

Letter to shareholders

1. Quarter of 2023



BEST ADVICE. BETTER TECHNOLOGY.



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Management Board letter to shareholders

DEAR SHAREHOLDERS, DEAR BUSINESS PARTNERS,

JDC Group AG was able to slightly increase its revenues in the first quarter of 2023. Group revenues grew by 1.4 percent year-on-year to 43.8 million Euro in the first three months of 2023.

The first quarter was characterized by two developments:

On the one hand, the insurance segment was able to continue its positive development and in some cases even expand it significantly. The number of new applications rose by more than 25 percent and the number of initiated portfolio transfers even by almost 60 percent. The areas of property and motor vehicle insurance developed particularly positively. Property insurance with application growth of over 60% and motor vehicle insurance with application growth of over 30 percent compared with the corresponding quarter of the previous year.

On the other hand, the continued weakness of the investment, real estate and construction financing areas resulted in a decline in revenues of approximately 3 million Euro, which was more than offset by the increased volume in the insurance area. The ongoing reluctance to buy and invest due to higher interest rates resulted in lower acquisition commissions, and portfolio commissions were also weaker than in the prior-year quarter. As portfolio commissions in this area are always remunerated for periods that have already expired, it is already foreseeable that portfolio commissions will grow again in the course of the year due to the increased valuations.

These market developments are particularly evident in the Advisory business unit, which is more dependent on the market environment. The Advisortech business unit continued to grow steadily despite the weak investment sector.

Important steps during the first quarter of 2023

JDC GROUP SUBSIDIARY JUNG, DMS & CIE. ACQUIRES SIGNIFICANT PARTS OF THE TOP TEN GROUP

Jung, DMS & Cie. AG, a 100 percent subsidiary of JDC Group AG, has 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.

The transaction is expected to close in the third quarter of 2023 due to the regulatory required owner control process.

Results for the first quarter of 2023

Group revenues increased by 1.4 percent to EUR 43.8 million in the first quarter of 2023 (Q1 2022: EUR 43.2 million). Compared to the previous quarter Q4 2022, this means a growth of 8.9 percent (Q4 2022: EUR 40.3 million).

As a result of the revenues development, earnings deteriorated in the first quarter as the cost base was adjusted due to the increasing business volume and the expected growth. Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first quarter amounted to kEUR 3,185 (Q1 2022: kEUR 3,732). Compared to Q4 2022, however, this represents a growth of 15.5 percent. Earnings before interest and taxes (EBIT) decreased to kEUR 1,808 compared to kEUR 2,277 in the previous year.

Equity amounted to EUR 38.4 million as of March 31, 2023. The equity ratio thus increased to a solid 34.2 percent (December 31, 2022: EUR 37.0 million and 32.7 percent).

Overview in kEUR	Q1/2023 kEUR	Q4/2022 kEUR	Changes in %	Q1/2023 kEUR	Q1/2022 kEUR	Changes in %
Revenues	43,832	40,252	8.9	43,832	43,224	1.4
Advisortech	39,445	34,877	13.1	39,445	37,050	6.5
Advisory	8,156	8,253	-1.2	8,156	9,095	-10.3
Holding/Consolidation	-3,769	-2,878	-31.0	-3,769	-2,921	-29.0
EBITDA	3,185	2,758	15.5	3,185	3,732	-14.7
EBIT	1,808	1,170	54.5	1,808	2,277	-20.6
EBT	1,453	536	>100	1,453	1,907	-23.8
Net profit	1,433	483	>100	1,433	1,846	-22.4

THE INDIVIDUAL BUSINESS AREAS DEVELOPED AS FOLLOWS:

Advisortech

The Advisortech business unit increased its revenues by 6.5 percent to EUR 39.4 million in the first three months of 2023 (Q1 2022: EUR 37.1 million). Compared to the previous quarter Q4 2022, this represents growth of 13.1 percent (Q4 2022: EUR 34.9 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 3.3 million in the first three months of 2023, slightly below the comparative figure for the previous year of EUR 3.7 million, due to higher costs.

Earnings before interest and taxes (EBIT) decreased to EUR 2.3 million in the first three months of 2023 (Q1 2022: EUR 2.6 million).

Advisory

In the Advisory business unit, revenues in the first three months of 2023 decreased by around 10 percent year-on-year to EUR 8.2 million (Q1 2022: EUR 9.1 million) due to the pronounced weakness of the capital markets. Revenues are therefore around 1 percent below the previous quarter Q4 2022.

Earnings before interest, taxes, depreciation and amortization (EBITDA) in the Advisory segment fell to EUR 0.6 million in the first three months (Q1 2022: EUR 0.8 million).

Earnings before interest and taxes (EBIT) fell to EUR 0.3 million in the first three months of 2023 (Q1 2022: EUR 0.5 million).

Outlook

For the rest of the year 2023, we confirm our positive assessment and the published guidance:

In 2023, the company expects revenues growth to EUR 175 to 190 million and EBITDA of EUR 11.5 to 13.0 million on the basis of cooperation agreements already concluded.

Thanks to employees and shareholders

Once again, we would like to express our special thanks to our employees and revenues partners of JDC Group AG and our subsidiaries, as their commitment and motivation are the basis of our success.

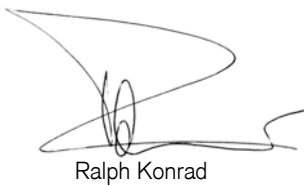
We would also like to thank our shareholders, who believe in our business model and support and confirm the work of the Management Board and Supervisory Board.

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

sincerely, Yours



Dr. Sebastian Grabmaier



Ralph Konrad



Stefan Bachmann

Consolidated income statement

	01/01– 31/03/2023 kEUR	01/01– 31/03/2022 kEUR
1. Revenues	43,832	43,224
2. Capitalised services	395	310
3. Other operating income	223	566
4. Commission expenses	–31,498	–31,050
5. Personnel expenses	–6,898	–6,650
6. Depreciation and amortisation of tangible and intangible assets	–1,377	–1,455
7. Other operating expenses	–2,870	–2,668
8. Income from investments	0	0
9. Share of income from associated companies	4	0
10. Income from securities	–1	0
11. Other interest and similar income	5	0
12. Impairment losses on financial instruments	0	0
13. Interest and similar expenses	–362	–370
14. Operating profit/loss	1,453	1,907
15. Income tax expenses	25	–51
16. Other tax expenses	–45	–10
17. Net profit	1,433	1,846
of which attributable to minorities	11	17
thereof attributable to parent company's shareholders	1,422	1,829
18. Earnings per share	0.11	0.14

Consolidated cash flow statement

	01/01– 31/03/2023 kEUR	01/01– 31/03/2022 kEUR	Changes compared to previous year kEUR
1. Result for the period	1,433	1,846	-413
2. + Depreciation and amortisation of fixed assets	1,378	1,455	-77
3. -/+ Decrease/increase of provisions	59	-198	257
4. -/+ Other non-cash itemised income/expenses	-97	-21	-76
5. -/+ Profit/loss from disposals of fixed assets	0	0	0
6. -/+ Increase/decrease of inventories, accounts receivable as well as other assets	2,666	3,240	-574
7. -/+ Decrease/increase of accounts payable as well as other liabilities	-1,365	-4,336	2,971
8. = Cash flow from operating activities	4,074	1,986	2,088
9. + Cash receipts from disposals of intangible assets	0	0	0
10. - Cash payments for investments in intangible assets	-734	-384	-350
11. + Cash receipts from disposals of fixed assets	0	0	0
12. - Cash payments for investments in intangible assets	-263	-5	-258
13. + Cash receipts from disposals of financial assets	0	0	0
14. - Cash payments for investments in financial assets	-6	-94	88
15. + Cash receipts from the disposal of consolidated companies	0	0	0
16. - Cash payments for the acquisition of consolidated companies	-33	0	-33
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	-1,036	-483	-553
20. + Cash receipts/payment to equity	0	0	0
+ Payments received for stock options issued	77	60	17
21. - Payments from the purchase of own shares	0	0	0
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	0	0
25. - Cash payments from loan redemptions	0	-976	976
26. - Payments for the repayment part of the rental and leasing obligations	-361	-296	-65
27. - Paid interests	0	0	0
28. = Cash flow from financing activities	-284	-1,212	928
29. Changes in cash and cash equivalents (total of pos. 8, 19, 28)	2,754	291	2,463
30. + Cash and Cash equivalents at the beginning of the period	16,672	21,906	-5,234
31. = Cash and Cash equivalents at the end of the period	19,426	22,197	-2,771
Breakdown of cash and cash equivalents	31/03/2023 kEUR	31/03/2022 kEUR	Change kEUR
Cash and cash in banks	19,426	22,197	-2,771
Current liabilities due to banks	0	0	0
	19,426	22,197	-2,771

Segment reporting

	Advisortech		Advisory	
	Q1/2023 kEUR	Q1/2022 kEUR	Q1/2023 kEUR	Q1/2022 kEUR
Segment income				
Revenues	39,445	37,050	8,156	9,095
of which with other segments	280	294	3,519	2,627
Total segment income	39,445	37,050	8,156	9,095
Capitalised services	395	310	0	0
Other income	152	574	75	-6
Segment expenses				
Commissions	-29,685	-27,723	-5,519	-6,141
Personnel expenses	-4,825	-4,534	-1,239	-1,261
Depreciation and amortisation	-1,000	-1,081	-293	-299
Other	-2,220	-1,987	-872	-892
Total segment expenses	-37,730	-35,325	-7,924	-8,593
EBIT	2,262	2,609	307	496
EBITDA	3,262	3,690	600	795
Income from investments	0	0	0	0
Income from at-equity valuation	4	0	0	0
Other interest and similar income	112	126	7	1
Yield on other securities	-1	0	0	0
Depreciation of financial assets	0	0	0	0
Other interest and similar expenses	-437	-439	-142	-152
Financial result	-322	-313	-135	-151
Segment earnings before tax (EBT)	1,940	2,296	171	345
Tax expenses	40	117	-44	-178
Segment's net profit (EAT)	1,980	2,413	128	167
Minority interests	11	17	0	0
Segment net profit after minority interests	1,968	2,396	128	167

Holding		Total reportable segments		Transfer		Total	
Q1/2023 kEUR	Q1/2022 kEUR	Q1/2023 kEUR	Q1/2022 kEUR	Q1/2023 kEUR	Q1/2022 kEUR	Q1/2023 kEUR	Q1/2022 kEUR
643	590	48,244	46,735	-4,412	-3,511	43,832	43,224
613	590	4,412	3,511	-4,412	-3,511	0	0
643	590	48,244	46,735	-4,412	-3,511	43,832	43,224
0	0	395	310	0	0	395	310
5	3	231	571	-8	-5	223	566
-5	0	-35,210	-33,864	3,712	2,814	-31,498	-31,050
-833	-855	-6,898	-6,650	0	0	-6,898	-6,650
-85	-75	-1,377	-1,455	0	0	-1,377	-1,455
-486	-491	-3,578	-3,370	708	702	-2,870	-2,668
-1,409	-1,421	-47,063	-45,339	4,420	3,516	-42,643	-41,823
-761	-828	1,808	2,277	0	0	1,808	2,277
-676	-753	3,186	3,732	0	0	3,185	3,732
0	0	0	0	0	0	0	0
0	0	4	0	0	0	4	0
238	246	356	373	-351	-373	5	0
0	0	-1	0	0	0	-1	0
0	0	0	0	0	0	0	0
-135	-152	-713	-743	351	373	-362	-370
103	94	-355	-370	0	0	-355	-370
-658	-734	1,453	1,907	0	0	1,453	1,907
-16	0	-20	-61	0	0	-20	-61
-674	-734	1,433	1,846	0	0	1,433	1,846
0	0	11	17	0	0	11	17
-674	-734	1,422	1,829	0	0	1,422	1,829

Consolidated Balance Sheet

Assets	31/03/2023 kEUR	31/12/2022 kEUR
Non-current assets		
Intangible assets	63,845	64,052
Fixed assets	4,695	4,869
Financial assets	858	856
Shares in associated companies	761	757
	70,159	70,534
Deferred taxes	2,399	2,518
Long-term non-current assets		
Accounts receivable	1,149	1,134
Other assets	339	304
	1,488	1,438
Total non-current assets	74,046	74,490
Current assets		
Accounts receivable	13,933	17,601
Other assets	4,322	3,883
Cash and cash equivalents	19,426	16,672
Deferred charges	848	337
Total current assets	38,529	38,493
Total assets	112,575	112,983

Liabilities	31/03/2023	31/12/2022
	kEUR	kEUR
Equity		
Subscribed capital	13,668	13,668
Own shares	-687	-687
Capital reserves	26,516	26,472
Other retained earnings	516	516
Other equity components	-1,567	-2,998
Total equity	38,446	36,971
Non-current liabilities		
Deferred taxes	5,286	5,502
Bond	19,699	19,655
Liabilities due to banks	7	4
Accounts payable	13,371	12,975
Other liabilities	3,483	3,774
Accruals	1,444	1,366
Total non-current liabilities	43,290	43,276
Current liabilities		
Bonds	0	0
Accrued taxes	596	615
Liabilities due to banks	16	24
Accounts payable	19,151	18,132
Other liabilities	10,017	13,120
Deferred income	1,059	845
Total current liabilities	30,839	32,736
Total equity and liabilities	112,575	112,983

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

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