 million (Q2 2018: EUR 6.1 million). EBITDA amounts to EUR 0.0 million after EUR 0.1 million in the second quarter of the previous year. EBIT is at EUR -0.2 million (Q2 2018: EUR 0.0 million).

Segment Holding

The earnings in the Holding segment remained relatively constant. Segment revenues amount to EUR 0.9 million as compared to EUR 1.0 million in the previous year. EBITDA fell slightly to EUR –0.8 million as compared to EUR –0.7 million in the first half of 2018. EBIT also fell to EUR –0.8 million as compared to EUR –0.7 million in the previous year. In the second quarter, revenues are at EUR 0.5 million (Q2 2018: EUR 0.5 million). EBITDA amounts to EUR –0.4 million after EUR –0.4 million in the second quarter of the previous year. EBIT is at EUR –0.4 million (Q2 2018: EUR –0.4 million).

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 minimize 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.
- 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:

- Under the MIFID II discussions, portfolio commissions are to be paid only when used to improve the quality of client services. Precisely how this is to operate is unclear. Consequently, this could result in short-term reductions in revenue in the investment segment.
- Implementation of the EU's GDPR (General Data Protection Regulation) affects those businesses in the financial services sector that make considerable use of personal data. We will be subject to comprehensive information and documentation obligations, which must also be implemented in the Group's IT systems. This will result in an increase in IT costs.

The Management Board cannot discern any other risks to the company's existence or growth and is of the opinion that the risks identified are manageable and do not constitute a threat to the Group's continued existence.

The Management Board sees the following **opportunities**: Currently, many financial services providers are in a financially weakened position. Along with poor sales in recent years, regulatory requirements have significantly increased. As a result, the financial resources of many competitors are exhausted and the pressure to consolidate has increased – which is to the benefit of large market participants, including JDC Group companies.

In 2019, the JDC Group made some important changes that will have a decisive effect in the coming years. In 2019, exclusive cooperation agreements were concluded with RheinLand Versicherungs AG, Sparda-Bank Baden-Württemberg as well as Bavaria Wirtschaftsagentur GmbH. Moreover, Jung, DMS & Cie. took control of the investment pool KOMM Invest GmbH in 2019.

The Management Board believes all of these developments will produce positive results for the JDC Group AG's investments and therefore for the JDC Group AG itself in fiscal year 2019.

OUTLOOK

Economic outlook

According to IMF forecasts, global economic growth should only reach 3.3 percent in 2019, compared to 3.6 percent in 2018.

Customs increases and trade conflicts are cited as the most significant declines in growth. Worsening financing conditions result from a stricter monetary policy. The IMF growth forecast amounts to 0.7 per-

cent for the 2019 financial year, after being corrected downwards. The reasons for this, amongst others, are the punitive tariff duties imposed on one another by the US and China, Brexit and tensions in the Gulf.

According to the IMF growth forecast, the economy in the eurozone will grow unchanged by 1.3 percent in 2019. According to the Fund, it should be 1.6 percent again for 2020.

In May, the industry orders plummeted by 8.6 percent in comparison to the previous year. Production has also been weakening for months. Because of this and the trade war between the US and China, several experts are warning of a recession in export-dependent Germany.

Market and sector outlook

According to information from December 2018, the ECB purchase programme should come to an end, as the rate of inflation was higher than economic growth. In the current year, with a very volatile market, the ECB has already indicated that it will not diverge from the path of cheap liquidity. It remains to be seen how the institution will conduct itself in an upcoming recession.

Outlook for the JDC Group consolidated group

EXPECTED BUSINESS PERFORMANCE

Expectations with regard to the performance of the JDC Group for 2019 are based on the macroeconomic assumptions presented in the Group Management Report. The expansion of political crises, not least owing to continued protectionist trade policies of the United States as well as an unregulated Brexit, can have a significant impact on the financial, asset and earnings position of the JDC Group. Corporate planning occurred on the basis of detailed surveys and assumptions that the JDC Group AG views as realistic.

Clear and sustainable improvement in business operations will be paramount for the JDC Group in 2019. In 2019, the Group will focus on

- acquiring new key clients and thereby on scaling the platform and
- optimising internal procedures and cost management.

Specifically, we expect Group revenue in 2019 to be around 15 percent higher than in 2018, that absolute gross profit will rise and that the Group will achieve an EBITDA significantly above that of the previous year. In all, the Management Board is expecting positive business performance by the Group as a whole.

Wiesbaden, August 22, 2019



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Consolidated income statement

	Notes	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	01/01/– 30/06/2019 kEUR	01/01/– 30/06/2018 kEUR
1. Commission income	[1]	25,702	22,010	52,513	44,474
2. Capitalised services	[2]	246	150	488	338
3. Other operating income	[2]	74	69	99	169
4. Commission expenses	[3]	-18,565	-15,535	-37,506	-30,630
5. Personnel expenses	[4]	-4,133	-3,771	-8,369	-7,633
6. Depreciation and amortisation of tangible and intangible assets	[5]	-860	-701	-1,586	-1,361
7. Other operating expenses	[6]	-2,486	-2,389	-4,858	-4,704
8. Other interest and similar income		1	1	2	4
9. Interest and similar expenses		-284	-326	-578	-587
10. Operating profit/loss		-305	-492	206	70
11. Income tax expenses		-49	-126	-54	-265
12. Other tax expenses		-6	-1	-7	-15
13. Net profit		-360	-619	145	-210
14. Earnings per share		-0.03	-0.05	0.01	-0.02

Consolidated statement of comprehensive income

	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	01/01/ – 30/06/2019 kEUR	01/01/ – 30/06/2018 kEUR
Profit or loss for the period	-360	-619	145	-210
Other income				
In following periods in the profit and loss account to be reclassified into other results	0	0	0	
In following periods not in the profit and loss account to be reclassified into other results	0	0	0	
Other income after taxes	0	0	0	
Total income after taxes	-360	-619	145	-210
Attributable to:				
Parent company's shareholders	-360	-619	145	-210

Segment reporting

	Advisortech		Advisory	
	30/06/2019 kEUR	30/06/2018 kEUR	30/06/2019 kEUR	30/06/2018 kEUR
Segment income				
Commission income	44,404	36,450	12,859	12,110
of which with other segments	536	607	4,214	3,479
Total segment income	44,404	36,450	12,859	12,110
Capitalised services	488	338	0	0
Other income	104	105	23	64
Segment expenses				
Commissions	-32,502	-25,597	-9,528	-8,794
Personnel expenses	-5,716	-5,223	-1,657	-1,480
Depreciation and amortisation	-1,313	-1,109	-271	-245
Other	-3,654	-3,510	-1,656	-1,772
Total segment expenses	-43,185	-35,439	-13,112	-12,291
EBIT	1,811	1,454	-230	-117
EBITDA	3,124	2,563	41	128
Income from investments	0	0	0	0
Other interest and similar income	264	294	7	23
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-760	-779	-314	-301
Financial result	-496	-485	-307	-278
Segment earnings before tax (EBT)	1,316	969	-537	-395
Tax expenses	-138	-333	84	54
Segment net profit	1,178	636	-453	-341

Holding		Total reportable segments		Transfer		Total	
30/06/2019 kEUR	30/06/2018 kEUR	30/06/2019 kEUR	30/06/2018 kEUR	30/06/2019 kEUR	30/06/2018 kEUR	30/06/2019 kEUR	30/06/2018 kEUR
943	993	58,206	49,553	-5,693	-5,079	52,513	44,474
943	993	5,693	5,079	-5,693	-5,079	0	0
943	993	58,206	49,553	-5,693	-5,079	52,513	44,474
0	0	488	338	0	0	488	338
0	0	127	169	-28	0	99	169
0	0	-42,030	-34,391	4,524	3,761	-37,506	-30,630
-996	-930	-8,369	-7,633	0	0	-8,369	-7,633
-2	-7	-1,586	-1,361	0	0	-1,586	-1,361
-745	-740	-6,055	-6,022	1,197	1,318	-4,858	-4,704
-1,743	-1,677	-58,040	-49,407	5,721	5,079	-52,319	-44,328
-800	-684	781	653	0	0	781	653
-798	-677	2,367	2,014	0	0	2,367	2,014
0	0	0	0	0	0	0	0
505	500	776	817	-774	-813	2	4
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-278	-320	-1,352	-1,400	774	813	-578	-587
227	180	-576	-583	0	0	-576	-583
-573	-504	206	70	0	0	206	70
-7	-1	-61	-280	0	0	-61	-280
-580	-505	145	-210	0	0	145	-210

Segment reporting

	Advisortech		Advisory	
	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR
Segment income				
Commission income	20,967	17,972	6,843	6,059
of which with other segments	230	356	1,878	1,665
Total segment income	20,967	17,972	6,843	6,059
Capitalised services	246	150	0	0
Other income	63	24	11	45
Segment expenses				
Commissions	-15,383	-13,043	-5,174	-4,346
Personnel expenses	-2,784	-2,532	-853	-746
Depreciation and amortisation	-686	-576	-173	-121
Other	-1,853	-1,799	-836	-894
Total segment expenses	-20,706	-17,950	-7,036	-6,107
EBIT	570	196	-182	-3
EBITDA	1,256	772	-9	118
Income from investments	0	0	0	0
Other interest and similar income	131	146	3	11
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-375	-420	-158	-151
Financial result	-244	-274	-155	-140
Segment earnings before tax (EBT)	326	-78	-337	-143
Tax expenses	-66	-157	18	30
Segment net profit	260	-235	-319	-113

Holding		Total reportable segments		Transfer		Total	
2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR
487	496	28,297	24,527	-2,595	-2,517	25,702	22,010
487	496	2,595	2,517	-2,595	-2,517	0	0
487	496	28,297	24,527	-2,595	-2,517	25,702	22,010
0	0	246	150	0	0	246	150
0	0	74	69	0	0	74	69
0	0	-20,557	-17,389	1,993	1,854	-18,564	-15,535
-496	-493	-4,133	-3,771	0	0	-4,133	-3,771
-1	-4	-860	-701	0	0	-860	-701
-399	-359	-3,088	-3,052	602	663	-2,486	-2,389
-896	-856	-28,638	-24,913	2,595	2,517	-26,043	-22,396
-409	-360	-22	-167	0	0	-22	-167
-408	-356	838	534	0	0	838	534
0	0	0	0	0	0	0	0
254	248	388	405	-387	-404	1	1
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-138	-159	-671	-730	387	404	-284	-326
116	89	-283	-325	0	0	-283	-325
-293	-271	-305	-492	0	0	-305	-492
-7	0	-55	-127	0	0	-55	-127
-300	-271	-360	-619	0	0	-360	-619

Consolidated Balance Sheet

Assets	Notes	30/06/2019 kEUR	31/12/2018 kEUR
Non-current assets			
Intangible assets	[7]	50,602	46,136
Fixed assets		705	759
Financial assets	[8]	186	148
		51,493	47,043
Deferred taxes	[9]	2,601	2,700
Long-term non-current assets			
Accounts receivable	[10]	824	1,068
Other assets	[10]	2,048	2,257
		2,872	3,325
Total non-current assets		56,966	53,068
Current assets			
Accounts receivable	[11]	15,447	16,657
Other assets	[11]	4,936	3,759
Other securities		0	0
Cash and cash equivalents		5,522	11,801
Deferred charges		556	262
Total current assets		26,461	32,479
Total assets		83,427	85,547

Liabilities

	Notes	30/06/2019 kEUR	31/12/2018 kEUR
Equity			
Subscribed capital		13,128	13,128
Capital reserves		21,638	21,638
Other retained earnings		445	445
Other equity components		-1,726	-1,867
Non-controlling interests		0	0
Total equity		33,485	33,344
Non-current liabilities			
Deferred taxes	[9]	3,145	1,665
Bond	[12]	14,862	14,813
Liabilities due to banks	[12]	2,548	107
Accounts payable	[12]	8,993	8,810
Other liabilities	[12]	184	184
Accruals	[13]	1,704	1,455
Total non-current liabilities		31,436	27,034
Current liabilities			
Accrued taxes	[14]	137	334
Liabilities due to banks	[14]	92	2,584
Accounts payable	[14]	14,527	17,508
Other liabilities	[14]	3,687	4,729
Deferred income	[14]	63	14
Total current liabilities		18,506	25,169
Total equity and liabilities		83,427	85,547

Consolidated cash flow statement

	01/01–30/06/2019 kEUR	01/01–30/06/2018 kEUR	Changes to previous year in kEUR
1. Result for the period	145	-210	355
2. + Depreciation and amortisation of fixed assets	1,586	1,361	225
3. -/+ Other non-cash itemised income/expenses	52	616	-564
4. -/+ Profit/loss from disposals of fixed assets	532	208	324
5. -/+ Increase/decrease of inventories, accounts receivable as well as other assets	188	-696	884
6. -/+ Decrease/increase of accounts payable as well as other liabilities	-2,012	-213	-1,799
7. = Cash flow from operating activities	491	1,066	-575
of which from discontinued operations	0	0	0
8. + Cash receipts from disposals of intangible assets	2	0	2
9. - Cash payments for investments in intangible assets	-1,334	-3,881	2,547
10. + Cash receipts from disposals of fixed assets	4	0	4
11. - Cash payments for investments in fixed assets	-61	-203	142
12. + Cash receipts from disposals of financial assets	0	0	0
13. - Cash payments for investments in financial assets	0	-5	5
14. + Cash receipts from the disposal of consolidated companies	0	0	0
15. - Cash payments for the acquisition of consolidated companies	-3,600	0	-3,600
14. - Cash payments for financial assets in the scope of cash forecast	0	0	0
15. = Cash flow from investment activities	-4,989	-4,088	-900
of which from discontinued operations	0	0	0
16. +/- Cash receipts/-payments from capital increase	0	0	0
17. + Cash payments from the issue of bonds	0	0	0
18. - Cash payments from loan redemptions	-796	-46	0
19. - Interest paid	-986	-926	-750
20. = Cash flow from financing activities	-1,782	-972	-60
of which from discontinued operations	0	0	-810
21. Non-cash itemised changes in cash and cash equivalents (total of pos. 7, 17, 22)	-6,279	-3,994	-2,285
22. Cash and cash equivalents at the beginning of the period	11,801	6,362	5,439
23. = Cash and cash equivalents at the end of the period	5,522	2,368	3,154
Breakdown of cash and cash equivalents	30/06/2019 kEUR	30/06/2018 kEUR	Changes to previous kEUR
Cash and cash in banks	5,522	2,368	3,154
Current liabilities due to banks	0	0	0
	5,522	2,368	3,154

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 01/01/2018	11,934,971	11,935	12,845	766	0	0	2,486	0	28,032
Result as of 30/06/2018							-210		-210
Other equity changes									0
Retained earnings									0
– Allocation from earnings									0
As of 30/06/2018	11,934,971	11,935	12,844	766	0	0	2,276	0	27,822
As of 01/01/2019	13,128,461	13,128	21,638	445	0	0	-1,867	0	33,344
Result as of 30/06/2019							145		145
Other equity changes							-4		-4
Retained earnings									0
– Allocation from earnings									0
As of 30/06/2019	13,128,461	13,128	21,638	445	0	0	-1,726	0	33,485

Notes

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1 General Information

The JDC Group (JDC Group) is a diversified financial services company with the operating segments Advisortech and Advisory plus Holding.

The company was registered on 6 October 2005 under the name Aragon Aktiengesellschaft in the commercial register of the Wiesbaden district court (HRB 22030). The annual shareholders' meeting decided the change of name into JDC Group AG on 24 July 2015, this was fulfilled with the entry into the commercial register on 31 July 2015.

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 2019 to 30 June 2019 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 2019 and the corresponding previous year period from 1 January 2018 to 30 June 2018 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 2019 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 315e (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 2018. A detailed description of these principles is published in the notes of the annual report 2018. 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 IFRS 10, in which JDC Group AG holds a majority of voting rights or which it can control by other means.

On 1st April , 2019, KOMM Investment & Anlagevermittlungs GmbH was newly included in the scope of consolidation of the JDC Group. The Group subsidiary Jung, DMS & Cie. Pool GmbH acquired 100 percent of the shares in KOMM Investment & Anlagenvermittlungs GmbH in April 2019.

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, jupoo finance GmbH, Vienna/Austria, 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.

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 Revenues [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 2019 kEUR	2. Quarter 2018 kEUR	01/01–30/06/2019 kEUR	01/01–30/06/2018 kEUR
Initial commission				
Insurance products	11,502	10,035	25,140	20,219
Investment funds	3,966	3,040	6,838	5,763
Shares/Closed-end funds	996	1,021	2,226	1,775
Follow-up commission	5,048	4,355	9,284	8,898
Overrides	1,306	1,385	3,562	3,665
Services	885	715	1,666	1,076
Fee-based advisory	865	709	1,490	1,546
Other income	1,134	750	2,307	1,532
Total	25,702	22,010	52,513	44,474

The commission income increased by 18.1 percent compared to the previous year to kEUR 52,513.

2.1.2 Other capitalised services and other operating income [2]

	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	01/01–30/06/2019 kEUR	01/01–30/06/2018 kEUR
Capitalised services	246	150	488	338
Reversal of impairments/ income from receivables written off	0	0	0	0
Income from provision's release	21	16	31	79
Income from security sales	0	0	0	0
Income from statute-barred debt	2	0	2	0
Income from benefits in kind	10	12	21	25
Other operating income	41	41	45	65
Total	320	219	587	507

Capitalised services amounted to kEUR 488 (30 June 2018: kEUR 338) and were primarily achieved by developing in-house software solutions (Compass, World of Finance, iCRM and portal geld.de) (cf. ref. 2.2.1.1 Concessions and Licences).

The other operating income of kEUR 45 (previous year: kEUR 65) relates essentially to income from resolution of accruals kEUR 18 (previous year: kEUR 3).

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 6,876 to kEUR 37,506 versus the previous year (30 June 2018: kEUR 30,630).

2.1.4 Personnel expenses [4]

	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	01/01–30/06/2019 kEUR	01/01–30/06/2018 kEUR
Wages and salaries	3,462	3,153	7,054	6,426
Social security	671	618	1,315	1,207
Total	4,133	3,771	8,369	7,633

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).

In the annual average the Group companies employed 280 staff (previous year: 255), excluding Management Board members (fulltime-equivalents).

2.1.5 Depreciation and Amortisation [5]

	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	01/01–30/06/2019 kEUR	01/01–30/06/2018 kEUR
Depreciation and amortization of intangible assets	-723	-667	-1,472	-1,361
Purchased software	-101	-681	-116	-125
Internally developed software	-211	-378	-638	-710
Insurance portfolios	-405	440	-706	-478
Contract preparation costs	-6	0	-12	0
Other intangible assets	0	-48	0	-48
Depreciation and amortization of property and equipment	-137	-34	-114	0
Total	-860	-701	-1,586	-1,361

2.1.6 Operating expenses [6]

	2. Quarter 2019 kEUR	2. Quarter 2018 kEUR	01/01–30/06/2019 kEUR	01/01–30/06/2018 kEUR
Marketing costs	210	145	443	353
Travel costs	113	114	221	250
External services	183	211	315	306
IT costs	752	688	1,554	1,420
Occupancy costs	383	393	748	737
Vehicle costs	99	89	190	173
Office supplies	25	37	55	65
Fees, insurance premiums	185	178	343	332
Postage, telephone	70	76	155	144
Write-downs/impairments of receivables	-29	33	-4	64
Legal and consulting costs	282	245	490	471
Training costs	16	16	31	33
Human resources	0	0	1	0
Supervisory board compensation	42	28	58	62
Non-deductible input tax	56	61	124	131
Impairment IFRS 9	0	0	0	0
Other	99	75	134	163
Total	2,486	2,389	4,858	4,704

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.

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 23,512 (31 December 2018: kEUR 21,572).

In the financial period internally generated software tools totalling kEUR 488 (30 June 2018: kEUR 338) were capitalised. These are essentially company-specific software applications (Compass, World of Finance, iCRM and portal geld.de) 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.

	30/06/2019 kEUR	31/12/2018 kEUR
Advisortech	21,621	19,096
Advisory	5,461	5,461
Holding	7	7
	27,090	24,564

2.2.2 Impairment losses

Goodwill was subjected to an impairment test as of 31 December 2018. A possible impairment requirement results from the value comparison of the Carrying amount of the CGU or group of CGUs including the business assigned to it or Goodwill at its recoverable amount. If the book values exceed the recoverable amount, then one is Impairment of goodwill in the income statement. The recoverable amount is the maximum of the fair value less costs to sell and the value in use.

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 2019. For the financial years 2020 and 2021 moderate growth rate (phase I) are assumed. For the subsequent periods, the cash flow was forecasted as perpetual annuity (phase II).

The discount factor (capitalization interest rate) for the Group companies is calculated on the basis of the capital asset pricing model. The underlying determination of the capitalization interest rate assumptions, including the risk-free base rate, the market risk premium and the beta factor, are determined on the basis of publicly available information or capital market data.

At one of the yield curve, risk-free base rate of 0.21 % (previous year: 0.80 %), a market risk premium of 6.07 % (previous year: 5.17 %) and taking into account a beta factor of the comparative investment from 0.95 (previous year: 1.01), a capitalization interest rate of 6.0 % (previous year: 6.0 %) is calculated. In the capitalization rate a growth discount is used to calculate the present value of the first cash flows of the perpetual annuity 1.0 % (previous year: 1.0 %). An additional, essential influence on the free cash flow is the assumptions for revenue growth and earnings development of the operating units.

The rise in the discount rate before taxes to 8.0 percent (viz. + 2 percent) 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 –20 percent 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. For the cash-generating units AdvisorTech and Advisory, the fair value less the costs of disposal.

In the financial year, as in the previous year, none amortization of goodwill required.
As of December 31, 2018, the market capitalization was above the carrying amount of its equity.

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

The breakdown of book values is as follows:

	30/06/2019 kEUR		31/12/2018 kEUR
Available-for-sale			
Shares in affiliated companies		25	25
Investments		123	123
Securities		38	0
Total		186	148

2.2.4 Deferred tax assets and liabilities [9]

	30/06/2019 kEUR	31/12/2018 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	2,507	2,606
Tax reimbursement claims from financial liabilities	94	94
Total	2,601	2,700
Deferred tax liabilities		
Intangible assets (software)	2,070	1,522
From other recognition differences	1,075	143
Total	3,145	1,665

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]

	30/06/2019 kEUR	31/12/2018 kEUR
Accounts receivables	824	1,068
Other assets	2,048	2,257
Total	2,872	3,325

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]

	30/06/2019 kEUR	31/12/2018 kEUR
Accounts receivable	15,447	16,657
Other assets		
Commission advances	556	262
Prepaid expenses	-420	-420
Other	5,356	4,179
Total	20,939	20,678

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 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]

	30/06/2019 kEUR	31/12/2018 kEUR
Bond	14,862	14,813
Liabilities to banks	2,548	107
Accounts payable	8,993	8,810
Other liabilities		
Other	184	184
Total	26,587	23,914

Under the position bond is a corporate bond of the Jung, DMS & Cie. Pool GmbH from 2015 displayed in the balance sheet, it is shown in continued costs of purchase under usage of the effective interest method.

Under liabilities to banks is a loan from FiNUM.Private Finance AG, Vienna/Austria, issued through Bank Austria and a loan from JDC Geld.de GmbH, Wiesbaden, issued through Fintechgroup Bank AG.

Non-current liabilities under accounts payable pertain to liabilities from broker's commissions retained until expiration of the cancellation reserve. The obligation to pay broker's provision usually has a residual term of one to five years. Other liabilities contain mainly long-term part of loan obligation.

2.2.9 Provisions [13]

	30/06/2019 kEUR	31/12/2018 kEUR
Pension provisions	421	421
Provisions for cancellation liability	1,237	986
Provisions for threatened claims from financial loss	46	48
Total	1,704	1,455

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]

	30/06/2019 kEUR	31/12/2018 kEUR
Pension provisions	46	46
Provisions for taxes	91	288
Liabilities to banks	92	2,584
Accounts payable	14,527	17,508
Other current liabilities		
Loan obligation	0	761
Other	3,687	3,968
Deferred income	63	14
Total	18,506	25,169

Trade payables are served at maturity.

2.3 RELATED PARTIES

Transactions with members of the Management Board and Supervisory Board:

	30/06/2019 kEUR	30/06/2018 kEUR
Supervisory Board		
Remuneration	55	56
Management Board		
Total remuneration*	446	439

*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 491 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. The advisors were supported by “allesmeins”, a digital insurance folder actively managed and the World of Finance.

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).

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

[KLEMENS HALLMANN](#)

Vienna

Independent entrepreneur

[JÖRG KEIMER](#)

Wiesbaden

Attorney

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.