

# Letter to shareholders

# 1. Quarter of 2020



BEST ADVICE. BETTER TECHNOLOGY.



**Stefan Bachmann**  
CDO

**Ralph Konrad**  
CFO, CIO

**Dr. Sebastian Grabmaier**  
CEO

# Management Board letter to shareholders

## **DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,**

In spite of the COVID-19 coronavirus crisis, the corporate results for the first quarter of 2020 have been very encouraging and confirm positive growth as forecast by the Management Board: Group revenues markedly increased again in the first three months of 2020 by around 17 percent to 31.4 million Euro. In particular, the Advisortech and Advisory divisions again both strongly contributed to this growth in revenue. Earnings before interest, tax, depreciation and amortisation (EBITDA) therefore rose even more considerably by around 24 percent, indicating that our business model is scaling in a welcome fashion.

All in all, our business has been able to navigate remarkably well through the crisis:

Even in April, when comprehensive 'social distancing' measures brought many parts of social and commercial life to a standstill, the number of applications for new business still exceeded prior year's level. The number of contracts transferred onto our insurance platform in April even tripled. Declines in the life insurance sector can largely be compensated for by an increase in the investment business. Although almost all our business processes were transferred to the home offices of our employees at the end of March, our activities and the operative performance of our platform continued to function at an excellent level. We particularly have to thank our employees in this respect, who have exhibited a high level of commitment and demonstrated great flexibility and creativity in dealing with this crisis.

Even at the height of the COVID-19 pandemic, we were also able to report the successful conclusion of contracts for two further cooperation agreements: Firstly, Boehringer Ingelheim Secura Versicherungsmittlungs GmbH (BI Secura), the in-house broker for the pharmaceutical group Boehringer, has concluded an exclusive cooperation agreement with Jung, DMS & Cie. for the management of employee transactions. Secondly, InsureDirect24 Assekuranz GmbH, the general agency for Nürnberger Versicherung that serves the direct customers of the Nürnberger insurance group, will in future handle processing and billing for its customer contracts using platform technology from JDC.

Other, similar cooperation agreements with insurance companies for their direct customer business and for the technical setup of their insurance tied-agent networks will follow in 2020.

## Results from Q1 2020

Consolidated revenues increased significantly in the first three months of 2020, by around 17 percent, to 31.4 million Euro (Q1 2019: 26.8 million Euro). Both the Advisortech and Advisory divisions contributed a great deal to this growth in revenue. This acceleration in growth is driven by the success of the JDC key account strategy.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by roughly 24 percent to 2,195 kEUR (Q1 2019: 1,775 kEUR).

Earnings before interest and taxes (EBIT) rose even more significantly compared to the previous year, increasing by around 34 percent to 1,091 kEUR (Q1 2019: 816 kEUR).

### At a glance

	Q1/2020 kEUR	Q1/2019 kEUR	Changes compared to previous year in %
Revenues	31,439	26,811	17.3
there of Advisortech	27,115	23,437	15.7
there of Advisory	7,070	6,016	17.5
there of Holding/Consolidation	-2,746	-2,642	-3.9
EBITDA	2,195	1,775	23.7
EBIT	1,091	816	33.7
EBT	724	496	46.0
Net profit	699	490	42.7

Equity capital stood at EUR 30.2 million on 31 March 2020. The equity ratio thus rose again to a very robust 34.9 percent (31 December 2019: EUR 30.5 million and 29.8 percent).

### OUR INDIVIDUAL BUSINESS SEGMENTS PERFORMED AS FOLLOWS:

#### Advisortech

Consolidated sales of Advisortech increased significantly in the first three months of 2020, by around 15.7 percent, to 27.1 million Euro (Q1 2019: 23.4 million Euro).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to 2.5 million Euro in the first three months of 2020 and therefore was again significantly higher than the figure for the previous year of 2.0 million Euro.

Earnings before interest and taxes (EBIT) also increased in the first three months of 2020 to 1.6 million Euro (Q1 2019: 1.2 million Euro).

## Advisory

In the Advisory business segment, revenue in the first three months of 2020 increased by 17.5 percent to 7.1 million Euro (Q1 2019: 6.0 million Euro).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for Advisory rose slightly during the first three months to 0.2 million Euro (Q1 2019: 0.1 million Euro), while earnings before interest and taxes (EBIT) remained at 0.0 million Euro (Q1 2019: 0.0 million Euro).

## Outlook

In 2020, the company expects revenues to increase to EUR 125 to 132 million, based on cooperation agreements that have already been signed, and also expects to see a further increase in EBITDA.

After what is anticipated to be a difficult second quarter, we expect business to recover rapidly in the second half of the year.

As JDC is not dependent on supply chains or external service providers, its main influencing factors continue to be the development of capital markets and the purchasing behaviour of customers. If the effects of the COVID-19 crisis lead to a severe recession or an additional period of lockdown, this could of course have an impact on the business development of JDC Group AG.

## Thanks to our employees and shareholders

To close, we would again like to offer our heartfelt thanks to the employees and sales partners of both JDC Group AG and its subsidiaries, because our success is a product of their commitment and motivation.

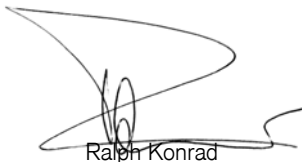
We would also like to extend thanks to our shareholders, who continue to have faith in our business model and support and approve the actions taken by our executive and supervisory boards.

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– 31/03/2020 kEUR	01/01– 31/03/2019 kEUR
1. Revenues	31,439	26,811
2. Capitalised services	224	242
3. Other operating income	121	25
4. Commission expenses	–22,885	–18,941
5. Personnel expenses	–4,498	–4,236
6. Depreciation and amortisation of tangible and intangible assets	–1,104	–959
7. Other operating expenses	–2,206	–2,126
8. Other interest and similar income	11	1
9. Interest and similar expenses	–378	–321
<b>10. Operating profit/loss</b>	<b>724</b>	<b>496</b>
11. Income tax expenses	–3	–5
12. Other tax expenses	–22	–1
<b>13. Net profit</b>	<b>699</b>	<b>490</b>
<b>14. Earnings per share</b>	<b>0.05</b>	<b>0.04</b>

# Segment reporting

	Advisortech		Advisory	
	Q1/2020 kEUR	Q1/2019 kEUR	Q1/2020 kEUR	Q1/2019 kEUR
<b>Segment income</b>				
Revenues	27,115	23,437	7,070	6,016
of which with other segments	325	306	2,421	2,336
<b>Total segment income</b>	<b>27,115</b>	<b>23,437</b>	<b>7,070</b>	<b>6,016</b>
Capitalised services	224	242	0	0
Other income	119	41	5	12
<b>Segment expenses</b>				
Commissions	-20,393	-17,118	-5,072	-4,354
Personnel expenses	-2,996	-2,932	-949	-804
Depreciation and amortisation	-887	-783	-210	-169
Other	-1,591	-1,644	-848	-738
<b>Total segment expenses</b>	<b>-25,867</b>	<b>-22,477</b>	<b>-7,079</b>	<b>-6,065</b>
<b>EBIT</b>	<b>1,591</b>	<b>1,243</b>	<b>-4</b>	<b>-37</b>
<b>EBITDA</b>	<b>2,478</b>	<b>2,026</b>	<b>206</b>	<b>132</b>
Income from investments	0	0	0	0
Other interest and similar income	200	133	5	4
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-482	-391	-159	-177
<b>Financial result</b>	<b>-282</b>	<b>-258</b>	<b>-154</b>	<b>-173</b>
<b>Segment earnings before tax (EBT)</b>	<b>1,309</b>	<b>985</b>	<b>-158</b>	<b>-210</b>
Tax expenses	16	-72	-41	66
<b>Segment's net profit</b>	<b>1,325</b>	<b>913</b>	<b>-199</b>	<b>-144</b>



	Holding		Total reportable segments		Transfer		Total	
	Q1/2020 kEUR	Q1/2019 kEUR	Q1/2020 kEUR	Q1/2019 kEUR	Q1/2020 kEUR	Q1/2019 kEUR	Q1/2020 kEUR	Q1/2019 kEUR
	370	456	34,555	29,909	-3,116	-3,098	31,439	26,811
	370	456	3,116	3,098	-3,116	-3,098	0	0
	<b>370</b>	456	<b>34,555</b>	29,909	<b>-3,116</b>	-3,098	<b>31,439</b>	26,811
	0	0	224	242	0	0	224	242
	0	0	124	53	-3	-28	121	25
	0	0	-25,465	-21,472	2,580	2,531	-22,885	-18,941
	-553	-500	-4,498	-4,236	0	0	-4,498	-4,236
	-7	-7	-1,104	-959	0	0	-1,104	-959
	-307	-339	-2,746	-2,721	540	595	-2,206	-2,126
	<b>-867</b>	-846	<b>-33,813</b>	-29,388	<b>3,120</b>	3,126	<b>-30,693</b>	-26,262
	<b>-497</b>	-390	<b>1,090</b>	816	<b>1</b>	0	<b>1,091</b>	816
	<b>-490</b>	-383	<b>2,194</b>	1,775	<b>1</b>	0	<b>2,195</b>	1,775
	0	0	0	0	0	0	0	0
	210	251	415	388	-404	-387	11	1
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-141	-140	-782	-708	404	387	-378	-321
	<b>69</b>	111	<b>-367</b>	-320	<b>0</b>	0	<b>-367</b>	-320
	<b>-428</b>	-279	<b>723</b>	496	<b>1</b>	0	<b>724</b>	496
	0	0	-25	-6	0	0	-25	-6
	<b>-428</b>	-279	<b>698</b>	490	<b>1</b>	0	<b>699</b>	490

# Consolidated Balance Sheet

<b>Assets</b>	<b>31/03/2020</b> kEUR	31/12/2019 kEUR
<b>Non-current assets</b>		
Intangible assets	49,517	49,924
Fixed assets	2,432	2,681
Financial assets	186	186
	<b>52,135</b>	52,791
Deferred taxes	3,028	3,151
Long-term non-current assets		
Accounts receivable	860	900
	2,670	2,559
	<b>3,530</b>	3,459
<b>Total non-current assets</b>	<b>58,693</b>	59,401
<b>Current assets</b>		
Accounts receivable	15,373	19,010
Other assets	2,494	2,415
Cash and cash equivalents	9,259	21,124
Deferred charges	651	345
<b>Total current assets</b>	<b>27,777</b>	42,894
<b>Total assets</b>	<b>86,470</b>	102,295

<b>Liabilities</b>	<b>31/03/2020</b>	<b>31/12/2019</b>
	<b>kEUR</b>	<b>kEUR</b>
<b>Equity</b>		
Subscribed capital	12,807	12,966
Capital reserves	19,967	20,780
Other retained earnings	392	392
Other equity components	-2,963	-3,656
<b>Total equity</b>	<b>30,203</b>	<b>30,482</b>
<b>Non-current liabilities</b>		
Deferred taxes	3,564	3,692
Bond	19,228	19,192
Liabilities due to banks	0	15
Accounts payable	9,463	9,229
Other liabilities	1,337	1,571
Accruals	1,709	1,590
<b>Total non-current liabilities</b>	<b>35,301</b>	<b>35,289</b>
<b>Current liabilities</b>		
Bonds	0	12,292
Accrued taxes	128	120
Liabilities due to banks	529	354
Accounts payable	16,756	19,248
Other liabilities	3,538	4,506
Deferred income	15	4
<b>Total current liabilities</b>	<b>20,966</b>	<b>36,524</b>
<b>Total equity and liabilities</b>	<b>86,470</b>	<b>102,295</b>

# Kontakt

JDC Group AG  
Rheingau-Palais  
Soehnleinstraße 8  
65201 Wiesbaden

Telephone: +49 611 335322-00  
Telefax: +49 611 335322-09

[info@jdcgroup.de](mailto:info@jdcgroup.de)  
[www.jdcgroup.de](http://www.jdcgroup.de)

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](http://www.jdcgroup.de)

We will provide you with additional information about JDC Group AG and its subsidiaries upon request.