

Interim Report 1. Half of 2018



BEST ADVICE. BETTER TECHNOLOGY.

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JDC Group AG

P & L in kEUR	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	Changes compared to previous	30/06/2018 kEUR	30/06/2017 kEUR	Changes compared to previous
Revenues	22,010	20,533	7.2	44,474	40,579	9.6
Gross margin	6,694	6,455	3.7	14,351	13,502	6.3
Gross margin in %	30.4	31.4	-3.2	32.3	33.3	-3.0
Total operational costs	6,861	6,660	3.0	13,698	13,343	2.7
EBITDA	534	581	-8.1	2,014	1,712	17.6
EBITDA margin in %	2.4	2.8	-14.3	4.5	4.2	7.1
EBIT	-167	-205	18.5	653	159	>100
EBIT margin in %	-0.8	-1.0	20.0	1.5	0.4	>100
Net profit	-619	-606	-2.1	-210	-582	63.9
Number of shares in thousands (end of period)	11,935	11,935	0.0	11,935	11,935	0.0
Earnings per share in EUR	-0.05	-0.05	0.0	-0.02	-0.05	60.0

Cashflow/Balance sheet in kEUR		30/06/2018 kEUR	31/12/2017 kEUR	Changes compared to year in %
Cash flow from operating activities		1,066	3,335*	-68.0
Total equity and liabilities		74,489	75,157	-0.9
Equity		27,822	28,032	-0.7
Equity ratio in %		37.4	37.3	0.1

*30/06/2017



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 2018 JDC Group AG was once again able to significantly increase revenues and operating profit compared to the previous year.

Revenues increased by roughly 10 percent in the first half of 2018. Owing to our scalable business model, earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 18 percent and we were able to achieve a fourfold increase in earnings before interest and taxes (EBIT) compared to the previous year.

Results for the 1st half and the 2nd quarter of 2018

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 10 percent to Euro 44.5 million (H1 2017: Euro 40.6 million). Quarterly revenues in the second quarter, which is normally a weak quarter in the broker market, rose by around 7 percent to Euro 22.0 million (Q2 2017: Euro 20.5 million) and were therefore atypically positive and in fact at the level of the first quarter.

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved by 18 percent to Euro 2.0 million in the first half of the year (H1 2017: Euro 1.7 million). At 534 kEUR, EBITDA for the second quarter was therefore at nearly 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 2017: 581 kEUR). During the course of the year, we expect to see a further increase in revenues 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: –167 kEUR compared to –205 kEUR in the same quarter of the previous year), EBIT rose significantly in the first half to 653 kEUR, which corresponds roughly to a fourfold increase. (H1 2017: 159 kEUR). At 70 kEUR, consolidated earnings before taxes (EBT) were therefore also significantly above the previous year (H1 2017: –338 kEUR) and are now positive. We believe that our major investments in IT and personnel for better processes are now paying off sustainably.

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

As at 30 June 2018, equity capital stood at Euro 27.8 million. The equity capital ratio therefore stood at 37.4 percent (31 December 2017: Euro 28.0 million and 37.3 percent). Characteristically for the season, our liquid assets fell slightly to Euro 2.6 million (30 June 2017: Euro 3.4 million).

Our individual business segments performed as follows:

ADVISORTECH

The Advisortech segment increased its revenues significantly in the first half of 2018 to Euro 36.5 million. It was therefore roughly 10 percent above the same period of the previous year (H1 2017: Euro 33.0 million). In the second quarter, revenues stood at Euro 18.0 million and therefore around 10 percent above the 2nd quarter of 2017 (Euro 16.3 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) came to Euro 2.6 million in the first six months of 2018 and were significantly higher than the previous year's level (H1 2017: Euro 1.9 million). In the second quarter, EBITDA rose to Euro 0.8 million (Q2 2017: Euro 0.7 million).

At Euro 1.5 million, earnings before interest and taxes (EBIT) in the first six months of 2018 were likewise significantly above the previous year (H1 2017: Euro 0.6 million). In the second quarter, EBIT was Euro 0.2 million, as compared to Euro 0.0 million in the same quarter of the previous year.

ADVISORY

In the Advisory business segment, revenues in the first six months of 2018 increased by around 3 percent. Revenues were Euro 12.1 million, as compared to Euro 11.8 million during the same period of the previous year. In the second quarter, revenues remained roughly at the level of the previous year (Euro 6.1 million compared to Euro 6.2 million in Q2 2017).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the Advisory segment fell slightly to Euro 0.1 million in the first six months of 2018 (H1 2017: Euro 0.3 million). In the second quarter, EBITDA stood at Euro 0.1 million and was therefore also slightly below the same quarter of the previous year (Euro 0.2 million).

Earnings before interest and taxes (EBIT) for the segment thus likewise decreased slightly in the first six months of 2018 to Euro -0.1 million (H1 2017: Euro 0.1 million). In the second quarter, EBIT was Euro 0.0 million, as compared to Euro 0.1 million in the same quarter of the previous year.

Outlook

Our forecast for the remainder of 2018 is positive.

In the first half of 2018, JDC Group significantly increased revenues and earnings compared to the same period of the previous year. Revenue gained through key accounts will become increasingly apparent in the second half of 2018.

Although the costs already allocated for administering key accounts will affect second quarter profitability, they will pay off during the course of the year. We want use our now market-leading transaction platform to acquire several new key accounts by the end of the year, including our first prominent bank, another large German company and, if possible, our first exclusive agency of a German insurance company. 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 in revenues for the second half of the year and therefore positive earnings contributions. In particular, the fourth quarter will bring a significant increase in revenues – as is typical every year and for the sector – and thus provide the bulk of the earnings contribution.

This is why we are reaffirming our guidance and continue to expect revenues of Euro 100 million and an EBITDA of at least Euro 6 million for 2018 as a whole.

Moreover, we are seeking to actively shape our role as driver of the consolidation going on in our sector and make additional acquisitions, when reasonable. We have acquisitions of insurance portfolios in mind (as in the past, a portion of the retail client business at AON or the purchase of Geld.de) as well as small or medium-sized insurance agencies (as was recently the case with the sales organisation of Assekuranz Hermann) or even the purchase of one or more larger competitors.

We are confident that JDC is one of the few market players that will come out as a winner in a consolidating insurance transaction market preordained in Germany by regulation, digitisation and demographic change.

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 and of more than EUR 4.5 billion assets under administration, we are one of the market leaders in the German-speaking area.

Research and Development

Jung, DMS & Cie. Group offers within the business unit „Advisortech“ modern advisor and administration technologies for customers and advisors. In this context JDC Group runs the development of internally generated software solutions. In the first half of 2018 this context kEUR 338 in own performance were activated. Furthermore we refer to the detailed explanations in the appendix of the consolidated financial statement.

ECONOMIC REPORT

Overall Economic Conditions

The German economy had a good start to the year 2018, but the rate of growth slowed slightly. Based on calculations by the Federal Statistical Office, gross domestic product (GDP) for the first quarter of the year grew by 0.3 percent compared to the 4th quarter of 2017. The growth in the 2nd quarter was 0.5 percent compared to the previous quarter. The growth was primarily achieved by an increase in the consumption expenditure of both households and the state. According to German Federal Government forecast, Germany's GDP is expected to grow by 2.3 percent in 2018, DIW expected only 1.9 percent. The adjustments reflect an unexpected weak start to the year and also a rising uncertain global economic environment. The reasons are mainly the growing concern about single European countries (e.g. Italy) and the possibility of an escalating trade dispute between the USA and the rest of the world. These points adversely impacts the investment activities of the companies worldwide and slow down the German exports. However, the uncertain global economic environment had a negative impact on the business development of the JDC Group and its subsidiaries. Households are currently cutting back on spending on investments or life insurance products. This, therefore, resulted in a decrease in revenues.

The Market and Competitive Position

THE MARKET FOR INVESTMENT PRODUCTS¹⁾

The German fund industry witnessed a net inflow of new funds totalling Euro 51 billion in the first half of 2018. Special funds also produced very good results, totalling 39.4 billion Euro. Retail funds received a total of Euro 10.5 billion. In the middle of the year, the members of the German Investment Funds Association (BVI) managed retail funds with a total volume of 1,038 billion Euro and open-ended special funds with a total volume of 1.6 trillion Euro. At the end of June 2018, the fund industry managed assets worth 3.0 trillion Euro for its investors. This corresponds to an increase of around 4 percent, compared to the previous year.

THE MARKET FOR INSURANCE PRODUCTS²⁾

In 2017, premiums received in the insurance industry showed a slight year-on-year increase. This in turn was due to the performance of life insurance and property insurance policies. Assuming the same conditions, 2017 is expected to witness a continuation in this development.

Premiums received for private health insurance policies are currently slightly rising.

However, there is currently a positive development in life insurance contribution income.

Overall, the industry aims to achieve a stable year-on-year premium performance.

OUTLOOK

The financial services market will continue to be shaped by ongoing uncertainty, volatility, and low interest rates in 2018. 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).

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,

¹⁾ Unless indicated otherwise, all data referred to in the following description of the investment product market was taken from the BVI press release on 9 August 2018.

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).

such as Fonds Finanz Maklerservice GmbH and BCA AG, as well as commercial banks, savings banks, cooperative banks, and financial sales companies focusing.

Based on the JDC Group's assessment, market barriers to entry are now very high in the broker pool business. Due to past developments, there are large numbers of brokerages, especially broker networks/pools, that are characterized by a widely varying sizes and degrees of professionalism. Having said this, the broker pools market has nevertheless seen substantial consolidation in recent years. During this period, JDC has grown and acquired smaller competitors leaving the market and/or continually integrated their customers.

Competitors in 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 and Horbach Wirtschaftsberatung AG.

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

Given the strength of its turnover figures, increasing market relevance and reliability for product initiators from both insurance and investment industries, JDC Group AG is an increasingly attractive partner. At the same time, JDC Group AG is also attractive as an institutional partner for financial sales operations and financial brokers, who are looking for a strong partner in the rapidly changing regulatory climate. Therefore, the JDC Group continues to gain market share in both the Advisortech and Advisory segments.

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

The positive performance results primarily from an increase in revenues and earnings in the Advisortech segment. The outsourcing agreement with Lufthansa subsidiary Albatros has started successfully and will contribute even more significantly to revenue growth in the second half of the year. An increase in personnel and IT expenses, in anticipation of the major projects acquired, slightly affected earnings in the second quarter, as a result of which second quarter earnings were at roughly the same level as previous year despite good sales growth. The contribution to sales by outsourcing will at least double in the second half of the year compared to the first, and with stable planned expenditure will accelerate growth in earnings. Nevertheless the forecasted positive development fort he Group has already been achieved in the current year. For further comments we refer to the following illustrations to the situation of JDC Group concern.

COMPANY SITUATION

Major Key Figures

FINANCIAL POSITION

Assets in kEUR

	30/06/2018 kEUR	31/12/2017 kEUR	Changes in %
Intangible assets	46,439	43,761	6.12
Fixed assets	761	717	6.14
Financial assets	148	143	3.50
Deferred taxes	3,221	3,315	-2.84
Long-term non-current assets			
Accounts receivable	1,021	1,009	1.19
Other assets	2,662	2,482	7.25
Current assets			
Accounts receivable	12,504	14,081	-11.20
Other assets	4,725	3,092	52.81
Cash and cash equivalents	2,368	6,362	-62.78
Deferred charges	640	195	> 100
Total assets	74,489	75,157	-0.89

Of the Group's non-current assets, amounting to 54.3 million Euro as of 30 June 2018 (previous year: 51.4 million Euro), around 46.6 million Euro involve intangible assets (previous year: 43.8 million Euro). The increase is mainly caused by an acquisition of shares in the advisortech segment.

Current assets reduce to 20.0 million Euro (previous year: 23.7 million Euro). The main reason is the reduction in short-term receivables and cash in credit institutions. The amount of cash in credit institutions fell to 2.4 million Euro.

The balance sheet total decreased to 74.2 million Euro, compared to 75.2 million Euro in 2017. The main reason is an increase of current assets to 0.5 million Euro and intangible assets to 2.7 million Euro. Additionally the cash in credit institutions reduce to 4 million Euro.

Overall, at 30.0 million Euro, the long-term debt capital rose slightly (previous year: 29.2 million Euro). Current liabilities decreased by 1.2 million Euro to 16.7 million Euro compared to the previous year (17.9 million Euro), including 13.3 million Euro accounts payable trade and 3.0 million Euro other liabilities.

The consolidated JDC Group had an equity ratio corresponding to 37.4 percent of total assets as of 30 June 2018 (previous year: 37.3 percent). The consolidated JDC Group thus continues to benefit from very strong equity resources.

Liabilities in kEUR	30/06/2018 kEUR	31/12/2017 kEUR	Changes in %
Equity	27,822	28,032	-0.75
Non-current liabilities			
Deferred taxes	1,522	1,408	8.10
Bonds	14,756	14,702	0.37
Liabilities due to banks	2,603	2,649	-1.74
Accounts payable	8,575	8,477	1.16
Other liabilities	927	927	0
Provisions	1,619	1,027	57.64
Current liabilities			
Accrued taxes	141	117	20.51
Liabilities due to banks	167	133	25.56
Accounts payable	13,325	13,967	-4.60
Other liabilities	2,951	3,686	-19.94
Deferred income	81	32	> 100
Total equity and liabilities	74,489	75,157	-0.89

CASH FLOWS

The cash flow statement shows how the cash flow developed as a result of inflows and outflows of funds during the period under report.

The cash flow from operating activities decreased by 2,269kEUR from 3,335kEUR to 1,066kEUR in the financial year under report. This was mainly due to the increase in the receivables and other assets.

At -4,088kEUR, the cash flow from investing activities was negative. The outgoing payments included only investments in intangible assets and property, plant and equipment.

Financing activities resulted in a negative cash flow of -972kEUR which was mainly attributable to scheduled redemptions and interest payments.

Cash and cash equivalents amounted to 2,368kEUR.

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

The Group's profit situation significantly improved in the first half of 2018. The half-year revenues basically rose by 3.9 million Euro, or 9.6 percent, to 44.5 million Euro (1st half of 2017: 40.6 million Euro).

The gross margin significantly increased by 6 percent to 14.4 million Euro. This is mainly due to the major client contracts.

EBITDA (earnings before interest, taxes, depreciation and amortization) increased significantly to 2.0 million Euro (1st half of 2017: 1.7 million Euro). EBIT multiplied to 0.7 million Euro (1st half of 2017: 0.2 million Euro).

Overall, the result of ordinary operations increased from –0.3 million Euro to 0.1 million Euro. Earnings after tax rose to –0.2 million Euro, compared to –0.6 million Euro in the previous year.

P & L in kEUR

	30/06/2018 kEUR	30/06/2017 kEUR	Changes in %
Revenues	44,474	40,579	9.60
Gross margin	14,351	13,502	6.29
Gross margin in %	32.3	33.3	–3.00
Total operational costs	13,698	13,343	2.66
EBITDA	2,014	1,712	17.64
EBITDA margin in %	4.5	4.2	7.14
EBIT	653	159	>100
EBIT margin in %	1.5	0.4	>100
Net profit	–210	–582	63.92

SEGMENT REPORTING

Segment Advisortech

Revenues in the Advisortech segment increased significantly to 36.5 million Euro, as against 33.1 million Euro in the previous year. EBITDA also increased significantly from 1.9 million Euro in the previous year to 2.6 million Euro. EBIT increased from 0.6 million Euro in the previous year to 1.5 million Euro. In the 2nd quarter revenues amounted to 18.0 million Euro (2nd quarter 2017: 16.3 million Euro). EBITDA amounted to 0.8 million Euro compared to 0.7 million Euro in the 2nd quarter of the previous year. EBIT amounted to 0.2 million Euro (2nd quarter 2017: 0.0 million Euro).

Segment Advisory

Segment revenues developed positive from 11.8 million Euro in the previous year to 12.1 million Euro. EBITDA decreased to 0.1 million Euro compared to 0.3 million Euro in the previous year. EBIT fell also to –0.1 million Euro compared to 0.1 million Euro in the previous year. In the 2nd quarter revenues amounted to 6.1 million Euro (2nd quarter 2017: 6.2 million Euro). EBITDA amounted to 0.1 million Euro compared to 0.2 million Euro in the 2nd quarter of the previous year. EBIT amounted to –0.1 million Euro (2nd quarter 2017: 0.1 million Euro).

Segment Holding

Segment revenues were 1.0 million Euro after 1.0 million Euro in the previous year. EBITDA decreased to –0.7 million Euro after –0.6 million Euro in the first half year of 2017. Also EBIT decreased to –0.7 million Euro after –0.6 million Euro in the first half year of 2017. Segment revenues were 0.5 million Euro after 0.5 million Euro in the 2nd quarter of the previous year. EBITDA amounted to –0.4 million Euro after –0.3 million Euro in the 2nd quarter of the previous year. EBIT was at –0.4 million Euro (2nd quarter 2017: –0.3 million Euro).

EVENTS AFTER THE BALANCE SHEET DATE

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

OPPORTUNITY AND RISK REPORT

The future business performance of our company involves all opportunities and risks associated with the sale of financial products and the acquisition, management and sale of companies. The risk management system at JDC Group AG is structured to facilitate the early detection of risks and the derivation of suitable measures to 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.
- Ongoing volatility on the capital markets and the difficulty in forecasting product turnover place high requirements on liquidity management. Lack of liquidity could pose a threat to the Group's continued existence.
- Seller guarantees customary to the market were granted upon execution of the company sales. Any infringement of these seller guarantees may lead to unscheduled expenses for the JDC Group.

Relevant market-related risks are as follows:

- The company's business success is basically dependent on economic developments.
- Developments in national and global financial and capital markets are of considerable importance to the success of JDC Group AG and the consolidated group. Persistent volatility or negative developments could impact negatively on the profitability of JDC Group AG.
- The stability of the legal and regulatory framework in Germany and Austria is a factor of great importance. Particularly changes at short notice to the underlying framework for financial services companies, brokers and financial products could impact negatively on the business model of JDC Group AG.

Relevant regulatory risks are as follows:

- The implementation of the MiFID II Directive in Germany may lead to increased reporting and recording duties. This would result in important business processes of the JDC Group companies needing to be significantly restructured or converted, which may lead to an increase in IT costs, to an extent which cannot yet be quantified.
- The implementation of the European DSGVO (Datenschutz-Grundverordnung) affects all German companies, particularly companies in the financial services sector, which deal with a lot of personal data. This results in comprehensive disclosure and documentation duties implementing by our IT. Therefore the IT costs will raise and the documentation duties will produce uncertain high organizational costs.

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

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

The Management Board believes that all of this will lead to the investments of JDC Group AG, and consequently also JDC Group AG itself, developing positively overall in the 2018 financial year.

OUTLOOK

Economic outlook

Global economic growth is expected to accelerate moderately to 3.9 percent in 2018. However, the inflation rate will increase, particularly due to the rising commodity prices. In accordance with expectations, growth in the euro zone will rise to 2.3 percent in 2018. At the same time, inflation is estimated below 2 percent.

For 2018, the Federal Government and the IMF expect economic growth of 2.2 percent. Private consumption will continue at a high level. However, risks arise from rising energy prices.

In view of the numerous risks, the uncertainty of our global forecast remains relatively high. The financial markets may react considerably more negatively than assumed, if the significant growth spurt expected by the new US government is smaller than anticipated or if protectionist measures are taken.

On the other hand, during the course of a revival of growth in the US, interest rates may rise more than expected. This may have a negative impact globally on household and company spending. Furthermore, an escalation of geopolitical risks may arise, particularly with the conflicts in the Middle East. In Europe, a

chaotic Brexit, a flare-up in the debate about the further course of monetary policy and the future of the euro zone may develop considerable interference potential for our forecasts. However, realized risks may not have these major consequences as in the previous years, because the economic dynamic is sufficient to absorb.

Market and sector outlook

The ECB will finish its extensive purchase programme for bonds in 2018, in this case mid of 2019 we calculate with higher interest rates. Inflation will tend to rise, not least, due to rising energy prices.

Therefore, it is expected that there will continue to be a great deal of liquidity in the market, thus lending further momentum to the equity and real estate markets. If inflation should rise, this may have an impact on the consumption mood of consumers, which is still high. If the US extend their protectionist trade policy, this would dampen the economic dynamism. Various crises around the world may have a negative impact on the global economic situation.

Outlook for the JDC Group consolidated group

EXPECTED BUSINESS PERFORMANCE

The assessment of the expected business performance of the JDC Group for 2018 is based on the economic assumptions presented in the Group management report. The expansion of military or political crises, not least due to a possible protectionist trade policy by the United States, may have a significant influence on the financial position, financial performance and cash flows of the JDC Group. The corporate planning has been created on the basis of very detailed analyses and, from the point of view of JDC Group AG, realistic assumptions.

For the JDC Group, the key focus in 2018 will be one significantly and sustainably improving its operating business. In 2018, the Group will be focusing on optimising internal processes, cost management and the further acquisition of major clients.

In detail, we assume that the Group revenue in 2018 will be around 18 percent above the level from 2017 and in the Group gross margin and EBITDA was reached, which is significantly over the one of the previous year. Therefore, the Management Board expects positive business performance for the overall Group.

Wiesbaden, August 23, 2018



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Consolidated income statement

	Notes	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	01/01/– 30/06/2018 kEUR	01/01/– 30/06/2017 kEUR
1. Commission income	[1]	22,010	20,533	44,474	40,579
2. Capitalised services	[2]	150	157	338	307
3. Other operating income	[2]	69	105	169	199
4. Commission expenses	[3]	-15,535	-14,340	-30,630	-27,583
5. Personnel expenses	[4]	-3,771	-3,557	-7,633	-6,961
6. Depreciation and amortisation of tangible and intangible assets	[5]	-701	-786	-1,361	-1,553
7. Other operating expenses	[6]	-2,389	-2,317	-4,704	-4,829
8. Other interest and similar income		1	2	4	7
9. Interest and similar expenses		-326	-273	-587	-504
10. Operating profit/loss		-492	-476	70	-338
11. Income tax expenses		-126	-129	-265	-242
12. Other tax expenses		-1	-1	-15	-2
13. Net profit		-619	-606	-210	-582
14. Earnings per share		-0.05	-0.05	-0.02	-0.05

Consolidated statement of comprehensive income

	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	01/01/ – 30/06/2018 kEUR	01/01/ – 30/06/2017 kEUR
Profit or loss for the period	-619	-606	-210	-582
Other income				
Net gain from hedging of net investments	0	0	0	0
Income tax effect	0	0	0	0
	0	0	0	0
Currency translation of foreign operations	0	0	0	0
Net gain/loss from hedging of cash flows	0	0	0	0
Income tax effect	0	0	0	0
	0	0	0	0
Net gain/loss from available-for-sale financial assets	0	0	0	0
Income tax effect	0	0	0	0
	0	0	0	0
Reclassified income after taxes	0	0	0	0
Total income after taxes	-619	-606	-210	-582
Attributable to:				
Parent company's shareholders	0	0	0	0
Shares without controlling interests	-619	-606	-210	-582

Segment reporting

	Advisortech		Advisory	
	30/06/2018 kEUR	30/06/2017 kEUR	30/06/2018 kEUR	30/06/2017 kEUR
Segment income				
Commission income	36,450	33,141	12,110	11,809
of which with other segments	607	678	3,479	3,693
Total segment income	36,450	33,141	12,110	11,809
Capitalised services	338	307	0	0
Other income	105	31	64	68
Segment expenses				
Commissions	-25,597	-23,118	-8,794	-8,528
Personnel expenses	-5,223	-4,804	-1,480	-1,250
Depreciation and amortisation	-1,109	-1,301	-245	-243
Other	-3,510	-3,626	-1,772	-1,750
Total segment expenses	-35,439	-32,849	-12,291	-11,771
EBIT	1,454	630	-117	106
EBITDA	2,563	1,931	128	349
Income from investments	0	0	0	0
Other interest and similar income	294	372	23	31
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-779	-724	-301	-309
Financial result	-485	-352	-278	-278
Segment earnings before tax (EBT)	969	278	-395	-172
Tax expenses	-333	-232	54	-12
Segment net profit	636	46	-341	-184

Holding		Total reportable segments		Transfer		Total	
30/06/2018 kEUR	30/06/2017 kEUR	30/06/2018 kEUR	30/06/2017 kEUR	30/06/2018 kEUR	30/06/2017 kEUR	30/06/2018 kEUR	30/06/2017 kEUR
993	993	49,553	45,943	-5,079	-5,364	44,474	40,579
993	993	5,079	5,364	-5,079	-5,364	0	0
993	993	49,553	45,943	-5,079	-5,364	44,474	40,579
0	0	338	307	0	0	338	307
0	100	169	199	0	0	169	199
0	0	-34,391	-31,646	3,761	4,063	-30,630	-27,583
-930	-907	-7,633	-6,961	0	0	-7,633	-6,961
-7	-9	-1,361	-1,553	0	0	-1,361	-1,553
-740	-754	-6,022	-6,130	1,318	1,301	-4,704	-4,829
-1,677	-1,670	-49,407	-46,290	5,079	5,364	-44,328	-40,926
-684	-577	653	159	0	0	653	159
-677	-568	2,014	1,712	0	0	2,014	1,712
0	0	0	0	0	0	0	0
500	551	817	954	-813	-947	4	7
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-320	-418	-1,400	-1,451	813	947	-587	-504
180	133	-583	-497	0	0	-583	-497
-504	-444	70	-338	0	0	70	-338
-1	0	-280	-244	0	0	-280	-244
-505	-444	-210	-582	0	0	-210	-582

Segment reporting

	Advisortech		Advisory	
	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR
Segment income				
Commission income	17,972	16,341	6,059	6,205
of which with other segments	356	443	1,665	1,570
Total segment income	17,972	16,341	6,059	6,205
Capitalised services	150	157	0	0
Other income	24	24	45	57
Segment expenses				
Commissions	-13,043	-11,621	-4,346	-4,533
Personnel expenses	-2,532	-2,466	-746	-622
Depreciation and amortisation	-576	-660	-121	-121
Other	-1,799	-1,766	-894	-905
Total segment expenses	-17,950	-16,514	-6,107	-6,181
EBIT	196	8	-3	81
EBITDA	772	669	118	202
Income from investments	0	0	0	0
Other interest and similar income	146	182	11	12
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-420	-361	-151	-154
Financial result	-274	-179	-140	-142
Segment earnings before tax (EBT)	-78	-171	-143	-61
Tax expenses	-157	-123	30	-7
Segment net profit	-235	-293	-113	-68

Holding		Total reportable segments		Transfer		Total	
2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR
496	527	24,527	23,073	-2,517	-2,541	22,010	20,533
496	527	2,517	2,540	-2,517	-2,541	0	0
496	527	24,527	23,073	-2,517	-2,541	22,010	20,533
0	0	150	157	0	0	150	157
0	24	69	105	0	0	69	105
0	0	-17,389	-16,154	1,854	1,814	-15,535	-14,340
-493	-470	-3,771	-3,557	0	0	-3,771	-3,557
-4	-4	-701	-786	0	0	-701	-786
-359	-373	-3,052	-3,044	663	726	-2,389	-2,317
-856	-847	-24,913	-23,541	2,517	2,541	-22,396	-21,000
-360	-295	-167	-206	0	0	-167	-205
-356	-291	534	580	0	0	534	581
0	0	0	0	0	0	0	0
248	255	405	449	-404	-447	1	2
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-159	-205	-730	-720	404	447	-326	-273
89	50	-325	-271	0	0	-325	-271
-271	-245	-492	-476	0	0	-492	-476
0	0	-127	-130	0	0	-127	-130
-271	-245	-619	-606	0	0	-619	-606

Consolidated Balance Sheet

Assets	Notes	30/06/2018 kEUR	31/12/2017 kEUR
Non-current assets			
Intangible assets	[7]	46,439	43,761
Fixed assets		761	717
Financial assets	[8]	148	143
		47,348	44,621
Deferred taxes	[9]	3,221	3,315
Long-term non-current assets			
	[10]		
Accounts receivable		1,021	1,009
Other assets		2,662	2,482
		3,683	3,491
Total non-current assets			
		54,252	51,427
Current assets			
	[11]		
Accounts receivable		12,504	14,081
Other assets		4,725	3,092
Other securities		0	0
Cash and cash equivalents		2,368	6,362
Deferred charges		640	195
Total current assets			
		20,237	23,730
Total assets			
		74,489	75,157

Liabilities

	Notes	30/06/2018 kEUR	31/12/2017 kEUR
Equity			
Subscribed capital		11,935	11,935
Capital reserves		12,845	12,845
Other retained earnings		766	766
Other equity components		2,276	2,486
Non-controlling interests		0	0
Total equity		27,822	28,032
Non-current liabilities	[12]		
Deferred taxes	[9]	1,522	1,408
Bond		14,756	14,702
Liabilities due to banks		2,603	2,649
Accounts payable		8,575	8,477
Other liabilities		927	927
Accruals	[13]	1,619	1,027
Total non-current liabilities		30,002	29,190
Current liabilities	[14]		
Accrued taxes		141	117
Liabilities due to banks		167	133
Accounts payable		13,325	13,967
Other liabilities		2,951	3,686
Deferred income		81	32
Total current liabilities		16,665	17,935
Total equity and liabilities		74,489	75,157

Consolidated cash flow statement

	01/01–30/06/2018 kEUR	01/01–30/06/2017 kEUR	Changes to previous year in kEUR
1. Result for the period	-210	-582	372
2. + Depreciation and amortisation of fixed assets	1,361	1,553	-192
3. -/+ Other non-cash itemised income/expenses	616	-21	637
4. -/+ Profit/loss from disposals of fixed assets	208	183	25
5. -/+ Increase/decrease of inventories, accounts receivable as well as other assets	-696	3,181	-3,877
6. -/+ Decrease/increase of accounts payable as well as other liabilities	-213	-979	766
7. = Cash flow from operating activities	1,066	3,335	-2,269
of which from discontinued operations	0	0	0
8. + Cash receipts from disposals of intangible assets	0	0	0
9. - Cash payments for investments in intangible assets	-3,881	-877	-3,004
10. + Cash receipts from disposals of fixed assets	0	0	0
11. - Cash payments for investments in fixed assets	-203	-185	-18
12. + Cash receipts from disposals of financial assets	0	0	0
13. - Cash payments for investments in financial assets	-5	0	-5
14. - Cash payments for financial assets in the scope of cash forecast	0	0	0
15. = Cash flow from investment activities	-4,088	-1,062	-3,027
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	-46	-796	750
19. - Interest paid	-926	-947	21
20. = Cash flow from financing activities	-972	-1,743	771
of which from discontinued operations	0	0	0
21. Non-cash itemised changes in cash and cash equivalents (total of pos. 7, 15, 20)	-3,994	531	-4,525
22. Cash and cash equivalents at the beginning of the period	6,362	2,913	3,449
23. = Cash and cash equivalents at the end of the period	2,368	3,444	-1,076
Breakdown of cash and cash equivalents	30/06/2018 kEUR	30/06/2017 kEUR	Changes to previous kEUR
Cash and cash in banks	2,368	3,444	-1,076
Current liabilities due to banks	0	0	0
	2,368	3,444	-1,076

Consolidated statement of changes in equity

	Number of shares	Sub- scribed capital kEUR	Capital reserve kEUR	Other retained earnings kEUR	Cash flow hedge marked to market kEUR	Securities marked to market kEUR	Other equity com- ponents kEUR	Shares without domi- nating influence	Total equity kEUR
As of 01/01/2017	11,934,974	11,935	45,851	283	0	0	-28,356	0	29,713
Result as of 30/06/2017							-582		-582
Capital increase									0
Retained earnings									0
– Allocation from earnings									0
As of 30/06/2017	11,934,974	11,935	45,851	283	0	0	-28,939	0	29,131
As of 01/01/2018	11,934,974	11,935	12,845	766	0	0	2,486	0	28,032
Result as of 30/06/2018							-210		-210
Capital increase									0
Retained earnings									0
– Allocation from earnings									0
As of 30/06/2018	11,934,974	11,935	12,845	766	0	0	2,276	0	27,822

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 report for half-year and the second quarter 2018 are for 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 2018 and the corresponding previous year period from 1 January 2017 to 30 June 2017 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 2017 by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as applicable in the EU have likewise been applied. In the following the term IFRS has been used throughout.

The interim report has not been subject to an auditor's review.

JDC Group AG is not a parent company within the meaning of Section 315a (1) and (2) of the German Commercial Code (HGB) that is required to prepare interim financial statements. JDC Group AG voluntarily prepares its interim financial statements under IFRS.

1.2 ACCOUNTING PRINCIPLES AND VALUATION METHODS APPLIED

The consolidated interim financial statements consists of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements.

The separate financial statements of JDC Group AG and its subsidiaries have been included in the interim financial statements in observance of the recognition and valuation policies applicable throughout the Group.

The interim financial statements have been prepared in euros (EUR), which is the functional currency of the Group. Except as otherwise indicated, all figures have been rounded to the nearest thousand euros (kEUR). The interim consolidated income statement has been prepared in accordance with the total cost accounting method. The consolidated financial statements have been uniformly prepared for the periods presented here in accordance with the following principles of consolidation, accounting and valuation.

The interim financial statement, including figures from the comparison period in the previous year, was basically compiled according to the consolidation, accounting and valuation principles applied to the annual report 2017. A detailed description of these principles is published in the notes of the annual report 2017. 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.

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, Jung, DMS & Cie. Finanzservice 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 2018 kEUR	2. Quarter 2017 kEUR	01/01–30/06/2018 kEUR	01/01–30/06/2017 kEUR
Initial commission				
Insurance products	10,035	7,973	20,219	14,996
Investment funds	3,040	3,696	5,763	7,325
Shares/Closed-end funds	1,021	645	1,775	1,692
Follow-up commission	4,355	4,876	8,898	9,605
Overrides	1,385	1,242	3,665	3,117
Services	715	574	1,076	640
Fee-based advisory	709	876	1,546	1,637
Other income	750	651	1,532	1,567
Total	22,010	20,533	44,474	40,579

The revenues increased by 9.6 percent compared to the previous year to kEUR 44,474.

2.1.2 Other capitalised services and other operating income [2]

	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	01/01–30/06/2018 kEUR	01/01–30/06/2017 kEUR
Capitalised services	150	157	338	307
Reversal of impairments/ income from receivables written off	0	0	0	0
Income from provision's release	16	47	79	52
Income from security sales	0	0	0	0
Income from statute-barred debt	0	3	0	29
Income from benefits in kind	12	57	25	111
Other operating income	41	-2	65	7
Total	219	262	507	506

Capitalised services amounted to kEUR 338 (30 June 2017: kEUR 307) and were primarily achieved by developing in-house software solutions (Compass, World of Finance, ATWOF, iCRM) (cf. ref. 2.2.1.1 Software and Licences).

The other operating income of kEUR 65 (previous year: kEUR 7) relates essentially to income from compensation of damages kEUR 45 (previous year: kEUR 0).

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 3,047 to kEUR 30,630 versus the previous year (30 June 2017: kEUR 27,583).

	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	01/01–30/06/2018 kEUR	01/01–30/06/2017 kEUR
Wages and salaries	3,153	2,989	6,426	5,885
Social security	618	568	1,207	1,076
Total	3,771	3,557	7,633	6,961

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 255 staff (previous year: 229), excluding Management Board members.

2.1.5 Depreciation and Amortisation [5]

	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	01/01–30/06/2018 kEUR	01/01–30/06/2017 kEUR
Depreciation and amortization of intangible assets	0		-1,313	
Purchased software	-1	0	-124	-1,394
Internally developed software	-378	-120	-710	-215
Insurance portfolios	-239	-365	-478	-686
Other intangible assets	0	-250	0	-493
Depreciation and amortization of property and equipment	-83	23	-48	0
Total	-701	-786	-1,361	-1,553

2.1.6 Operating expenses [6]

	2. Quarter 2018 kEUR	2. Quarter 2017 kEUR	01/01–30/06/2018 kEUR	01/01–30/06/2017 kEUR
Marketing costs	145	269	353	542
Travel costs	114	104	250	182
External services	211	152	306	336
IT costs	688	539	1,420	1,063
Occupancy costs	393	347	737	699
Vehicle costs	89	106	173	189
Office supplies	37	19	65	48
Fees, insurance premiums	178	124	332	288
Postage, telephone	76	69	144	134
Write-downs/impairments of receivables	33	18	64	19
Legal and consulting costs	245	444	471	672
Training costs	16	14	33	33
Human resources	0	11	0	12
Supervisory board compensation	28	25	62	41
Non-deductible input tax	61	51	131	91
Other	75	25	163	480
Total	2,389	2,317	4,704	4,829

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

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

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

Occupancy costs include expenses for rent, incidental rental costs, energy supply and cleaning costs.

Vehicle costs include expenses for the vehicle fleet, including vehicle leasing.

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

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

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

2.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

2.2.1 Intangible assets [7]

2.2.1.1 CONCESSIONS AND LICENCES

The position "Concessions and Licences" essentially comprises software licences for standard commercial software (depreciation period 3 years linear) and customer base (depreciation period 15 years linear) with a carrying amount of kEUR 13,316 (31 December 2017: kEUR 13,866).

In the financial period internally generated software tools totalling kEUR 338 (30 June 2017: kEUR 307) were capitalised. These are essentially company-specific software applications (Compass, World of Finance, AT WOF, iCRM) to support sales of financial products.

2.2.1.2 GOODWILL

Goodwill results from the first-time consolidation at the time of the relevant business combination.

	30/06/2018 kEUR	31/12/2017 kEUR
Advisortech	21,857	19,096
Advisory	5,461	5,461
Holding	7	2
	27,325	24,559

2.2.2 Impairment expenses

Goodwill was subjected to an impairment test as of 31 December 2017. 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 2018. For the financial years 2019 and 2020 moderate growth rates (phase I) are assumed. For the subsequent periods, the cash flow was forecasted as perpetual annuity (phase II). 6.0 % (previous year: 6.0 %) was calculated using a riskfree base interest rate of 0.80 % (previous year: 1.10 %) derived from the yield-curve, a market risk premium of 5.62 % (previous year: 5.63 %) and using a beta factor for comparable investments of 1.1 (previous year: 0.7). The discount rate used to determine the present value of the initial cash flows of the perpetual annuity included a growth discount of 1.0 % (previous year: 1.0 %).

The assumptions made with regard to the sales growth in the operating units are an additional factor influencing free cash flow.

The rise in the discount rate before taxes to 8.0 % (viz. +2 %) does not mean a loss of value for the mediums of payment relevant entities. The decline of planned EBIT in the mediums of payment relevant entities by -20 % does not require a loss of value. A significant reduction of the planned EBT growth beyond this may lead to the book value exceeding the achievable amount. However, as significant measures have already been initiated for increasing EBT, the Management Board regards this scenario as unlikely. The market capitalisation as of 31 December 2017 of the group is above the equity's book value.

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

The breakdown of book values is as follows:

	30/06/2018 kEUR	31/12/2017 kEUR
Available-for-sale		
Shares in affiliated companies	25	25
Investments	123	118
Securities	0	0
Total	148	143

2.2.4 Deferred tax assets and liabilities [9]

	30/06/2018 kEUR	31/12/2017 kEUR
Deferred tax assets		
Tax reimbursements	3,221	3,315
Total	3,221	3,315
Deferred tax liabilities		
Intangible assets (software)	1,522	1,408
Total	1,522	1,408

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]

	30/06/2018 kEUR	31/12/2017 kEUR
Accounts receivables	1,021	1,009
Other assets	2,662	2,482
Total	3,683	3,491

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]

	30/06/2018 kEUR	31/12/2017 kEUR
Accounts receivable	12,504	14,081
Other assets		
Prepaid expenses	640	195
Other	4,725	3,092
Total	17,869	17,368

Accounts receivable essentially relate to commission receivable from partner companies and broker pool partners from brokerage services and the cancellation reserve. The remaining other assets essentially relate to rent deposits, tax refund claims and short-term loans. Prepaid expenses relate to payments on account for advertising events in the subsequent year, insurance, contributions and motor vehicle tax.

2.2.7 Equity

Movements in the Group equity of JDC Group AG are shown in the statement of changes in equity (cf. also ref. 4).

2.2.8 Non-current liabilities [12]

	30/06/2018 kEUR	31/12/2017 kEUR
Bond	14,756	14,702
Liabilities to banks	2,603	2,649
Accounts payable	8,575	8,477
Other liabilities		
Other	927	927
Total	26,861	26,755

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, 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 Accruals [13]

	30/06/2018 kEUR	31/12/2017 kEUR
Accruals for pension claims	408	0
Accruals for asset damage prevention	1,088	989
Accruals for legal costs	123	38
Total	1,619	1,027

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]

	30/06/2018 kEUR	31/12/2017 kEUR
Provisions for taxes	141	117
Liabilities to banks	167	133
Accounts payable	13,325	13,967
Other current liabilities		
Purchase price liabilities	164	164
Loan obligation	11	11
Other	2,776	3,511
Deferred income	81	32
Total	16,665	17,935

Trade payables are served at maturity.

2.3 RELATED PARTIES

Transactions with members of the Management Board and Supervisory Board:

	30/06/2018 kEUR	30/06/2017 kEUR
Supervisory Board		
Remuneration	62	41
Management Board		
Total remuneration*	439	379

*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 1,066 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).

7 Additional information

7.1 DESCRIPTION OF THE BUSINESS DEVELOPMENT

In the first half of 2018, JDC Group significantly increased revenues and earnings compared to the same period of the previous year. Revenue gained through key accounts will become increasingly apparent in the second half of 2018.

Although the costs already allocated for administering key accounts will affect second quarter profitability, they will pay off during the course of the year. We want use our now market-leading transaction platform to acquire several new key accounts by the end of the year, including our first prominent bank, another large German company and, if possible, our first exclusive agency of a German insurance company. 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 in sales for the second half of the year and therefore positive earnings contributions. In particular, the fourth quarter will bring a significant increase in sales – as is typical every year and for the sector – and thus provide the bulk of the earnings contribution.

This is why we are reaffirming our guidance and continue to expect revenues of 100 million Euro and an EBITDA of at least 6 million Euro for 2018 as a whole.

7.2 ADDITIONAL INFORMATION

In the annual average the Group companies employed 255 staff (31 December 2017: 229), excluding Management Board members.

EXECUTIVE BODIES OF JDC GROUP AG

Management Board

[DR. SEBASTIAN GRABMAIER](#)

Grünwald
Attorney
CEO

[RALPH KONRAD](#)

Mainz
Businessman (Dipl.-Kfm.)
CFO, CIO

[STEFAN BACHMANN](#)

Frankfurt
Businessman
CDO

Supervisory Board

[JENS HARIG](#)

Kerpen
Independent entrepreneur
Chairman

[EMMERICH KRETZENBACHER](#)

Hamburg
Graduated Certified Accountant
Deputy Chairman

[KLEMENS HALLMANN](#)

Vienna
Independent entrepreneur

[JÖRG KEIMER](#)

Hünstetten
Attorney

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

London
Independent entrepreneur

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

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 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.