

# Letter to shareholders 3. Quarter of 2021



BEST ADVICE. BETTER TECHNOLOGY.



**Stefan Bachmann**  
CDO

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CEO

# Management Board letter to shareholders

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

JDC Group AG boosted its growth and profits significantly in the first nine months 2021.

Consolidated revenues grew around 19 percent to EUR 103.1 million in the first nine months of 2021, while there was also a significant improvement in profits, with the Advisortech and Advisory divisions again both contributing to the growth in revenues and profits.

## **Important steps during the third quarter of 2021**

In the third quarter, JDC Group AG announced another important step in the development of the company:

[JDC agrees on collaboration with Versicherungskammer group, and resolves to increase capital while disapplying shareholders' subscription rights](#)

JDC Group AG and Germany's largest public insurance company Versicherungskammer Bayern Versicherungsanstalt des öffentlichen Rechts (Versicherungskammer) have agreed on a wide-ranging collaboration in connection with S-Versicherungsmanager, a central IT system providing sales support for savings banks. The two parties signed a long-term framework collaboration agreement in September.

As already agreed in the case of Provinzial and its affiliated savings banks, JDC's platform technology is to become the engine room for transaction processing/settlement and back office functionalities behind S-Versicherungsmanager. This is where all third-party insurance contracts – those not included in Versicherungskammer's product range – will be processed/settled and administered.

To safeguard the long-term collaboration, Versicherungskammer has acquired a strategic shareholding in JDC Group AG, which demonstrates the seriousness of this groundbreaking collaboration for JDC Group. The participation has generated an additional EUR 10.6 million in equity for JDC Group AG.

This gives JDC Group AG access to the third-party insurance business of up to 200 savings banks with huge business potential in the business regions of Provinzial and of Versicherungskammer.

## Results for the first nine months and the third quarter of 2021

Consolidated revenues increased by around 19 percent in the first nine months of 2021, to EUR 103.1 million (first nine month 2020: EUR 86.5 million). In the third quarter, there was an even steeper increase of around 25 percent in revenues, which amounted to EUR 34.4 million as against EUR 27.7 million in the same quarter of 2020.

Earnings before interest, tax, depreciation and amortisation (EBITDA) were up by around 45 percent in the first nine month of 2021, at kEUR 5,349 (first nine month of 2020: kEUR 3,697). The third quarter saw EBITDA leap by around 79 percent to kEUR 1,006 (third quarter of 2020: kEUR 563).

Earnings before interest and tax (EBIT) multiply to kEUR 1,543 in the first nine month of 2021 (first nine month of 2020: kEUR 286). In the third quarter there was also a significant year-on-year increase in EBIT, at kEUR –371 compared with kEUR –661 in 2020.

The consolidated profit increased to kEUR 188 in the first nine month of 2021 (first nine month of 2020: kEUR –857). The consolidated profit for the third quarter rose to kEUR –792, compared with kEUR –1.047 in 2020.

Equity was EUR 27.5 million as at 30 September 2021. Due to a significant increase in the balance sheet total as a result of the first-time consolidation of acquired companies, the equity ratio is 26.3 percent (31 December 2020: EUR 27.3 million and 29.7 percent).

### in kEUR

	Q3/2021 kEUR	Q3/2020 kEUR	Changes compared to previous year in %	30/09/2021 kEUR	30/09/2020 kEUR	Changes compared to previous year in %
Revenues	34,440	27,662	24.5	103,051	86,482	19.2
– thereof Advisoritech	27,879	22,138	25.9	84,328	71,703	17.6
– thereof Advisory	8,885	7,292	21.8	26,176	21,290	22.9
– thereof Holding/Cons.	–2,324	–1,768	–31.4	–7,453	–6,511	–14.5
EBITDA	1,006	563	78.7	5,349	3,697	44.7
EBIT	–371	–661	43.9	1,543	286	>100
EBT	–749	–1,052	28.8	425	–832	>100
Net profit	–792	–1,047	24.4	188	–857	>100

The performance of the individual segments was as follows:

#### ADVISORTECH

The revenues generated by the Advisortech segment grew around 18.0 percent in the first nine months of 2021, to EUR 84.3 million (first nine months of 2020: EUR 71.7 million). Third quarter revenues were up around 26 percent year on year, at EUR 27.9 million, compared with 22.1 million in the same quarter of 2020.

Owing to the acquisition of MORGEN & MORGEN GmbH and the establishment of Einfach Gut Versicherung GmbH (EGV) – the joint venture with Provinzial – extraordinary expenses were incurred during the financial year. These amounted to kEUR 150 in the third quarter, and roughly kEUR 350 over the first nine months.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the first nine months, adjusted for these extraordinary expenses, were up again year on year at EUR 5.9 million. This represents an increase of around 28 percent on the comparative figure of EUR 4.6 million for the previous year. Third-quarter EBITDA adjusted for the extraordinary expenses rose by around 37 percent to EUR 1.2 million (third quarter 2020: EUR 0.9 million).

Adjusted earnings before interest and tax (EBIT) for the first nine months of 2021 were up by around 61 percent at EUR 3.1 million (first nine months of 2020: EUR 1.9 million). The adjusted third-quarter EBIT also shows a year-on-year increase, at EUR 0.2 million compared with EUR 0 in the previous year.

#### ADVISORY

In the Advisory segment, revenues in the first nine months of 2021 grew significantly by around 23 percent year-on-year to EUR 26.2 million (first nine months of 2020: EUR 21.3 million). Revenues for the third quarter increased to EUR 8.9 million, compared with EUR 7.3 million and therefore by 22 percent.

Earnings before interest, tax, depreciation and amortisation (EBITDA) in the Advisory segment have significantly improved to EUR 1.6 million in the first nine months of 2021 (first nine months of 2020: EUR 0.6 million). EBITDA rose to EUR 0.7 million in the third quarter of the current year (third quarter of 2020: EUR 0.2 million).

Earnings before interest and tax (EBIT) were also up in the first nine months of 2021 and stood at EUR 0.8 million (first nine months of 2020: EUR 0.0 million). EBIT increased to EUR 0.4 million in the third quarter of 2021 (third quarter of 2020: EUR 0.0 million).

## Outlook

For the financial year 2021, we confirm our positive assessment and continue to expect revenue of EUR 140 to 145 million and EBITDA of more than EUR 8 million.

The integration of the MORGEN & MORGEN tools into the JDC platform during 2022 will add further innovative features to the JDC platform and make it even more appealing.

In the long term, the large-scale projects secured – particularly those involving S-Versicherungsmanager – will lead to significant business expansion along with considerable economies of scale. This means we can also expect continuous revenue growth in the coming years, accompanied by an even greater increase in profit.

## Thanks to our employees and shareholders

Finally, we would like once again to thank in particular our staff and the distribution partners of JDC Group AG and of our subsidiaries, as it is on their commitment and motivation that our success is based.

We would particularly like to thank our former supervisory board member and major shareholder Klemens Hallmann, who supported JDC Group AG with his capital and advice over many years and was involved in many groundbreaking decisions.

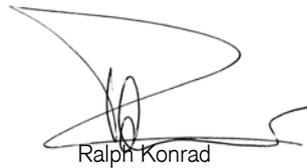
Thanks are also due to our shareholders, who believe in our business model and provide reassuring support to the Management and Supervisory Boards.

We very much hope that we can enjoy your continued support.

Yours sincerely



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

# Consolidated income statement

	Q3/2021* kEUR	Q3/2020 kEUR	01/01- 30/09/2021* kEUR	01/01- 30/09/2020 kEUR
1. Commission income	34,440	27,662	103,051	86,482
2. Capitalised services	272	297	850	777
3. Other operating income	65	272	102	420
4. Commission expenses	-24,889	-20,822	-75,262	-63,390
5. Personnel expenses	-5,943	-4,778	-15,763	-13,712
6. Depreciation and amortisation of tangible and intangible assets	-1,377	-1,224	-3,806	-3,411
7. Other operating expenses	-2,939	-2,068	-7,629	-6,880
8. Other interest and similar income	4	0	5	11
9. Interest and similar expenses	-382	-391	-1,123	-1,129
<b>10. Operating profit/loss</b>	<b>-749</b>	<b>-1,052</b>	<b>425</b>	<b>-832</b>
11. Income tax expenses	-42	30	-234	24
12. Other tax expenses	-1	-25	-3	-49
<b>13. Net profit</b>	<b>-792</b>	<b>-1,047</b>	<b>188</b>	<b>-857</b>
attributable to shares without controlling interests	-9	0	-9	0
attributable to parent company	-783	-1,047	197	-857
<b>14. Earnings per share</b>	<b>-0.06</b>	<b>-0.08</b>	<b>0.02</b>	<b>-0.07</b>

\*The income statement contains preliminary figures with regard to the purchase price allocation for acquired companies in accordance with IFRS 3.

# Segment reporting

## 30 September 2021

	Advisortech		Advisory	
	30/09/2021 kEUR	30/09/2020 kEUR	30/09/2021 kEUR	30/09/2020 kEUR
<b>Segment income</b>				
Commission income	84,328	71,703	26,176	21,290
of which with other segments	967	858	6,586	5,656
<b>Total segment income</b>	<b>84,328</b>	<b>71,703</b>	<b>26,176</b>	<b>21,290</b>
Capitalised services	850	777	0	0
Other income	52	402	50	21
<b>Segment expenses</b>				
Commissions	-63,455	-54,013	-18,829	-15,336
Personnel expenses	-10,522	-9,032	-3,174	-2,914
Depreciation and amortisation	-2,767	-2,659	-821	-648
Other	-5,714	-5,240	-2,625	-2,416
<b>Total segment expenses</b>	<b>-82,458</b>	<b>-70,944</b>	<b>-25,449</b>	<b>-21,314</b>
<b>EBIT</b>	<b>2,772</b>	<b>1,938</b>	<b>777</b>	<b>-3</b>
<b>EBITDA</b>	<b>5,539</b>	<b>4,597</b>	<b>1,598</b>	<b>645</b>
Income from investments	0	0	1,299	0
Other interest and similar income	366	559	0	9
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-1,269	-1,344	-436	-450
<b>Financial result</b>	<b>-903</b>	<b>-785</b>	<b>-436</b>	<b>-441</b>
<b>Segment earnings before tax (EBT)</b>	<b>1,869</b>	<b>1,153</b>	<b>341</b>	<b>-444</b>
Tax expenses	194	100	-442	-138
<b>Segment net profit</b>	<b>2,063</b>	<b>1,253</b>	<b>-101</b>	<b>-582</b>
Minority interests	-9	0	0	0
<b>Segment net profit after minority interests</b>	<b>2,072</b>	<b>1,253</b>	<b>-101</b>	<b>-582</b>

Holding		Total reportable segments		Transfer		Total	
30/09/2021 kEUR	30/09/2020 kEUR	30/09/2021 kEUR	30/09/2020 kEUR	30/09/2021 kEUR	30/09/2020 kEUR	30/09/2021 kEUR	30/09/2020 kEUR
1,577	1,150	112,081	94,143	-9,030	-7,661	103,051	86,482
1,477	1,147	9,030	7,661	-9,030	-7,661	0	0
<b>1,577</b>	<b>1,150</b>	<b>112,081</b>	<b>94,143</b>	<b>-9,030</b>	<b>-7,661</b>	<b>103,051</b>	<b>86,482</b>
0	0	850	777	0	0	850	777
0	0	102	423	0	-3	102	420
0	0	-82,284	-69,349	7,022	5,959	-75,262	-63,390
-2,067	-1,766	-15,763	-13,712	0	0	-15,763	-13,712
-218	-104	-3,806	-3,411	0	0	-3,806	-3,411
-1,299	-929	-9,638	-8,585	2,008	1,705	-7,630	-6,880
<b>-3,584</b>	<b>-2,799</b>	<b>-111,491</b>	<b>-95,057</b>	<b>9,030</b>	<b>7,664</b>	<b>-102,461</b>	<b>-87,393</b>
<b>-2,007</b>	<b>-1,649</b>	<b>1,543</b>	<b>286</b>	<b>0</b>	<b>0</b>	<b>1,543</b>	<b>286</b>
<b>-1,789</b>	<b>-1,545</b>	<b>5,349</b>	<b>3,697</b>	<b>0</b>	<b>0</b>	<b>5,349</b>	<b>3,697</b>
0	0	1,299	0	-1,299	0	0	0
663	603	1,029	1,171	-1,024	-1,160	5	11
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-442	-495	-2,147	-2,289	1,024	1,160	-1,123	-1,129
<b>221</b>	<b>108</b>	<b>-1,118</b>	<b>-1,118</b>	<b>0</b>	<b>0</b>	<b>-1,118</b>	<b>-1,118</b>
<b>-1,786</b>	<b>-1,541</b>	<b>424</b>	<b>-832</b>	<b>0</b>	<b>0</b>	<b>424</b>	<b>-832</b>
11	13	-237	-25	0	0	-237	-25
<b>-1,775</b>	<b>-1,528</b>	<b>188</b>	<b>-857</b>	<b>0</b>	<b>0</b>	<b>188</b>	<b>-857</b>
0	0	-9	0	0	0	-9	0
<b>-1,775</b>	<b>-1,528</b>	<b>197</b>	<b>-857</b>	<b>0</b>	<b>0</b>	<b>197</b>	<b>-857</b>

# Segment reporting Quarters

	Advisortech		Advisory	
	Q3/2021 kEUR	Q3/2020 kEUR	Q3/2021 kEUR	Q3/2020 kEUR
<b>Segment income</b>				
Commission income	27,879	22,138	8,885	7,292
of which with other segments	359	237	2,066	1,534
<b>Total segment income</b>	<b>27,879</b>	<b>22,138</b>	<b>8,885</b>	<b>7,292</b>
Capitalised services	272	297	0	0
Other income	26	268	39	4
<b>Segment expenses</b>				
Commissions	-20,925	-17,151	-6,159	-5,258
Personnel expenses	-4,004	-3,116	-1,155	-1,021
Depreciation and amortisation	-979	-923	-323	-233
Other	-2,203	-1,562	-911	-819
<b>Total segment expenses</b>	<b>-28,111</b>	<b>-22,752</b>	<b>-8,548</b>	<b>-7,331</b>
<b>EBIT</b>	<b>66</b>	<b>-49</b>	<b>376</b>	<b>-35</b>
<b>EBITDA</b>	<b>1,045</b>	<b>874</b>	<b>699</b>	<b>198</b>
Income from investments	0	0	1,299	0
Other interest and similar income	122	179	0	1
Yield on other securities	0	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-426	-427	-148	-145
<b>Financial result</b>	<b>-304</b>	<b>-248</b>	<b>-148</b>	<b>-144</b>
<b>Segment earnings before tax (EBT)</b>	<b>-238</b>	<b>-297</b>	<b>228</b>	<b>-179</b>
Tax expenses	79	55	-158	-69
<b>Segment net profit</b>	<b>-159</b>	<b>-242</b>	<b>70</b>	<b>-249</b>
Minority interests	-9	0	0	0
<b>Segment net profit after minority interests</b>	<b>-150</b>	<b>-242</b>	<b>70</b>	<b>-249</b>

Holding		Total reportable segments		Transfer		Total	
Q3/2021 kEUR	Q3/2020 kEUR	Q3/2021 kEUR	Q3/2020 kEUR	Q3/2021 kEUR	Q3/2020 kEUR	Q3/2021 kEUR	Q3/2020 kEUR
566	377	37,330	29,807	-2,890	-2,145	34,440	27,662
466	374	2,891	2,145	-2,890	-2,145	0	0
<b>566</b>	<b>377</b>	<b>37,330</b>	<b>29,807</b>	<b>-2,890</b>	<b>-2,145</b>	<b>34,440</b>	<b>27,662</b>
0	0	272	297	0	0	272	297
0	0	65	272	0	0	65	272
0	0	-27,084	-22,409	2,195	1,587	-24,889	-20,822
-784	-641	-5,943	-4,778	0	0	-5,943	-4,778
-75	-68	-1,377	-1,224	0	0	-1,377	-1,224
-520	-245	-3,634	-2,626	695	558	-2,939	-2,068
<b>-1,379</b>	<b>-954</b>	<b>-38,038</b>	<b>-31,037</b>	<b>2,890</b>	<b>2,145</b>	<b>-35,148</b>	<b>-28,893</b>
<b>-813</b>	<b>-577</b>	<b>-371</b>	<b>-661</b>	<b>0</b>	<b>0</b>	<b>-371</b>	<b>-661</b>
<b>-738</b>	<b>-509</b>	<b>1,006</b>	<b>563</b>	<b>0</b>	<b>0</b>	<b>1,006</b>	<b>563</b>
0	0	1,299	0	-1,299	0	0	0
223	195	345	375	-341	-375	4	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
-149	-194	-723	-766	341	375	-382	-391
<b>74</b>	<b>1</b>	<b>-378</b>	<b>-391</b>	<b>0</b>	<b>0</b>	<b>-378</b>	<b>-391</b>
<b>-739</b>	<b>-576</b>	<b>-749</b>	<b>-1,052</b>	<b>0</b>	<b>0</b>	<b>-749</b>	<b>-1,052</b>
36	19	-43	5	0	0	-43	5
<b>-703</b>	<b>-557</b>	<b>-792</b>	<b>-1,047</b>	<b>0</b>	<b>0</b>	<b>-792</b>	<b>-1,047</b>
0	0	-9	0	0	0	-9	0
<b>-703</b>	<b>-557</b>	<b>-783</b>	<b>-1,047</b>	<b>0</b>	<b>0</b>	<b>-783</b>	<b>-1,047</b>

# Consolidated Balance Sheet

<b>Assets</b>	<b>30/09/2021</b> KEUR	31/12/2020 KEUR
<b>Non-current assets</b>		
Intangible assets	67,111	47,930
Fixed assets	5,214	5,117
Financial assets	288	216
	<b>72,613</b>	53,263
Deferred taxes	3,202	3,552
<b>Long-term non-current assets</b>		
Accounts receivable	1,124	891
Other assets	896	1,746
	<b>2,020</b>	2,637
<b>Total non-current assets</b>	<b>77,835</b>	59,452
<b>Current assets</b>		
Accounts receivable	14,274	18,364
Other assets	2,258	1,838
Cash and cash equivalents	9,521	11,718
Deferred charges	499	419
<b>Total current assets</b>	<b>26,552</b>	32,339
<b>Total assets</b>	<b>104,387</b>	91,791

<b>Liabilities</b>	<b>30/09/2021</b>	<b>31/12/2020</b>
	<b>kEUR</b>	<b>kEUR</b>
<b>Equity</b>		
Subscribed capital	13,128	13,128
Own Shares	-505	-505
Capital reserves	19,064	19,064
Other retained earnings	423	423
Other equity components	-4,633	-4,822
<b>Total equity</b>	<b>27,477</b>	<b>27,288</b>
<b>Non-current liabilities</b>		
Deferred taxes	7,197	4,140
Bonds	19,452	19,337
Liabilities due to banks	30	33
Accounts payable	11,135	10,280
Other liabilities	3,542	3,636
Accruals	1,643	1,240
<b>Total non-current liabilities</b>	<b>42,999</b>	<b>38,666</b>
<b>Current liabilities</b>		
Bonds	0	0
Accrued taxes	497	284
Liabilities due to banks	1,112	1,067
Accounts payable	16,161	19,872
Other liabilities	15,446	4,545
Deferred income	695	69
<b>Total current liabilities</b>	<b>33,911</b>	<b>25,837</b>
<b>Total equity and liabilities</b>	<b>104,387</b>	<b>91,791</b>

# Contact

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The letter to shareholders of JDC Group AG is available in German and English. The German version is legally binding. The reports can be downloaded from the company's website: [www.jdcgroup.de](http://www.jdcgroup.de)

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