

Letter to shareholders 1. Quarter of 2017



BEST ADVICE. BETTER TECHNOLOGY.



Ralph Konrad
CFO

Dr. Sebastian Grabmaier
CEO

Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

We have good news for you: the most recent Q1 was the best first quarter in the company's history!

We can once more report that our investments in inventory acquisitions and digitization have now begun to bear real fruit. The first quarter showed significant revenue growth particularly in the Advisortech segment. But the Advisory segment also benefitted from the generally positive capital market environment. As a result, we were able to multiply EBITDA in the first quarter of 2017 compared to the same quarter of the previous year, a further demonstration of our strategy's sustainability.

Results for the first quarter of 2017

Group revenues rose significantly in the first three months of 2017, by around 14 percent, to EUR 19.9 million (Q1 2016: EUR 17.5 million).

Earnings before interest, taxes and depreciation and amortization (EBITDA) grew five-fold, to kEUR 1.131 (Q1 2016: kEUR 222).

Despite sharply increased depreciation on investment in inventory purchases, earnings before interest and taxes (EBIT) improved significantly compared to the previous year by kEUR 572, rising to kEUR 364 (Q1 2016: kEUR –208).

The portfolio of investment funds managed by JDC Group AG (Assets under Administration) also recorded positive development, rising to EUR 4.5 billion, an increase of roughly 7 percent compared to the previous year's EUR 4.2 billion as of 31 March 2016. Portfolio commissions from investment funds rose correspondingly.

At a glance in kEUR*

	Q1/2017 kEUR	Q1/2016 kEUR	Changes compared to previous year in %
Revenues	19.889	17.455	13,9
there of Advisortech	16.726	14.204	19,0
there of Advisory	5.521	4.923	12,1
there of Holding/Consolidation	-2.358	-1.672	-41,0
EBITDA	1.131	222	>100
EBIT	364	-208	>100
EBT	138	-448	>100
Net profit	24	-233	>100
Earnings per share in EUR	0,00	-0,02	100

*previous year figures partly adjusted

Shareholder equity as of 31 March 2017 stood at EUR 29.7 million. As a result, equity capital ratio continued to rise to a very solid 42.0 percent (31 December 2016: EUR 29.7 million and 40.7 percent).

THE INDIVIDUAL BUSINESS SEGMENTS DEVELOPED AS FOLLOWS:

Advisortech

The Advisortech segment saw a significant 17.8 percent increase in sales in the first three months of 2017, rising to EUR 16.7 million (Q1 2016: EUR 14.2 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 1.3 million in the first three months of 2017, significantly higher than the previous year's figure of EUR 0.4 million.

Despite an increase in depreciation and amortization, earnings before interest and taxes (EBIT) improved in the first three months of 2017, rising to EUR 0.6 million (Q1 2016: 0.1 million).

Advisory

In the Advisory segment, revenues improved by 12.1 percent in the first three months of 2017 compared to the previous year's period, increasing to EUR 5.5 million (Q1 2016: EUR 4.9 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the Advisory segment rose in the first three months to EUR 0.1 million (Q1 2016: EUR 0.0 million).

Earnings before interest and taxes (EBIT) improved in the first three months of 2017, rising to EUR 0.0 million (Q1 2016: EUR -0.1 million).

Outlook

Prospects for the rest of 2017 are very positive.

In 2017, we want to continue to consistently pursue developments and strategies from 2016, in particular the profitable integration of additional insurance and fund stocks and the further consolidation of our Fintech and Insurtech strategies. Starting in June, we will be doing so in collaboration with our new management board member, Stefan Bachmann, who was previously responsible for the “German Fintech Program” at Google and will be joining us at JDC.

Above all, we are confident that the newly acquired key accounts will contribute to a substantial increase in group sales and earnings, and that we will be able to gain additional key accounts for JDC in the coming months.

This is why – assuming financial markets remain steady – we are confident that we will be able to achieve double-digit growth in 2017, doubling the company’s EBITDA yet again.

Thanks go to our employees and shareholders

Lastly, we would like to express our particular thanks to both our employees and sales partners at JDC Group AG as well as to our subsidiaries, since it is their commitment and drive that are the basis for our success. Special thanks go to our former Supervisory Board member Alexander Schütz, who is leaving us to join into the Supervisory Board at Deutsche Bank.

Thanks also go as well to our shareholders, who have demonstrated their faith in our business model by giving our management and supervisory boards their support and approval.

We are pleased to have your continued support as we move forward, and remain

sincerely,



Dr. Sebastian Grabmaier



Ralph Konrad



Consolidated income statement

	01/01/ 31/03/2017 kEUR	01/01/ 31/03/2016 kEUR*
1. Revenues	19,889	17,455
2. Capitalised services	150	183
3. Other operating income	251	246
4. Commission expenses	-13,243	-12,651
5. Personnel expenses	-3,404	-3,106
6. Depreciation and amortisation of tangible and intangible assets	-767	-430
7. Other operating expenses	-2,512	-1,905
8. Other interest and similar income	5	17
9. Interest and similar expenses	-231	-257
10. Operating profit/loss	138	-448
11. Income tax expenses	-113	217
12. Other tax expenses	-1	-2
13. Net profit	24	-233
14. Earnings per share	0.00	-0.02

*previous year figures partly adjusted

Segment reporting

Quarters

	Advisortech		Advisory	
	Q1/2017 kEUR	Q1/2016 kEUR	Q1/2017 kEUR	Q1/2016 kEUR
Segment income				
Revenues	16,726	14,204	5,521	4,923
of which with other segments	235	230	2,123	1,442
Total segment income	16,726	14,204	5,521	4,923
Capitalised services	150	183	0	0
Other income	83	167	93	100
Segment expenses				
Commissions	-11,496	-10,675	-3,996	-3,556
Personnel expenses	-2,339	-2,051	-628	-623
Depreciation and amortisation	-640	-311	-122	-114
Other	-1,860	-1,396	-846	-817
Total segment expenses	-16,335	-14,433	-5,592	-5,110
EBIT	624	121	22	-87
EBITDA	1,264	432	144	27
Income from investments	0	0	0	0
Other interest and similar income	190	444	19	13
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-363	-547	-155	-292
Financial result	-173	-103	-136	-279
Segment earnings before tax (EBT)	451	18	-114	-366
Tax expenses	-110	-142	-4	10
Segment's net profit	341	-124	-118	-356

previous year figures partly adjusted

	Holding		Total reportable segments		Transfer		Total	
	Q1/2017 kEUR	Q1/2016 kEUR	Q1/2017 kEUR	Q1/2016 kEUR	Q1/2017 kEUR	Q1/2016 kEUR	Q1/2017 kEUR	Q1/2016 kEUR
	466	499	22,713	19,626	-2,824	-2,171	19,889	17,455
	466	499	2,824	2,171	-2,824	-2,171	0	0
	466	499	22,713	19,626	-2,824	-2,171	19,889	17,455
	0	0	150	183	0	0	150	183
	75	7	251	274	0	-28	251	246
	0	0	-15,492	-14,231	2,249	1,580	-13,243	-12,651
	-437	-432	-3,404	-3,106	0	0	-3,404	-3,106
	-5	-5	-767	-430	0	0	-767	-430
	-381	-311	-3,087	-2,524	575	619	-2,512	-1,905
	-823	-748	-22,750	-20,291	2,824	2,199	-19,926	-18,092
	-282	-242	364	-208	0	0	364	-208
	-277	-237	1,131	222	0	0	1,131	222
	0	0	0	0	0	0	0	0
	296	348	505	805	-500	-788	5	17
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	-213	-206	-731	-1,045	500	788	-231	-257
	83	142	-226	-240	0	0	-226	-240
	-199	-100	138	-448	0	0	138	-448
	0	347	-114	215	0	0	-114	215
	-199	247	24	-233	0	0	24	-233

Consolidated Balance Sheet

Assets	31/03/2017 KEUR	31/12/2016 KEUR
Non-current assets		
Intangible assets	44,909	45,090
Fixed assets	691	714
Financial assets	143	143
	45,743	45,947
Deferred taxes	3,780	3,847
Long-term non-current assets		
Accounts receivable	857	847
	2,193	2,448
Total non-current assets	52,573	53,089
Current assets		
Accounts receivable	10,191	13,354
Other assets	3,109	2,987
Cash and cash equivalents	4,340	2,913
Deferred charges	518	579
Total current assets	18,158	19,833
Total assets	70,731	72,922

Liabilities	31/03/2017 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	-28,332	-28,356
Total equity	29,737	29,713
Non-current liabilities		
Deferred taxes	1,300	1,279
Bond	13,002	12,871
Liabilities due to banks	268	291
Accounts payable	8,049	7,889
Other liabilities	170	170
Accruals	1,843	1,577
Total non-current liabilities	24,632	24,077
Current liabilities		
Accrued taxes	125	168
Liabilities due to banks	93	97
Accounts payable	9,850	12,820
Other liabilities	6,205	5,999
Deferred income	89	48
Total current liabilities	16,362	19,132
Total equity and liabilities	70,731	72,922

Kontakt

JDC Group AG
Kormoranweg 1
65201 Wiesbaden

Telephone: +49 (0)611 890 575 0

Telefax: +49 (0)611 890 575 99

info@jdcgroup.de

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

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