Annual Report 2022

JDC GROUP

BEST ADVICE. BETTER TECHNOLOGY.

Content

JDC Group AG at a glance 3
Highlights 2022 4

Management Board letter to shareholders 11

The Group 15
Business concept and structure 16
Business units 19
Company history and development 21
Shareholder structure 22
Share price performance 24

Group management report 25
Situation of the group 26
The Group's Business modell 26
Research and development 26
Economic report 27
Macroeconomic framework 27
Sector-specific framework 28
Business Performance of group and segments 30
Company situation 30
Major key figures 30
Net asses 31
Financial position 32
Income position 32
Segment reporting 33
Opportunities and risk report 33
Outlook 35
Macroeconomic outlook 35
Markets and sector outlook 36
Outlook for the JDC Group 36
Expected business performance 36

Supervisory Board and Management Board 37
Report of the Supervisory Board 38
Management Board 42
Supervisory Board 44

Consolidated financial statements 45
Consolidated income statement 46
Consolidated statement of comprehensive income 47
Segment reporting 48
Consolidated balance sheet 50
Consolidated cash flow statement 52
Consolidated statement of changes in equity 53

Notes 54
Appendix 1 to the notes: statement of changes in consolidated fixed assets as of 31 December 2022 114
Appendix 2 to the notes: statement of changes in the net book values of consolidated fixed assets as of 31 December 2022 116
Appendix 3 to the notes: list of shareholdings as of 31 December 2022 117
Appendix 4 to the notes: Financial instruments IFRS 7 as of 31 December 2022 118

Certification notation 120

Contact 124

JDC Group AG

At a glance

P & L in kEUR	31/12/2022 kEUR	31/12/2021 kEUR	Changes compared to previous year in %
Revenues	156,080	146,808	6.3
Gross margin	47,794	41,690	14.6
Gross margin in %	30.6	28.4	7.7
Total operational costs	44,880	38,779	15.7
EBITDA	8,966	8,308	7.9
EBITDA margin in %	5.7	5.7	0.0
EBIT	2,914	2,911	0.1
EBIT margin in %	1.9	2.0	–5.0
Net profit	939	904	3.9
Number of shares in thousands (end of period)	12,981	13,163	–1.4
Earnings per share in EUR	0.07	0.07	0.0

Cash flow/Balance in kEUR	31/12/2022 kEUR	31/12/2021 kEUR	Changes compared to previous year in %
Cash flow from operating activities	7,567	14,855	–49.1
Total equity and liabilities	112,983	121,753	–7.2
Equity	36,971	38,817	–4.8
Equity ratio in %	32.7	31.9	2.6

Highlights 2022

Bancassurance platform for VR banks

Jung, DMS & Cie. Pro GmbH, a member of JDC Group AG, has signed a five-year contract with a subsidiary of the R+V insurance group. Under this agreement, R+V, Germany's second-largest insurance group, will use the JDC insurance platform as a white label including the iCRM customer management system and its own end-customer smartphone app for a hybrid intermediary model within the cooperative financial group. A pilot group of several Volksbanks has already started here.

Cooperation with Gothaer

Service and technology platform provider Jung, DMS & Cie. AG agreed a far-reaching collaboration with the Gothaer insurance group last year. The contract to build a 360-degree portfolio view for Gothaer agency sales customers has been signed for an initial period of four years.

JDC wins Ecclesia for its platform technology in private client business

The Ecclesia Group, the largest German insurance broker for companies and institutions, will use JDC technology in the future for business processing in the private customer business. After the brokers of Lufthansa, BMW, Böhringer and Volkswagen Bank, JDC thus wins another well-known major broker with its group companies.

New consolidation platform for insurance intermediaries

JDC Group AG launches Summitas Group with Bain Capital Insurance and Canada Life Irish Holding Company Limited as a consolidation platform for insurance intermediaries. Through its special partnership model, Summitas offers established insurance brokers in Germany and Austria the opportunity to remain active in their core business or to seek a succession solution for their company. Brokers can thus ensure long-term stability for customers, employees, locations and brands while preserving their family heritage and values.

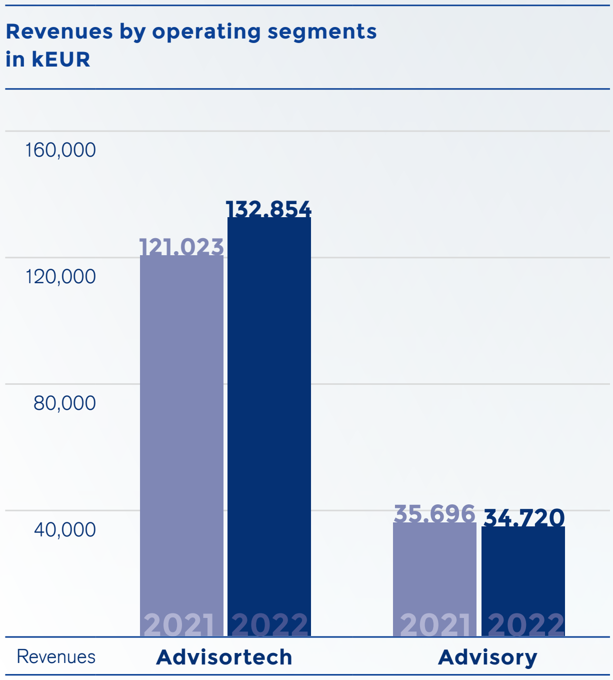
Repurchase program for treasury shares

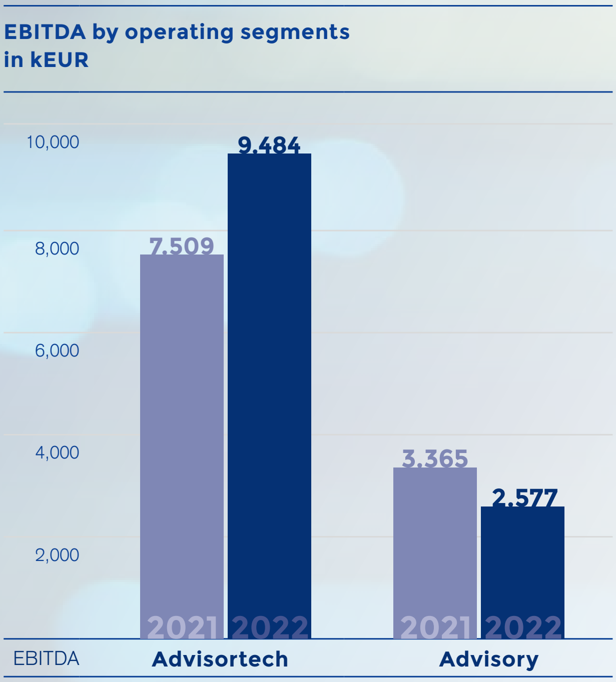
With the approval of the Supervisory Board, the Management Board of JDC Group AG decided to make use of its authorization to acquire treasury shares this year. The repurchase program started on June 15, 2022 and ended as planned at the end of December 23, 2022. 181,820 shares were repurchased in this context. The total number of treasury shares currently held by JDC Group AG thus amounts to 687,022. This corresponds to 5.0 % of the Company’s share capital.

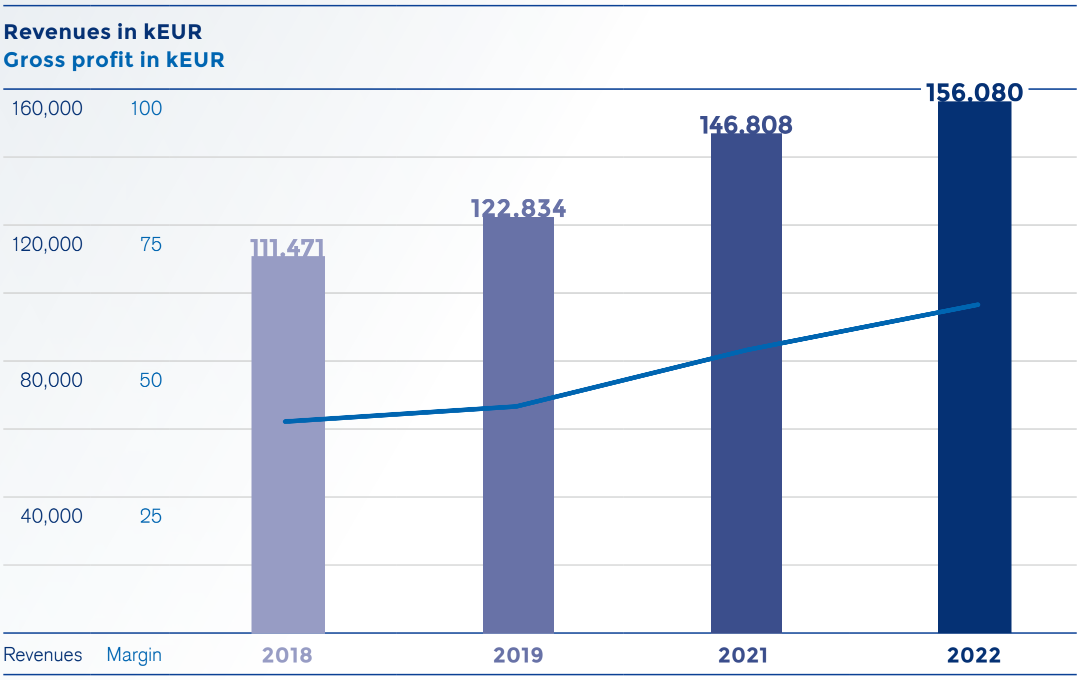
Expansion of the platform in the investment area

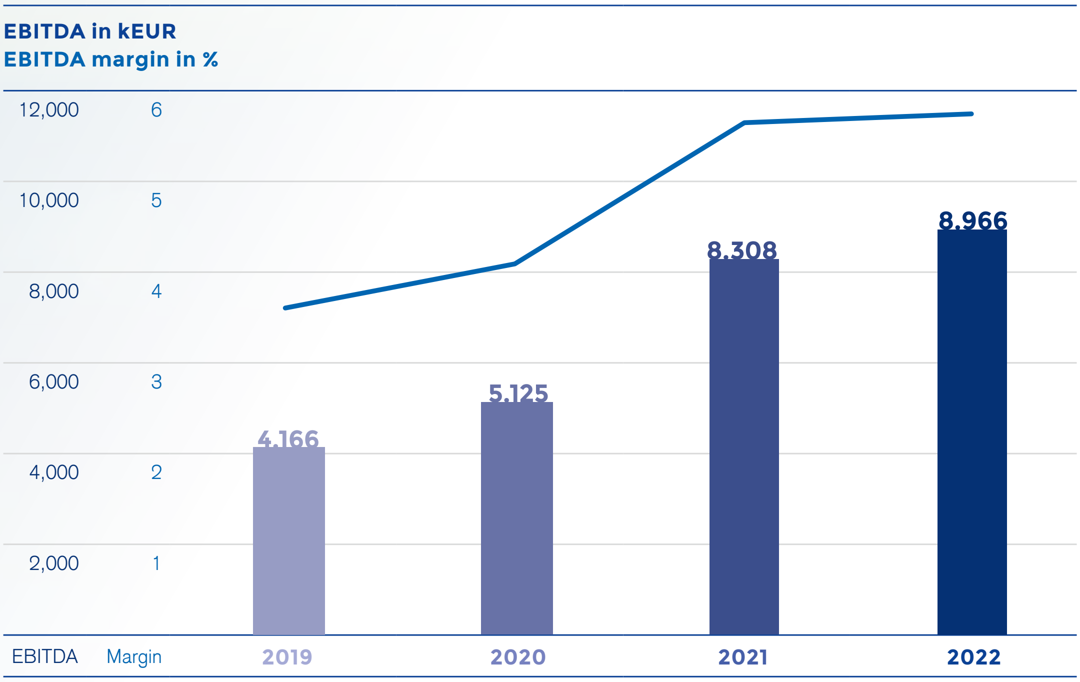
Jung, DMS & Cie. AG signed a purchase agreement in January 2023 to acquire significant parts of the Top Ten Financial Network Group. With the help of the software solution acquired in the course of this transaction, JDC is supplementing its product portfolio in a targeted manner in the areas of asset management, liability umbrella solutions and label funds. The JDC platform will thus become even more attractive for customers. The transaction is expected to close in mid-2023 due to the regulatory ownership control process.

Highlights 2022






Revenues in kEUR
Gross profit in kEUR
160,000 100
120,000 75
80,000 50
40,000 25
111.471
122.834
146.808
156.080
Revenues Margin
2018
2019
2021
2022


EBITDA in kEUR
EBITDA margin in %
12,000 6
10,000 5
8,000 4
6,000 3
4,000 2
2,000 1
4.166
5.125
8.308
8.966
EBITDA Margin
2019
2020
2021
2022

Highlights 2022

JDC platform is growing

JDC integrates further analysis and comparison tools into the award-winning customer management platform iCRM with single sign-on and automatic data transfer. The entire advisory process becomes digital – determine, document and conclude without media discontinuity on the JDC platform.

New on the JDC Platform

With the **ACIO** supplementary health insurance calculators, customers can conclude the most important supplementary health insurances online. The intermediary data is automatically stored in the contract routes and ensures uncomplicated new and additional business for JDC partners.

M&M in the JDC ecosystem

In addition to the existing calculater offerings, the comprehensive analysis and comparison software **M&M Office** has been integrated into the JDC broker management programme iCRM with single sign-on and automatic data transfer. This enables JDC partners to perform all desired calculations for their clients in the lines of existence, life and health, as well as to access analyses, balance sheet ratios and M&M ratings.


Stefan Bachmann
CDO
Ralph Konrad
CFO, CIO
Dr. Sebastian Grabmaier
CEO

Management board letter

DEAR SHAREHOLDERS AND BUSINESS PARTNERS,

JDC Group AG developed very positively in the past financial year. Despite the difficult global economic conditions, revenues increased by over 6 percent to 156.1 million Euro. This also had a clearly positive impact on the annual result: earnings before interest, taxes, depreciation and amortization (EBITDA) grew to 9.0 million Euro after 8.3 million Euro in the previous year.

Milestones in the 2022 financial year

In 2022, JDC Group AG was able to conclude further important agreements with major customers that will positively influence the future development of the Group:

After first the Jung, DMS & Cie. AG subsidiary Jung, DMS & Cie. Pro GmbH was able to announce a cooperation with R+V, the second largest insurance group in Germany, Jung, DMS & Cie. AG was additionally able to announce far-reaching cooperations with the Gothaer insurance group and the largest broker in Germany, the Ecclesia Group.

In particular, the conclusion of the contract with a subsidiary of the R+V insurance group holds great business potential for JDC. For example, as part of the five-year contract to pilot a bancassurance platform for Volksbanken and Raiffeisenbanken, R+V is using the JDC insurance platform as a white-label solution including the iCRM customer management system and its own end-customer smartphone app within the cooperative financial group.

However, the cooperation with the Gothaer insurance group also shows how important JDC has now become in the market. In order to provide its customers with an overview of its entire insurance portfolio, Gothaer will also be using the JDC platform for its more than 1,000 insurance agencies in the future.

In the further course of the fiscal year, JDC was able to win another well-known major customer, Ecclesia. In addition to brokers for Lufthansa, BMW, Böhringer and Volkswagen Bank, the Ecclesia Group, Germany’s largest insurance broker for companies and institutions, will also be using the JDC platform technology in its private customer business in the future. The acquisition of major brokers and their group companies thus remains a key driver of JDC Group AG’s development into the leading insurance platform in Europe this year.

In this context, it is also worth mentioning that the cooperation agreement with JDC's largest customer, Albatros Versicherungsdienste GmbH, which belongs to the Lufthansa Group, was successfully extended by 5 years this year. JDC again prevailed against all competitors in a tender and can expect a total commission turnover of between 75 and 100 million euros in the next 5 years.

At the end of October, JDC also launched the Summitas Group, a consolidation platform for the German and Austrian insurance broker market, together with Bain Capital Insurance and Canada Life Irish Holding Company Limited. This is expected to create one of the largest commercial brokers in the German-speaking region, which will in turn conduct its business via the JDC platform. Here, too, the JDC Group expects medium-term revenue growth in the mid double-digit million range and a correspondingly significant contribution to profits.

Finally, shortly before the end of the fiscal year, the share buyback program resolved in June was successfully completed as planned. In this context, 181,820 shares were repurchased and the proportion of treasury shares held by JDC Group AG was increased to 5.0 percent of the share capital. The total number of treasury shares currently held by JDC Group AG thus amounts to 687,022 as of the reporting date December 31, 2022.

Results of the business year 2022

Consolidated revenues increased by more than 6 percent to 156.1 million Euro in 2022 (2021: 146.8 million Euro). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew to 9.0 million Euro (2021: 8.3 million Euro) and earnings before interest and taxes (EBIT) remained stable at 2.9 million Euro (2021: 2.9 million Euro).

In the promising platform business (Advisortech segment), revenues increased by almost 10.0 percent to 132.9 million Euro (previous year: 121.0 million Euro). Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 2 million Euro to 9.5 million Euro (2021: 7.5 million Euro). In addition, earnings before interest and taxes (EBIT) also improved significantly and now stand at 5.0 million Euro (2021: 3.5 million Euro).

In the Advisory segment, the difficult economic and political conditions were more noticeable. At 34.7 million Euro, revenues were around Euro 1 million below the previous year's figure of 35.6 million Euro. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 2.6 million Euro (2021: 3.4 million Euro) and earnings before interest and taxes (EBIT) were 1.3 million Euro at the end of fiscal 2022 (2021: 2.3 million Euro).

Significant milestones in 2023 to date:

In January 2023, Jung, DMS & Cie. AG signed a purchase agreement to acquire 100 percent of the shares in Top Ten Investment-Vermittlungs AG and DFP Deutsche Finanz Portfolioverwaltung GmbH (together: Top Ten Financial Network Group). The approximately 50 employees offer services in the field of investment consulting, asset management and fund management. Using its own software solutions, Top Ten administers over 2 billion Euro in investment portfolios for around 1,000 intermediaries in the network, generating largely recurring revenues of around 20 million Euro.

With the help of the software solution acquired in this transaction, JDC will be able to offer its existing clients additional technical offerings in the areas of asset management, liability umbrella solutions and label funds. This transaction thus systematically complements the JDC portfolio in the attractive investment advisory market and makes the JDC platform even more attractive to clients.
The deal is expected to close in mid-2023 due to the regulatory required owner control process.

In March 2023, another significant contract was signed. Kreissparkasse Köln (KSK) has decided to transfer its entire insurance business – more than 150,000 existing policies in total – to Einfach Gut Versichert GmbH (EGV) and thus implicitly also to the JDC platform, where it will also exclusively submit all new business. EGV is a joint venture between Provinzial Holding and JDC Group AG to operate an insurance platform for the savings banks in Provinzial's business territory. This agreement is also particularly important because KSK is the largest savings bank in Provinzial's territory and its activities also have a special spillover effect on the other savings banks.

Outlook

The new fiscal year will also be significantly influenced by the further course of the Ukraine war, the current banking crisis and the future development of inflation and interest rates. Another decisive factor will be whether the sharp fall in energy prices is passed on to consumers and whether purchasing power - including for financial products - increases again. Despite the expected stagnation of Germany's price-adjusted gross domestic product, such relief for households may have a positive impact on the purchasing behavior of our customers.

Irrespective of this development, the company expects sales to grow to between 175 million Euro and 190 million Euro in 2023 on the basis of cooperation agreements already concluded, as well as EBITDA of between 11.5 million Euro and 13.0 million Euro.

Thanks to employees and shareholders

Finally, we would like to express our special thanks once again to our employees and sales partners of JDC Group AG and our subsidiaries, as they are the basis of our success with their commitment and motivation.

Equally, we would like to thank our shareholders, who believe in our business model and support and confirm the Management Board and Supervisory Board.

We would be very pleased if you would continue to accompany us on our journey, and remain

Yours sincerely

Dr. Sebastian Grabmaier   Ralph Konrad   Stefan Bachmann

The group

The group

Business concept and structure	16
Business units	19
Company history and development	21
Shareholder structure	22
Share price performance	24

Business concept and structure

JDC Group AG is a cutting-edge financial services company known for intelligent financial services distribution and new technologies for financial advice. This is encapsulated in our slogan, BEST ADVICE. BETTER TECHNOLOGY.

The operating activities of JDC Group AG are divided between the Advisortech and Advisory operating segments.

In the **Advisortech** segment, JDC Group AG offers a digital platform for insurance, investment funds and all other financial products and services under the brands Jung, DMS & Cie.; MORGEN & MORGEN; allesmeins; and Geld.de. By offering and handling almost all product providers of the financial market with a complete product range and full data and document supply, JDC Group AG creates the perfect workplace for financial intermediaries of all kinds (brokers, agents, corporate brokers, banks, tied agent networks and fintech companies) and the first real 'financial home' for financial service customers. Whether via smartphone app, tablet or PC, customers and intermediaries get a complete overview of the individual insurance and fund portfolio. In addition, there are simple transfer options for contracts from third-party insurers and tailored closing routes. This not only enables a complete market comparison, but also simultaneously offers customers and advisors the direct opportunity to optimize the cost-performance ratio ratio.

In the **Advisory** segment, around 235 well-trained advisers sell financial products to retail customers via the FiNUM group (financial products and services distribution – FiNUM. Private Finance AG and FiNUM.Finanzhaus AG). This segment complements the platform offering and enables JDC Group AG to cover the entire value chain in its financial services distribution business.

JDC GROUP

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Advice on and mediation of financial products in return for commission from product providers or fees from the customers advised.

ADVISORTECH

Placement of financial products via financial intermediaries (independent financial advisers and brokers) to end-costumers pursuant to § 93 HGB as trade brokers

Digital platform with end customer app allesmeins

Investment funds, closed-end-funds, insurances etc.

JUNG, DMS & CIE.

GELD.de

MORGEN & MORGEN

ADVISORY

Mediation of financial products to end customers as sales represen-tatives pursuant to § 84 HGB.

Insurances, securitites, material values, financing

FiNUM. Private Finance

FiNUM. Finanzhaus

The individual subsidiaries of JDC Group AG operate with their own identity in their individual target markets. As a holding company, JDC Group AG performs central management functions including capital market communications, finance and administration. The centralisation of these functions and activities gives JDC Group AG the benefit of cost synergies.

Dr. Sebastian Grabmaier

"US and UK private equity firms are investing hundreds of millions in the German brokerage market. The consolidation wave is rolling. With our partnership with Bain Capital and Great West, we at JDC are ideally positioned to benefit from this and to be a driver of consolidation!"

Business Units

ADVISORTECH – THE DIGITAL PLATFORM FOR BROKERING FINANCIAL PRODUCTS TO PRIVATE END CUSTOMERS VIA FINANCIAL INTERMEDIARIESTHE FIRST FINANCIAL HOME FOR ALL FINANCIAL SERVICES CUSTOMERS

This business segment comprises the B2B activities of the broker pool and platform areas. JDC's self-developed technical platform combines internal and external systems, creating a perfect workplace for financial intermediaries of every kind. Digital and automated processes enable the provision of a hassle-free, seamless advisory service, from customer support to backend data processing. With a range of around 12,000 products from more than a thousand product companies, the portfolio also includes all the necessary financial products and services for a comprehensive bancassurance concept. However, this operating segment is not aimed exclusively at financial intermediaries, but also offers the first real 'financial home' for financial services customers. In addition to a complete overview of their individual insurance and investment portfolio, customers (and intermediaries) have access to a full market comparison for cost-effective optimisation of their insurance policies and pensions.

With its subsidiary **Jung, DMS & Cie. AG (JDC)**, JDC Group AG is a leading platform provider in the broker pool market. With locations in the German cities of Munich, Wiesbaden and Troisdorf, and Vienna in Austria, JDC is one of the largest broker pools in the German-speaking area, with among the highest revenues. The iCRM system developed in-house by Jung, DMS & Cie. comprises not only professional software for management of customer and contract data, but also an expert back-office team that takes care of the entire administrative handling of the customer and contract data in addition to all transactions on the portfolios. The iCRM system can be customised easily, is not technically complex, and is based on the overall logic of typical transactions by brokers and intermediary organisations, which ensures that it is easy to use.

In addition, the **allesmeins** financial manager gives retail customers a quick overview of all their insurance policies with the relevant contract documentation. However, unlike conventional, anonymous fintech solutions, allesmeins allows customers to keep the same individual insurance and investment adviser with whom they may have built up a relationship of trust over several years or even decades, so they continue to have full access to their expertise. Use of the system is completely free of charge. The allesmeins app also provides comparison calculators for non-life insurance in the categories of contents, home, personal liability, pet, accident and legal insurance, which also allow benefits to be compared and contracts to be concluded from the comfort of the customer's home.

MORGEN & MORGEN GmbH is a wholly-owned subsidiary of Jung, DMS & Cie. AG, but is nevertheless an independent high-quality provider of impartial insurance information for the entire market. Despite belonging to the Group, MORGEN & MORGEN GmbH is an autonomous and independent company of long standing, so the impartiality of the data and insurance platform is guaranteed into the future.

As the market leader for analysis and comparison software with price and benefit comparisons across all categories, MORGEN & MORGEN is the go-to company for insightful and independent expertise. With company and product ratings among the highest in the German market, MORGEN & MORGEN's data and calculations are frequently used by major brokerage firms and insurance companies and the business media for insurance comparisons and analysis, ratings and rankings. Apart from ratings, the offering includes stochastic simulations of potential returns, data analytics at point of sale, and individual analyses.

In addition to a large number of individual intermediaries, JDC Group AG's customers include leading financial services distribution companies, so financial intermediaries are connected to the product companies via two further subsidiaries of Jung, DMS & Cie. AG: Jung, DMS & Cie. Pool GmbH and Jung, DMS & Cie. Pro GmbH.

While **Jung, DMS & Cie. Pool GmbH**'s customers include individual intermediaries and staff insurance brokers (including Albatros, Böhringer Ingelheim, Bavaria Wirtschaftsagentur), the function of Jung, DMS & Cie. Pro GmbH is to provide support for multi-tied agents, such as Volkswagen Financial Services. Although the area of Jung, DMS & Cie. Pro GmbH has once again gained in importance due to the cooperation with Provinzial concluded in 2021 as well as the cooperations with R+V Versicherung and the Gothaer insurance group entered into in the past fiscal year, JDC Pool GmbH also continues to develop very remarkably. In the fiscal year, for example, the successful cooperation with the largest customer, Albatros Versicherungsdienste GmbH, which belongs to the Lufthansa Group, was extended by 5 years, and in addition, the Ecclesia Group, the largest German insurance broker for companies and institutions, was also acquired as a further well-known major customer.

The ADVISORTECH segment also includes the online comparison platform **Geld.de**, an excellent brand that provides financial product intermediary services direct to retail customers.

ADVISORY – INDEPENDENT PENSION AND INVESTMENT ADVICE FOR PRIVATE CLIENTS

Every customer has different needs, desires and objectives. The Advisory segment was established to cater for these individual differences, with a clear idea in mind: to operate independently and in the best interests of our customers. For this reason, the financial product advisory and intermediary services for retail customers included in this segment are also not biased towards any particular providers or products.

The **FiNUM Group** – consisting of FiNUM.Private Finance AG, Berlin (FPF D), FiNUM.Private Finance AG, Vienna/Austria (FPF A), and FiNUM.Finanzhaus AG (FFH) - serves discerning private clients, freelancers and business customers. It currently manages assets of approximately two billion EUR (AuM) in Germany and Austria. As an independent financial and asset advisor, personal consulting is the top priority.

FiNUM.Private Finance (FPF) currently has around 126 experienced and licensed advisors throughout Germany and Austria. The advisors provide holistic advice to currently more than 60,000 customers on all financial issues and across all asset classes, irrespective of the product. In addition to capital accumulation and investment, the service also covers pension provision, risk hedging, financing and capital procurement.

FiNUM.Finanzhaus AG has around 108 consultants and around 25,000 customers. The company focuses on the insurance and real estate business, but also examines and analyzes all other relevant aspects that are part of holistic customer consulting, including topics such as retirement provision and investments. Since the customer‘s well-being is at the center of FiNUM.Finanzhaus AG, it is also strongly oriented towards consumer protection criteria.

History

2019

04/2019
JDC Group acquired Stuttgart-based investment pool KOMM and their stocks—valued at around 550 MEUR.

07/2019
JDC receiving its second award from the F.A.Z. Institute with full marks in all areas—including price/performance ratio, customer satisfaction, quality, service and recommendations.

08/2019
JDC enters into long-term cooperation agreement with BMW subsidiary Bavaria Wirtschaftsagentur GmbH.

10/2019
The JDC Group is further expanding its market position in the bancassurance sector and has concluded a five-year exclusive agreement with comdirect bank AG.

10/2019
With a 28 percent share, Great-West Lifeco is the new anchor shareholder of JDC Group AG.

11/2019
Jung, DMS & Cie. Pool GmbH has a new bond with a volume of 25 MEUR. Due to being oversubscribed several times over, the subscription phase had to be closed prematurely.

11/2019
In future, Volkswagen Bank will outsource the handling and brokerage of non-mobility-related insurance contracts through its cooperation with Jung, DMS & Cie. Pro GmbH. The contract has been concluded for a period of at least five years and includes the provision of end-customer support by JDC.

2020

03/2020
JDC managed to move its entire operation to a virtual environment that enabled employees to work from home, despite the global stock market crisis.

04/2020
JDC Group AG continues to expand its key account business and wins the Nuremberg subsidiary InsureDirect24 and the Boehringer subsidiary BI Secura as further key accounts.

07/2020
With Volkswagen Bank JDC has connected the first key accounts purely using the JDC API.

07/2020
505,202 shares were repurchased in the share buyback programme. Thanks to the buyback at an average price of 6.10 Euro per share, JDC has considerable hidden reserves.

10/2020
The first ever digital insurance wallet, allesmeins was introduced by JDC in 2015 and is now a central component of the value chain. More than 25 white label mandates are now connected to allesmeins, in addition to many brokers, who use the basic version. This is impressive evidence of the scalability of the platform.

11/2020
One of Germany's largest savings banks, Sparkasse Bremen, relies on JDC as a distribution partner. JDC is building the white label solution in record time.

12/2020
JDC Group subsidiary Jung, DMS & Cie. generates subgroup revenues of more than 100 million Euro for the first time in the company's history – and continues to grow.

2021

01/2021
JDC is one of the TOP 100 most innovative companies in Germany and was convincing in all audit categories.

02/2021
JDC Group AG and Provinzial Group plan a cooperation for the insurance business of the savings banks in the private customer segment.

05/2021
TME study declares JDC Group's digital platform the winner among digital financial platform providers.

06/2021
Jung, DMS & Cie. AG acquires 100 % of the shares in the data analysis and comparison software house MORGEN & MORGEN GmbH.

06/2021
JDC and Provinzial Group set up the joint venture "Einfach Gut Versichert GmbH".

09/2021
JDC resolves a cash capital increase and agrees on a long-term cooperation with Versicherungskammer Bayern.

12/2021
Jung, DMS & Cie. achieves a turnover of over EUR 120 million and thus grows by 18 percent.

2022

02/2022
JDC signs a 5-year contract with a subsidiary of R+V Versicherung to pilot a bancassurance platform for Volks- and Raiffeisenbanken.

03/2022
Jung, DMS & Cie. and the Gothaer insurance group agree on a far-reaching cooperation to establish a 360-degree portfolio view for the customers of Gothaer agency sales.

06/2022
JDC Group AG resolves a share buyback program, which ended as planned at the end of December 23, 2022. In this context, a total of 181,820 shares were repurchased.

08/2022
JDC wins the Ecclesia Group, Germany's largest insurance broker for companies and institutions, for its platform technology.

10/2022
JDC Group AG launches Summitas Group with Bain Capital Insurance and Canada Life Irish Holding Company Limited as a consolidation platform for insurance intermediaries.

10/2022
The comparison calculator of the independent analysis company MORGEN & MORGEN is successfully integrated on JDC's customer management system iCRM.

11/2022
JDC has won a tender against all competitors and renewed the successful cooperation with its largest customer, Albatros Versicherungs-dienste GmbH, a member of the Lufthansa Group, for 5 years.

12/2022
Jung, DMS & Cie. sales rise to over 134 million Euros. This means that growth is once again in the double digits.

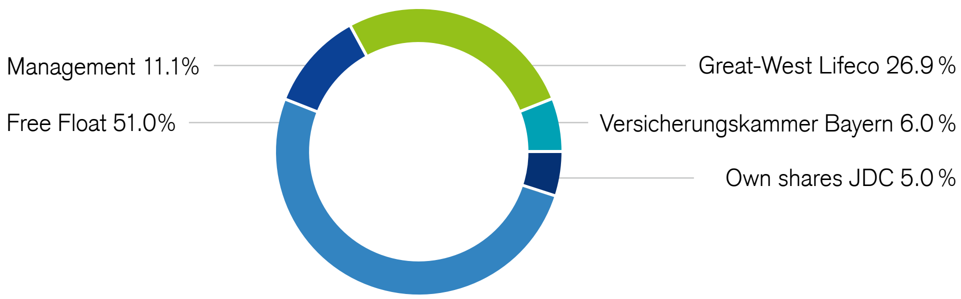
Shareholder structure

In total, JDC Group AG has a subscribed capital of 13,668,461 euros with a market capitalization of 246.0 million euros (as of February 2022).

A stable shareholder structure continues to form the basis for long-term and continuous growth. Great-West Lifeco continues to be the anchor shareholder of JDC Group AG with a 26.90 percent shareholding. In addition, Versicherungskammer Bayern holds a strategic stake of 6.00 percent. Management Board members Dr. Sebastian Grabmaier (Grace Beteiligungs GmbH) and Ralph Konrad (Aragon Holding GmbH) hold a total of 11.10 percent of JDC Group AG.

With the consent of the Supervisory Board, the Management Board of JDC Group AG has also decided to make use of its authorization to acquire treasury shares this year. As part of the buyback program carried out from June 15 to December 23, 2022, 181,820 shares were repurchased. This increased the proportion of treasury shares held by JDC Group AG to 5.0 %.

The remaining 51.00 % of the 13,668,461 shares issued are in free float.



Stefan Bachmann

"In 2022, JDC established itself as the bancassurance platform provider in the market and brought the long-term contracts into implementation. By the end of the year, we were already active with S-VM in over 30 savings banks in Provinzial's business territory. At the same time, we launched the pilot phase with R+V in the summer and are now also available as the central partner for the cooperative banks. In addition, the integration of Morgen&Morgen and other API services were key steps in continuously improving the performance and attractiveness of our technical platform offering."

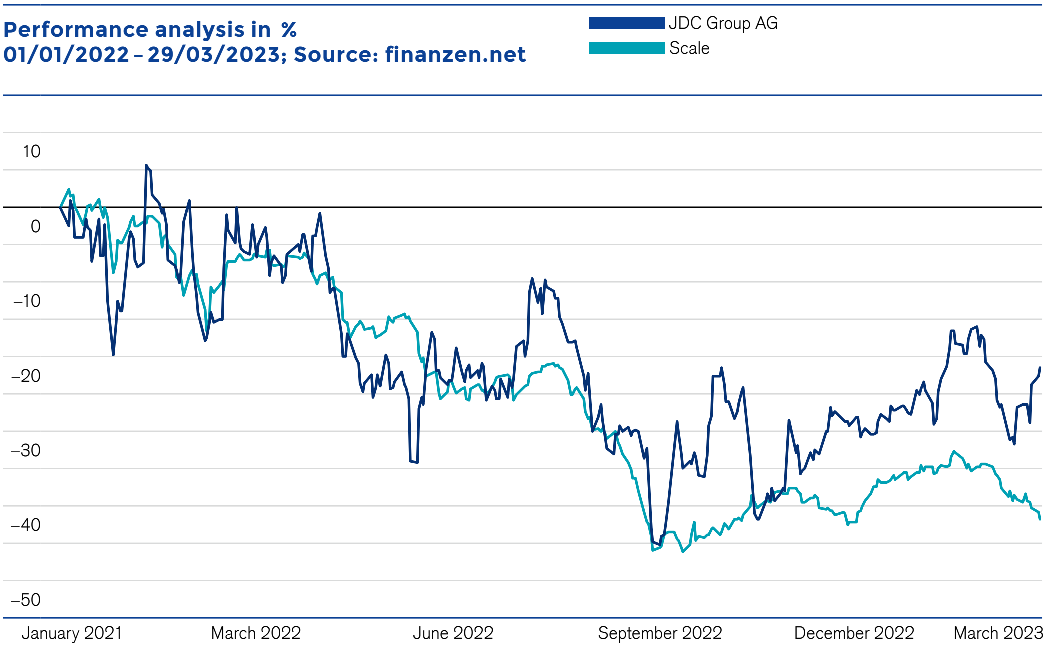
Share price performance

The strong last quarter of 2021 led to profit-taking at the beginning of the fiscal year. This was accompanied by a corresponding price correction. The subsequent recovery gained further momentum at the beginning of February with the announcement of the cooperation with R+V Versicherung. Afterwards, however, the JDC share also had to take into account the current market conditions. The outbreak of war in Ukraine and the resulting consequences of the energy crisis caused significant distortions in the first half of the year.

Strong half-year figures and the fact that JDC was able to win Ecclesia, Germany's largest insurance broker for companies and institutions, for its platform technology gave the share new momentum at the beginning of August. But even this recovery was abruptly stopped by the general market trend. Accompanied by the highest annual inflation rate since the oil crisis in the 1970s, the third quarter again saw sharp price corrections, which the JDC share was also unable to escape. Only after new annual lows were reached in October with a loss in value of around 40 %, the market calm down again and the conditions for a strong final quarter were once again in place. In the last three months alone, the JDC share recovered almost half of the performance losses generated up to that point. At the end of 2022, the share price stood at EUR 16.75. Although this corresponds to a decline in the share price of around 30 %, the JDC share was once again able to clearly outperform the index, which had to pay much greater tribute to this year's turbulence with a price loss of over 42 %.

This positive development finally continued in the new year. After a short correction at the beginning of March, the current upward trend has been confirmed. Despite a currently very volatile capital market, the share is relatively stable at 18.00 euros. (as of 23 March 2023)

Performance analysis in %
01/01/2022 – 29/03/2023; Source: finanzen.net



Group management report

Situation of the group 26
The Group's Business modell 26
Research and development 26

Economic report 27
Overall economic conditions 27
Sector-specific conditions 28

Business Performance of group and segments 30

Company situation 30
Major key figures 30
Net assets 31
Financial position 32
Income position 32

Segment reporting 33

Opportunities and risk report 33

Outlook 35
Economic outlook 35
Markets and sector outlook 36

Outlook for the JDC Group 36
Expected business performance 36

Group management report

SITUATION OF THE GROUP

The Group's Business modell

In its Advisortech business unit, JDC Group AG offers a digital platform for insurance, investment funds and all other financial products and services. By offering and handling almost all product providers of the financial market with a complete product range and full data and document supply, it creates the perfect workplace for financial intermediaries of all kinds (brokers, agents, company-affiliated intermediaries, banks, exclusive organizations, FinTechs) via its view systems and interfaces and the first real financial home for financial services customers. Via smartphone app, tablet or PC, customers and intermediaries receive a complete overview of the individual insurance and fund portfolio, simple closing routes and transfer options, and also a complete market comparison, so that customers and advisors can optimize coverage and provision easily and with an ideal benefit-cost ratio.

In the Advisory segment, around 235 well-trained advisors under the FiNUM brand complement the platform offering for discerning and upscale private customers.

The chart on the next page shows the segment structure of JDC Group AG and the relevant investments.

Research and development

In the Advisortech business unit, we offer modern consulting and management technologies for our customers and consultants via the Jung, DMS & Cie. group. In this context, the JDC Group operates the development of self-created software solutions. In fiscal year 2022, own work in the amount of EUR 1,440 thousand was capitalized in this connection. For further details, please refer to the relevant disclosures in the notes to the consolidated financial statements.

The following chart shows the segment structure of JDC Group AG and the relevant subgroups and investments:

Advisortech

Jung, DMS & Cie. AG
(100.0 %) *

- Broker pool, primarily brokerage of financial products via intermediaries (IFAs, independent brokers, etc.)
- Investment funds, closed-end funds, insurance, certificates
- Currently approx. 16,000 intermediary contracts, of which over 3,900 are with contractually bound intermediaries

Jung, DMS & Cie. Pro GmbH
(100.0 %) *

- Support of multiple agents and connection of these to the product companies
- Currently over 150,000 customers

MORGEN & MORGEN GmbH
(100.0 %) *

- Independent and autonomous analysis house
- Insurance comparisons, ratings, statistical simulations and data analytics

Advisory

FiNUM.Private Finance AG, Vienna
(100.0 %) *

- Brokerage of financial products to end customers
- Life insurance, pension plans, investment funds, financing
- Currently approx. 48 consultants

FiNUM.Private Finance AG, Berlin
(100.0%) *

- Brokerage of financial products to end customers
- Life insurance, pensions, investment funds, financing
- Currently approx. 78 consultants

FiNUM.Finanzhaus AG, Munich
(100.0%) *

- Brokerage of financial products to end customers
- Life insurance, pensions, investment funds, financing
- Currently approx. 108 consultants

Holding

JDC Group AG

- Holding activities
- Shared Service Center

* Ownership interest held by JDC Group AG to 31 December 2022

ECONOMIC REPORT

Overall economic conditions[1)]

The global economy, already weakened by the pandemic, was again hit by several shocks last year: the war in Ukraine triggered a costly humanitarian crisis; inflation was higher than it had been for several decades; and in China, the rapid spread of COVID-19 and accompanying lockdowns clouded the outlook. In addition, the rise in central bank interest rates also weighed on economic activity.

According to the IMF's January 2023 assessment, global growth last year was therefore only 3.4 percent (previous year: 6.0 percent). The US economy recorded an even greater decline, with growth of 2.0 percent (previous year: 5.6 percent). The increase in economic output in the euro zone was 3.5 percent. In Germany, too, the overall economic situation was dominated by the consequences of the war. In addition, aggravated material and supply bottlenecks, massively rising prices, the shortage of skilled workers and the ongoing Corona pandemic, albeit easing over the course of the year, made for more difficult conditions.

[1)] Unless otherwise indicated, all data in the following description of the macroeconomic environment were taken from the accompanying material to the press conference held by the Federal Statistical Office on January 13, 2023, and from statements made by the IMF in January 2023.

Against this backdrop, the German economy held up well overall in 2022. According to initial calculations by the Federal Statistical Office, gross domestic product (GDP) increased by 1.9 percent year-on-year on a price-adjusted basis. This means that economic output has now also returned to pre-crisis levels (compared with 2019, the year before the start of the Corona pandemic, GDP in 2022 was 0.7 % higher).

Sector-specific conditions

THE MARKET FOR INVESTMENT FUNDS[2)]

The German investment fund industry managed total assets of 3,804 billion euros as of December 31, 2022. Although this is almost 12 percent less than in the previous year (4,310 billion euros), the fund industry nevertheless proved very resilient last year. For example, the Ukraine war, skyrocketing energy prices and rising inflation rates not only led to significant price declines on the stock and bond markets, but also unsettled investors. Nevertheless, no particularly high returns were observed over the year as a whole. The development of assets therefore mainly reflects last year's turbulence on the stock markets.

As of December 31, 2022 (value as of December 31, 2021 in parentheses), 1,280 billion euros (1,471 billion euros) were invested in mutual funds and 1,943 billion euros (2,188 billion euros) in special funds. 529 billion euros (610 billion euros) were in mandates and 52 billion euros in closed-end funds (41 billion euros).

The fund volume of the mutual funds as of December 31, 2022 (value as of December 31, 2021 in parentheses) breaks down by asset class as follows:

- Equity funds: 531.9 billion euros (632.6 billion euros)
- Pension funds: 188.2 billion euros (230.9 billion euros)
- Money market funds: 34.0 billion euros (34.6 billion euros)
- Open-ended real estate funds: 131.1 billion euros (125.2 billion euros)
- Mixed and other funds: 395.1 billion euros (447.7 billion euros)

The trend from 2021 – with new business of 256 billion euros the best sales year ever in the fund business – initially continued at the beginning of last year. In January 2022, for example, special and retail funds still recorded record inflows totaling 30 billion euros. Subsequently, however, the Ukraine war marked the turning point. The associated turbulence led to a net outflow of EUR 4 billion from open-ended mutual funds over the year as a whole. Compared with the crisis years 2008 (27 billion euros) and 2011 (15 billion euros), the correction was nevertheless at a relatively low level. This is also shown by the fact that mutual funds already recorded inflows of 5 billion euros again in the fourth quarter alone.
A large proportion of new business in retail funds again came from private investors last year. According to the BVI, savers had invested 40 billion euros by the end of September - despite the rise in interest rates. Fund savings plans again made a decisive contribution to this development.

[2)] All data in the following description of the market for investment products was taken from the BVI press release dated February 09, 2023, unless otherwise indicated.

THE MARKET FOR INSURANCE PRODUCTS [3)]

In the insurance industry, developments in 2022 were dominated by the Corona pandemic and the war in Ukraine. In view of these trouble spots, the past financial year was nevertheless satisfactory. The industry recorded only a slight decline in premium income of 0.7 percent across all lines of business.

In the case of life insurers and pension funds, premium income decreased slightly to around EUR 97 billion in 2022. This development is attributable to a reduction in single-premium business, which nevertheless remains at a very high level due to the current interest rate situation. However, the share of income from baV increased encouragingly by around 3.7 percent to EUR 20.3 billion.

In property and casualty insurance, revenues grew by 4.0 percent to 80.4 billion euros. And private health insurance companies also took in 3.1 percent more than in the previous year. Premium income there rose to 46.8 billion euros.

The outlook for 2023 is not very optimistic, particularly in life and private health insurance. In the insurance industry's economic survey, the current assessment in these segments has deteriorated further compared with the fall. A slight recovery can be observed in the property and casualty insurance sector.

COMPETITIVE POSITION

In the individual business segments, JDC Group competes with different companies.

Competitors in the Advisortech segment

In the Advisortech business area, the JDC Group brokers financial products such as investment funds, alternative investment funds, structured products, insurance and financing products to end customers via independent financial brokers (B2B2C) through the subsidiaries of the JDC Group (JDC). As a technical platform, JDC competes with all companies that broker the above-mentioned financial products to resellers or end customers via independent intermediaries. This includes broker networks/broker pools such as Fonds Finanz Maklerservice GmbH and BCA AG, but also commercial banks, savings banks, Volksbanks and financial sales companies that are geared to end customers.

In addition, JDC offers white-label front-end services in the Advisortech business unit, where customers (banks, insurance companies, IFAs, end customers) can display contract data via app, online tools as well as web applications. Here JDC is in competition with e. g. Clark or getsafe.

In the third subsegment, we offer end customer advice and a comparison platform for financial products. Here, JDC competes with Verivox and Smava.

The independent analysis company MORGEN & MORGEN provides neutral insurance data in the form of insurance comparisons, ratings, stochastic simulations and data analytics via its own comparison platform, through individual services and IT services. Its main competitors are comparison platforms such as Franke & Bornberg, Mr. Money, and Softfair.

[3)] All data in the following description of the insurance market was taken from the website of the German Insurance Association (GDV), unless otherwise indicated.

Competitors in the Advisory segment

In the ADVISORY business area, JDC Group AG offers advice on and brokerage of financial products to end customers (B2C) via its subsidiaries FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM. Private Finance Austria. In principle, all companies compete with a large number of market participants, i.e. in addition to financial product distributors and individual brokers, also exclusive organizations of insurance companies and banks, but also direct sales, e.g. via the Internet. According to the JDC Group's assessment, the main competitors of the companies can be derived as follows on the basis of the different business models and target groups:

FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria focus on advising sophisticated private clients (so-called mass affluent market) in Germany and Austria. The business mix consists almost equally of asset accumulation and hedging business (insurance business). Accordingly, the main competitors are commercial or private banks and large financial sales companies such as MLP AG or Horbach Wirtschaftsberatung AG.

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

JDC Group AG is an increasingly attractive partner for product initiators from both the insurance and investment industries due to its sales strength, increasing market relevance and reliability.

At the same time, JDC Group AG is also attractive as an institutional partner for financial distributors or financial intermediaries who are looking for a strong partner to outsource their back office in the rapidly changing regulatory environment.

Overall, the Management Board considers the business performance to have been very pleasing. Despite the difficult global economic conditions, the earnings situation developed positively compared to the previous year. At kEUR 939 (previous year: kEUR 904), consolidated net profit was up on the previous year, and consolidated Euro also increased by around 6 percent. The increase in revenues is mainly due to the positive development of the core business and the acquisition of new key accounts. This means that revenues (EUR 156.1 million) are slightly below the guidance of EUR 155 to 165 million, which was adjusted downwards in the financial year. EBITDA also improved significantly year-on-year and now stands at kEUR 8,966. The target figure is at the upper end of the corrected guidance.

For further explanations, we refer to the following presentations on the situation of the JDC Group.

NET ASSETS, FINANCIAL AND INCOME POSITION

Key financial figures of JDC Group

For the assessment of the economic success and for the management of the Group as a whole and its segments, the Management Board of the JDC Group primarily uses the development of revenues and the gross profit remaining after deduction of commission expenses as well as EBITDA as measures of target achievement, which are therefore to be regarded as the most important financial performance indicators. Non-financial performance indicators that are of material importance for an understanding of the Company's business performance or position are not currently apparent.

From 2020 to 2022, the key performance indicators of the JDC Group developed as follows:

Key performance indicators of JDC Group	2020 kEUR	2021 kEUR	2022 kEUR	Changes 2021 to 2022 kEUR
Total non-current assets	59,452	78,025	74,490	–3,535
Total current assets	32,339	43,728	38,493	–5,235
Equity	27,288	38,817	36,971	–1,846
Non-current liabilities	38,666	46,023	43,276	–2,747
Current liabilities	25,837	36,913	32,736	–4,177
Total assets	91,791	121,753	112,983	–8,770
Revenues	122,834	146,808	156,080	9,272
Commission expenses	90,542	106,996	111,317	4,321
Gross margin	32,292	39,812	44,763	4,951
Personnel expenses	18,737	22,287	27,235	4,948
Other operating expenses	14,488	16,492	17,645	1,153
EBITDA	5,125	8,308	8,966	658
Result of ordinary operations	–1,031	1,406	1,102	–304

Net assets

Around EUR 64.1 million (previous year: EUR 66.4 million) of the Group's non-current assets of EUR 74.5 million as of December 31, 2022 (previous year: EUR 78.0 million) consists of intangible assets. The decrease in non-current assets of EUR 3.5 million resulted from the depreciation-related reduction in property, plant and equipment and a slight reduction in other assets. In addition, deferred tax assets also decreased (EUR –0.5 million).

Current assets amounted to EUR 38.5 million as of December 31, 2022 (previous year: EUR 43.7 million). This decrease is mainly due to the lower bank balances . Compared with the previous year (EUR 21.9 million), cash at banks decreased by EUR 5.2 million to EUR 16.7 million in the financial year. The main drivers of this development were purchase price payments and the share buyback program completed at the end of the year.

Total assets decreased from EUR 121.8 million in 2021 to EUR 113.0 million in 2022 – mainly due to the decrease in non-current assets by EUR 3.5 million and the reduction in bank balances by EUR 5.2 million.

Equity decreased from 38.8 million euros to 37.0 million euros. In addition to the reduced capital reserve, the share buyback program carried out in the financial year was also responsible for this development.

Non-current liabilities also decreased in the reporting year. Whereas this item amounted to EUR 46.0 million in the previous year, non-current liabilities were only 43.3 million euros at the end of 2022. This development is mainly attributable to a reduction in other liabilities (2022: EUR 3.8 million, 2021: EUR 7.4 million).

Current liabilities decreased from 36.9 million euros to 32.7 million euros. This decrease was mainly due to the reduction in trade payables (–5.7 million euros).

The equity ratio in the JDC Group rose to 32.7 percent of total assets as of the balance sheet date (previous year: 31.9 percent).

Financial position

The cash flow statement shows how cash flow developed within the reporting period as a result of cash inflows and outflows.

Cash flow from operating activities decreased from kEUR 14,855 to kEUR 7,567 in the fiscal year. This was mainly due to the decrease in trade payables and other liabilities (EUR –8.2 million).

Although cash flow from investing activities is also negative at kEUR –3,236, it is significantly lower than the previous year's figure of kEUR –13,081. This is mainly due to the reduced payments for the acquisition of consolidated companies, which had a significant impact of kEUR 11,014 in the previous year.

Financing activities resulted in a cash flow of kEUR –9,565, which was mainly caused by payments for the acquisition of treasury shares and the repayment of loans.

Cash and cash equivalents at the end of the fiscal year amounted to kEUR 16,672.

Cash and cash equivalents were always more than adequate in the year under review. The securing of short-term liquidity is managed by means of monthly liquidity planning. In the following year, the Group will again make partial loan repayments in accordance with the contract, which can be made from sufficient liquidity.

The equity ratio as of the reporting date was 32.7 percent (previous year: 31.9 percent). As of the reporting date, medium- and long-term borrowed capital accounted for 38.3 percent of total assets, or 43.3 million euros in absolute terms, and 19.7 million euros of this was attributable to a corporate bond.

Income position

The past financial year was very gratifying for JDC Group AG. Despite all adversities, the earnings situation and also the consolidated result have once again improved significantly.

Group rose by 6.3 percent to EUR 156.1 million (previous year: EUR 146.8 million) as a result of strong core business and the addition of new key accounts.

Commission expenses increased by 4.0 percent compared with the previous year (EUR 107.0 million) to EUR 111.3 million.

The resulting gross profit increased from EUR 41.7 million in the previous year to EUR 47.8 million in the current financial year. In relation to revenues, the margin is 30.6 % (previous year: 28.4 %).

Of the other costs, EUR 27.2 million (previous year: EUR 22.3 million) relate to personnel costs and EUR 11.6 million (previous year: EUR 11.1 million) to other operating expenses. The average number of employees for the year (full-time equivalents) – taking acquisitions into account – was 408 (previous year: 335).

Depreciation and amortization in the financial year increased to 6.1 million euros (previous year: EUR 5.4 million) as a result of investments.

The largest items within other operating expenses were IT costs of 4.5 million euros (previous year: EUR 4.1 million), legal and consulting costs of EUR 1.2 million (previous year: EUR 1.4 million), advertising and travel costs of EUR 1.4 million (previous year: EUR 1.0 million) and premises costs of EUR 0.7 million (previous year: EUR 0.7 million).

Overall, EBITDA increased to EUR 9.0 million (previous year: EUR 8.3 million). At EUR 2.9 million, EBIT was slightly up on the previous year (+0.1 %). By contrast, the result from ordinary activities decreased from EUR 1.4 million to EUR 1.1 million.

SEGMENT REPORTING

Advisortech segment

The Advisortech segment developed positively across the board. Revenues improved significantly and at EUR 132.9 million were almost 10 percent up on the previous year (EUR 121.0 million). EBITDA also increased significantly and, at EUR 9.5 million, is almost EUR 2 million up on the previous year (EUR 7.5 million). And EBIT also improved significantly to EUR 5.0 million, compared with EUR 3.5 million in the previous year.

Advisory segment

Revenues in the Advisory segment remained virtually stable despite the difficult underlying conditions. At EUR 34.7 million, segment revenues were only slightly down on the previous year's figure of EUR 35.7 million. EBITDA amounted to EUR 2.6 million, compared with EUR 3.4 million in the previous year, and EBIT was EUR 1.3 million, compared with EUR 2.3 million in the previous fiscal year.

Holding segment

Revenues in the Holding segment fell from EUR 2.2 million in the previous year to EUR 2.1 million in the reporting year. EBITDA was also slightly below the previous year's figure at EUR –3.1 million after EUR –2.6 million – as was EBIT at EUR –3.4 million after EUR –2.9 million.

OPPORTUNITIES AND RISK REPORT

The future business development of the Group involves all opportunities and risks associated with the distribution of financial products and the acquisition, management and sale of companies. The risk management system of JDC Group AG is designed to identify risks at an early stage and to minimize them by deriving appropriate measures. Financial instruments are used exclusively for hedging purposes. In order to identify potential problems in the affiliated companies and their shareholdings at an early stage, key ratios are queried and assessed. Monthly, weekly and daily reports are prepared on sales, revenue and the liquidity situation. The management receives a daily overview of the key sales and liquidity figures.

JDC Group AG is managed by means of a monthly reporting system that includes the key performance indicators and takes particular account of the liquidity situation. In addition, the Management Board is informed about the current liquidity situation on a daily basis.

Relevant **company-related risks** are as follows:

- In the context of brokering financial products and insurance policies, it cannot be ruled out that expenses may be incurred as a result of cancellations that are not covered by corresponding recovery claims against the brokers. With the increase in insurance revenues at JDC, receivables management for the realization of such recovery claims is becoming increasingly important.
- JDC can be held liable for clarification or consulting errors by sales partners. Whether in individual cases the risks are then covered by the existing insurance coverage or the claims for recovery against intermediaries cannot be presented in a generalized manner.
- Due to the persistently volatile capital markets and the difficulty in forecasting product sales, great demands must be placed on liquidity management. A lack of liquidity could become an existential problem.
- JDC is increasingly in the focus of the capital market. In addition, JDC counts more and more large corporations among its customers. If the company's image were to be damaged, this could lead to a loss of revenues.

Relevant **market-related risks** are as follows:

- The Company's business success is fundamentally dependent on the development of the national economy.
- The development of national and global financial and capital markets is of considerable relevance to JDC's success. Persistent volatility or negative developments may have a negative impact on JDC's earnings power.
- The stability of the legal and regulatory framework in Germany and Austria is of great importance. In particular, short-term changes in the framework conditions for financial services companies, intermediaries and financial products can have a negative impact on JDC's business model.
- The war in Ukraine and the associated energy crisis and inflation trend are currently having a negative impact on companies' willingness to invest and on the income of many consumers. Overall, this is leading to a marked reluctance to spend on the part of consumers. If this trend continues, it will have a negative impact on JDC's profitability.
- In addition, the consequences of the war in Ukraine cannot be foreseen. Associated economic sanctions, higher raw material prices, production stoppages or disrupted supply chains also have economic consequences and could slow down or even stop the economic upswing. Such a deterioration in the economic situation could also have a negative impact on JDC's profitability.

Relevant **regulatory risks** are as follows:

- The implementation of the European DSGVO (General Data Protection Regulation) affects all German companies, but especially companies in the financial services sector that work with personal data to a particular extent. Here, we are affected by extensive information and documentation obligations. As the digitalization of the insurance industry is still in its infancy, many processes at JDC still have to be handled manually. This increases the risk of data mishaps due to human error.

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

The management sees the **opportunities** as follows: Many financial product distributors are currently financially weakened. As a result, the financial resources of many competitors are exhausted and the pressure to consolidate is increasing - from which the major market players, including the JDC Group companies, are benefiting.

In 2022, JDC Group AG has again set some decisive course for the following years. In the year under review, the Gothaer insurance group and the Ecclesia Group were acquired as further well-known bancassurance customers who rely on JDC's platform technology. In addition, an extensive cooperation agreement was signed with R+V Versicherung, Germany's second-largest insurance group, under which the JDC insurance platform is to be used as a white label, together with the iCRM customer management system, within the cooperative financial group. In addition, the Summitas Group, founded jointly with Bain Capital Insurance and Canada Life Irish Holding Company Limited, also holds great potential for JDC. This is expected to create one of the largest commercial brokers in the German-speaking region, which will in turn conduct its business via the JDC platform.

In the view of the Management Board, all of this will lead to a further overall positive development of the investments of JDC Group AG and thus also of JDC Group AG itself in the financial year 2023.

OUTLOOK

Economic outlook

Rising interest rates, continuing very high inflation and the ongoing war in Ukraine are likely to continue to weigh on the economy in the new year. Although the recent reopening of China has paved the way for a faster-than-expected recovery, the IMF still expects a further decline in global growth. According to initial estimates, global economic growth is likely to fall to 2.9 percent in 2023 (2022: 3.4 percent).

The picture is similar for Germany. Here, too, high inflation rates are weighing on consumption and thus on future economic development. In addition, the construction sector is suffering from the significant increase in financing costs. Despite the recovery in the industrial sector as a result of the easing of supply bottlenecks for intermediate products and the sharp fall in energy prices, price-adjusted GDP in Germany is therefore expected to stagnate at the level of the previous year.

Markets and sector outlook

The further development of the Ukraine war will also have a significant impact on the future development of the capital markets. In addition, the continuing very high inflation combined with increased financing costs is likely to continue to weigh on the economy in the coming year. Despite the relief provided by the sharp fall in energy prices, the situation on the capital markets is therefore likely to remain tense. All these imponderables mean that it is currently impossible to predict how the capital markets will develop overall.

OUTLOOK FOR THE JDC GROUP

Expected business performance

The assessment of the expected business performance of the JDC Group for 2023 is based on the economic assumptions presented in the Group management report. The ongoing war in Ukraine and the associated slowdown in economic growth could also have an impact on the financial position, net assets and results of operations of the JDC Group in the new financial year. The corporate planning is therefore based on very detailed surveys and, in the view of JDC Group AG, realistic assumptions.

For the JDC Group, the focus in 2023 will be on a significant and sustainable improvement in the operating business. In 2023, the Group will continue its focus on

— the growth and thus the scaling of the platform and
— optimization of internal processes and cost management.

In 2023, the company expects revenues to grow to EUR 175 million to EUR 190 million and EBITDA to reach EUR 11.5 million to EUR 13 million on the basis of cooperation agreements already concluded.

Overall, the Executive Board expects business to develop positively for the Group as a whole.

Wiesbaden, March 22, 2023

Dr. Sebastian Grabmaier | Ralph Konrad | Stefan Bachmann

Supervisory Board and Management Board

Supervisory Board and Management Board

Report of the Supervisory Board	38
Management Board	42
Supervisory Board	44

Report of the Supervisory Board

DEAR SHAREHOLDERS,

the Supervisory Board regularly monitored the work of the Executive Board in fiscal year 2022 on the basis of the Executive Board's detailed written and oral reports and provided advice. The Supervisory Board was involved in all decisions of major importance to the Company. In addition, there was a regular exchange of information between the Chairman of the Supervisory Board and the Chairman of the Executive Board as well as the other members of the Executive Board. In this way, the Supervisory Board was always informed about the intended business policy, corporate planning including financial, investment and personnel planning, the profitability of the Company and the course of business, as well as the situation of the Company and the Group.

Where management decisions or actions required the approval of the Supervisory Board by law, the Articles of Association or the Rules of Procedure, the members of the Supervisory Board discussed and approved the draft resolutions at the meetings. The economic situation and the development prospects of the Group and its subsidiaries as described in the reports of the Executive Board, as well as issues of corporate governance and corporate planning, were the subject of detailed discussions, as were the reports on risk, liquidity and capital management, on major legal disputes and transactions and events of significant importance for the Company.

Activity Report

In the 2022 financial year, the Supervisory Board held a total of five meetings - in person and also by video conference - and one resolution by conference call. The average attendance rate at Supervisory Board meetings in the 2022 financial year was 92.67 %.

The Supervisory Board's deliberations focused on issues relating to the further development of business under the influence of the Ukraine war, inflation and the energy crisis. Other focal points of the Supervisory Board's activities, which it dealt with in several meetings, were the further development of organic growth and the associated major customer projects, as well as opportunities for inorganic growth.

MEETING 11 MARCH 2022

The Executive Board reported on the preliminary business figures for 2021 and on the current business performance of the individual units and the Group as a whole. Guidance was achieved in 2021 and the Group companies got off to a successful start in 2022. The subject of discussion then also included the impact of the Ukraine war on business development in 2022. The Board of Management and Supervisory Board discussed options for inorganic growth and the Supervisory Board approved the investment in Plug-InSurance GmbH and S-FIN Smart Finanzieren GmbH. The attendance rate of the Supervisory Board at this meeting was 100 %.

MEETING ON MARCH 29, 2022 (PER TEAMS)

The subject of the second meeting in the presence of the auditor was the intensive discussion of the audit reports on the 2021 annual financial statements of JDC Group AG and the 2021 consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), which had previously been sent to the Supervisory Board members. Another topic was the detailed discussion of the updated risk report. The attendance rate of the Supervisory Board at this meeting was 80 %.

Resolution on share buyback program of June 14, 2022

In a brief meeting held by telephone, the Supervisory Board approved the Executive Board's resolution on the share buyback program. The participation rate of the Supervisory Board was 100 %.

MEETING ON JUNE 23, 2022

In the third meeting, the Supervisory Board first dealt with the April figures for the Group and the individual companies. The discussions focused on organic growth and the further positive development of the key account business. The acquisition of the Top Ten group of companies was unanimously approved. It was also resolved to acquire a stake in the Summitas Group joint venture. The Supervisory Board's participation rate was 100 %.

MEETING ON SEPTEMBER 14, 2022 (PER TEAMS)

At the fourth meeting, the Board of Management presents the results for the month of July 2022. After a good first half of the year, the difficult overall economic environment had a negative impact on new business in July. The risks to further business development were discussed in depth. Other topics discussed by the Supervisory Board included progress in implementing the resolved shareholdings and further investment options and the acquisition of major projects for organic growth. 100 % of Supervisory Board members attended the meeting.

DECEMBER 13, 2022 MEETING

At this meeting, the Management Board reported on the current figures and the forecast for 2022. The main topic of the meeting was the 2023 planning, which was presented by the Management Board and unanimously approved by the Supervisory Board after intensive discussion. In another agenda item, the Executive Board provided information on organic and inorganic growth. The attendance rate of the Supervisory Board was 100 %.

Overall, the Supervisory Board participated in the decisions of the Executive Board within the scope of its legal and statutory responsibilities and satisfied itself of the legality, propriety and economic efficiency of the management of the Company. No audit measures pursuant to Section 111 (2) Sentence 1 of the German Stock Corporation Act (AktG) were required in the 2022 financial year.

The Supervisory Board did not form any committees in the reporting period.

Changes in the Supervisory Board of JDC Group AG

At the Annual General Meeting on July 27, 2022, Dr. Peter Boße was newly elected to the Supervisory Board of the Company.

As of December 31, 2022, the Supervisory Board of JDC Group AG thus consisted of six members with Jens Harig (Chairman), Prof. Dr. Markus Petry (Deputy Chairman), Markus Drews, Dr. Igor Radovic, Dr. Peter Boße and Claudia Haas.

Annual and consolidated financial statement audit 2022

The consolidated financial statements and the Group management report have been prepared in accordance with International Financial Reporting Standards (IFRS). The annual financial statements and management report were prepared in accordance with the rules of the German Commercial Code (HGB). The annual financial statements and consolidated financial statements as well as the management report and Group management report for fiscal 2022 were audited by the auditor elected by the Annual General Meeting on July 27, 2022 and appointed by the Supervisory Board, Dr. Merschmeier + Partner GmbH, Wirtschaftsprüfungsgesellschaft, Münster, who issued an unqualified audit opinion.

The unqualified audit opinions for the fiscal year 2022 for the consolidated and annual financial statements were jointly signed by the auditors Michael Jäger and Wolfgang Scheiper on March 23, 2023.

The aforementioned documents and the auditor's reports were made available to the members of the Supervisory Board. The Supervisory Board itself examined the documents relating to the annual financial statements and consolidated financial statements and discussed them in the presence of the auditor at the meeting on March 27, 2023. The auditors reported on the main results of their audit. The results of the audits did not give rise to any objections. The annual financial statements of JDC Group AG and the consolidated financial statements prepared by the Management Board were approved by the Supervisory Board, as were the submitted Group management report and the management report of JDC Group AG. The annual financial statements are thus adopted.

Thanks to the Executive Board and employees

The Supervisory Board would also like to thank the Management Board and all employees of JDC Group AG and the entire Group for their commitment and achievements in the past financial year, which was difficult but nevertheless successful against the backdrop of inflation and the energy price crisis resulting from the Ukraine war.

For the Supervisory Board
Wiesbaden, March 27, 2023

Jens Harig
Chairman of the Supervisory Board

MANAGEMENT BOARD

Dr. Sebastian Grabmaier
Grünwald
Management Board Chairman – CEO

Dr. Sebastian Grabmaier is chairman of the JDC Group AG Management Board and is responsible for the business units Corporate Strategy, Corporate Communications and Investors Relations, Legal/Compliance, Procurement and Sales. Dr. Sebastian Grabmaier is Managing Director of Jung, DMS & Cie. AG and FiNUM. Finanzhaus AG.

He studied law at the Ludwig Maximilian University, Munich, and the University of Chicago, receiving a doctorate in law (Dr. jur.) in 2001. Having worked in law firms in Munich and Sydney from 1992 onwards, he joined the Allianz Group in 1999, succeeding in various positions up to 2001 including that of assistant to the Management Board and branch manager at Allianz Private Krankenversicherung AG. In parallel, he continued to study at the University of St. Gallen in Switzerland, the Vlerick-Leuven Business School in Belgium and the University of Nyenrode in the Netherlands, graduating with an MBA in Financial Services & Insurance in 2002.

Ralph Konrad
Mainz
Management Board – CFO

Ralph Konrad has a degree in business studies (Dipl.-Kfm.) and his Management Board responsibility covers Accounting, Controlling, Internal Audit, IT, Mergers & Acquisitions and Corporate Investment Management. Ralph Konrad is also managing director of the JDC Group subsidiaries Jung, DMS & Cie. AG and JDC Geld.de GmbH.

After two years of corporate consultancy work in the SME sector (studying in parallel for some of the time), Ralph Konrad worked for three years at a venture capital company of the savings banks, initially as a project assistant and subsequently as project manager. In these roles, he implemented growth and venture financing projects. Ralph Konrad then set up a holding company based in Cologne as a partnership, where he was the sole Management Board member for a period of four years.

Ralph Konrad has been a member of the JDC Group Management Board since September 2005. He has more than 20 years of experience in the private equity industry and has played an active role in IPOs, mergers and acquisitions and company restructuring projects.

Ralph Konrad

"2022 was a divided year. After recording excellent revenues growth of 18 % in the first half of the year, we were unable to decouple ourselves from the effects of interest rates, inflation and the energy crisis in the second half. Overall, we nevertheless continued to develop JDC well and look forward to further years of dynamic growth in the new year."

Stefan Bachmann
Frankfurt
Management Board – CDO

At the JDC Group, Bachmann is responsible for the digital strategy and integration of the directcustomer and platform business, HR as well as marketing within the company network. Stefan Bachmann is also managing director of the JDC Geld.de GmbH.

Stefan Bachmann studied Finance & Economics at the Goethe University in Frankfurt, at Boston College and at the London School of Economics (LSE). Before joining the board of directors of JDC Group AG in 2017 as CDO, Bachmann gained experience in the financial sector at Google over the past nearly seven years, where he headed the division Fintech sales consulting services. Previously he was active in the lifestyle sector with his own digital platform.

SUPERVISORY BOARD

Jens Harig
Kerpen
Independent entrepreneur
Chairman

Prof. Dr. Markus Petry
Wiesbaden
Holder of the chair of financial services controlling at the business school Wiesbaden
Vice Chairman

Dr. Peter Boße
Bruckmühl
Bereichsleiter IT Versicherungskammer Bayern
(since 27 July 2022)

Markus Drews
Köln
CEO Canada Life Assurance Europe plc

Dr. Igor Radovic
Köln
Director product and sales management Canada Life Assurance Europe plc

Claudia Haas
Mainz
Division manager market management D-A-CH, Euler Hermes

Consolidated financial statements

Consolidated financial statements

Consolidated income statement 46

Consolidated statement of comprehensive income 47

Segment reporting 48

Consolidated balance sheet 50

Consolidated cash flow statement 52

Consolidated statement of changes in equity 53

Notes to the consolidated financial statements 54

Appendix 1 to the notes: statement of changes in consolidated fixed assets as of 31 December 2022 114

Appendix 2 to the notes: statement of changes in the net book values of consolidated fixed assets as of 31 December 2022 116

Appendix 3 to the notes: list of shareholdings as of 31 December 2022 117

Appendix 4 to the notes: Financial instruments IFRS 7 as of 31 December 2022 118

Consolidated income statement

	Notes	**01/01/ – 31/12/2022 kEUR**	01/01/ – 31/12/2021 kEUR
1. Revenues	[1]	156,080	146,808
2. Capitalised services	[2]	1,440	1,196
3. Other operating income	[2]	1,591	682
4. Commission expenses	[3]	–111,317	–106,996
5. Personnel expenses	[4]	–27,235	–22,287
6. Depreciation and amortisation of tangible and intangible assets	[5]	–6,052	–5,397
7. Other operating expenses	[6]	–11,593	–11,095
8. Income from participations	[7]	0	70
9. Share in the result of associated companies	[7]	–309	0
10. Income from securities	[7]	0	0
11. Other interest and similar income	[7]	46	1
12. Impairment losses on financial instruments	[7]	–8	0
13. Interest and similar expenses	[7]	–1,541	–1,576
14. Operating profit/loss		**1,102**	1,406
12. Income tax expenses	[8]	–129	–497
13. Other tax expenses	[8]	–34	–5
14. Net profit		**939**	904
of which attributable to minorities		38	–3
thereof attributable to parent company's shareholders		901	907
15. Earnings per share	[9]	**0.07**	0.07

Consolidated statement of comprehensive income

	01/01/ – 31/12/2022 kEUR	01/01/ – 31/12/2021 kEUR
Profit or loss for the period	**939**	904
Other income		
In following periods in the profit and loss account to be reclassified into other result	**0**	0
Profits/losses from the revaluation of defined benefit plans	**90**	2
In following periods in the profit and loss account to be reclassified into other result	**90**	2
Other income after taxes	**90**	2
Total income after taxes	**1,029**	906
Attributable to		
Minorities	38	-3
Parent company's shareholders	991	909

Segment reporting

	Advisortech		Advisory		
	2022 kEUR	2021 kEUR	**2022 kEUR**	2021 kEUR	
Segment income					
Revenues	132,854	121,023	34,720	35,696	
of which with other segments	980	1,412	10,514	8,773	
Total segment income	**132,854**	121,023	**34,720**	35,696	
Capitalised services	1,440	1,196	0	0	
Other income	1,517	493	70	190	
Segment expenses					
Commission expenses	–98,707	–91,829	–23,685	–24,497	
Personnel expenses	–18,856	–14,844	–5,103	–4,517	
Depreciation and amortisation	–4,460	–4,053	–1,259	–1,051	
Other	–8,763	–8,530	–3,425	–3,507	
Total segment expenses	**–130,786**	–119,256	**–33,471**	–33,572	
EBIT	**5,024**	3,456	**1,319**	2,314	
EBITDA	**9,484**	7,509	**2,577**	3,365	
Income from investments	0	70	0	0	
Income from at-equity valuation	–309	0	0	0	
Other interest and similar income	516	484	32	0	
Yield on other securities	0	0	0	0	
Depreciation of financial assets	–8	0	0	0	
Other interest and similar expenses	–1,795	–1,767	–619	–592	
Financial result	**–1,597**	–1,213	**–588**	–592	
Segment earnings before tax (EBT)	**3,427**	2,243	**731**	1,722	
Tax expenses	271	175	–439	–690	
Segment net profit from continuing operations	**3,698**	2,418	**292**	1,032	
Segment net profit from discontinued operations	0	0	0	0	
Minority interests	38	–3	0	0	
Segment net profit after minority interests	3,660	2,421	292	1,032	
Additional information					
Investments in tangible and intangible assets	2,485	2,350	250	182	
Shares in companies accounted for using the equity method	1,164	0	0	0	
Other non-cash itemised expenses except for scheduled depreciation	–1,884	–4,172	–1,358	–2,617	
Scheduled depreciation	–4,460	–4,053	–1,259	–1,051	
Unscheduled depreciation	0	0	0	0	
Total segment assets	**80,419**	88,997	**12,978**	18,064	
Total segment liabilities	**63,300**	72,430	**14,522**	20,775	

Holding		Total reportable segments		Transfer		Total	
2022 kEUR	2021 kEUR	**2022 kEUR**	2021 kEUR	**2022 kEUR**	2021 kEUR	**2022 kEUR**	2021 kEUR
2,067	2,220	169,641	158,939	–13,561	–12,131	156,080	146,808
2,067	1,946	13,561	12,131	–13,561	–12,131	0	0
2,067	2,220	**169,641**	158,939	**–13,561**	–12,131	**156,080**	146,808
0	0	1,440	1,196	0	0	1,440	1,196
11	8	1,598	691	–8	–9	1,591	682
0	0	–122,392	–116,326	11,075	9,330	–111,317	–106,996
–3,276	–2,926	–27,235	–22,287	0	0	–27,235	–22,287
–333	–293	–6,052	–5,397	0	0	–6,052	–5,397
–1,899	–1,868	–14,087	–13,905	2,493	2,810	–11,593	–11,095
–5,508	–5,087	**–169,765**	–157,915	**13,568**	12,140	**–156,197**	–145,775
–3,429	–2,859	**2,914**	2,911	**0**	0	**2,914**	2,911
–3,096	–2,566	**8,966**	8,308	**0**	0	**8,966**	8,308
0	0	0	70	0	0	0	70
0	0	–309	0	0	0	–309	0
970	897	1,517	1,381	–1,472	–1,380	46	1
0	0	0	0	0	0	0	0
0	0	–8	0	0	0	–8	0
–598	–597	–3,013	–2,956	1,472	1,380	–1,541	–1,576
371	300	**–1,813**	–1,505	**0**	0	**–1,813**	–1,505
–3,058	–2,559	**1,101**	1,406	**0**	0	**1,102**	1,406
6	13	–163	–502	0	0	–163	–502
–3,052	–2,546	**938**	904	**0**	0	**939**	904
0	0	0	0	0	0	0	0
0	0	38	–3	0	0	38	–3
–3,052	–2,546	900	907	0	0	901	907
292	6,662	3,027	9,194	0	0	3,027	9,194
0	0	1,164	0	0	0	1,164	0
–454	–390	–3,696	–7,179	0	0	–3,696	–7,179
–333	–293	–6,052	–5,397	0	0	–6,052	–5,397
0	0	0	0	0	0	0	0
57,038	67,651	**150,435**	174,712	**–37,452**	–52,959	**112,983**	121,753
24,778	28,086	**102,600**	121,291	**–26,588**	–38,355	**76,012**	82,936

Consolidated balance sheet

Assets	Notes	31/12/2022 kEUR	31/12/2021 kEUR
Non-current assets			
Intangible assets	[10]	64,052	66,423
Fixed assets	[11]	4,869	5,584
Financial assets	[12]	856	417
Shares in associated companies	[12]	757	0
		70,534	72,424
Deferred taxes	[8]	2,518	3,089
Long-term non-current assets			
Accounts receivable	[13]	1,134	1,122
Other assets	[13]	304	1,390
		1,438	2,512
Total non-current assets		**74,490**	78,025
Current assets			
Accounts receivable		17,601	19,205
Receivables from associated companies	[14]	0	0
Other assets	[14]	3,883	2,226
Securities	[14]	0	0
Cash and cash equivalents	[14]	16,672	21,906
Deferred charges	[15]	337	391
Total current assets		**38,493**	43,728
Total assets		**112,983**	121,753

Liabilities

	Notes	31/12/2022 kEUR	31/12/2021 kEUR
Equity			
Subscribed capital	[16]	13,668	13,668
Own shares	[16]	–687	–505
Capital reserves	[16]	26,472	29,153
Other retained earnings	[17]	516	425
Other equity components	[17]	–2,998	–3,924
Total equity		**36,971**	38,817
Non-current liabilities			
Deferred taxes	[8]	5,502	6,168
Bonds	[18]	19,655	19,491
Liabilities due to banks	[18]	4	0
Accounts payable	[18]	12,975	11,513
Other liabilities	[18]	3,774	7,357
Provisions	[19]	1,366	1,494
Total non-current liabilities		**43,276**	46,023
Current liabilities			
Bonds	[20]	0	0
Provisions	[20]	615	545
Liabilities due to banks	[20]	24	1,015
Accounts payable	[20]	18,132	23,796
Other liabilites	[20]	13,120	10,842
Deferred income	[20]	845	715
Total current liabilities		**32,736**	36,913
Total equity and liabilities		**112,983**	121,753

Consolidated cash flow statement

			01/01/– 31/12/2022 kEUR	01/01/– 31/12/2021 kEUR	Changes compared to previous year kEUR
1.		Result for the period	939	907	32
2.	+	Depreciation and amortisation of fixed assets	6.052	5.397	655
3.	–/+	Decrease/increase of provisions	–58	–715	657
4.	–/+	Other non-cash itemised income/expenses	283	–38	321
5.	–/+	Profit/loss from disposals of fixed assets	0	1	–1
6.	–/+	Increase/decrease of inventories, accounts receivable as well as other assets	1.079	1.820	–741
7.	–/+	Decrease/increase of accounts payable as well as other liabilities	–728	7.483	–8.211
8.	**=**	**Cash flow from operating activities**	7.567	14.855	–7.288
9.	+	Cash receipts from disposals of intangible assets	20	0	20
10.	–	Cash payments for investments in intangible assets	–1.946	–1.532	–414
11	+	Cash receipts from disposals of fixed assets	44	44	0
12.	–	Cash payments for investments in intangible assets	–150	–474	324
13.	+	Cash receipts from disposals of financial assets	344	162	182
14.	–	Cash payments for investments in financial assets	–1.548	–267	–1.281
15.	+	Cash receipts from the disposal of consolidated companies	0	0	0
16.	–	Cash payments for the acquisition of consolidated companies	0	–11.014	11.014
17.	–	Cash payments for investments funds within the borders of short-term finance disposition	0	0	0
18.	+	Cash receipts from investments funds within the borders of short-term finance disposition	0	0	0
19.	**=**	**Cash flow from investment activities**	**–3.236**	–13.081	9.845
20.	+	Cash receipts/payment to equity	0	10.622	–10.622
21.	–	Payments from the purchase of own shares	–3.163	0	–3.163
22.	+	Cash receipts from issuance of bonds	0	0	0
23.	–	Payments from the redemption of bonds	0	0	0
24.	+	Cash receipts from borrowings	0	35	–35
25.	–	Cash payments from loan redemptions	–3.954	–55	–3.899
26.	–	Payments for the repayment part of the rental and leasing obligations	–1.116	–807	–309
27.	–	Paid interests	–1.332	–1.353	21
28.	**=**	**Cash flow from financing activities**	**–9.565**	8.442	–18.007
29.		Changes in cash and cash equivalents (total of pos. 8, 19, 28)	–5.234	10.188	–15.422
30.	+	Cash and Cash equivalents at the beginning of the period	21.906	11.718	10.188
31.	**=**	**Cash and Cash equivalents at the end of the period**	**16.672**	21.906	–5.234

Breakdown of cash and cash equivalents

	31/12/2022 kEUR	31/12/2021 kEUR	Change kEUR
Cash and cash in banks	16.672	21.906	–5.234
Current liabilities due to banks	0	0	0
	16.672	21.906	–5.234

Consolidated statement of changes in equity

	Number of shares	Subscribed capital kEUR	Number of own shares	Capital reserve kEUR	Other retained earnings kEUR	Other equity components kEUR	Non-controlling interests kEUR	**Total equity kEUR**
As of 01/01/2021	**13,128,461**	**13,128**	**−505**	**19,064**	**423**	**−4,822**	**0**	**27,288**
Results as of 31/12/2021						907	−3	904
Other results					2			2
Total					**2**	**907**	**−3**	**906**
Repurchase of own shares								0
Capital increase	540,000	540		10,082				10,622
Stock options granted				7				7
Other equity changes						−6		−6
As of 31/12/2021	**13,668,461**	**13,668**	**−505**	**29,153**	**425**	**−3,921**	**−3**	**38,817**
As of 01/01/2022	**13,668,461**	**13,668**	**−505**	**29,153**	**425**	**−3,921**	**−3**	**38,817**
Results as of 31/12/2022						901	38	939
Other results								0
Total					**0**	**901**	**38**	**939**
Repurchase of own shares			−182	−2,980				−3,162
Capital increase								0
Stock options granted				299				299
Other equity changes					91	−13		78
As of 31/12/2022	**13,668,461**	**13,668**	**−687**	**26,472**	**516**	**−3,033**	**35**	**36,971**

Notes to the consolidated financial statements

1	**General information**	**56**
1.1	**Declaration of compliance by the Management Board**	**56**
2	**Summary of significant accounting policies**	**57**
2.1	**Accounting principles**	**57**
2.1.1	Standards, interpretations and amendments to standards and interpretations effective from the financial year 2022	57
2.1.2	Standards, interpretations and amendments published but not yet implemented	60
2.2	**Information regarding consolidation**	**62**
2.2.1	Reporting entity	62
2.2.2	Principles of consolidation	62
2.3	**Currency translation**	**64**
2.4	**Intangible assets**	**65**
2.4.1	Goodwill	65
2.4.2	Other intangible assets	66
2.4.3	Shares in associated companies	67
2.5	**Property, plant and equipment**	**68**
2.6	**Leased items**	**69**
2.7	**Non-current assets and disposal groups held for sale**	**70**
2.8	**Impairment in value of intangible asset items and property, plant and equipment**	**70**
2.9	**Financial instruments**	**71**
2.10	**Other financial instruments**	**72**
2.10.1	Classification of the maturities for assets	72
2.10.2	Trade receivables	73
2.10.3	Derivative financial instruments	73
2.10.4	Cash and cash equivalents	74
2.10.5	Financial obligations	74
2.11	**Impairment of financial assets**	**75**
2.12	**Liabilities**	**76**
2.12.1	Classification of the maturities for liabilities	76
2.12.2	Other provisions	76
2.12.3	Pension provisions	77
2.12.4	Income tax liabilities	78
2.12.5	Contingent liabilities and receivables	78
2.12.6	Equity options	78
2.13	**Income and expenses**	**79**
2.13.1	Income	79
2.13.2	Income taxes	79
2.13.3	Results from discontinued operations	80
2.14	**Significant assumptions and estimates**	**81**
2.15	**Investments in associated companies**	**83**

3 Notes to the consolidated financial statements 86

3.1 Notes to the consolidated income statement 86
3.1.1 Revenues [1] 86
3.1.2 Other capitalised services/operating income [2] 86
3.1.3 Commission expenses [3] 87
3.1.4 Personnel expenses [4] 87
3.1.5 Depreciation, amortisation and impairment charges [5] 88
3.1.6 Operating expenses [6] 88
3.1.7 Financial result [7] 89
3.1.8 Income and other taxes [8] 90
3.1.9 Earnings per share [9] 92
3.2 Notes to the consolidated balance sheet 94
3.2.1 Non-current assets [10–13] 94
3.2.2 Current assets [14–15] 97
3.2.3 Equity [16–17] 98
3.2.4 Non-current liabilities [18] 100
3.2.5 Long-term provisions [19] 100
3.2.6 Current liabilities [20] 102
3.2.7 Changes in liabilities from financing activities 103
3.3 Lease disclosures 103
3.4 Contingencies 104
3.5 Contingent liabilities 104
3.6 Related party disclosures 105
3.7 Significant events after the reporting date 106
3.8 Statement of changes in equity 106
3.9 Notes to the consolidated cash flow statement 106
3.10 Segment reporting 107

4 Other disclosures 109

4.1 Business purpose and key activities 109
4.2 Capital management 110
4.3 Risk management, financial derivatives and other information on capital management 110
4.4 Risk Management Objectives and Methods 112
4.5 Additional disclosures in accordance with section 315e (1) of the German Commercial Code (HGB) 112

1 General information

The JDC Group is a diversified financial services company with two operating segments, Advisortech and Advisory, and the Holding segment.

The Company was entered in the commercial register of the Wiesbaden Local Court (HRB 22030) on October 06, 2005 under the name Aragon Aktiengesellschaft. The Annual General Meeting on July 24, 2015 resolved to change the company's name to JDC Group AG, which was executed with the entry in the Commercial Register on July 31, 2015.

The registered office of the company is Wiesbaden. The address is:

Söhnleinstrasse 8
65201 Wiesbaden
Federal Republic of Germany

JDC Group shares are listed in the Open Market (Scale) sub-segment.

The Management Board prepared the consolidated financial statements on March 22, 2023 and will release them for publication on March 31, 2023. The consolidated financial statements for the financial year 2022 relate to the parent company and its subsidiaries on a consolidated basis.

1.1 DECLARATION OF COMPLIANCE BY THE MANAGEMENT BOARD

The consolidated financial statements of the JDC Group for the financial year 2022 as well as the previous year are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as applicable in the European Union (EU). The term IFRS also includes the International Accounting Standards (IAS) still in force. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as applicable in the EU and mandatory for fiscal year 2022 have also been applied. In the following, the term IFRS is used consistently.

JDC Group AG is not a parent company within the meaning of Section 315e (1) or (2) of the German Commercial Code (HGB) that is required to prepare consolidated financial statements in accordance with IFRS. JDC Group AG prepares the IFRS consolidated financial statements voluntarily in accordance with Section 315e (3) HGB. The supplementary provisions of commercial law to be observed pursuant to Section 315e (1) HGB have been taken into account.

The fiscal year 2022 of the Group companies covers the period from January 1 to December 31, 2022.

2 Summary of significant accounting policies

2.1 ACCOUNTING PRINCIPLES

The consolidated financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements. The financial statements of JDC Group AG and its subsidiaries are included in the consolidated financial statements using uniform accounting policies applicable to the Group. The consolidated financial statements are presented in euros (EUR), the functional currency of the Group. Unless otherwise stated, all figures are rounded to the nearest thousand euros (kEUR). The consolidated income statement has been prepared using the nature of expense method. The consolidated financial statements have been prepared consistently for the periods presented herein in accordance with the following consolidation, accounting and valuation principles.

The consolidated financial statements have been prepared on a historical cost basis, except that derivative financial instruments and available-for-sale financial assets are stated at fair value.

2.1.1 Standards, interpretations, and amendments to standards and interpretations effective from the financial year 2022

The accounting methods applied are basically the same as those applied in the previous year, with the exceptions listed below.

JDC Group AG applied the new and revised pronouncements of the IASB listed below for the first time in the financial year as of January 1, 2022:

AMENDMENTS TO IAS 37: ONEROUS CONTRACTS – COSTS OF FULFILLING A CONTRACT

An onerous contract is one in which the unavoidable costs (i. e., the costs that the Group cannot avoid because it has the contract) of meeting its obligations under the contract are greater than the economic benefits expected to be received under it. The amendments clarify that, in assessing whether a contract is onerous or onerous, an entity shall consider directly attributable costs associated with the performance of contracts for the supply of goods or services, including incremental costs (e. g., direct labor and materials) and other costs that relate directly to activities performed in fulfilling the contract (e. g., depreciation of items of plant and equipment used in fulfilling the contract and costs of organizing and monitoring the performance of the contract). General administrative expenses are not directly related to the contract and are therefore not included in the contract performance costs unless the contract expressly provides for them to be passed on to the customer. The Group did not identify any contracts as onerous because the unavoidable costs of the contracts, i.e., the costs of fulfilling those contracts, included only incremental costs that were directly attributable to the contracts. These amendments had no impact on the consolidated financial statements.

AMENDMENTS TO IFRS 3: REFERENCE TO THE FRAMEWORK

The amendments replace the reference to an earlier version of the IASB's Framework with a reference to the current version published in March 2018 without significantly changing its existing provisions.

The amendments also introduce an exception to the recognition principles in IFRS 3 Business Combinations to avoid so-called Day 2 gains or losses on liabilities and contingent liabilities that would fall within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies if they were entered into separately. Under the exemption, entities must apply the criteria of IAS 37 or IFRIC 21 instead of the framework approach to determine whether a present obligation exists at the acquisition date.

Finally, the amendments add a new paragraph to IFRS 3 specifying that contingent assets should not be recognized at the acquisition date. In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e. to business combinations that occur after the beginning of the financial year in which it first applies the amendments (date of initial application).

These amendments had no impact on the consolidated financial statements as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments during the reporting period.

AMENDMENTS TO IAS 16: REVENUE RECOGNITION BEFORE AN ASSET IS IN ITS WORKING CONDITION

Under the amendments, entities are no longer permitted to deduct revenue from the sale of items produced while an item of property, plant and equipment is being brought to its location and condition necessary for it to be capable of operating in the manner intended by management from the cost of that item of property, plant and equipment. Instead, such revenue should be recognized in the income statement together with the cost of the items.

These amendments had no impact on the consolidated financial statements.

AMENDMENT TO IFRS 1: FIRST-TIME ADOPTION BY A SUBSIDIARY

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences based on the amounts recognized in the parent's consolidated financial statements from the date the parent transitioned to IFRSs.

However, this only applies if no adjustments have been made for consolidation transactions and the effects of the business combination in which the parent acquired the subsidiary. This amendment also applies to associates and joint ventures that apply IFRS 1.D16(a).

This amendment had no impact on the consolidated financial statements as the Group is not a first-time adopter.

AMENDMENT TO IFRS 9: CHARGES IN THE 10% PRESENT VALUE TEST BEFORE DERECOGNITION OF FINANCIAL LIABILITIES

The amendment clarifies which fees an entity shall consider when assessing whether the terms of a new or modified financial liability are materially different from those of the original financial liability. Only those fees paid or received between the borrower and the lender are to be included, including those paid or received by either the borrower or the lender on behalf of the other. For IAS 39 Financial Instruments: Recognition and Measurement there is no comparable proposed amendment. In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or replaced at or after the beginning of the financial year in which it first applies the amendment (date of initial application).

This amendment had no impact on the consolidated financial statements as there were no modifications to the Group's financial instruments during the reporting period.

AMENDMENT TO IAS 41: TAXATION OF FAIR VALUE MEASUREMENTS

The amendment removes the requirement in paragraph 22 of IAS 41 not to consider tax cash flows when measuring the fair value of biological assets.

This amendment did not have any impact on the consolidated financial statements as the Group did not hold any assets falling within the scope of IAS 41 as of the reporting date.

2.1.2 Standards, interpretations and amendments published but not yet implemented

Standards issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below. The Group intends to apply these standards when they become effective.

IFRS 17 – INSURANCE CONTRACTS

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard that sets out principles for recognition, measurement, presentation and disclosure requirements in relation to insurance contracts. Upon its effective date, IFRS 17 replaces IFRS 4 Insurance Contracts, which was published in 2005. IFRS 17 is applicable to all types of insurance contracts (i.e., life insurance, property insurance, direct insurance and reinsurance) and to certain guarantees and financial instruments with discretionary participation features, regardless of the type of issuing entity. Individual exemptions apply with regard to the scope of application. The overall objective of IFRS 17 is to create a more useful and consistent accounting model for insurers. In contrast to the provisions of IFRS 4, which largely grandfather previous local accounting rules, IFRS 17 represents a comprehensive model for insurance contracts that reflects all relevant aspects of accounting. The core of IFRS 17 is the general model, supplemented by

— a specific variant for contracts with direct participation in surplus (variable fee approach) and
— a simplified model (premium allocation approach), usually for short-term contracts.
—

IFRS 17 is effective for annual periods beginning on or after January 1, 2023. IFRS 17 does not apply to the Group.

AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:

— The right to postpone the fulfillment of a debt is explained.
— The right to defer settlement of a liability must exist at the reporting date.
— For classification purposes, it is irrelevant whether the company expects to actually exercise this right.
— Only if a derivative embedded in a convertible debt instrument is an equity instrument that must be accounted for separately do the terms of the debt instrument not have to be taken into account in its classification.

The amendments are effective for fiscal years beginning on or after January 1, 2023 and are to be applied retrospectively. The Group is currently assessing the impact of the amendments on its current accounting policies.

AMENDMENTS TO IAS 8: DEFINITION OF ACCOUNTING ESTIMATES

In February 2021, the IASB issued amendments to IAS 8 introducing a new definition of accounting estimates. The amendments clarify how changes in accounting estimates differ from changes in accounting policies and error corrections. They also explain how entities can make accounting estimates using measurement techniques and inputs. The amendments are effective for annual periods beginning on or after January 1, 2023, and shall be applied to changes in accounting policies and accounting estimates that occur on or after the beginning of that financial year. Earlier application is permitted provided that this fact is disclosed.

The Group does not expect the amendments to have a material impact on the consolidated financial statements.

AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2: DISCLOSURE OF ACCOUNTING POLICIES

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, providing guidance and illustrative examples to help entities assess when accounting policy information is “material” and should therefore be disclosed. The amendments are intended to assist entities in making disclosures about accounting policies that are more helpful to users of financial statements by replacing the requirement to disclose “significant” accounting policies with the requirement to disclose “material” accounting policy information and by adding guidance to help entities apply the concept of materiality in assessing when information on accounting policies must be disclosed. The amendments to IAS 1 are effective for financial years beginning on or after January 1, 2023. Earlier application is permitted. As the amendments to Practice Statement 2 provide non-binding application guidance on the definition of “material” in relation to information on accounting policies, an effective date for the amendments was not considered necessary.

The Group is currently assessing the impact of the amendments on the Group’s disclosures of its accounting policies.

AMENDMENTS TO IAS 12: DEFERRED TAXES RELATING TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

In May 2021, the IASB issued amendments to IAS 12 that narrow the scope of the initial recognition exception in IAS 12 to no longer apply to transactions that give rise to taxable and deductible temporary differences that are equal in amount. The amendments are applicable to transactions occurring on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (if sufficient taxable profit is available) and a deferred tax liability shall be recognized for all deductible and taxable temporary differences associated with leases and asset retirement obligations.

The amendments to IAS 1 are effective for financial years beginning on or after January 1, 2023. Earlier application is permitted. The Group is currently assessing the impact of these amendments.

2.2 INFORMATION REGARDING CONSOLIDATION

2.2.1 Reporting entity

In addition to JDC Group AG, the consolidated financial statements generally include all subsidiaries in which JDC Group AG holds the majority of voting rights or over which it otherwise has the power to exercise control, in accordance with IFRS 10.

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, jupoo finance GmbH, Vienna/Austria, FiNUM.Private Finance AG, Vienna/Austria, benefit consulting GmbH, Vienna/Austria, FiNUM.Private Finance Holding GmbH, Vienna/Austria and JDC-B-Lab, Triesen/Liechtenstein, the subsidiaries are domiciled in Germany. In addition to the parent company, the consolidated financial statements include the direct subsidiaries and the subgroups Jung, DMS & Cie. Aktiengesellschaft, FiNUM.Private Finance Holding GmbH, Wiesbaden, and FiNUM.Private Finance Holding GmbH, Vienna.

The adjacent table shows the scope of consolidation of JDC Group AG.

MEG AG, Kassel, is not included in the consolidated financial statements due to lack of control. FVV GmbH, Wiesbaden, is not included in the consolidated financial statements due to its immateriality.

A list with the complete list of shareholdings of JDC Group AG can be found in Annex 3 to these Notes and is filed with the electronic company register.

2.2.2 Principles of consolidation

Subsidiaries are entities in which JDC Group AG holds, either directly or indirectly, more than half of the voting rights. Control in this sense of IFRS 10 exists when JDC Group AG can use its power of disposition to influence the amount of return.

Under IFRS, all business combinations must be accounted for using the purchase method. Capital consolidation was performed as of the date of acquisition using the purchase method. The date of acquisition is the date on which the Group obtains control by assuming the risks and rewards of ownership. Under the purchase method, the purchase price of the acquired shares is offset against the pro rata fair value of the acquired assets and liabilities and contingent liabilities of the subsidiary at the acquisition date. The relevant values are those at the date on which control over the subsidiary was obtained. Any positive difference arising from the offsetting is capitalized as derivative goodwill. Any negative difference is recognized immediately in profit or loss after reassessment of the identifiable assets, liabilities and contingent liabilities.

Subsidiaries

	Capital share in %	Date of first-time consolidation
1. JDC Group-Konzern		
Jung, DMS & Cie. Aktiengesellschaft, Munich	100.0	31/03/2004
FiNUM.Private Finance Holding GmbH, Wien	100.0	01/10/2009
FiNUM.Private Finance Holding GmbH, Wiesbaden	100.0	01/10/2011
JDC B-LAB GmbH, Triesen/Liechtenstein	100.0	01/01/2018
2. Sub-group Jung, DMS & Cie. Aktiengesellschaft		
Jung, DMS & Cie. GmbH, Vienna/Austria	100.0	31/03/2004
Jung, DMS & Cie. Pool GmbH, Wiesbaden	100.0	07/05/2004
Jung, DMS & Cie. Pro GmbH, Wiesbaden	100.0	17/01/2008
JDC plus GmbH, Wiesbaden	100.0	01/10/2013
JDC Geld.de GmbH, Wiesbaden	100.0	01/09/2010
MORGEN & MORGEN GmbH, Hofheim/Ts.	100.0	01/08/2021
BB-Wertpapierverwaltungsgesellschaft mbH, Augsburg	75.1	01/07/2021
3. Sub-group FiNUM.Private Finance Holding GmbH, Vienna/Austria		
FiNUM.Private Finance AG, Vienna/Austria	100.0	31/12/2009
jupoo finance GmbH, Vienna/Austria	50.0	01/09/2011
benefit consulting GmbH, Vienna/Austria	100.0	01/04/2021
4. Sub-group FiNUM.Private Finance Holding GmbH		
FiNUM.Private Finance AG, Berlin	100.0	31/12/2011
FiNUM.Finanzhaus AG, Munich	100.0	12/07/2013
FiNUM.Pension Consulting GmbH, Wiesbaden	100.0	01/09/2012

When acquiring additional shares in companies that are already included in the consolidated financial statements as subsidiaries, the difference between the purchase price and the proportionate share of equity acquired is recognized as goodwill.

In the case of investments of less than 100 % in the equity of the subsidiary, minority interests are to be taken into account. In the case of consolidation using the revaluation method, the equity attributable to minority interests is increased by the proportionate hidden reserves. Any hidden reserves and liabilities identified when measuring assets and liabilities at fair value in the course of initial consolidation are carried forward, amortized or reversed in subsequent periods in line with the development of the assets and liabilities. Derivative goodwill is allocated to the relevant cash-generating unit and regularly tested for impairment in subsequent periods and, if impaired, written down to the lower recoverable amount.

Income and expenses of a subsidiary are included in the consolidated financial statements from the date of acquisition. Income and expenses of a subsidiary remain included in the consolidated financial statements until the date on which control by the parent ceases. The difference between the proceeds from the disposal of the subsidiary and its carrying amount is recognized in the consolidated statement of income as a gain or loss on disposal of the subsidiary at the date of disposal. Expenses and income, receivables and liabilities, as well as results between the companies included in the consolidated financial statements are eliminated.

Associates are entities over which JDC Group AG or one of its subsidiaries has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the profits and losses of associates, calculated using the equity method, from the date that significant influence commences until the date that significant influence ceases. Investments in associates are initially recognized at the Group's share of the revalued assets (plus any goodwill), liabilities and contingent liabilities. Goodwill arising from the application of the equity method is not amortized. The carrying amount of the investment resulting from the application of the at-equity method is reviewed for impairment whenever there is an indication that the investment may be impaired. Unrealized gains and losses on transactions with these entities are eliminated on a pro rata basis. Where the Group's share of losses exceeds the carrying amount of the investment in the associate, this is recognized as zero. Additional losses are accounted for by recognizing a liability to the extent that JDC Group AG has incurred economic and legal obligations or made payments on behalf of the associate.

Intragroup balances and transactions and unrealized gains on intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains on transactions with associates are eliminated to the extent of the Group's interest in the associate; unrealized losses are treated in the same way as unrealized gains, but only when there is no indication of impairment of the carrying amount of the investment.

Deferred taxes are recognized on consolidation adjustments recognized in profit or loss in accordance with IFRS.

2.3 Currency translation

Foreign currency transactions are translated into euros at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies existing at the balance sheet date are translated into euros at the closing rate. Exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value at the balance sheet date were translated into euros using the exchange rate at the date when the fair value was determined.

2.4 INTANGIBLE ASSETS

2.4.1 Goodwill

Goodwill can generally arise from the purchase of parts of a company, the acquisition of subsidiaries, associated companies and joint ventures. In the case of business combinations, goodwill is calculated using the provisions of IFRS 3 as the excess of the cost of the investment over the acquired share of the revalued equity of the acquired company.

Goodwill is tested for impairment at least annually on the basis of the recoverable amount of the cash-generating unit and, in the event of impairment, written down to the recoverable amount ("impairment only" approach). The impairment test must also be performed whenever there are indications that the cash-generating unit is impaired.

For the purpose of impairment testing, goodwill acquired in a business combination must be allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. This applies regardless of whether other assets or liabilities of the acquiree have already been allocated to those units or groups of units.

If the carrying amount of the cash-generating unit to which the goodwill has been allocated exceeds its recoverable amount, the goodwill allocated to this cash-generating unit must be impaired and written down by the difference. Impairment losses on goodwill may not be reversed. If the impairment loss on the cash-generating unit exceeds the carrying amount of the goodwill allocated to it, the excess impairment loss must be recognized by reducing the carrying amounts of the assets allocated to the cash-generating unit on a pro rata basis. The recoverable amount of a cash-generating unit is determined based on its value in use or fair value less costs to sell. The value in use is generally calculated using the discounted cash flow (DCF) method. These DCF calculations are based on forecasts that are based on the financial plans approved by the Executive Board and are also used for internal purposes. The planning horizon selected reflects the assumptions for short- to medium-term market developments. Cash flows beyond a forecast period of generally 3 years are calculated using appropriate growth rates. Key assumptions on which the determination of fair value less costs to sell is based include assumptions regarding the number of contracts brokered, gross margin, cash outflows for operating activities, growth rates and discount rate. In addition, external information is included in the cash flow calculations. In order to determine the fair value less costs to sell, market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is applied. This is based on valuation multiples or other available fair value indicators.

Each unit or group of units to which goodwill has been allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than an operating segment as defined in IAS 8. For IAS 36, operating segments before aggregation are considered the upper limit of a group.

2.4.2 Other intangible assets

Other intangible assets acquired from Group companies, for example software and licenses or customer base, are measured at cost plus incidental acquisition costs (for example software customizing), less accumulated amortization and impairment losses (cf. also Note 3.1.3). 3.1.5).

Internally generated software is capitalized at cost to the extent that a clear allocation of expenses is possible and both the technical feasibility and the internal use (or marketing) of the intangible asset are assured and the development activity is sufficiently likely to lead to a future economic benefit. Capitalized development costs comprise all costs directly attributable to the individual software development and pro rata overheads. Internally generated intangible assets are capitalized less accumulated amortization and impairment losses (see Note 3.1.5). 3.1.5). Research expenditure and borrowing costs are not capitalized, but are expensed as incurred.

Amortization of other intangible assets with finite useful lives is calculated using the straight-line method over their estimated useful lives. Amortization begins when the intangible asset is available for use.

The expected useful life is for:

Self-created software	5 years
"Compass", "World of Finance", "allesmeins", "Portal GELD.de" and "iCRM"	
Purchased software	3 years
Licenses	1 to 10 years
Customer base	10–15 years

The useful lives and depreciation methods are reviewed at least at each annual reporting date. If expectations differ from previous estimates, the corresponding changes are recognized as changes in accounting estimates in accordance with IAS 8.

Intangible assets are impaired if the recoverable amount - the higher of the asset's fair value less costs to sell and its value in use - is lower than the carrying amount.

As part of the acquisition of the activities relating to Geld.de, intangible assets (domain) with indefinite useful lives were acquired; no amortization was recognized in this regard.

2.4.3 Shares in associated companies

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over the decision-making processes.

The considerations used to determine significant influence are similar to those required to determine control of subsidiaries. The Group's investment in an associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of the net assets of the associate or joint venture since the date of acquisition. Goodwill associated with the associate is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment.

The income statement includes the Group's share of the associate's profit or loss for the period. Changes in other comprehensive income of these investees are recognized in other comprehensive income of the Group. In addition, changes recognized directly in equity of the associate are recognized by the Group to the extent of its interest and, where necessary, presented in the statement of changes in equity. Unrealized gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate or joint venture.

The Group's total share of profit or loss of an associate is not presented in the income statement as part of operating profit and relates to profit or loss after tax and after non-controlling interests in the subsidiaries of the associate.

The financial statements of the associated company are prepared as of the same reporting date as the financial statements of the Group. Where necessary, adjustments are made to conform to uniform Group accounting policies. After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in an associate. It assesses at each reporting date whether there is objective evidence that the investment in the associate is impaired. If any such indication exists, the amount of the impairment loss is measured as the difference between the asset's recoverable amount and the carrying amount of the investment in the associate, and the loss is recognized in profit or loss under „Share of profit or loss of associates and joint ventures".

Upon loss of significant influence over an associate, the Group measures any investment it retains in the former associate or joint venture at fair value. Differences between the carrying amount of the investment in the associate at the date of loss of significant influence or joint control and the fair value of the investment retained and the proceeds on disposal are recognized in the income statement.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses in accordance with the cost model.

Cost includes the purchase price and directly attributable costs to bring the asset to its intended working condition, as well as the estimated costs of demolition and removal of the item.

Subsequent expenditures are capitalized only when it is probable that the economic benefits associated with the expenditure will flow to the asset concerned and the cost can be measured reliably. All other expenses, such as maintenance expenses, are expensed as incurred. Borrowing costs are not capitalized.

Depreciation on property, plant and equipment is calculated using the straight-line method over the expected useful lives of the assets. In the year of acquisition, property, plant and equipment are depreciated on a pro rata temporis basis.

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term.

The expected useful life is for:

IT hardware/devices	2 to 5 years
Business equipment	5 to 13 years
Exhibition stands	6 years
Car	6 years
Office equipment	12 to 13 years
Leasehold improvements	4 to 25 years

If an item of property, plant and equipment consists of several components with different useful lives, the individual significant components are depreciated over their individual useful lives.

On disposal of an item of property, plant and equipment, or when no further economic benefits are expected from its use or disposal, the carrying amount of the item is derecognized. The gain or loss on derecognition of an item of property, plant and equipment is the difference between the net disposal proceeds and the carrying amount of the item and is recognized in other operating income or other operating expenses at the time of derecognition.

The residual carrying amounts, useful lives and depreciation methods of assets are reviewed at least at each annual reporting date. If expectations differ from previous estimates, the corresponding changes are accounted for as changes in accounting estimates in accordance with IAS 8.

2.6 LEASED ITEMS

The Group has entered into rental and lease agreements for various office buildings, motor vehicles and operating and office equipment.

All leases (with the exception of short-term leases and leases where the underlying asset is of low value) are recognized and measured using a single model. Liabilities to make lease payments and rights of use for the right to use the underlying asset are recognized.

The Group recognizes rights of use at the date of commitment (i.e., the date when the underlying leased asset is available for use). Rights-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. The cost of rights-of-use assets includes the recognized lease liability, the initial direct costs incurred, and lease payments made at or before the time the asset is made available for use, less any lease incentives received. Rights-of-use assets are amortized on a straight-line basis over the shorter of the lease term or the expected useful life of the asset as follows. Leases for office buildings are concluded for up to ten years, while the lease term for vehicles is between three and four years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost includes the exercise of a purchase option, depreciation is determined based on the expected useful life of the leased asset.

At the commitment date, the Group recognizes lease liabilities at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including de facto fixed payments) less any lease incentives to be received, variable lease payments linked to an index or (interest) rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it, and penalties for termination of the lease if the term takes into account that the Group will exercise the termination option. Variable lease payments that are not linked to an index or (interest) rate are expensed in the period in which the event or condition giving rise to the payment occurs.
recognized (unless they are caused by the production of inventories).

In calculating the present value of lease payments, the Group uses its marginal borrowing rate at the commitment date, as the interest rate underlying the lease cannot be readily determined. After the commitment date, the amount of the lease liability is increased to reflect the higher interest expense and decreased to reflect lease payments made. In addition, the carrying amount of the lease liability is remeasured for changes in the lease, changes in the lease term, changes in the lease payments (e. g., changes in future lease payments as a result of a change in the index or interest rate used to determine those payments), or a change in the assessment of a call option on the underlying asset.

The Group's lease liabilities are included in other liabilities (see 3.2.4 and 3.2.6).

The Group applies the exception for short-term leases (i. e., leases with a lease term beginning on or after provision date is twelve months or less and that do not include a purchase option). It also applies the exemption for leases based on an asset of low value to leases for office equipment that are classified as low-value. Lease payments for short-term leases and for leases that have an asset value of minor value are recognized as an expense on a straight-line basis over the term of the lease.

2.7 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

Non-current assets and disposal groups held for sale are classified as such if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are measured at the lower of carrying amount or fair value less costs to sell. These assets are no longer depreciated or amortized. Impairment losses are generally only recognized for these assets if the fair value less costs to sell is below the carrying amount. In the event of a subsequent increase in fair value less costs to sell, the previously recognized impairment loss must be reversed. The reversal is limited to the impairment losses previously recognized for the assets concerned.

2.8 IMPAIRMENT IN VALUE OF INTANGIBLE ASSET ITEMS AND PROPERTY, PLANT AND EQUIPMENT

Impairment is determined by comparing the carrying amount with the recoverable amount. The recoverable amount of assets is the higher of an asset's fair value less costs to sell and its value in use. For assets to which no cash flows can be directly allocated, the recoverable amount must be determined for the cash-generating unit to which the asset belongs.

At each reporting date, an assessment is made as to whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or cash-generating unit is determined. The corresponding impairment loss is recognized in profit or loss.

If the reasons for previously recognized impairment losses no longer apply, the impairment losses are reversed. However, impairment losses are reversed only to the extent that the carrying amount of an asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized. Goodwill is not written up.

The recoverable amount of the cash-generating units is generally determined using a discounted cash flow method. This involves using financial budgets to make projections of cash flows that are expected to be generated over the estimated useful life of the asset or cash-generating unit. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. The internal pre-tax interest rate was applied in the amount of 5.5 % (previous year: 5.5 %).

The cash flows determined reflect management's assumptions.

2.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include, in particular, held-to-maturity investments, non-derivative and derivative financial assets held for trading, trade receivables, other loans and receivables, and cash and cash equivalents. Financial liabilities regularly give rise to a right of return in cash or another financial asset. These include in particular bonds, trade accounts payable, liabilities to banks and derivative financial liabilities.

Financial instruments are generally recognized as soon as the JDC Group becomes a party to the contractual provisions of the financial instrument.

On initial recognition, financial assets are classified for subsequent measurement either as at amortized cost (AC), at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL). The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets.

The Group's business model for managing its financial assets reflects how an entity manages its financial assets to generate cash flows. Depending on the business model, cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both. The JDC Group makes purchases of financial assets exclusively with the aim of collecting contractual cash flows. This means that sales before maturity are generally excluded and all financial assets are classified under the “hold” business model.

The category “Financial assets measured at amortized cost (debt instruments)” is the most significant for the consolidated financial statements. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows, and
- the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

Financial assets measured at amortized cost are measured in subsequent periods using the effective interest method and are to be tested for impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets measured at amortized cost include the following items trade receivables and other receivables recognized under other assets.

The Group recognizes an allowance for expected credit losses (ECL) on all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows to be paid under the contract and the total cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are an integral part of the contractual terms.

Expected credit losses are recognized in two steps. For financial instruments for which the risk of default has not increased significantly since initial recognition, an allowance for credit losses is recognized in the amount of the expected credit losses based on a default event within the next twelve months (12-month ECL). For financial instruments whose default risk has increased significantly since initial recognition, an entity shall recognize a loan loss provision in the amount of the expected credit losses over the remaining term to maturity, irrespective of when the default event occurs (total maturity ECL).

For trade receivables and other assets, the Group applies a simplified method to calculate expected credit losses. Therefore, it does not track changes in credit risk, but instead records an allowance for credit losses at each reporting date based on the overall maturity ECL. The Group applies the simplified approach (loss rate approach). Under this approach, historical loss rates are determined for defined portfolios with the same risk characteristics. Criteria for portfolio formation are similar contractual terms of the assets and comparable counterparty characteristics. Expected losses are estimated on the basis of historical losses.

A financial instrument is derecognized when it is not reasonably certain that all or part of a financial asset will be recoverable, for example, after the termination of insolvency proceedings or after a court decision.

After initial recognition, financial liabilities are generally measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss upon derecognition and through the amortization process.

2.10 OTHER FINANCIAL INSTRUMENTS

2.10.1 Classification of the maturities for assets

An asset is classified as current if

- the realization of the asset is expected within the normal operating cycle or the asset is held for sale or consumption within this period,
- the asset is held primarily for trading purposes,
- the asset is expected to be realized within twelve months after the reporting date, or
- it is cash or cash equivalents, unless the exchange or use of the asset to settle a liability is restricted for at least twelve months after the reporting date.

All other assets are classified as non-current.
Deferred tax assets are classified as non-current assets.

2.10.2 Trade receivables

Trade accounts receivable and other current receivables are carried at amortized cost using the effective interest method, if applicable, less any necessary impairment losses. The impairment losses, which are recognized in the form of specific valuation allowances, take sufficient account of the expected default risks. Specific defaults result in the derecognition of the receivables concerned. Receivables from unbilled services relate to commission receivables from brokerage contracts. The income is recognized when the contract is concluded. All identifiable risks are taken into account.

2.10.3 Derivative financial instruments

Derivative financial instruments are used exclusively for hedging purposes in order to hedge interest rate risks resulting from operating, financing and investing activities. Derivative financial instruments are neither held nor issued for speculative purposes. Derivative financial instruments that do not meet the requirements of a hedging instrument (hedge accounting) must be classified as "financial assets and liabilities held for trading". Derivative financial instruments with a positive fair value are then recognized at fair value upon addition and reported under the item "Securities" in current assets; derivative financial instruments with a negative fair value are reported under other current liabilities. If no market values are available, fair values must be calculated using recognized financial mathematical models. In subsequent periods, these are recognized in accordance with the fair value at the balance sheet date, with any resulting gains or losses being recognized in profit or loss.

For derivative financial instruments, the fair value is the amount that the JDC Group would receive or pay to terminate the financial instrument at the reporting date. This is calculated using the relevant interest rates, exchange rates and credit ratings of the contracting parties at the reporting date. Mid-market rates are used for the calculations. For interest-bearing derivative financial instruments, a distinction is made between the clean price and the dirty price. In contrast to the clean price, the dirty price also includes accrued interest. The fair values recognized correspond to the full fair value or the dirty price.

The decisive factor for the recognition of changes in fair value – recognition through profit or loss in the income statement or recognition directly in equity – is whether or not the derivative financial instrument is part of an effective hedging relationship. If there is no hedge accounting, the changes in the fair values of the derivative financial instruments must be recognized immediately in profit or loss. If, on the other hand, an effective hedging relationship exists, the hedging relationship is accounted for as such.

Depending on the type of hedged item, a distinction is made between **fair value hedges**, **cash flow hedges** and **hedges of a net investment in a foreign operation**.

JDC Group generally uses derivative financial instruments only to hedge interest rate risks resulting from operating activities, financial transactions and investments (interest rate swap); no derivative financial instruments were used as of the reporting date. The principles of accounting for a **cash flow hedge** are described below.

Cash flow hedges are used to hedge the exposure to variability in future cash flows from assets and liabilities recognized in the balance sheet or from highly probable forecast transactions. If a cash flow hedge exists, the effective portion of the change in value of the hedging instrument is recognized directly in equity (hedging reserve) until the gain or loss on the hedged item is recognized; the ineffective portion of the change in value of the hedging instrument is recognized in profit or loss.

IFRS 9 imposes strict requirements on the application of hedge accounting. These are met by the JDC Group as follows: At the inception of a hedge, both the relationship between the financial instrument used as a hedging instrument and the hedged item and the objective and strategy of the hedge are documented. This includes both the specific allocation of the hedging instruments to the corresponding assets or liabilities or (firmly agreed) future transactions and an assessment of the degree of effectiveness of the hedging instruments used. Existing hedges are continuously monitored for effectiveness. If a hedge becomes ineffective, it is immediately terminated.

2.10.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances with a remaining term of up to three months. These holdings are measured at amortized cost.

2.10.5 Financial liabilities

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition are also recognized for all financial liabilities that are not subsequently measured at fair value through profit or loss.

Trade accounts payable and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method.

In the case of financial liabilities, JDC Group has so far not made use of the option to designate these as financial liabilities at fair value through profit or loss upon initial recognition.

2.11 IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the carrying amounts of financial assets that are not measured at fair value through profit or loss are assessed to determine whether there is objective evidence of impairment, such as significant financial difficulties of the debtor, a high probability that insolvency proceedings will be initiated against the debtor, the disappearance of an active market, or significant changes in the economic or legal environment.

Any impairment loss resulting from a lower fair value compared with the carrying amount is recognized in profit or loss. If impairments of the fair values of available-for-sale financial assets were previously recognized directly in equity, they must be eliminated from equity up to the amount of the identified impairment and reclassified to profit or loss.

If, at subsequent measurement dates, it is determined that the fair value has objectively increased as a result of events that occurred after the impairment was recognized, the impairment losses are reversed through profit or loss in the corresponding amount. Impairment losses relating to unquoted equity instruments classified as available-for-sale and carried at cost may not be reversed. The fair value of held-to-maturity securities and the fair value of loans and receivables carried at cost to be determined in the impairment test corresponds to the present value of the estimated future cash flows discounted at the original effective interest rate. The fair value of unquoted equity instruments measured at cost is the present value of expected future cash flows discounted at the current interest rate that reflects the particular risk of the investment.

As a result of the introduction of IFRS 9, the possible defaults on receivables and other assets are divided into three levels, whereby the JDC Group makes use of the possible relief and combines levels 2 and 3.

In stages 2 and 3, the expected defaults over the entire term are estimated for all receivables and other assets. The average defaults of the last five years were determined for the estimate. For 2022, this means an expected default risk of 7% of the receivables in Levels 2 and 3.

Impairment losses under IFRS 9 are as follows:

Impairments in accordance with IFRS 9	2022 kEUR	2021 kEUR
As of 1 January	410	428
Allowance for expected bad debt losses	319	0
Reversal	–410	–18
Exchange rate changes	0	0
As of 31 December	**319**	410

The impairments were recognized as long-term and shoert-term as of the reporting date:

thereof	213	308
long-term	106	102
short-term	319	410

2.12 LIABILITIES

2.12.1 Classification of the maturities for liabilities

A debt is classified as current if:
- settlement of the liability is expected within the normal operating cycle,
- the debt is held primarily for trading purposes,
- the liability is expected to be settled within twelve months after the balance sheet date, or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other debt is classified as non-current.
Deferred tax liabilities are classified as non-current liabilities.

2.12.2 Other provisions

Other provisions are recognized in the consolidated statement of financial position when a legal or constructive obligation to a third party has arisen as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the expected provision. These provisions are measured at the expected settlement amount, taking into account all identifiable risks, and may not be offset against reimbursements. The settlement amount is calculated on the basis of a best estimate.

Non-current other provisions are recognized at their settlement amount discounted to the balance sheet date if the interest effect is material.

Changes in estimates of the amount or timing of payments or changes in the interest rate used to measure provisions for decommissioning, restoration and similar obligations are recognized in accordance with the change in the carrying amount of the corresponding asset. In the event that a reduction in the provision exceeds the carrying amount of the corresponding asset, the excess amount is recognized immediately as income.

2.12.3 Pension provisions

Retirement benefits in the Group are provided on the basis of defined benefit and defined contribution plans.

In the case of defined contribution plans, JDC pays contributions to state or private pension insurance providers on the basis of statutory or contractual provisions or on a voluntary basis. Once the contributions have been paid, JDC has no further benefit obligations. Obligations for contributions to defined contribution plans are recognized as an expense when the related service is rendered. Prepaid contributions are recognized as an asset to the extent that a right to reimbursement or reduction of future payments arises.

Provisions for pension obligations arising from defined benefit plans are measured using the projected unit credit method prescribed by IAS 19 "Employee Benefits". The pension commitments are partly financed by reinsurance policies. Almost all reinsurance policies meet the requirements for plan assets, so that in the balance sheet according to IAS 19, the claims from reinsurance policies are netted against the corresponding pension provisions. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current and prior periods. This amount is discounted and the fair value of any plan assets is deducted therefrom. For the valuation of pension obligations, JDC uses actuarial calculations to estimate the impact of future developments on the expenses and income as well as obligations and claims to be recognized from these plans. These calculations are based on assumptions regarding the discount rate, mortality and future pension increases. JDC bases the discount rate used to discount post-employment benefits on the interest rates of senior, fixed-rate corporate bonds.
Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income. The remeasurement includes actuarial gains and losses, the return on plan assets (excluding interest) and the effect of any asset ceiling (excluding interest). The Group determines the net interest cost (income) on the net defined benefit liability (asset) for the reporting period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period. This discount rate is applied to the net defined benefit liability (asset) at that date. This takes into account any changes that occur in the net defined benefit liability (asset) as a result of contribution and benefit payments during the reporting period. Net interest expense and other expenses relating to defined benefit plans are recognized in profit or loss.

2.12.4 Income tax liabilities

Income tax liabilities correspond to the expected tax liability resulting from taxable income for the period. This takes into account the tax rates that have been enacted or substantively enacted by the balance sheet date and the adjustment of taxes owed from previous periods.

2.12.5 Contingent liabilities and receivables

Contingent liabilities and assets are possible obligations or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events. Contingent liabilities are also present obligations that arise from past events, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or where the amount of the obligation cannot be reliably estimated.

Contingent liabilities are recognized at fair value if they are assumed as part of a business combination. Contingent assets are not recognized. If an outflow of economic benefits is not improbable, disclosures on contingent liabilities are made in the notes to the consolidated financial statements. This also applies to contingent assets if an inflow is probable.

2.12.6 Equity options

As remuneration for work performed, employees of the Group (including executives) receive share-based payment in the form of equity instruments (so-called equity-settled transactions). The cost of equity-settled transactions is measured at fair value at the grant date using an appropriate valuation model.

These costs, together with a corresponding increase in equity (other capital reserves), are recognized in employee benefit expense over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (vesting period). The cumulative expense recognized at each reporting date until the vesting date of the equity instruments reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will vest at the end of the vesting period. The income or expense recognized in profit or loss for the period is the change in the cumulative expense recognized at the beginning and end of the reporting period.

Service- and market-independent performance conditions are not taken into account when determining the fair value of compensation agreements at the grant date. However, the probability that the conditions will be met is assessed as part of the Group's best estimate of the number of equity instruments that will vest at the end of the vesting period. Market-based performance conditions are reflected in the fair value at grant date. If the terms of an equity-settled award are modified, an expense is recognized for at least the grant-date fair value of the unmodified award if the original vesting conditions of the award are satisfied. If a compensation agreement is cancelled by the Company or the counterparty, any remaining element of the fair value of the compensation agreement is immediately recognized in profit or loss.

The dilutive effect of outstanding stock options is included in the calculation of earnings per share (diluted) as an additional dilution.

2.13 INCOME AND EXPENSES

2.13.1 Income

Revenue is recognized when it is probable that an economic benefit will flow to the Group and the amount of the benefit can be measured reliably. For the main types of income of the Group this means:
Revenue from service transactions is recognized by reference to the stage of completion of the transaction at the balance sheet date. If the outcome of a service transaction cannot be estimated reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Acquisition commissions from the brokerage of financial products are recognized when the brokerage service has been rendered in accordance with the underlying contract. Portfolio commissions are recognized when the legal entitlement arises, while income from other services is recognized when the service has been rendered.

Interest is recognized as income over the period in which the principal is earned using the effective interest method, while dividends are recognized when the Group's right to receive payment is established.

2.13.2 Income taxes

Income taxes comprise current and deferred taxes. Current income taxes correspond to the expected tax liability resulting from taxable income for the period. This takes into account the tax rates that have been enacted or substantively enacted by the balance sheet date and adjustments to tax payable in respect of previous periods.

Deferred tax assets and liabilities are recognized for all taxable temporary differences between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base. Deferred taxes are measured on the basis of the regulations enacted by the legislature of the country in which the entity is domiciled at the end of the respective fiscal year for the fiscal years in which the differences are expected to reverse. Deferred tax assets on temporary differences are only recognized if it appears sufficiently certain that they will be realized in the near future. Deferred tax liabilities are recognized for temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, deferred tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and it affects neither accounting profit nor taxable profit or loss. Deferred taxes are recognized for temporary differences arising from the fair value accounting of assets and liabilities in connection with business combinations. Deferred taxes are only recognized on temporary differences relating to derivative goodwill if the derivative goodwill is also deductible for tax purposes.

Tax loss carryforwards result in the recognition of deferred tax assets when it is probable that future taxable profit will be available against which the loss carryforwards can be utilized.

2.13.3 Results from discontinued operations

IFRS 5 contains special measurement and disclosure requirements for discontinued operations held for sale and non-current assets held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets or disposal groups are classified as held for sale if their
carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is only the case if the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. In accordance with IFRS 5.32a, a subsidiary acquired exclusively with a view to disposal is to be classified
as discontinued operations.

In the income statement for the reporting period and the comparative period, income and expenses from discontinued operations are recognized separately from income and expenses from continuing operations and presented separately as income after taxes from discontinued operations. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized. For a subsidiary acquired exclusively with a view to resale, it is not necessary to present a breakdown of earnings after income, expenses and taxes in the notes.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale shall be presented separately from other assets in the statement of financial position. If the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale at the date of acquisition, disclosure of the major classes of assets and liabilities is not required. These assets and liabilities may be netted and presented as a separate amount.

2.14 SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The presentation of the net assets, financial position and results of operations in the consolidated financial statements is dependent on recognition and measurement methods and requires assumptions to be made and estimates to be used that affect the reported amounts of assets and liabilities, income and expenses, and contingent liabilities. The significant estimates and related assumptions listed below, as well as the uncertainties associated with the accounting policies selected, are critical to an understanding of the underlying financial reporting risks and the effects that these estimates, assumptions and uncertainties may have on the consolidated financial statements.

In individual cases, the actual values may differ from the assumptions and estimates made. Changes are recognized in profit or loss when better knowledge becomes available.

Significant assumptions and estimates relate to the following cases:

The measurement of **intangible assets and property, plant and equipment** involves estimates to determine the fair value at the acquisition date if they were acquired in a business combination. Furthermore, the expected useful life of the assets must be estimated. The determination of the fair values of assets and liabilities and the useful lives of assets is based on management's judgment. Internal development costs for internally generated software tools are capitalized upon entry into the development phase. Capitalized expenses are amortized over an expected useful life of six years from the date on which the asset is ready for use.

Share transfer agreements in the context of business combinations partly contain purchase price adjustment clauses based on future earnings of the acquired subsidiaries. The amount of the acquisition costs of these shares is estimated as best as possible at the time of initial consolidation on the basis of planning calculations. The actual purchase prices may differ from this estimate.

In the course of **determining the impairment of** intangible assets and property, plant and equipment, estimates are also made that relate, among other things, to the cause, timing and amount of the impairment. Impairment is based on a variety of factors. Generally, consideration is given to the development of the economic environment, changes in current competitive conditions, expectations regarding growth in the financial services industry, gross margin development, increases in the cost of capital, changes in the future availability of financing, current replacement costs, purchase prices paid in comparable transactions and other changes that indicate impairment. The recoverable amount and fair values are generally determined using the DCF method, which incorporates appropriate assumptions. The identification of indications of impairment, the estimation of future cash flows and the determination of the fair values of assets (or groups of assets) involve significant judgments that management is required to make with respect to the identification and testing of impairment indicators, expected cash flows, applicable discount rates, respective useful lives and residual values.

The determination of the **recoverable amount of a cash-generating unit** involves estimates by management. The methods used to determine the value in use and fair value less costs to sell include methods based on discounted cash flows and methods using quoted market prices as a basis. Significant assumptions on which management's determination of value in use and fair value less costs to sell is based include assumptions regarding the number of financial products brokered, gross margin development, lapse rate and broker retention costs. These estimates, including the methods used, may have a material impact on the determination of value in use and fair value and ultimately on the amount of goodwill amortization.

Management establishes allowances for **doubtful accounts** to account for expected losses resulting from customers' inability to pay. The bases used to assess the adequacy of the allowance are based on past charge-offs of receivables, the creditworthiness of customers, and changes in payment terms. In the event of a deterioration in the financial position of customers, the amount of actual losses on receivables may exceed the amount of the allowance recognized.

The expected current **income tax** must be calculated for each taxable entity in the Group and the temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the financial statements prepared for tax purposes must be assessed. Where temporary differences exist, these differences generally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management is required to make judgments in the calculation of current and deferred taxes. In order to assess the probability of future utilization of deferred tax assets, various factors have to be taken into account, such as past earnings, operational planning, loss carryforward periods, tax planning strategies. If actual results differ from these estimates or if these estimates have to be adjusted in future periods, this could have an adverse effect on the net assets, financial position and results of operations. If there is a change in the assessment of the recoverability of deferred tax assets, a write-down must be recognized in profit or loss.

The recognition and measurement of **provisions** and the amount of **contingent liabilities** involve estimates by the JDC Group to a considerable extent. Thus, the assessment of the probability of utilization as well as the quantification of the possible amount of the payment obligation is based on the estimation of the respective situation. If losses from pending transactions are imminent, provisions are recognized if a loss is probable and this loss can be reliably estimated. Due to the uncertainty associated with this assessment, actual losses may differ from the original estimates and thus from the amount of the provision. In addition, the determination of provisions for taxes, legal risks and cancellation reserves involves significant estimates. These estimates may change as a result of new information. In obtaining new information, JDC Group uses internal and external sources. Changes in estimates may have a significant impact on future earnings.

Revenue recognition of unbilled brokerage services is determined based on brokerage services rendered or brokerage income for the prior period. A change in estimates may result in differences in the amount and timing of revenue for subsequent periods.
in the amount and date of income may result for subsequent periods.

2.15 INVESTMENTS IN ASSOCIATED COMPANIES

In the reporting year, shares were acquired in associated companies, which are explained accordingly in the following tables. In addition, the share of the company's profit or loss attributable to the Group (using the equity method) is explained.

S-Fin Smart Finanzieren GmbH Date of acquisition: 01/04/2022	31/12/2022 EUR
Short-term assets	28,519
Long-term assets	10,946
Current liabilities	85,419
Non-current liabilities	0
Shareholders' equity	**–45,954**
JDC's share of equity (49.9 %)	–22,931
Revenues	141,846
Other operating income	7,000
Commission expenses	–17,638
Personnel expenses	–173,145
Depreciation and amortization	–1,681
Other operating expenses	–98,533
Net interest income	–1,166
Income before taxes	–143,317
Taxes on income and earnings	0
Total comprehensive income for the year	**–143,317**
JDC's share of total comprehensive income	**–71,515**
Share as of 01/04/	0
Change in GACC	505,158
Proportionate earnings after taxes	–71,515
Share as of 31/12/	433,643

Plug-InSurance GmbH Date of acquisition: 01/04/2022	31/12/2022 EUR
Short-term assets	20,307
Long-term assets	940
Current liabilities	85,570
Non-current liabilities	0
Shareholders' equity	**–64,323**
JDC's share of equity (50.0%)	–32,162
Revenues	2,832
Other operating income	8,094
Commission expenses	0
Personnel expenses	–34,527
Depreciation and amortization	–336
Other operating expenses	–22,235
Net interest income	–67
Income before taxes	–46,239
Taxes on income and earnings	0
Total comprehensive income for the year	**–46,239**
JDC's share of total comprehensive income	**–23,120**
Share as of 01/04/	0
Change in GACC	53,771
Proportionate earnings after taxes	–23,120
Share as of 31/12/	30,652

The shares in Einfach Gut Versichert GmbH were already acquired in 2021, but were not included in the Group using the equity method due to initial immateriality.

Einfach Gut Versichert GmbH	31/12/2022 EUR	31/12/2021 EUR
Short-term assets	1,211,770	351,656
Long-term assets	20,047	22,445
Current liabilities	31,656	78,909
Non-current liabilities	0	0
Shareholders' equity	**1,200,161**	295,191
JDC's share of equity (25.1%)	301,240	74,093
Revenues	216,856	0
Other operating income	150	0
Commission expenses	–5,758	0
Personnel expenses	–145,935	–11,954
Depreciation and amortization	–6,568	–871
Other operating expenses	–653,751	–52,742
Net interest income	–25	–159
Income before taxes	–595,031	–65,727
Taxes on income and earnings	0	0
Total comprehensive income for the year	**–595,031**	–65,727
JDC's share of total comprehensive income	**–149,353**	–16,497
Share as of 01/01/	190,858	81,855
Change in GACC	251,000	125,500
Proportionate earnings after taxes	–149,353	–16,497
Share as of 31/12/	292,505	190,858

3 Notes to the consolidated financial statements

3.1 NOTES TO THE CONSOLIDATED INCOME STATEMENT

Income by segments is shown in the segment report.

3.1.1 Revenues [1]

The revenues mainly comprise initial commission and renewal or portfolio commission on brokerage services for insurance, investment funds and equity investments/closed-end funds, as well as on other services, and can be broken down as follows:

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Initial commission		
Insurance products	83,452	77,255
Investment funds	12,661	15,944
Closed-end funds	6,061	6,956
Follow-up commission	29,404	25,962
Overrides	6,893	6,849
Construction financing	3,477	4,371
Fee-based advisory	3,386	3,139
Other income	10,746	6,332
Total	**156,080**	146,808

Total sales of kEUR 156,080 in the year under review were 6.3 % higher than in the previous year (kEUR 146,808).

3.1.2 Other capitalised services/other operating income [2]

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Capitalised services	1,440	1,196
Reversal of impairments/income from receivables written off	1	1
Income from provision’s release	639	324
Income from security sales	0	0
Income from statute-barred debt	202	46
Income from benefits in kind	47	41
Other operating income	702	270
Total	**3,031**	1,878

Other own work capitalized amounting to kEUR 1,440 (previous year: kEUR 1,196) mainly comprises the development of internally used software solutions (Compass, iCRM/iCRM-Web, allesmeins and the portal Geld.de), see note 3.2.1.1. Concessions and industrial property rights.

Miscellaneous other operating income of kEUR 702 (previous year: kEUR 270) mainly includes kEUR 538 (previous year: kEUR 90) in research and development grants.

3.1.3 Commission expenses [3]

This item mainly includes commissions for independent brokers and sales representatives. Commissions increased by kEUR 4,321 year-on-year to kEUR 111,317 (previous year: kEUR 106,996) in line with the increase in sales.

3.1.4 Personnel expenditure [4]

The personnel expenses mainly include salaries, emoluments and other remuneration paid to the Management Board and the staff of JDC Group.

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Wages and salaries	22,642	18,757
Expense from stock options granted	300	7
Social security	4,293	3,523
Total	**27,235**	22,287

Personnel expenses mainly comprise salaries, emoluments and other compensation paid to the Management Board and employees of the JDC Group.

With the approval of the Supervisory Board, the Management Board has resolved and implemented the introduction of a stock option model from the 2021 financial year. The resulting personnel expenses in the financial year amount to kEUR 300k (previous year: kEUR 7k). For further information, please refer to para. 2.12.6 and para. 3.1.9.1.

Social security contributions mainly include the statutory contributions (social security contributions) to be borne by the employer.

The average number of employees in the financial year was 408 full-time equivalents (previous year: 335).

3.1.5 Depreciation, amortisation and impairment charges [5]

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Depreciation and amortization of intangible assets	–4,297	–3,903
Purchased software	–693	–429
Internally developed software	–1,573	–1,635
Customer lists	–2,007	–1,815
Contract preparation costs	–24	–24
Other intangible assets	0	0
Depreciation and amortization of property and equipment	–1,755	–1,494
Leasehold improvements	0	0
Operating and office equipment	–367	–406
Rights of use rental and leasing	–1,388	–1,088
Total	–6,052	–5,397

The changes in intangible assets and property, plant and equipment are shown in annexes 1 and 2 of the notes.

As in the previous year, there were no impairment charges on property, plant and equipment.

3.1.6 Other operating expenses [6]

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Marketing costs	1,166	938
Travel costs	260	35
External services	975	893
IT costs	4,535	4,138
Occupancy costs	698	711
Vehicle costs	222	232
Office supplies	162	145
Fees, insurance premiums	889	805
Postage, telephone	312	296
Write-downs/impairments of receiveables	249	280
Legal and consulting costs	1,239	1,425
Training costs	110	58
Human resources	6	7
Supervisory boad compensation	94	92
Non-deductible input tax	88	50
Impairment IFRS 9	-7	87
Other	595	903
Total	**11,593**	11,095

Advertising expenses include expenses for trade fairs, customer events, printed matter and hospitality.

Outside services include expenses for agencies, outside workers, share support and general meetings.

IT costs include expenses for general IT operations (servers, clients, computer center), software leasing, scanning services, and software licenses where these cannot be capitalized.

Occupancy costs include expenses for ancillary rental costs, energy supply and cleaning costs. In accordance with IFRS 16, rental expenses are shown under depreciation of rights of use and interest expense from compounding of rights of use.

Vehicle costs include the expenses of the vehicle fleet. In accordance with IFRS 16, vehicle leasing is shown under depreciation of rights of use and interest expense from compounding of rights of use.

Expenses from insurance policies, contributions to professional associations and BaFin/FMA (Austria) fees are recognized under fees and insurance.

Legal and consulting costs include expenses for legal issues/legal advice, tax advice, annual financial statements and audit costs, and general accounting costs.

Due to the given sales structure and the non-taxable services contained therein, the JDC Group has an input tax deduction rate of approximately 13 %, this is recalculated annually due to ongoing shifts in the sales structure.

Due to the valuation in accordance with IFRS 9, expenses of kEUR –7 (previous year: kEUR 87) result from additional impairment losses.

3.1.7 Financial result [7]

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Income from investments	0	70
Share of income from associated companies	–309	0
Other interest and similar income	46	1
Impairment of goodwill	0	0
Income from securities	0	0
Impairment losses on financial instruments	–8	0
Interest and similar expenses	–1,541	–1,576
Accretion of rights of use	–232	–252
Interest on bond	–1,264	–1,254
Other interest expenses	–45	–70
Total	**–1,812**	–1,505

Interest expenses mainly include interest on the bond issued by the Group subsidiary Jung, DMS & Cie. Pool GmbH in the amount of kEUR 1,264 (previous year: kEUR 1,254) and interest from rights of use in accordance with IFRS 16 in the amount of kEUR 232 (previous year: kEUR 252).

OF WHICH: ON FINANCIAL INSTRUMENTS IN THE MEASUREMENT CATEGORIES

The financial result is classified under the following measurement categories in line with IFRS 9:

	2022 kEUR	2021 kEUR
Loans and receivables (AC)	46	1
Financial liabilities measured at amortised cost (AC)	–1,541	–1,576
Total	**–1,495**	–1,575

3.1.8 Income and other taxes [8]

The tax expenditure and income can be broken down as follows:

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Current income tax	–223	–337
Deferred taxes	94	–160
Total income tax	**–129**	–497
Other taxes	–34	–5
Total tax expenditure	**–163**	–502

For the financial years 2022 and 2021, the tax expense deviates from the effective values using the expected tax rate of 31.72 % (previous year 31.72 %) as follows:

	01/01/–31/12/2022 kEUR	01/01/–31/12/2021 kEUR
Earnings before income taxes	1,068	1,401
Calculated tax expense at expected tax rate (31.72% prev. yr.: 31.72%)	339	444
Share of profit of associates	98	0
Other non-deductible expenses	95	0
Utilization of previously unrecognized tax losses	–232	0
Other	–171	53
Income tax as stated in the income statement	**129**	497

The effective tax rate is 34.93 % (previous year: 35.47 %).

The deferred tax assets and liabilities are attributable to the following accounts:

	31/12/2022 kEUR	31/12/2021 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	942	1,335
Tax reimbursement claims from financial liabilities	1,576	1,754
	2,518	3,089
Deferred tax liabilities		
Intangible assets (software/customer base)	841	958
Customer base	3,358	3,762
From other recognition differences	1,303	1,448
	5,502	6,168

Due to changes in deferred taxes the following changes occur in income statement.

	31/12/2022 kEUR	31/12/2021 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	–403	–614
Tax reimbursement claims from financial liabilities	–169	136
	–572	–478
Deferred tax liabilities		
Intangible assets (software/customer base)	117	159
Customer base	404	274
From other recognition differences	145	–115
	666	318

Intangible assets relate to customer bases, software and contract initiation costs.

Deferred taxes were calculated for the domestic companies on the basis of the corporate income tax rate of 15.0 % plus solidarity surcharge of 5.5 % and the trade tax multiplier of the City of Wiesbaden of 454.0 % (combined income tax rate: 31.72 %).

The corporate income tax rate of 25.0 % applicable since 2005 was applied to the Austrian company.

The reduction in deferred tax assets results from the utilization of loss carryforwards due to positive results of the companies. The reduction in deferred tax liabilities is mainly due to the scheduled amortization of customer bases.

3.1.9 Earnings per share [9]

	2022 kEUR	2021 kEUR
Consolidated net income	901	907
Weighted average number of shares (number)	12,812,401	13,322,023
Own shares	687	505
Earnings per share in EUR diluted	**0.07**	0.07
Number of stock options granted	143,000	90,000
Number of ordinary shares weighted before dilution	12,669,401	13,232,023
Earnings per share adjusted for the dilution effect	**0.07**	0.07

The weighted average number of shares from 2020 includes the weighted average effect of changes in the capital increase (2021) and treasury shares (2020-2022) during the year.

No dividend payment was made in fiscal year 2022.

3.1.9.1 STOCK OPTIONS

Stock option plan 2018

At the Annual General Meeting on August 24, 2018, the Executive Board of the Company was authorized to issue subscription rights to up to 420,000 shares of the Company on one or more occasions until August 23, 2023, under the 2018 Stock Option Plan. The subscription rights have a term of 7 years with a waiting period of 4 years. The subscription rights can only be exercised after the end of the waiting period if the closing price of the JDC Group AG share in Xetra trading exceeds the subscription price by at least 25% on the last ten trading days prior to the day on which the subscription right is exercised. The subscription price corresponds to the average closing price of the JDC Group AG share in Xetra trading on the last five trading days prior to the respective allocation date.

A total of 90,000 subscription rights were granted to the Board of Management from the stock option plan on December 21, 2021, and a further 53,000 options for employees were added in 2022.

Changes in subscription rights/stock options

	2022 kEUR	2021 kEUR
As at 1 January	90,000	0
During the reporting period:		
granted	53,000	90,000
forfeited	0	
exercised	0	
lapsed	0	
As at 31 December	**143,000**	90,000

The subscription rights were measured using a binomial model taking into account the absolute performance target. The following parameters were included in the valuation of the subscription rights:

Valuation of subscription rights/stock options

	2022	2021
Number of options	53,000	90,000
Measurement date	18/01/2022	21/12/2021
Subscription price	24.28 €	23.80 €
Share price	24.50 €	24.60 €
Risk-free interest rate	–0.35 %	–0.52 %
Dividend yield	0,00 %	0,00 %
Expected volatility	43,00 %	43,00 %
Term	7 Jahre	7 Jahre
Fair value	8.76 €	8.51 €

The estimate for the expected volatility was derived from the historical share price development of JDC Group AG. The remaining term of the option rights was used as the time window.

The personnel expense recognized in the financial year from the granting of stock options amounts to kEUR 299.

	2022 TEUR	2021 TEUR
Profit/loss attributable to holders of ordinary shares in the parent company		
Continuing operations	901	907
Discontinued operations	0	0
Profit/loss attributable to holders of ordinary shares in the parent company for calculation of basic earnings	901	907
Weighted average number of ordinary shares for calculation of basic earnings per share	12,669,401	13,232,023
Effect of dilution arising from		
equity options	143,000	90,000
convertible preference shares	0	0
Weighted average number of ordinary shares, adjusted for effect of dilution	12,812,401	13,322,023

3.2 NOTES TO THE CONSOLIDATED BALANCE SHEET

3.2.1 Non-current assets

The composition of, and changes in, the fixed assets are shown in the consolidated statement of changes in fixed assets (annex 1).

Changes in the net carrying amounts of the Group's fixed assets for the financial year are shown in annex 2 of the notes.

Scheduled amortisation of intangible assets and depreciation of property, plant and equipment are shown in note 3.1.5.

3.2.1.1 INTANGIBLE ASSETS [10]

	31/12/2022 kEUR	31/12/2021 kEUR
Concessions, industrial property rights and similar rights and values	23,849	26,220
Goodwill	40,203	40,203
Total	**64,052**	66,423

3.2.1.1.1 Concessions, industrial property rights and similar rights and assets

This item mainly includes customer bases from portfolio acquisitions, software licenses for standard business software, and internally generated software.

Customer bases are amortized on a straight-line basis mainly over 15 years, acquired software on a straight-line basis over three years and internally generated software on a straight-line basis over five-six years.

The geld.de domain (kEUR 800) was acquired as part of the acquisition of the "Geld.de" customer base. The Company assumes that the domain will retain its value over the long term, so it is not amortized on an ongoing basis.

Internally generated software tools amounting to kEUR 1,673 (previous year: kEUR 1,201) were capitalized in the financial year. These are mainly company-specific software applications (Compass, iCRM/iCRM-Web, allesmeins and portal Geld.de) to support the sale of financial products.

As of the balance sheet date, the carrying amount of internally generated software tools was kEUR 3,080 (previous year: kEUR 2,980).

3.2.1.1.2 Goodwill

Goodwill arises on the first-time consolidation at the date of the business combination concerned. The breakdown by segment is as follows:

	31/12/2022 kEUR	31/12/2021 kEUR
Advisortech	30,846	30,846
Advisory	9,350	9,350
Holding	7	7
	40,203	40,203

3.2.1.1.3 Impairment losses

With regard to the impairment of intangible assets, please refer to Note 3.1.5 there are no indications of impairment for other software and licenses.

Goodwill was tested for impairment as of December 31, 2022. Any need for impairment is determined by comparing the carrying amount of the CGU or group of CGUs, including the goodwill allocated to it, with its recoverable amount. If the carrying amounts exceed the recoverable amount, an impairment loss on goodwill must be recognized in the income statement. The recoverable amount is the maximum of the fair value less costs to sell and the value in use.

The recoverable amount of the Advisortech and Advisory cash-generating units was determined on the basis of a value-in-use calculation using cash flow forecasts before income taxes. These forecasts were derived from the detailed planning accounts of the Group companies for the financial year 2023 approved by management and the Supervisory Board. Moderate growth rates (Phase I) are assumed for the financial years 2024 to 2025. For subsequent periods, the cash flow was forecast as a perpetual annuity (Phase II).

The discount factor (capitalization rate) for the Group companies is determined on the basis of the capital asset pricing model. The assumptions underlying the determination of the capitalization rate, including the risk-free base interest rate, the market risk premium and the beta factor, are determined on the basis of publicly available information or capital market data. Based on a risk-free base interest rate derived from the yield curve of 2.58 % (previous year: –0.11 %), a market risk premium of 2.92 % (previous year: 5.39 %) and taking into account a beta factor for the comparative investment of 0.63 (previous year: 0.60), a capitalization interest rate of 5.5 % (previous year: 5.5 %) is calculated. The discount rate used to calculate the present value of the first cash flows of the perpetual annuity takes into account a growth discount of 1.0 % (previous year: 1.0 %). An additional significant factor influencing free cash flow are the assumptions regarding sales growth and the earnings development of the operating units.

The increase in the pre-tax discount rate to 8 % (i. e. +2.5 %) would not result in an impairment requirement for the cash-generating units. The –20 % decrease in planned EBIT 's in the cash-generating units would not result in an impairment requirement. A significant reduction in planned EBT growth beyond this could result in the carrying amount exceeding the recoverable amount. However, as significant measures to increase EBT have already been initiated, the Executive Board does not consider this scenario likely.

The fair value less costs to sell was also determined for the Advisortech and Advisory cash-generating units. As in the previous year, no goodwill impairment losses were required in the fiscal year. As of December 31, 2022, the Group's market capitalization was higher than the carrying amount of its equity.

3.2.1.2 PROPERTY, PLANT AND EQUIPMENT [11]

	31/12/2022 kEUR	31/12/2021 kEUR
Property, plant and equipment		
Operating and office equipment	759	1,017
Rights of use rental and leasing	4,110	4,567
Total	**4,869**	5,584

Operating and office equipment mainly comprises PC hardware including servers, notebooks and printers, office equipment, cars and office furnishings.

The rights of use from rental and lease agreements contain the present values of the rental and lease assets exclusively available to the Group to be capitalized in accordance with IFRS 16.

The development of acquisition costs, depreciation and amortization, and carrying amounts is shown in the consolidated statement of changes in non-current assets (Annexes 1 and 2).

As in the previous year, there were no indications of impairment of property, plant and equipment in the financial year under review.

3.2.1.3 NON-CURRENT FINANCIAL ASSETS [12]

The changes in financial assets are shown in the consolidated statement of changes in non-current assets (annexes 1 and 2). The additional disclosures regarding financial instruments required by IFRS 7 are contained in annex 4.

The breakdown of carrying amounts is as follows:

	31/12/2022 kEUR	31/12/2021 kEUR
Shares in affiliated companies	55	55
Investments	408	175
Shares in associated companies	757	0
Securities	394	187
Total	**1,614**	417

Shares in affiliated companies relate to the shares in FVV GmbH.

In addition, the item "Investments" includes two (previous year: two) shares in companies in which the Group holds an interest of between 10.0 % and 30.0 %. As the influence of these investments on the net assets, financial position and results of operations of the Group is of minor significance, these investments have not been accounted for using the equity method.

Investments in associates include the amortized cost of the investments described in Note 2.15 are recognized under investments in associated companies.

Among other items, securities include a reinsurance policy for pension commitments amounting to kEUR 157k (previous year: kEUR 76k).

3.2.1.4 NON-CURRENT RECEIVABLES AND OTHER ASSETS [13]

	31/12/2022 kEUR	31/12/2021 kEUR
Accounts receivables	1,134	1,122
Other assets	517	1,698
Impairment from expected losses	–213	–308
Total	**1,438**	2,512

Trade receivables mainly relate to commission receivables from the cancellation reserve.

Other assets mainly include receivables from intermediaries.

In accordance with IFRS 9, a provision for expected losses of 7% was recognized for trade and other receivables, which reduced other receivables by €213 (December 31, 2021: €308).

3.2.2 Current assets

3.2.2.1 ACCOUNTS RECEIVABLE AND OTHER ASSETS [14]

	31/12/2022 kEUR	31/12/2021 kEUR
Accounts receivable	17,601	19,205
Receivables from companies in which an equity investment is held	784	0
Other assets		
Commission advances	337	391
Prepaid expenses	–106	–102
Other	3,205	2,328
Total	**21,821**	21,822

Trade receivables mainly relate to commission receivables from partner companies and pool partners for brokerage services. Miscellaneous other assets mainly result from receivables from intermediaries.

In accordance with IFRS 9, a provision for expected losses of 7 % was recognized for trade and other receivables, which reduced other receivables by TEUR 106 (December 31, 2021: TEUR 102).

Prepaid expenses relate to payments made for promotional events in the following year, insurance, contributions and vehicle tax.

3.2.2.2 CASH AND CASH EQUIVALENTS [15]

	31/12/2022 kEUR	31/12/2021 kEUR
Cash and cash equivalents	16,672	21,906
Total	**16,672**	21,906

The changes in cash and cash equivalents during the financial year are shown in the consolidated statement of cash flows. Further details can be found in note 3.9.

3.2.3 Equity

The changes in the consolidated equity of JDC Group AG are shown in the statement of changes in equity (see also note 3.8).

	31/12/2022 kEUR	31/12/2021 kEUR
Subscribed capital	13,668	13,668
Own shares	–687	–505
Capital reserves	32,027	31,727
Own shares	–5,555	–2,574
Other revenue reserves	516	425
Other equity components	–3,036	–3,923
Minorities	38	–1
Total	**36,971**	38,817

3.2.3.1 SUBSCRIBED CAPITAL AND CAPITAL RESERVES [16]

Subsribed capital and capital reserves

The Company's share capital is divided into 13,668,461 no-par value bearer shares (previous year: 13,668,461) with a notional interest in the share capital of kEUR 1.00 per share. The shares of JDC Group AG are listed in the Open Market (Scale) segment of the Frankfurt Stock Exchange. WKN: A0B9N3, ISIN: DE000A0B9N37.

Share buyback programme

The Management Board of JDC Group AG, with the approval of the Supervisory Board, decided on July 29, 2019, to buy back a maximum of up to 656,423 own shares of JDC Group AG via the stock exchange. The total volume of the share buyback is set at a maximum of EUR 5 million excluding incidental costs.

In the course of the share buyback program, 505,202 treasury shares were acquired as of December 31, 2020.

A further round of the share buyback program ran from June 2022 - December 2022, during which time a further 181,820 treasury shares were acquired.

In total, 687,022 treasury shares are held by the Company as of December 31, 2022.

The capital reserve results from the issuance of shares in JDC Group AG in previous years above their arithmetical value. Capital procurement costs incurred in this connection in the cumulative amount of € 1,458k were deducted from the capital reserve. In the course of the share buyback, the premium paid was reduced by € 5,555k.

The capital reserve of the parent company is subject to the disposal restrictions of §150 AktG.

Conditional capital

The share capital is conditionally increased by up to kEUR 5,500,000 by issuing up to 5,500,000 new no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital 2018/I).

The share capital of the Company is conditionally increased by up to a further kEUR 420,000 by issuing up to 420,000 new no-par value bearer shares, each with a notional value of kEUR 1.00 of the share capital (Conditional Capital 2018/II).

The share capital of the Company is conditionally increased by up to a further kEUR 420,000 by issuing up to 420,000 new no-par value bearer shares, each representing kEUR 1.00 of the share capital (Conditional Capital 2021/I).

Authorised capital

The Board of Management is authorized, with the approval of the Supervisory Board, to increase the capital stock of the Company on one or more occasions on or before July 26, 2027, by up to a total of kEUR 6,834,230.00 by issuing on one or more occasions a total of up to 6,834,230.00 new no-par value bearer shares in return for cash contributions and/or contributions in kind (Authorized Capital 2022/I).

3.2.3.2 OTHER EQUITY [17]

Retained earnings include statutory reserves of subsidiaries and revaluation reserve from the remeasurement of defined benefit pension obligations in the amount of kEUR 516 (previous year: kEUR 425).

The other components of equity include the earnings generated in the past by the companies included in the consolidated financial statements, to the extent that they have not been distributed.

The development of retained earnings and other components of equity is shown in the statement of changes in equity.

3.2.4 Non-current liabilities [18]

	31/12/2022 kEUR	31/12/2021 kEUR
Bonds	19,655	19,491
Liabilities to banks	4	0
Accounts payable	12,975	11,513
Other liabilities		
Purchase price liabilities	559	3,687
Liabilities from rental and lease	3,017	3,463
Others	198	207
Total	**36,408**	38,361

Bonds include a corporate bond issued by Jung, DMS & Cie. Pool GmbH in 2019, which is recognized at amortized cost using the effective interest method.

Non-current trade accounts payable relate to liabilities from brokerage commissions retained until expiry of the cancellation liability. The obligation to pay the broker commission regularly has a remaining term of one to five years. Miscellaneous other liabilities mainly relate to the non-current portion of loan liabilities.

Since first-time application in 2019, the liabilities from rights of use for rental and leasing recognized in accordance with IFRS 16, in this case the non-current portion, have been presented under other liabilities.

Deferred tax liabilities are also reported under this balance sheet item, see also Note 3.1.8.

The allocation of the individual items to the IFRS 9 measurement categories is presented in Annex 4.

3.2.5 Long-term provisions [19]

	31/12/2022 kEUR	31/12/2021 kEUR
Pension provisions	376	479
Provisions with reversal liabilities	980	1,001
Asset Damage precaution	10	14
Total	**1,366**	1,494

The changes in the pension provisions were as follows:

Pension provisions

	2022 kEUR	2021 kEUR
Present value from defined benefit obligation as of 1 January	957	955
Interest expenses	4	3
Ongoing service costs	46	42
Paid benefits	–47	–41
Actuarial loss	–90	–2
Debt from defined benefit obligation as of 31 December	**870**	957

Fair value of plan assets

	2022 kEUR	2021 kEUR
1 January	437	480
Income from plan assets	16	0
Paid benefits	0	–43
31 December	453	437
Debt from defined benefit obligation	**417**	520

The pension obligation is calculated on the basis of a pension increase of 1.25 percent (previous year: 1.25 percent) and a discount rate of 1.06 percent (previous year: 1.06 percent).

The breakdown of the defined-benefit obligation is as follows:

- Long-term portion: kEUR 376 (previous year: kEUR 479)
- Short-term portions: kEUR 41 (previous year: kEUR 41)

The provision for cancellation liability shows the portion of the cancellation risk of a sub-segment that is calculated on the basis of an estimate and therefore cannot be allocated to specific staff. Also recognised here is a provision for an impending claim for financial losses.

3.2.6 Current liabilities [20]

	31/12/2022 kEUR	31/12/2021 kEUR
Pension provisions	41	41
Provisions for taxes	329	254
Provisions for lapse liabilities	245	250
Bonds	0	0
Liabilities to banks	24	1,015
Accounts payable	18,132	23,796
Other current liabilities		
Loan liabilities	3,138	2,979
Rights of use rental and lease	1,400	1,370
Others	8,582	6,493
Deferred income	845	715
Total	**32,736**	36,913

Pension accruals represent the current portion due for payment within one year.

Tax provisions include the expected final payments of corporate income tax, solidarity surcharge and trade tax for the assessment period 2020–2022.

Liabilities to banks mainly include a working capital loan from Jung, DMS & Cie. GmbH, Vienna, issued by Bank Austria AG.

Trade accounts payable also include obligations from the cancellation reserve with a maturity of up to one year.

Miscellaneous other liabilities include, among other things, liabilities for wage and church tax, as well as value-added tax, current interest liabilities from the corporate bond and liabilities for services already purchased.

Since first-time application in 2019, other liabilities have also included the liabilities from rights of use for rental and leasing recognized in accordance with IFRS 16, in this case the current portion.

3.2.7 Changes in liabilities arising from financing activities

	01/01/2022 kEUR	Cashflow kEUR	Other kEUR	31/12/2022 kEUR
Non-current bonds	19,491		164	19,655
Current bonds	0			0
	19,491	**0**	**164**	**19,655**
Non-current liabilities due to banks	16	–12		4
Current liabilities due to banks	1,015	–973		24
./. Components of cash and cash equivalents	0		–18	0
	1,031	**–985**	**–18**	**28**
Other liabilities				
Non-current loan liabilities	207		–9	198
Current loan liabilities				0
Non-current Rights of use rental and leasing	4,092		–1,075	3,017
Current Rights of use rental and leasing	741	–1,116	1,775	1,400
Non-current purchase price obligations	3,840	0	–3,281	559
Current purchase price obligations	2,826	–2,969	3,281	3,138
	11,706	**–4,085**	**691**	**8,312**
Total liabilities from financing activities	**32,228**	**–5,070**	**837**	**27,995**

The item “Other” includes the effects of the reclassification between non-current and current liabilities due to the expiry or prolongation of loans, the effects of interest accrued but not yet paid on loans, and the effects of measuring the bond at amortized cost using the effective interest method.

3.3 LEASE DISCLOSURES

If a lease is not accounted for in accordance with IFRS 16 due to its short-term nature or the absence of a transfer of exclusive use, the other financial obligations arising from it are reported according to residual terms.

Future minimum lease payments under operating leases are as follows:

	31/12/2022 kEUR	31/12/2021 kEUR
Residual term		
up to one year	245	212
between two and five years	0	0
longer than five years	0	0
Total	**245**	212

There are leases for office machines and IT equipment.

The contracts have remaining terms of up to 12 months (previous year: up to 12 months) and in some cases contain extension and price adjustment clauses.

3.4 CONTINGENCIES

a) Liability for products on the “master list”

The independent financial brokers as business partners of the companies of the JDC Group are liable for their investment recommendations if they have not complied with all statutory duties of examination and investigation with regard to the products offered. For selected products, Jung, DMS & Cie. AG arranges for these liability-discharging checks to be carried out by its own employees and with recourse to external research houses.

In the case of sales in these audited products, which can be taken from the so-called master lists, an automatic, voluntary assumption of liability by the pool takes place, insofar as the sales are processed via the Group companies.

b) Professional liability cover

Via Jung DMS & Cie. GmbH, Vienna, a more extensive liability is assumed for financial brokers who bind themselves exclusively by means of a pool partner agreement via Jung, DMS & Cie. AG. Jung, DMS & Cie. AG is directly liable to the customers of the so-called “pool partner” for any incorrect advice. For the purpose of largely avoiding a burden from this external liability, the pool partner indemnifies Jung, DMS & Cie., Vienna, internally from all such claims; in addition, Jung, DMS & Cie., Vienna, takes out suitable fidelity insurance for each pool partner.

c) Letters of comfort

JDC Group AG has issued letters of comfort for its subsidiaries to various insurance companies and banks.

Jung, DMS & Cie. AG has issued letters of comfort to various insurance companies for its subsidiary Jung, DMS & Cie. Pool GmbH.

d) Other contingencies

There were no other contingent liabilities at the reporting date.

3.5 CONTINGENT LIABILITIES

There are no contingent liabilities until the publication of the annual report.

3.6 RELATED PARTY DISCLOSURES

In accordance with IAS 24, persons or entities that control or are controlled by JDC Group AG must be disclosed unless they are included in the consolidated financial statements of JDC Group as a consolidated entity. Control exists if a shareholder holds more than half of the voting rights in JDC Group AG or has the power to govern the financial and operating policies of JDC Group AG's management by virtue of a contractual agreement.

In addition, the disclosure requirements under IAS 24 extend to transactions with associates and transactions with persons who have significant influence over the financial and operating policies of JDC Group AG, including close family members or intermediaries. Significant influence over the financial and operating policies of JDC Group AG may be based on a shareholding in JDC Group AG of 20 % or more, a seat on the Management Board or Supervisory Board, or another key management position.

The following disclosure requirements apply to JDC Group AG for the financial year:

The largest single shareholder at present is Great-West Lifeco with a 26.9 % stake, the two members of the Management Board with their associated companies Aragon Holding GmbH and Grace Beteiligungs GmbH together hold around 11.1 %, Versicherungskammer Bayern holds 6.0 %, 5.0 % are treasury shares and a further 51.0 % or so are in free float.

Transactions with members of the Board of Management and the Supervisory Board:

	31/12/2022 kEUR	31/12/2021 kEUR
Supervisory Board		
Total remuneration	**94**	92
Management Board		
Total remuneration*	**1,732**	970

* The total remuneration of the Boards of JDC Group AG is disclosed, even when the costs have been borne by subsidiaries.

3.7 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

3.8 STATEMENT OF CHANGES IN EQUITY

The development of the Group's equity as of the balance sheet date is presented in the statement of changes in equity, which forms part of the consolidated financial statements.

Changes in equity

	kEUR
Equity 31/12/2021	38,817
Capital increase	0
Repurchase own shares	–3,163
Stock options granted	299
other equity movements	79
Net profit	939
Equity 31/12/2022	**36,971**

3.9 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The financial position of the Group is presented in the cash flow statement, which forms part of the consolidated financial statements in accordance with IFRS. Cash flow from operating activities was positive at kEUR 7,266.

The cash flow statement shows the change in cash and cash equivalents in the JDC Group during the financial year through the cash flows from operating activities, investing activities and financing activities. Non-cash transactions are shown together as a total amount exclusively in the cash flow from operating activities.

Cash and cash equivalents

The composition of cash and cash equivalents is presented in the consolidated statement of cash flows. Cash and cash equivalents comprise cash and cash equivalents with a remaining maturity of three months or less and short-term bank overdrafts. Cash equivalents are short-term investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

3.10 SEGMENT REPORTING

Under IFRS 8, the identification of reportable operating segments is based on the management approach. According to this approach, external segment reporting is based on the Group's internal organizational and management structure as well as internal financial reporting to the chief operating decision maker.
In the JDC Group, the Management Board of JDC Group AG is responsible for assessing and managing the performance of the segments and is considered to be the chief operating decision maker within the meaning of IFRS 8.

The JDC Group reports on three segments, which are managed independently by segment-responsible bodies in accordance with the nature of the products and services offered. The designation of company components as business segments is based in particular on the existence of segment managers responsible for results, who report directly to the top management body of the JDC Group.

The JDC Group is divided into the following business segments:

— Advisortech
— Advisory
— Holding

Advisortech

In the Advisortech segment, the Group bundles its business activities with independent financial brokers. It offers all asset classes (investment funds, closed-end funds, insurance policies and certificates) from various product companies, including application processing and commission settlement, as well as various other services relating to investment advice for end customers. The advisors are supported in this by various software products developed in-house, such as the digital insurance folder "allesmeins" and iCRM-Web.

Advisory

The Advisory segment combines our Group activities focused on advisory services and sales to end customers. As independent financial and investment advisors, we offer our customers comprehensive advice on insurance, investments and financing tailored to each individual situation.

Holding

JDC Group AG is presented in the Holding segment.

The measurement principles for the JDC Group's segment reporting are based on the IFRS standards used in the consolidated financial statements. The JDC Group assesses the performance of the segments on the basis of operating profit (EBITDA and EBIT), among other things. Sales and intermediate inputs between the segments are offset on the basis of market prices.

Segment assets and liabilities comprise all assets and liabilities that are attributable to the operating sphere and whose positive and negative results determine the operating result. Segment assets include in particular intangible assets, property, plant and equipment, commission receivables and other receivables. Segment liabilities relate in particular to trade payables and other liabilities. Segment capital expenditure includes additions to intangible assets and property, plant and equipment.

In the individual business segments, the JDC Group reports the following employee figures:

	2022	2021
Advisortech	323	271
Advisory	67	50
Holding	18	14
Total as of December 31	**408**	335

Geographical segment information

The JDC Group operates mainly in Germany and Austria, so that in terms of the customer base there is only one geographical segment (German-speaking area of the European Union).

4 Other disclosures

4.1 BUSINESS PURPOSE AND KEY ACTIVITIES

The statutory business purpose of JDC Group AG is the acquisition, management and sale of investments in companies, in particular in the financial services sector, as well as the provision of management, consulting and other services, in particular for the companies listed below.

The parent company is an investment holding company that primarily acquires majority interests in sales companies engaged in the placement of financial products and related services. The Company provides consulting and management services to the subsidiaries. The business strategy is to integrate the investments into the Group on a long-term basis and to increase the earnings power of the respective subsidiaries by achieving synergy effects. Within the framework of the holding structure created, the strategic management of the Group's business and financial policy is carried out by JDC Group AG. Operational responsibility, on the other hand, lies with the subsidiaries. The parent company also acts as the interface to the capital market.

Jung, DMS & Cie. AG operates as an investment holding company. The business of this company and its subsidiaries is the operation of purchasing and processing centers for independent financial agents – so-called broker pools – which perform central functions for independent financial agents such as product purchasing, marketing, central business processing and training. In return for the above services, the broker pools retain a portion of the acquisition commissions and a portion of the follow-up commissions. Jung, DMS & Cie. AG, including its subsidiaries, is currently active in Wiesbaden, Munich, Troisdorf and Vienna/Austria.

FiNUM.Private Finance AG, Vienna/Austria, as well as FiNUM.Private Finance AG, Berlin, and FiNUM.Finanzhaus AG, Munich, focus their advisory services on the interests of end customers. As independent financial advisors, they offer individually tailored advice in the areas of insurance, investments and financing. The other Group companies based in Germany are not financial services institutions as defined by section 1 (1a) of the German Banking Act (KWG) and are generally not subject to BaFin supervision. Jung, DMS & Cie. GmbH, Vienna, is a licensed securities services company and is subject to supervision by the Financial Market Authority (FMA) of Austria. FiNUM.Private Finance AG, Berlin, is a licensed securities services company and is subject to supervision by the Financial Market Authority (BaFin) of Germany.

4.2 CAPITAL MANAGEMENT

Capital management is concerned with the management of cash and cash equivalents in the Group in line with requirements, including the selection and management of financing sources. The aim is to provide the necessary means of payment at the lowest possible cost. The control criteria here are in particular the debit and credit interest rates. To fulfill this task, capital management has access to daily and monthly reporting with target/actual comparisons.

4.3 RISK MANAGEMENT, FINANCIAL DERIVATIVES AND OTHER INFORMATION ON CAPITAL MANAGEMENT

The future business development of the Group involves all opportunities and risks associated with the distribution of financial products and the acquisition, management and sale of companies. The risk management system of JDC Group AG is designed to identify risks at an early stage and to minimize them by deriving appropriate measures. Financial instruments are used exclusively for hedging purposes. In order to identify potential problems in the affiliated companies and their shareholdings at an early stage, key ratios are queried and assessed. Monthly, weekly and daily reports are prepared on sales, revenue and the liquidity situation. The management receives a daily overview of the key sales and liquidity figures.

JDC Group AG is managed by means of a monthly reporting system that includes the key performance indicators and takes particular account of the liquidity situation. In addition, the Management Board is informed about the current liquidity situation on a daily basis.

Relevant **company-related risks** are as follows:

- In the context of brokering financial products and insurance policies, it cannot be ruled out that expenses may be incurred as a result of cancellations that are not covered by corresponding recovery claims against the brokers. With the increase in insurance sales at JDC, receivables management for the realization of such recovery claims is becoming increasingly important.
- JDC can be held liable for clarification or consulting errors by sales partners. Whether in individual cases the risks are then covered by the existing insurance coverage or the claims for recovery against intermediaries cannot be presented in a generalized manner.
- Due to the persistently volatile capital markets and the difficulty in forecasting product sales, great demands must be placed on liquidity management. A lack of liquidity could become an existential problem.
- JDC is increasingly in the focus of the capital market. In addition, JDC counts more and more large corporations among its customers. If the company's image were to be damaged, this could lead to a loss of sales.

Relevant **market-related risks** are as follows:

- The Company's business success is fundamentally dependent on the development of the national economy.
- The development of national and global financial and capital markets is of considerable relevance to JDC's success. Persistent volatility or negative developments may have a negative impact on JDC's earnings power.
- The stability of the legal and regulatory framework in Germany and Austria is of great importance. In particular, short-term changes in the framework conditions for financial services companies, intermediaries and financial products can have a negative impact on JDC's business model.
- The war in Ukraine and the associated energy crisis and inflation trend are currently having a negative impact on companies' willingness to invest and on the income of many consumers. Overall, this is leading to a marked reluctance to spend on the part of consumers. If this trend continues, it will have a negative impact on JDC's profitability.
- In addition, the consequences of the war in Ukraine cannot be foreseen. Associated economic sanctions, higher raw material prices, production stoppages or disrupted supply chains also have economic consequences and could slow down or even stop the economic upswing. Such a deterioration in the economic situation could also have a negative impact on JDC's profitability.

Relevant **regulatory risks** are as follows:

- The implementation of the European DSGVO (General Data Protection Regulation) affects all German companies, but especially companies in the financial services sector that work with personal data to a particular extent. Here, we are affected by extensive information and documentation obligations. As the digitalization of the insurance industry is still in its infancy, many processes at JDC still have to be handled manually. This increases the risk of data mishaps due to human error.

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

Management views the **opportunities** as follows: Many financial services distribution companies are currently weakened financially by the Covid-19 crisis in particular. As a result, the financial resources of many of our competitors have been exhausted and the pressure to consolidate is increasing. Large market participants, including the JDC Group companies, will benefit from this.

In 2022, JDC Group AG has again set some decisive course for the following years. In the year under review, the Gothaer insurance group and the Ecclesia Group were acquired as further well-known bancassurance customers who rely on JDC's platform technology. In addition, an extensive cooperation agreement was signed with R+V Versicherung, Germany's second-largest insurance group, under which the JDC insurance platform is to be used as a white label, together with the iCRM customer management system, within the cooperative financial group. In addition, the Summitas Group, founded jointly with Bain Capital Insurance and Canada Life Irish Holding Company Limited, also holds great potential for JDC. This is expected to create one of the largest commercial brokers in the German-speaking region, which will in turn conduct its business via the JDC platform. In the view of the Management Board, all of this will result in the continued positive overall development of JDC Group AG's investments and thus also of JDC Group AG itself in the 2023 financial year.

4.4 RISK MANAGEMENT OBJECTIVES AND METHODS

Risk management objectives and methods have been defined and documented at JDC Group level. There are four groups in which the risks are classified as follows:

1. Strategic risks concerning, inter alia:
— expertise;
— staff: recruitment, management and motivation;
— market relevance;
— merger and acquisition measures;
— allocation of resources; and
— communication.

2. Financial risks concerning, inter alia:
— medium and long-term financing;
— short-term liquidity supply;
— financial derivatives;
— value-added tax risk; and
— infidelity.

3. Operational risks concerning, inter alia:
— project and acquisition risks; and
— contract risk.
—

4. External risks concerning, inter alia:
— IT security;
— financial market situation; and
— legal, practical and social changes.

For each potential area of risk, the risk management system for Group companies includes early identification of risks, information and communication, handling of risks by determining and implementing appropriate countermeasures, and documentation of the risk management system.

4.5 ADDITIONAL DISCLOSURES IN ACCORDANCE WITH SECTION 315E, PARAGRAPH 1 OF THE GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH, HGB)

The list of shareholdings is attached to these notes in the Appendix.

The following fees were charged by the group auditor in the financial year:

Auditor fees

	2022 kEUR	2021 kEUR
Auditor services	121	141
Other confirmation services	17	9
Consulting	6	10
Total	**144**	160

On average, the Group companies employed 408 staff – full-time equivalents – throughout the year (previous year: 335).

Executive Bodies of JDC Group AG

MANAGEMENT BOARD

Dr. Sebastian Grabmaier
Grünwald
Attorney
CEO

Stefan Bachmann
Frankfurt
Businessman
CDO

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

SUPERVISORY BOARD

Jens Harig
Kerpen
Independent entrepreneur
Chairman

Prof. Dr. Markus Petry
Wiesbaden
Holder of the chair of financial services controlling at the business school Wiesbaden
Vice Chairman

Dr. Peter Boße
Bruckmühl
Bereichsleiter IT Versicherungskammer Bayern
(since 27 July 2022)

Markus Drews
Köln
CEO Canada Life Assurance Europe plc

Dr. Igor Radovic
Köln
Director product and sales management
Canada Life Assurance Europe plc

Claudia Haas
Mainz
Division manager market management D-A-CH,
Euler Hermes

The remuneration of the Management Board and Supervisory Board is disclosed under ref. 3.6. 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).

Appendix 1

Statement of changes in consolidated fixed assets as of 31 December 2022

Cost of Acquisition/production

	01/01/2022 kEUR	Reclassifications kEUR	First consolidation kEUR	Additions kEUR	Disposals kEUR	**31/12/2022 kEUR**
I. Intangible assets						
1. Concessions, industrial property rights and similar rights and values	52,502	1,946	0	4	0	54,444
a) internally generated industrial property rights and similar rights and values	13,433	1,673	0	0	0	15,106
b) for remuneration aquired concessions and similar rights and values	9,296	144	0	4	0	9,436
c) Customer base	29,606	129	0	0	0	29,735
d) Contract preparation costs	166	0	0	0	0	166
2. Company Value	40,203	0	0	0	0	40,203
3. Payments made	25	0	0	16	0	9
	92,730	**1,946**	**0**	**20**	**0**	**94,656**
II. Property, plant and equipment						
1. Other equipment, operating and	4,151	150	0	97	0	4,204
business equipment	6,647	930	0	70	0	7,507
2. Rights of use rental and leasing	**10,798**	**1,080**	**0**	**167**	**0**	**11,711**
III. Financial assets						
1. Shares in affiliated companies	55	0	0	0	0	55
2. Closed-end fund investments	45	394	0	31	0	408
3. Shares in associated companies	130	935	0	308	0	757
4. Securities held as fixed assets	187	219	0	4	0	402
	416	**1,548**	**0**	**343**	**0**	**1,622**
	103,944	**4,574**	**0**	**530**	**0**	**107,989**

	Depreciation/amortisation						Book value	
	01/01/2022 kEUR	Depreciation/ Amortisation in financial year kEUR	Disposals kEUR	Reclassifications kEUR	First consolidation kEUR	**31/12/2022 kEUR**	31/12/2021 kEUR	**31/12/2022 kEUR**
	26,306	4,297	0	0	0	30,603	26,195	23,840
	10,453	1,573	0	0	0	12,026	2,980	3,080
	6,155	693	0	0	0	6,847	3,141	2,589
	9,615	2,007	0	0	0	11,622	19,991	18,112
	84	24	0	0	0	107	83	59
	0	0	0	0	0	0	40,203	40,203
	0	0	0	0	0	0	25	9
	26,306	**4,297**	**0**	**0**	**0**	**30,603**	**66,423**	**64,052**
	3,133	365	54	0	0	3,444	1,017	759
	2,080	1,388	70	0	0	3,398	4,567	4,110
	5,213	**1,753**	**124**	**0**	**0**	**6,842**	**5,584**	**4,869**
	0	0	0	0	0	0	55	55
	0	0	0	0	0	0	45	408
	0	0	0	0	0	0	130	757
	0	8	0	0	0	8	187	394
	0	**8**	**0**	**0**	**0**	**8**	**417**	**1,613**
	31,519	**6,058**	**124**	**0**	**0**	**37,453**	**72,424**	**70,534**

Appendix 2

Statement of changes in the net book values of consolidated fixed assets as of 31 December 2022

	Book value 01/01/2022 kEUR	First consolidation kEUR	Reclassi-fications kEUR	Additions/ Reclassi-fications kEUR	Disposals kEUR	Depreciation/ amortisation in the financial year kEUR	**Book value 31/12/2022 kEUR**
I. Intangible assets							
1. Concessions, industrial property rights and similar rights and values	26,195	0	0	1,946	4	4,297	23,840
a) internally generated industrial property rights and similar rights and values	2,980	0	0	1,673	0	1,573	3,080
b) for remuneration aquired concessions and	3,141	0	0	144	4	693	2,589
similar values	19,991	0	0	129	0	2,007	18,112
c) Customer base	83	0	0	0	0	24	59
d) Contract preparation costs	40,203	0	0	0	0	0	40,203
2. Company Value	25	0	0	0	16	0	9
3. Payments made	**66,423**	**0**	**0**	**1,946**	**20**	**4,297**	**64,052**
II. Property, plant and equipment							
1. Other equipment, operating and business equipment	1,017	0	0	150	44	365	759
2. Rights of use rental and leasing	4,567	0	0	930	0	1,388	4,110
	5,584	**0**	**0**	**1,080**	**44**	**1,753**	**4,869**
III. Financial assets							
1. Shares in affiliated companies	55	0	0	0	0	0	55
2. Closed-end fund investments	45	0	0	394	31	0	408
3. Shares in associated companies	130	0	0	935	308	0	757
4. Securities held as fixed assets	187	0	0	219	4	8	394
	417	**0**	**0**	**1,548**	**344**	**8**	**1,613**
	72,424	**0**	**0**	**4,574**	**408**	**6,058**	**70,534**

Appendix 3

List of shareholdings as of 31 December 2022

Company name and registered office	Shareholding in %
Subsidiaries included in the consolidated financial statements:	
Jung, DMS & Cie. Aktiengesellschaft, Munich	100.0
FiNUM.Private Finance Holding GmbH, Vienna	100.0
JDC B-LAB, Triesen	100,0
BB-Wertpapier Verwaltungsgesellschaft mbH, Augsburg	75.1
FiNUM.Private Finance AG, Vienna [1]	100.0
benefit consulting GmbH, Wien [1]	100,0
Jung DMS & Cie. GmbH, Vienna [1]	100.0
Jung, DMS & Cie. Pool GmbH, Wiesbaden [1]	100.0
Morgen & Morgen GmbH, Hofheim/Ts. [1]	100,0
jupoo finance GmbH, Wien [1]	50.0
Jung, DMS & Cie. Pro GmbH, Wiesbaden [1]	100.0
FiNUM.Pension Consulting GmbH, Wiesbaden [1]	100.0
JDC plus GmbH, Wiesbaden [1]	100.0
JDC Geld.de GmbH, Wiesbaden [1]	100.0
FiNUM.Private Finance Holding GmbH, Wiesbaden	100.0
FiNUM.Private Finance AG , Berlin [1]	100.0
FiNUM.Finanzhaus AG, München [1]	100.0

[1] indirect shareholding, indication of the proportion of shares held by the subsidiary

Company name and registered office Non-consolidated subsidiaries and investments:	Shareholding in %	Equity 31/12/2022 kEUR	Net profit 2022 kEUR
1. Non-consolidated subsidiaries			
MEG AG, Kassel	100.0	n.a.	n.a.
FVV GmbH, Wiesbaden [2]	100.0	20	–4
2. Other investments			
S-Fin Smart Finanzieren GmbH, Straubing	49.9	–46	–143
Plug-InSurance GmbH, München	50.0	–64	–46
Einfach gut versichert GmbH	25.1	1,200	–595
Dr. Jung & Partner GmbH Generalrepräsentanz, Essenbach [1] [3]	30.0	165	12

[1] indirect shareholdings via Jung, DMS & Cie. Pool GmbH
[2] indirect shareholdings via FiNUM.Private Finance AG, Berlin
[3] Data from 31 December 2021

Appendix 4

Additional informations concerning Financial instruments IFRS 7 as of 31 December 2022

	Measurement categories as defined by IFRS 9	Book value 31/12/2022 kEUR	Continuing book kEUR	Cost of acquisition kEUR	Fair Value – not affecting net income kEUR
Assets					
Non-current assets					
Financial assets					
Shares in affiliated companies	AC	55		55	
Closed-end fund investments	AC	408		408	
Shares in associated companies	AC	757	757		
Securities	AC	394		394	
Accounts receivable	AC	1,134	1,134		
Other assets	AC	304	304		
Current assets					
Accounts receivable	AC	17,601	17,601		
Other assets	AC	3,883	3,883		
Cash and cash equivalents	AC	16,672	16,672		
Liabilities					
Non-current liabilities					
Bonds	AC	19,655	19,655		
Liabilities due to banks	AC	4	4		
Accounts payable	AC	12,975	12,975		
Other liabilities	AC	3,774	3,774		
Current liabilities					
Liabilities due to banks	AC	24	24		
Accounts payable	AC	18,132	18,132		
Other liabilities					
Other liabilities	AC	13,120	13,120		

* The management realised that the disclosed time values of all positions with exception of the issued bond mainly due to the short time span of these instruments meet their book value. The fair value of the bond liability was deviated from the bond's market price.

Fair Value – affecting net income kEUR	**Fair Value 31/12/2022 kEUR**	Book value 31/12/2021 kEUR	Continuing book value kEUR	Cost of acquisition kEUR	Fair Value – not affecting net income kEUR	Fair Value – affecting net income kEUR	Fair Value 31/12/2021 kEUR
	55	55		55			55
	408	175		175			175
	757	130					130
	394	187		187			187
	1,134	1,122	1,122				1,122
	304	1,390	1,390				1,390
	17,601	19,205	19,205				19,205
	3,883	2,226	2,226				2,226
	16,672	21,906	21,906				21,906
	19,655	19,491	19,491				20,609
	4	0	0				0
	12,975	11,513	11,513				11,513
	3,774	7,357	7,357				7,357
	24	1,015	1,015				1,015
	18,132	23,796	23,796				23,796
	13,120	10,842	10,842				10,842

Independent Auditor’s report

To JDC Group AG, Wiesbaden

OPINIONS

We have audited the consolidated financial statements of JDC Group AG and its subsidiaries (the Group), which comprise the balance sheet as of December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2022 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the joint management report of JDC Group AG for the financial year from January 1 to December 31, 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), and in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, and
- the accompanying joint management report as a whole provides an appropriate view of the Group’s position. In all material respects, this joint management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the joint management report does not cover the content of the non-financial Group declaration and the corporate governance statement mentioned above.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the joint management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the joint management report in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements and of the joint management report” section of our auditor’s report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the joint management report.

OTHER INFORMATION

The legal representatives are responsible for the other information. The other information comprises the remaining parts of the annual report, with the exception of the audited consolidated financial statements and the joint management report and our auditor's report.

Our opinions on the consolidated financial statements and on the joint management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the joint management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there has been a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the legal representatives and of the Supervisory Board for the consolidated financial statements and the joint management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for fidancial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the joint management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a joint management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the joint management report.

Auditor's Responsibilities for the Audit of the consolidated financial statements and of the joint management report

Our objectives are to obtain reasonable assurance about whether the consolidated fidancial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the joint management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, whether it complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the joint management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this joint management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements and of the joint management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
— Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the joint management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
— Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures
— Conclude on the appropriateness of the legal representatives use of the going concern basis of account-ing and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the joint management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the joint management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the joint management report with the consolidated financial statements, its conformity with law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the joint management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance, inter alia regarding the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

Münster, March 23, 2023

Dr. Merschmeier + Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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