Annual Report
2021

JDC GROUP

BEST ADVICE. BETTER TECHNOLOGY.

Content

JDC Group AG

At a glance

P & L in kEUR	31/12/2021 kEUR	31/12/2020 kEUR	Changes compared to previous year in %
Revenues	146,808	122,834	19.5
Gross margin	41,690	33,722	23.6
Gross margin in %	28.4	27.5	3.3
Total operational costs	38,779	33,225	16.7
EBITDA	8,308	5,125	62.1
EBITDA margin in %	5.7	4.2	35.7
EBIT	2,911	497	>100
EBIT margin in %	2.0	0.4	>100
Net profit	904	–1,163	>100
Number of shares in thousands (end of period)	13,668	12,966	5.4
Earnings per share in EUR	0.07	–0.09	>100

Cash flow/Balance in kEUR	31/12/2021 kEUR	31/12/2020 kEUR	Changes compared to previous year in %
Cash flow from operating activities	14,855	8,873	67.4
Total equity and liabilities	121,753	91,791	32.6
Equity	38,817	27,288	42.2
Equity ratio in %	31.9	29.7	7.2

Highlights 2021

JDC takes over Morgen & Morgen GmbH

The acquisition of MORGEN & MORGEN GmbH expands JDC Group AG's own platform in the areas of data analysis, software development and product knowledge. MORGEN & MORGEN itself will be an independent company within the JDC Group and continue to concentrate on independent data analysis and software development, but the tools will also be integrated into the JDC platform. This fills the last gap in JDC Group AG's offering, making it even more attractive to customers.

JDC receives award

Since January 2021, JDC Group AG has been one of the TOP 100 most innovative companies in Germany. JDC impressed the judges of this innovation contest in all five test categories: fostering of innovation by management; innovative climate; innovative processes and organisation; outward orientation/open innovation; and innovation success.

Study finds JDC is the best digital platform provider

In addition, in an extensive market study of digital financial platform providers by management consultancy firm TME, JDC Group platform was declared the winner. The award is recognition of the particularly high performance level of JDC's technical platform and the fact that it offers a wide range of products, from white label solutions to API communication.

Further key accounts in the Bancassurance business

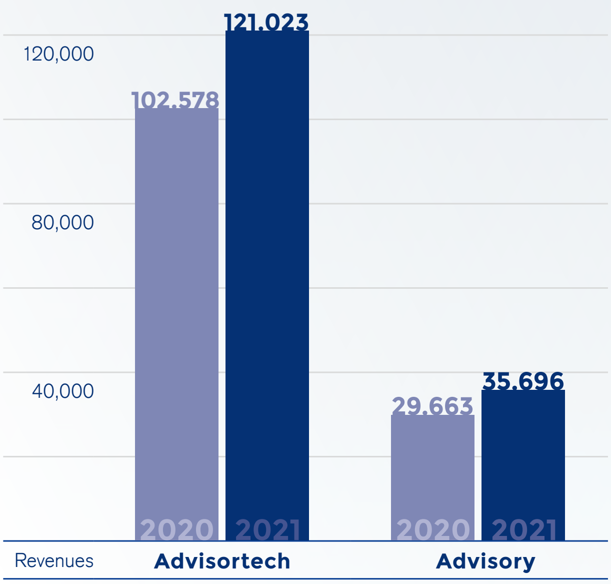
In the past year, JDC Group AG signed extensive collaboration agreements with the Provinzial group and with Versicherungskammer Bayern (VKB), Germany's largest public insurance company. Under the agreements, JDC will be a technical provider and handle the third-party insurance business of the affiliated savings banks. The establishment of a joint venture with Provinzial by the name of Einfach Gut Versichert GmbH, along with Versicherungskammer's acquisition of a strategic shareholding in JDC Group AG, underline the significance of these ground-breaking collaborations.

JDC acquires another key customer for its platform

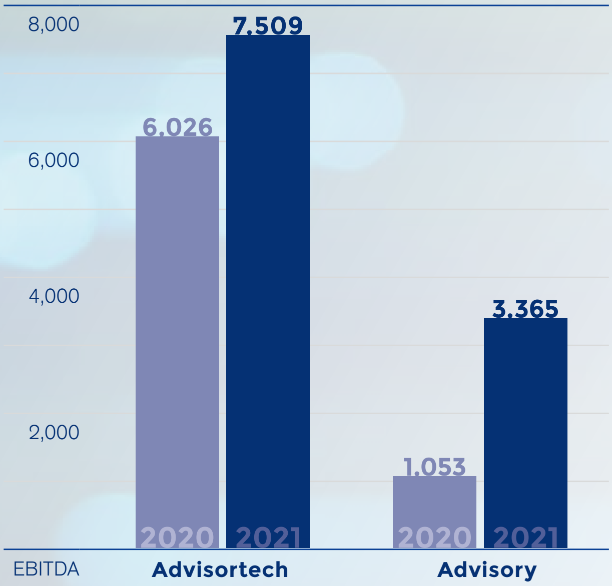
The acquisition of high-profile platform customers from all segments – most recently Finanzguru and Mediolanum – demonstrates that JDC‘s platform technology is setting standards in the processing, settlement and management of insurance contracts and data.

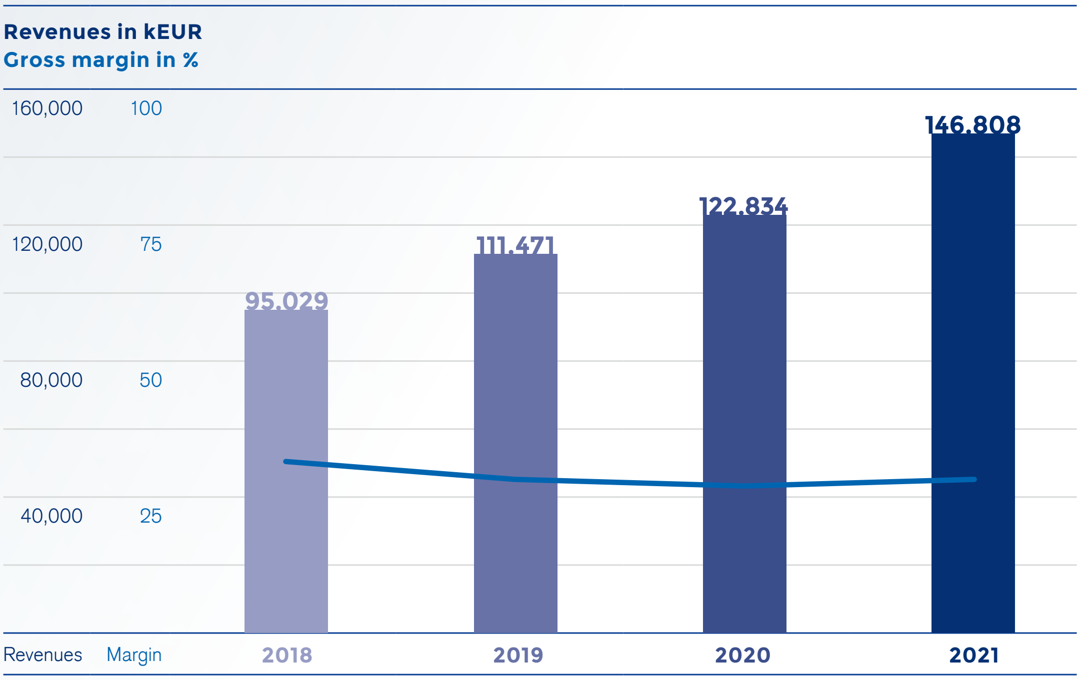
Highlights 2021

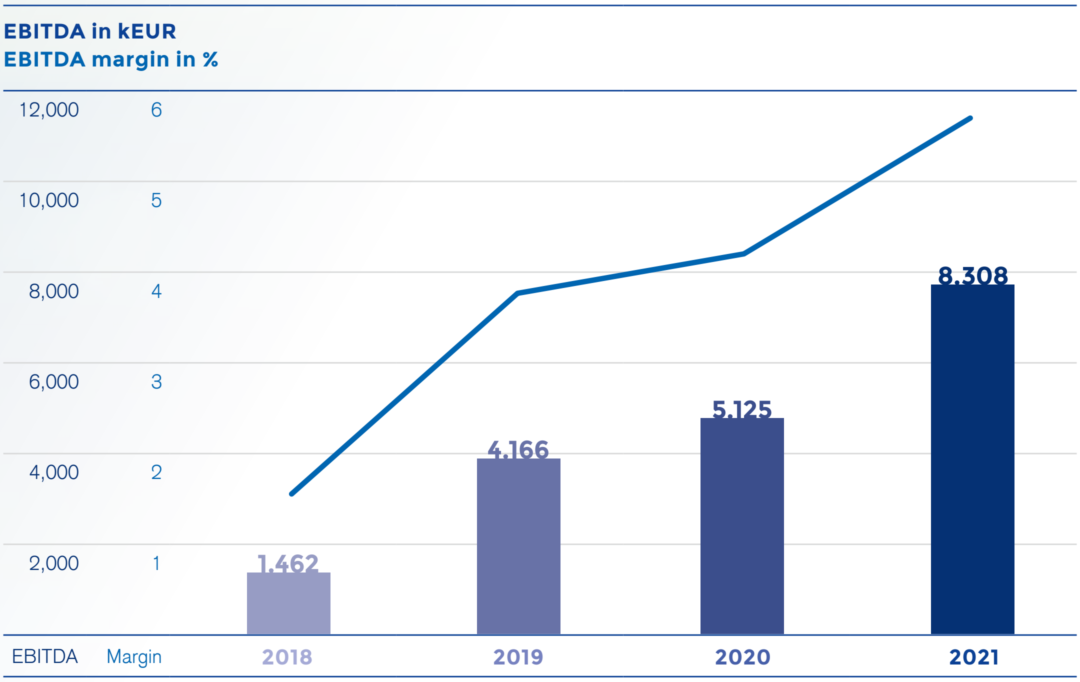
Revenues by operating segments
in kEUR



EBITDA by operating segments
in kEUR




Revenues in kEUR
Gross margin in %
160,000
100
120,000
75
80,000
50
40,000
25
95.029
111.471
122.834
146.808
Revenues
Margin
2018
2019
2020
2021


EBITDA in kEUR
EBITDA margin in %
12,000
6
10,000
5
8,000
4
6,000
3
4,000
2
2,000
1
1.462
4.166
5.125
8.308
EBITDA
Margin
2018
2019
2020
2021

Highlights 2021

JDC goes API

Flexible connection of existing systems to the JDC environment, benefiting from automated processes and access to contract details.

JDC API is designed for the

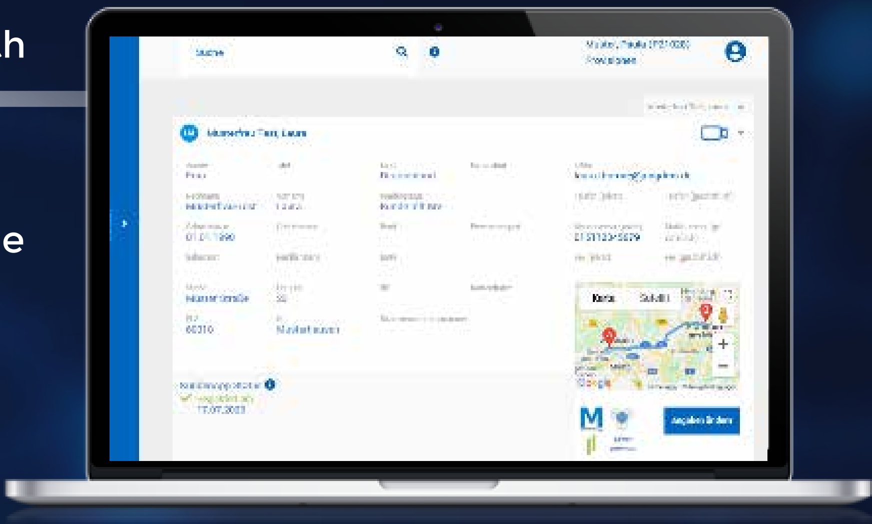
customer frontend and can be installed without need of support.

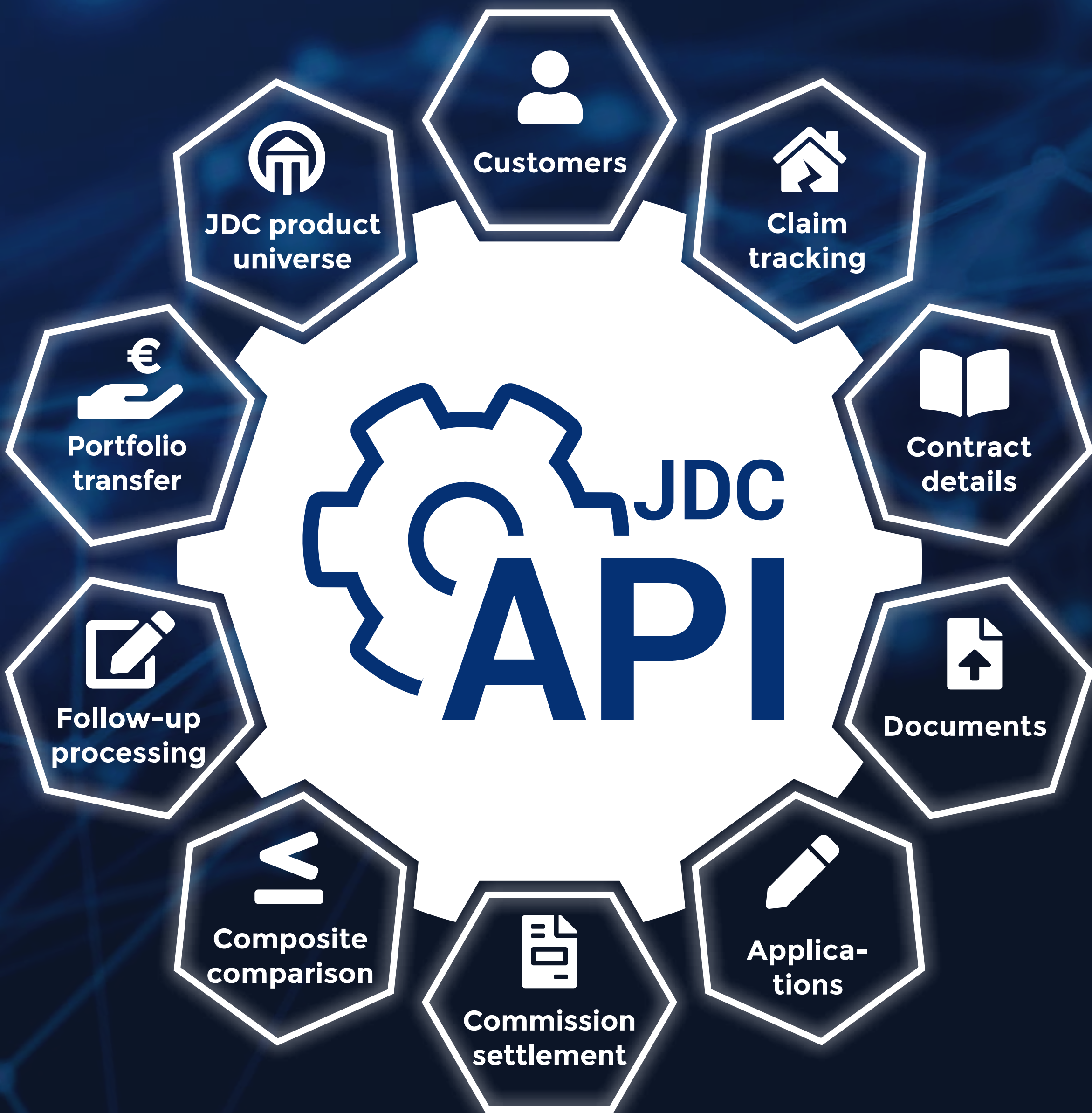
JDC API supports

services like the INBOX of the app and input of documents from CRM
> integrated linkage of CRM and customer app

JDC API is compatible with

other CRM systems
and can thus be adapted
for connection to any type
of advisor backend link
> Salesforce-ready






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

Management board letter

DEAR SHAREHOLDERS AND BUSINESS PARTNERS,

JDC Group AG exceeded its forecasts and finished the financial year 2021 with an encouraging increase in revenues and profit. At EUR 146.8 million, revenue increased by 19.5 percent compared with the previous year. This also gave a significant boost to the net income for the year: earnings before interest, tax, depreciation and amortisation (EBITDA) increased to EUR 8.3 million compared with EUR 5.1 million in 2020. Development of Europe's leading digital insurance platform is underway.

New key accounts and acquisition of MORGEN & MORGEN GmbH

One of the most important steps in the history of JDC to date was the initiation of the collaboration with the Provinzial insurance group and its around 120 savings banks in the first quarter of 2021. A joint venture is being created by JDC and Provinzial, through which a digital insurance platform based on JDC's information technology systems and services is to be provided to the savings banks and their customers in Provinzial's business region. The joint business plan projects the number of customers using this digital insurance platform at around a million within five years.

In the third quarter, JDC Group AG agreed on a wide-ranging collaboration with Germany's largest public insurance company, Versicherungskammer Bayern (VKB), in connection with S-Versicherungsmanager. As in the collaboration with Provinzial Holding, JDC will provide technical services and processing/settlement services for the third-party insurance business of the affiliated savings banks.

To safeguard the long-term collaboration, Versicherungskammer has acquired a strategic shareholding in JDC Group AG, which demonstrates the seriousness of this ground-breaking collaboration for JDC Group. The participation has generated an additional EUR 10.6 million in equity for JDC Group AG. This gives JDC Group AG access to the third-party insurance business of up to 200 savings banks with huge business potential in the business area of Provinzial and of Versicherungskammer.

However, JDC's teams were also successful in areas apart from this major project. Germany's leading multi-banking app Finanzguru is JDC's newest platform client. With the help of JDC's platform technology, Finanzguru will also allow its around 500,000 app users to manage and conclude insurance policies.

Additionally, Banca Mediolanum's Irish insurance company, Mediolanum International Life, signed an agreement with JDC regarding a strategic collaboration on its life insurance business in Germany. Via an interface to the JDC platform, MIL's entire German insurance business is to be handled through our platform.

The acquisition of MORGEN & MORGEN GmbH enables JDC to expand its own platform in the areas of data analysis, software development and product knowledge with an analysis of the prices of all insurance products marketed in Germany. Prices can now be compared and rated across all data dimensions, and products can be recommended and sold with the aid of algorithms. This makes the JDC platform even more attractive for its customers and intermediaries. The MORGEN & MORGEN software will be integrated into the JDC platform during 2022.

Results for the financial year 2021

Consolidated revenues rose by around 19.5 percent to EUR 146.8 million in 2021 (2020: EUR 122.8 million). Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to EUR 8.3 million (2020: EUR 5.1 million). There was also a significant improvement in earnings before interest and tax (EBIT), which stood at EUR 2.9 million (2020: EUR 0.5 million).

In the promising platform business (Advisortech segment), revenues grew by a rate of 18.0 percent, to EUR 121.0 million (previous year: EUR 102.6 million). Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to EUR 7.5 million (2020: EUR 6.0 million). There was also a significant improvement in earnings before interest and tax (EBIT), which stood at EUR 3.5 million (2020: EUR 2.5 million).

The Advisory segment convinced with revenue growth in the financial year 2021. Revenues were up by around 20.2 percent and reached EUR 35.7 million (previous year: EUR 29.7 million). Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to EUR 3.4 million (2020: EUR 1.1 million). There was also a significant improvement in earnings before interest and tax (EBIT), which stood at EUR 2.3 million (2020: EUR 0.2 million).

Important milestones in 2022 so far

A further milestone in JDC's development into the leading insurance platform in Europe was the signing of a five-year contract with a subsidiary of R+V Versicherung, to pilot a bancassurance platform for cooperative banks and rural credit unions. Jung, DMS & Cie. Pro GmbH, a JDC Group AG company, signed the contract with the subsidiary of the R+V insurance group, based in the German city of Wiesbaden. R+V, the second-largest insurance group in Germany, plans to use the JDC insurance platform as a white-label service along with the customer administration system iCRM and its own retail customer smartphone app for a hybrid intermediary model within the cooperative banking group.

Finally, an agreement was signed with Gothaer Insurance Group on an extensive collaboration to establish a 360-degree portfolio view for customers of the company's own agency business. The contract will run for four years. JDC is providing the platform and the interfaces needed to offer customers an overview of their entire insurance portfolio. Policies from insurance companies outside the Gothaer group will be made visible with the aid of JDC's own portfolio and administration system, iCRM. The benefits for Gothaer cover the entire value chain, from contract administration and commission accounting to the service centre.

Outlook

On the basis of the collaborations already in place, for 2022 the company expects revenues to increase to between EUR 165 million and EUR 175 million, and EBITDA to rise to more than EUR 11 million.

The business model of JDC Group AG is not directly affected, in economic terms, by the conflict in Ukraine. In particular, the company is not dependent on supply chains or other service providers. Of course, the general trend in the global economy and the general business outlook in Germany and the rest of Europe could have a negative impact on the capital markets and on the buying behaviour of our customers.

Thanks to our employees and shareholders

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

For 2021, we would especially like to thank the Supervisory Board members who recently resigned, the deputy chairperson and investors Klemens Hallmann and Dr Markus Schachner. They advised the Management Board on many decisions and supported and played a leading role in implementing the successful share buyback programme. Finally, Klemens Hallmann facilitated VKB's acquisition of a major shareholding in the company.

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

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

Yours sincerely

Dr. Sebastian Grabmaier | Ralph Konrad | Stefan Bachmann

The group

The group

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 the full range of products from all product providers in the financial market – in addition to supplying all data and documentation – with its vision systems and interfaces 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. Using a smartphone app, a tablet or a PC, customers and intermediaries can obtain a complete overview of the individual insurance and investment fund portfolio, with simple conclusion processes and transfer options, in addition to a full market comparison, so that customers and advisers can optimise insurance and pensions easily and cost-effectively.

In the Advisory segment, around 300 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

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

Insurance comparison platform

JUNG, DMS & CIE.

GELD.de

MORGEN & MORGEN

ADVISORY

Mediation of financial products to end customers as sales representatives pursuant to § 84 HGB.

Insurances, securitites, material values, financing

FiNUM. Private Finance

FiNUM. Finanzhaus

The individual subsidiaries of JDC Group AG have their own identity and are active 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

“We continue to have high expectations for our business development in 2022 and beyond. business development. The savings banks and cooperative banks that will then be connected to our platform are expected to generate revenue growth in the double-digit millions for the JDC platform from 2023 onwards. Based on our continued strong broker and advisor business, we want to grow by more than 20 percent annually from 2023 at the latest and develop JDC into the leading insurance platform in Europe.”

Business Units

ADVISORTECH – DISTRIBUTION OF FINANCIAL PRODUCTS TO RETAIL CUSTOMERS VIA FINANCIAL INTERMEDIARIES

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 (JDC) 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. The collaboration with Provinzial and Versicherungskammer has further increased the importance of Jung, DMS & Cie. Pro GmbH.

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 RETAIL CUSTOMERS

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 customers of the FiNUM Group – consisting of FiNUM.Private Finance AG, Berlin, Germany (FPF D); FiNUM.Private Finance AG; Vienna, Austria (FPF A); and FiNUM.Finanzhaus AG (FFH) – are discerning retail customers, self-employed professionals and business customers interested in capital accumulation and investment, pensions and risk cover, in addition to finance and capital raising. As an independent financial and investment adviser, we make personal advice our top priority – a fact confirmed in a blind survey by the German consumer research institution Deutsches Kundeninstitut. The survey covered integrated advice, divided into the categories of advisory services, product presentation and customer service. We ranked first in the advisory services category.

With 115 experienced and authorised advisers, **FiNUM. Private Finance** (FPF) is represented throughout Germany and Austria. It currently provides more than 60,000 customers with integrated, impartial advice on all business matters across all asset classes.

FiNUM.Finanzhaus AG has around 150 advisers and around 25,000 customers. The company's core area is insurance and consumer protection issues play a large part in its dealings.

The FiNUM Group currently manages assets of around EUR 2 billion in Germany and Austria.

History

2018

08/2018
JDC introduces iCRMweb, a state-of-the-art consulting technology. Alongside with allesmeins, Geld.de is now also enabled for white label. That makes JDC the market leader in products and services.

10/2018
In a letter of intent (LOI), JDC and comdirect with its 2.4 million customers have agreed to form a partnership.

11/2018
JDC and BMW subsidiary Bavaria Wirtschaftsagentur GmbH signed a letter of intent for the purpose of forming a long-term partnership involving the brokering of financial products.

12/2018
A report in the Frankfurter Allgemeine Zeitung describes JDC as one of Germany's best financial service providers in terms of consulting, customer satisfaction, quality and service.

12/2018
JDC is folding client consultation into its advanced customer service centre, rounding out its line of products and services for major clients.

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.

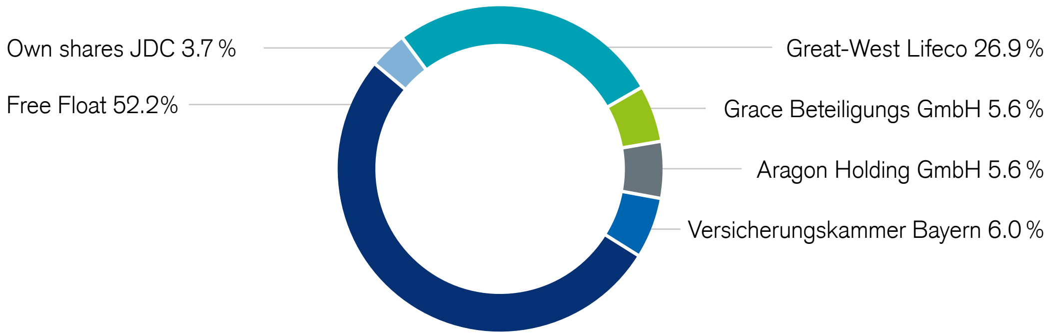
12/2021
Jung, DMS & Cie. achieves a turnover of over EUR 120 million and thus grows by 18 percent.

Shareholder structure

In total, JDC Group AG has a subscribed capital of 13,668,461 euros with a market capitalisation of 315.7 million euros (as of March 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 the last financial year, the Versicherungskammer Bayern joined with a strategic shareholding of 6.00 percent. The board members Dr Sebastian Grabmaier (Grace Beteiligungs GmbH) and Ralph Konrad (Aragon Holding GmbH) each hold 5.60 percent of JDC Group AG. In addition, JDC Group AG holds 3.70 percent of the issued 13,668,461 shares in ownership, the remaining 52.20 percent are in free float.



Stefan Bachmann

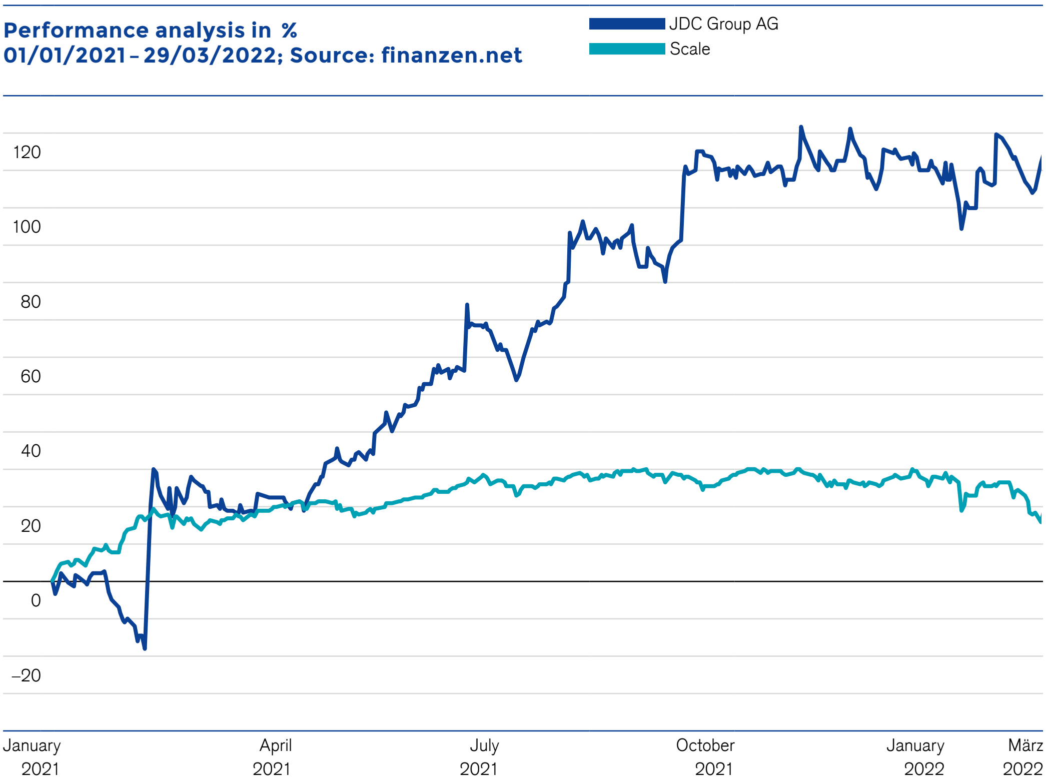
"This year we have also significantly expanded our platform activities. JDC delivers sustainably in a wide variety of distribution models and serves numerous partners with great success. Thanks to new technology and process excellence, we can revive Bancassurance 2.0 and many market participants now know: If platform, then JDC!"

Share price performance 2021

The strong price increase at the end of 2020 resulted in profit-taking at the beginning of the business year under review. However, the ensuing correction was only short-lived and corresponded more to a "breath" in the upward trend. Thus, the share price development approached the index again as early as February – with a slightly positive trend until the end of the first half of the financial year. Accompanied by good reporting, the accelerated growth in turnover and earnings was also transmitted to the JDC share price, so that in the second half of the year a clear outperformance against the index was observed.

As before the pandemic, the share price clearly outperformed the index. At the end of 2021, the share price stood at 24.60 Euro. This corresponds to a price increase of 157 percent. Despite a currently very volatile capital market, the share is relatively stable at 23.70 Euro (as of 29 March 2022) due to positive news.

Performance analysis in %
01/01/2021 – 29/03/2022; Source: finanzen.net



Group management report

Group management report

SITUATION OF THE GROUP

The Group's Business modell

In the Advisortech segment, JDC Group AG offers a digital platform for insurance, investment funds and all other financial products and services. By offering and handling the full range of products from all product providers in the financial market – in addition to supplying all data and documentation – with its vision systems and interfaces it 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. Using a smartphone app, a tablet or a PC, customers and agents can obtain a complete overview of their individual insurance and investment fund portfolio, with simple conclusion processes and transfer options, and also a complete market comparison, so that customers and advisers can optimise the insurance and retirement provision easily and cost effectively. In the Advisory segment, approximately 300 well-trained advisers under the FiNUM. brand complete the platform offering for discerning high-end retail customers.

The diagram on the next page shows the segment structure of JDC Group AG and the relevant subsidiaries.

Research and development

In the Advisortech segment, we offer advanced advisory and administration technologies for our customers and advisers through the Jung, DMS & Cie. Group. JDC Group develops its own software solutions for this purpose. Own work capitalised in the financial year 2021 in connection with this amounted to kEUR 1,196. For further details, please see the notes to the consolidated financial statements.

The following diagram shows the segment structure of JDC Group AG and the relevant subgroups and shareholdings:

Advisortech	Advisory	Holding
Jung, DMS & Cie. AG (100.0 %) * – Broker pool, primarily the brokering of financial products via intermediaries (IFSs, independent brokers etc.) – Investment funds, closed-end funds, insurance products – Currently about 16,000 brokers, thereof more than 3,900 tied agents (liability umbrella)	**FiNUM.Private Finance AG, Vienna** (100.0 %) * – Brokering of financial products to end customers – Life insurance policies, pension schemes, financing – Currently approx. 45 consultants	**JDC Group AG** – Holding activities – Shared Service Center
Jung, DMS & Cie. Pro GmbH (100.0 %) * – Support for multiple agents and linking them to the product companies – Currently more than 130,000 customers	**FiNUM.Private Finance AG, Berlin** (100.0%) * – Brokering of financial products to end customers – Insurance, investment funds, closed-end funds, financing – Currently approx. 68 advisors	
MORGEN & MORGEN GmbH (100.0 %) * – Independent and autonomous analysis house – Insurance comparisons, ratings, statistical simulations and data analytics	**FiNUM.Finanzhaus AG, Munich** (100.0%) * – Brokering of financial products to end customers – Insurance, investment funds, closed-end funds, financing – Currently approx. 145 consultants	

* Ownership interest held by JDC Group AG to 31 December 2021

ECONOMIC REPORT

Overall economic conditions [1)]

The global economy was dominated by events arising from the Covid-19 pandemic again in 2021. However, despite the ongoing pandemic situation and the accompanying supply chain bottlenecks and materials shortages, according to IMF's January 2022 estimate, global growth in 2021 was 5.9 percent. The United States economy grew by 5.6 percent, while the euro zone economy expanded by 5.2 percent. In Germany, the recovery was more moderate overall. The lockdown at the beginning of 2021 initially resulted in a decline in gross domestic product in the first quarter, but the German economy recovered considerably over the course of the year. However, this growth was halted, especially after the fourth wave of the coronavirus hit at the end of the year and government restrictions were stepped up. Although gross domestic product over the year as a whole was 2.7 percent higher than in 2020 (adjusted to take into account price changes and seasonal and calendar effects), economic output did not reach pre-crisis levels.

1) Unless otherwise indicated, all data in the following description of the overall economic conditions was taken from the supporting material for the media conference of the German Federal Statistical Office on 14 January 2022 and from statements by the IMF in January 2022.

Sector-specific conditions

THE MARKET FOR INVESTMENT PRODUCTS [2)]

The total assets under management in the German investment funds sector amounted to EUR 4,334 billion as at 31 December 2021, representing an increase of 12.6 percent in comparison with 31 December 2020.

As at 31 December 2021 (brackets show figures as at 31 December 2020) EUR 1,471 billion (EUR 1,180 billion) was invested in retail investment funds and EUR 2,188 billion (EUR 1,990 billion) in specialized institutional funds.
A total of EUR 634 billion (EUR 652 billion) was managed for institutional investors in assets other than investment funds.

The breakdown of the retail investment fund volume into the individual asset classes as at 31 December 2021 (brackets show figures as at 31 December 2020) is as follows:

- equity funds: EUR 632.7 billion (EUR 459.1 billion);
- fixed-income funds: EUR 230.9 billion (EUR 213.6 billion);
- money market funds: EUR 34.4 billion (EUR 25.4 billion);
- open-end property funds: EUR 125.3 billion (EUR 117.5 billion);
- mixed and other funds: EUR 447.7 billion (EUR 327.0 billion);

The persistently low interest rates present a big challenge for many investors. Inflation also jumped in the second half of 2021, causing a substantial decline in real interest rates. According to the German Investment Funds Association, BVI, investors had not experienced such low real interest rates since the 1970s. As a result there was a significant increase in interest in investment fund-based savings plans among retail investors. With new business of EUR 256 billion, the best investment fund sales ever were recorded in 2021. Significant growth was recorded across all asset classes.

For 2022, the Federal government expects price-adjusted economic growth of 3.6 percent. The German economy should gain momentum again, especially after the pandemic situation stabilises, as a result of which the unemployment rate should also drop again

THE MARKET FOR INSURANCE PRODUCTS [3)]

In the insurance industry, company results in 2021 were impacted by the catastrophic floods in the Ahr valley in Germany as well as the Covid-19 pandemic. With insured losses of more than EUR 8 billion, the low-pressure weather system Bernd was the most expensive disaster of its kind ever for property and accident insurers in Germany. Given these record losses – along with the continued complications of the coronavirus pandemic – the performance of the past financial year was nonetheless satisfactory. Premium income grew by 1.1 percent across all segments of the sector.

[2)] Unless otherwise indicated, all the data in the following description of the market for investment products was taken from the BVI annual media conference on 10 February 2022.

[3)] Unless otherwise indicated, all the data in the following description of the market for insurance was taken from the website of the umbrella organisation for private insurers in Germany (Gesamtverband der deutschen Versicherungswirtschaft e. V., GDV).

Among life insurance companies and pension funds, premium income decreased slightly in 2021 and amounted to EUR 102 billion. This development is due to a reduction in single-premium business, although this is still at a very high level owing to the current interest rate situation. By contrast, regular premium income increased again to reach EUR 65.3 billion.

At EUR 76.6 billion, income from property and casualty insurance was up by 2.2 percent, as in the previous year. Private health insurance companies earned 5.0 percent more than in the previous year, with premium income rising to EUR 45 billion.

The outlook for 2022 is also more optimistic again. In the non-life insurance business, sums insured are likely to increase in line with inflation, while stronger growth is expected in the capital market-based life insurance business. Overall, according to the umbrella organisation for private insurers in Germany, GDV, there is potential for a further 2.0 to 3.0 percent growth in premium income.

COMPETITIVE POSITION

JDC Group is in competition with a variety of companies in the individual segments.

Competitors in the Advisortech segment

In the Advisortech segment, the JDC Group offers retail customers an intermediary service in relation to financial products such as investment funds, alternative investment funds, structured products, insurance and credit products via independent financial intermediaries (B2B2C) through its subsidiaries (JDC). As a technical platform, JDC is in competition with all companies that use independent intermediaries to sell the above financial products to other intermediaries or retail customers. These include broker networks and broker pools such as Fonds Finanz Maklerservice GmbH and BCA AG, in addition to commercial banks, savings banks, cooperative banks and financial services distribution companies that target retail customers.

Also in the Advisortech segment, JDC offers white-label front-end services, which enable customers (banks, insurance companies, IFAs and retail customers) to view contract data via apps, online tools and web applications. JDC's competitors in this business include Clark and getsafe. In the third subsegment, we offer advisory services for retail customers and a comparison platform for financial products. In this business, JDC is in competition with Verivox and Smava.

The autonomous, independent analyst firm MORGEN & MORGEN supplies impartial insurance data in the form of insurance comparisons, ratings, stochastic simulations and data analytics via its own comparison platform, through individual services and IT solutions. MORGEN & MORGEN's primary competitors are comparison platforms such as Franke & Bornberg, Mr. Money and Softfair.

Competitors in the Advisory segment

In the Advisory segment, JDC Group AG provides retail customers with advice and intermediary services in relation to financial products through its subsidiaries FiNUM. Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria (B2C). In principle, all the companies are in competition with a large number of market participants. Apart from financial services distribution companies and individual brokers, they are also in competition with tied agents of insurance companies and banks, along with companies that use direct distribution channels including the internet. Based on the different business models and target groups, JDC Group sees the following as the companies' main competitors:

FiNUM.Private Finance Germany, FiNUM.Finanzhaus and FiNUM.Private Finance Austria focus on providing advisory services to discerning retail customers (the mass affluent market) in Germany and Austria. The business mix consists in more or less equal parts of wealth accumulation and preservation (insurance business). The main competitors in this business are therefore commercial banks, private banks and large financial services distribution companies – such as MLP AG and Horbach Wirtschaftsberatung AG.

BUSINESS PERFORMANCE OF THE GROUP AND ITS SEGMENTS

Owing to its high volume of business, its reliability and its growing significance in the market, JDC Group AG is increasingly attractive as a partner to product initiators in both the insurance and the investment sectors.

JDC Group AG is also attractive to financial services distribution companies or financial intermediaries seeking a strong institutional partner to which they can outsource their back-office functions in the rapidly changing regulatory environment.

Overall, the Management Board considers the business performance to have been highly positive. The income position improved significantly in comparison with the previous year – despite the continued Covid-19 pandemic. At kEUR 904 (2021: kEUR –1,163), the consolidated result is positive for the first time. Consolidated revenues are also up by 19.5 percent. The increase in revenues is mainly owing to the positive trend in the core business and the acquisition of new key accounts. At EUR 146.8 million, revenues are not only higher than the figures originally forecast (between EUR 135 million and EUR 142 million), but also exceed the revised guidance of between EUR 140 million and EUR 145 million published during the financial year.

At kEUR 8,308, EBITDA was significantly higher than in the previous year, and thus considerably exceeded the forecast figure.

For further information, please see the information below on the position of the JDC Group.

NET ASSETS, FINANCIAL AND INCOME POSITION

Key financial figures of JDC Group

To assess the commercial success and manage and control the individual segments and the Group as a whole, the Management Board of the JDC Group measures target achievement primarily on the basis of the growth in income revenues and in the gross profit remaining after deduction of commission expenses, as well as EBITDA. These are therefore seen as the most important financial performance indicators. No non-financial performance indicators, which are of key importance for an understanding of the business performance and the situation of the company, are identifiable at present.

From 2019 to 2021, the key performance indicators of the JDC Group developed as follows:

Key performance indicators of JDC Group	2019 kEUR	2020 kEUR	2021 kEUR	Changes 2020 to 2021 kEUR
Total non-current assets	59,401	59,452	78,025	18,573
Total current assets	42,894	32,339	43,728	11,389
Equity	30,482	27,288	38,817	11,529
Non-current liabilities	35,289	38,666	46,023	7,357
Current liabilities	36,524	25,837	36,913	11,076
Total assets	102,295	91,791	121,753	29,962
Revenues	111,471	122,834	146,808	23,974
Commission expenses	81,433	90,542	106,996	16,454
Gross margin	30,038	32,292	39,812	7,520
Personnel expenses	17,417	18,737	22,287	3,550
Other operating expenses	14,381	14,488	16,492	2,004
EBITDA	4,166	5,125	8,308	3,183
Result of ordinary operations	–1,753	–1,031	1,406	2,437

Net assets

The Group's non-current assets as at 31 December 2021 amounted to EUR 78.0 million (previous year: EUR 59.5 million), of which around EUR 66.4 million comprised intangible assets (previous year: EUR 47.9 million). The acquisition of equity investments and the associated purchase price allocation resulted in an increase of EUR 18.6 million in non-current assets.

Current assets went up to EUR 43.7 million (previous year: EUR 32.3 million). The rise is mainly due to the higher level of cash at banks. This was EUR 11.7 million in the previous year, but during the financial year cash at banks rose by EUR 10.2 million to EUR 21.9 million, representing an increase of by 86.9 percent.

The total assets rose from EUR 91.8 million in 2020 to EUR 121.8 million in 2021 – mainly due to the purchase price allocation in the year under review and a capital increase.

Equity surged from EUR 27.3 million to EUR 38.8 million. During the course of the year, Versicherungskammer Bayern acquired an interest in JDC Group AG by means of a capital increase, which resulted in an increase in equity of EUR 10.6 million. The company's first positive annual result of EUR 0.9 million also contributed to this encouraging development.

Non-current debt capital (liabilities) rose from EUR 38.7 million in the previous year to EUR 46.0 million in the year under review. This development is partly the result of an increase in accounts payable (+ EUR 1.2) million, but is also due to the application of IFRS 16 (+ EUR 2.0 million).

Current debt capital (liabilities) went up from EUR 25.8 million to EUR 36.9 million, mainly due to an increase in other liabilities (+ EUR 10.0 million). This results from increasing provisions for commissions as well as outstanding purchase price installments.

The equity ratio of the JDC Group as at the reporting date stood at 31.9 percent (previous year: 29.7 percent) of the total assets. The increase in total assets from the acquisition of long-term equity investments is offset by a significant increase in equity owing to a capital increase and the positive result for the year.

Financial position

The cash flow statement shows how the cash flow developed within the reporting period through inflows and outflows of funds.

The cash flow from operating activities increased significantly in the financial year from kEUR 8,873 by kEUR 5,982 to kEUR 14,855. This is mainly the result of changes in working capital and a significantly improved annual result.

The cash flow from investment activities is negative at kEUR –13.081, but is kEUR 11,062 lower than the previous year. This is mainly due to the acquisition of consolidated companies.

Financing activities resulted in a positive cash flow of kEUR 8,414, which was mainly caused by an Equity contribution.

Cash and cash equivalents at the end of the financial year amounted to kEUR 21,906.

The cash and cash equivalents were sufficient at all times during the year under review. Short-term liquidity is ensured by monthly cash flow planning. In the coming year, the Group will make some loan repayments in accordance with contractual agreements. The fact that this will be possible is due to the sufficient cash flow.

The equity ratio as at the reporting date was 31.9 percent (previous year: 29.7 percent), with total assets around 30 million Euro higher than in 2020. Non-current liabilities amount to 37.8 percent of the total assets, or 46.0 million Euro. A corporate bond accounts for 19.5 million Euro of this amount.

Income position

JDC Group AG's results for the financial year 2021 were extremely encouraging. The operating performance exceeded our own expectations, and the income position also improved significantly again despite the continuing Covid-19 pandemic. Additionally, the consolidated figures show a net profit for the first time.

Consolidated revenues grew by 19.5 percent to EUR 146.8 million (previous year: EUR 122.8 million) owing to the strong core business and the connection of new key accounts.

Commission expenses amounted to EUR 107.0 million (previous year: 90.5 million) and thus were 18.2 percent higher than in 2020.

The resulting gross profit increased from EUR 32.3 million in 2020 to EUR 39.8 million in 2021. Based on revenues, the margin was 27.1 percent (previous year: 26.3 percent).

Of the remaining costs, personnel costs account for EUR 22.3 million (previous year: EUR 18.7 million) and other operating expenses for EUR 11.1 million (previous year: 9.9 million). The average number of people employed (full-time equivalents) over the year was 335 (previous year: 294).

Depreciation, amortisation and write-downs increased to EUR 5.4 million in financial 2021 (previous year: 4.6 million) owing to investments.

The most significant items within the other operating expenses were IT costs of EUR 4.1 million (previous year: 3.4 million), legal and consulting costs of EUR 1.4 million (previous year: 1.0 million), advertising and travel costs of EUR 1.0 million (previous year: 1.0 million) and occupancy costs amounting to EUR 0.7 million (previous year: 0.7 million)

In total, EBITDA rose to EUR 8.3 million (previous year: EUR 5.1 million). EBIT also increased to EUR 2.9 million (previous year: EUR 0.5 million). The result from ordinary activities improved from minus EUR 1.0 million to EUR 1.4 million.

SEGMENT REPORTING

Advisortech segment

The Advisortech segment performed well throughout the year. Revenues rose significantly to EUR 121.0 million, and were thus almost 18 percent higher than in the previous year (EUR 102.6 million). At EUR 7.5 million, EBITDA was up markedly, compared with EUR 6.0 million in the previous year. EBIT stood at EUR 3.5 million, showing a clear improvement on last year's figure of EUR 2.5 million.

Advisory segment

Revenues in the Advisory segment continued to increase despite the ongoing Covid-19 pandemic. Segment income rose to EUR 35.7 million, compared with EUR 29.7 million in the previous year. EBITDA more than tripled in comparison with the previous year, to EUR 3.4 million (2020: EUR 1.1 million). EBIT rose from EUR 0.2 million to EUR 2.3 million.

Holding segment

Revenues in the Holding segment grew from EUR 1.6 million in 2020 to EUR 2.2 million in 2021. However, EBITDA was down on the previous year, at EUR –2.6 million compared with EUR –2.0 million in 2020, with EBIT also lower at EUR –2.9 million after EUR –2.1 million in 2020.

OPPORTUNITIES AND RISK REPORT

The Group's future business performance involves all the opportunities and risks associated with the distribution of financial products and the acquisition, management and disposal of companies. The risk management system of JDC Group AG is aimed at identifying risks early and minimising them by taking appropriate measures. Financial instruments are used only for hedging purposes. In order to identify early any potential problems in the affiliated companies and the companies in which they in turn hold equity investments, key indicators are monitored and evaluated. Monthly, weekly and daily analyses of turnover, revenues and the liquidity position are prepared. Management obtains a daily summary of the turnover and liquidity ratios.

JDC Group AG is controlled by means of a monthly reporting system, which includes the key indicators and pays particular attention to the liquidity position. On top of this, the Management Board is updated on the current level of liquidity on a daily basis.

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

— In the context of providing intermediary services relating to financial products and insurance products, it cannot be ruled out that cancellations could give rise to expenses not balanced by claims for refunds of the same amount from intermediaries. With the increase in JDC's insurance revenues, receivables management to collect such refunds is of greater importance than before.
— Claims could be made against JDC for misinformation or misadvice by distribution partners. It is not possible to make a blanket statement as to whether the risks in specific cases will be covered by existing insurance policies or by the refund claims against intermediaries.
— The continuing volatility of the capital markets and the difficulty in forecasting the product turnover means great demands have to be placed on the liquidity management system. A lack of liquidity could become an existential problem.
— JDC is increasingly a focus of attention on the capital market. Its customers also include growing numbers of big corporations. Any damage to its image could lead to a loss of revenues.

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

— The business success of the company is fundamentally dependent on economic developments.
— Developments on the German and global financial and capital markets are of considerable importance to JDC's success. Continuing volatility or adverse developments could have a negative impact on JDC's profitability.
— The stability of the legal and regulatory environment in Germany and Austria is of great importance. Short-term changes in the environment for financial services companies, intermediaries and financial products, in particular, could have adverse impact on JDC's business model.
— The Corona crisis has had a considerable impact on the willingness of companies to invest and on the income development of many consumers. The consequences continue to be felt, despite the stabilisation of the pandemic situation. In particular, the emergence of new COVID 19 variants could again prolong the pandemic and trigger renewed economic disruptions. This would have a negative impact on JDC's profitability.
— In addition, the impact of the current war in Ukraine cannot be predicted. The accompanying economic sanctions, higher raw materials prices, production shortfalls and supply chain disruption also have economic consequences and could slow down or even halt the economic upturn after the Covid-19 crisis. A deterioration of this kind 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 Union's General Data Protection Regulation (GDPR) affects all German companies, but particularly those in the financial services sector, whose business involves working with personal data to a particularly large extent. The GDPR imposes extensive information and documentation obligations on us. As the digital transformation of the insurance industry is just beginning, many processes at JDC still have to be handled manually. This increases the risk of data breaches 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.

JDC Group took some decisive measures in 2021 as well to set the course for the coming years. Two further high-profile bancassurance customers acquired during the year under review were Finanzguru und Mediolanum, who rely on JDC’s platform technology. Extensive collaboration agreements were established with the Provinzial group and Versicherungskammer Bayern (VKB). Under the agreements, JDC will be a technical provider and handle the third-party insurance business of the affiliated savings banks. Additionally, the acquisition of the analyst firm MORGEN & MORGEN – which retains its independence and autonomy despite being part of the JDC Group – has filled the last remaining gap in the JDC platform offering.

In the view of the Management Board, this will all result in the continued overall positive performance of JDC Group AG’s long-term equity investments, and thus also of JDC Group AG itself, in the financial year 2022.

OUTLOOK

Economic outlook

With the growing number of cases owing to the Omicron variant and the current high level of inflation, the IMF expects global growth to weaken slightly. According to the latest calculations, the global economy should nevertheless grow by 4.4 percent in 2022. This is based on global vaccination rates improving and treatments becoming more effective.

However, the progress of the current war in Ukraine will also decide whether, and how quickly, the economy can recover again. The sanctions imposed will have economic repercussions, and there has also been an acceleration of the increase in raw materials prices since the beginning of the war. Despite full order books, therefore, the economic upturn in 2022 is in danger.

Markets and sector outlook

The progress of the war will also have an impact on further developments on the capital markets. The first reactions are already to be seen in the equity market. The accompanying higher raw materials prices could further exacerbate the current inflationary trend. Not only could this endanger the recovery of the economy, but as a consequence central banks could be forced to respond earlier than planned.

All these imponderables make it impossible to predict at present how the capital markets overall will perform.

OUTLOOK FOR THE JDC GROUP

Expected business performance

Expectations regarding the JDC Group's performance in 2022 are based on the economic assumptions outlined in the Group management report. The ongoing Covid-19 crisis, the war in Ukraine and the consequent weakening in economic growth could have an impact on the JDC Group's financial, assets and income position. The company plan was developed on the basis of very detailed investigations and what JDC Group AG believes to be realistic assumptions.

JDC Group's main priority in 2022 will be to achieve a significant, sustained improvement in its operating activities. In 2022 the Group will continue to focus on

- growth, and thus also scaling of the platform; and
- optimisation of internal processes and cost management.

On the basis of the collaborations already commenced, for 2022 the company expects that revenues will grow to a figure between EUR 165 million and EUR 175 million, and EBITDA to more than EUR 11 million. Overall, therefore, the Management Board expects a positive business performance from the Group as a whole.

The business model of JDC Group AG is not directly affected by the conflict in Ukraine. In particular, the company is not dependent on supply chains or other service providers. Of course, the general trend in the global economy and the general business outlook in Germany and the rest of Europe could have a negative impact on the capital markets and on the buying behaviour of our customers.

Wiesbaden, Germany, 23 March 2022

Dr. Sebastian Grabmaier Ralph Konrad Stefan Bachmann

Supervisory Board and Management Board

Report of the Supervisory Board

DEAR SHAREHOLDERS,

The Supervisory Board regularly monitored the activities of the Management Board and provided it with advice in the financial year 2021 on the basis of comprehensive reports provided by the Management Board in writing and orally. The Supervisory Board was consulted on all decisions of key importance to the company. There was also a regular exchange of information between the Chairperson of the Supervisory Board and the Chief Executive Officer as well as the other members of the Management Board. In this way, the Supervisory Board was always kept up to date on the intended business policy; corporate planning, including financial, investment and personnel planning; the profitability of the company; and the business performance, in addition to the situation of the company and the Group.

Where the agreement of the Supervisory Board was required by law, the articles of association or the rules of procedure for decisions or actions by the management, the members of the Supervisory Board discussed and adopted the proposed resolutions in their meetings. They discussed in detail the economic situation described in the Management Board's reports, the growth prospects of the Group and the subsidiaries, and corporate management and planning issues, in addition to the reports on risk, liquidity and capital management, major legal disputes, transactions and events of major importance to the company.

Activity report

The Supervisory Board held five meetings altogether in 2021 and passed a resolution in a teleconference call. The average rate of participation in the meetings was 96 percent in the financial year under review.

The deliberations of the Supervisory Board mainly focused on the future business performance. Further areas of activity of the Supervisory Board included the company's continued organic growth and the associated key account projects, as well as the strategic planning of inorganic growth. These topics were addressed by the members of the Supervisory Board during several meetings.

MEETING ON 10 MARCH 2021

The Management Board reported on the preliminary results for 2020 and on the current performance of the individual units and the Group as a whole. The results contained in the guidance were achieved in 2020 and the Group companies made a successful start to 2021. One of the subjects for discussion was the performance of the key account business. The Management Board and the Supervisory Board spoke about options for inorganic growth, and the Supervisory Board approved the acquisition of Benefit Consulting GmbH in Austria through the Group subsidiary FiNUM.Private Finance AG in Vienna. The participation rate of the Supervisory Board at this meeting was 100 percent.

MEETING ON 26 MARCH 2021

At the second meeting, the annual financial statements were examined thoroughly in the presence of the certified auditor, along with the audit reports and the consolidated financial statements for 2020, prepared in accordance with International Financial Reporting Standards (IFRS), which had been distributed to the members of the Supervisory Board in advance of the meeting. One of the subjects of the meeting was the idea of a possible equity investment in MORGEN & MORGEN GmbH. The Supervisory Board recommended that the discussions be continued. The participation rate of the Supervisory Board at this meeting was also 100 percent.

MEETING ON 19 MAY 2021

In the third meeting, the Supervisory Board dealt first with the first-quarter figures for the Group and the individual companies. The results are in line with the plan, and the individual FiNUM companies are performing very well. The discussions covered inorganic growth and the further positive performance of the key account business. A resolution on the acquisition of MORGEN & MORGEN GmbH was passed unanimously. The participation rate of the Supervisory Board was 80 percent.

MEETING ON 8 SEPTEMBER 2021

In the fourth meeting, the Management Board presented the key figures for the first half of 2021. The figures remain encouraging and in line with the plan. Liquidity is continuing to increase. Another topic of the Supervisory Board meeting was organic and inorganic growth. In addition, a resolution was passed to carry out a corporate action in September. The participation rate of the Supervisory Board was 100 percent.

RESOLUTION PASSED ON THE CAPITAL INCREASE OF 27 SEPTEMBER 2021

In a brief telephone meeting, the Supervisory Board approved the Management Board's decision to carry out a capital increase against cash contributions. The participation rate of the Supervisory Board was 100 percent.

MEETING ON 8 DECEMBER 2021

In this meeting, the Management Board reported on the forecast for 2021. A key subject of the meeting was the plan for 2022, which was presented by the Management Board and approved unanimously by the Supervisory Board after in-depth discussion. The Supervisory Board also unanimously approved the exercising of the equity option programme created by the annual general meeting. Up to 210,000 equity options (50 percent of the conditional capital created by resolution of the annual general meeting in 2018) are to be allocated to the Management Board and senior management. In a further agenda item, the Management Board briefed the Supervisory Board on the company's organic and inorganic growth. The participation rate of the Supervisory Board was 100 percent. In line with its legal responsibilities and those defined by the articles of association, the Supervisory Board as a group participated in the Management Board's decision-making processes and was satisfied with regard to the lawfulness, regularity, and efficiency of the management activities. No audit was required in the financial year 2021 in accordance with Section 111, paragraph 2, sentence 1 of the German Stock Corporation Act (Aktiengesetz, AktG).

The Supervisory Board did not form any committees in the year under review.

Changes in the Supervisory Board of JDC Group AG

A resolution proposed at the annual general meeting in 2020 to increase the number of Supervisory Board members to six and appoint Dr Igor Radović to the Board was initially not passed due to an objection by a shareholder. The objection was later withdrawn, and Dr Igor Radović was appointed as a member of the Supervisory Board of the company on 29 June 2021. Dr Markus Schachner resigned from his post with effect from the annual general meeting in 2021. Claudia Haas was elected as a member of the Supervisory Board at the annual general meeting of 2 September 2021. Klemens Hallmann resigned from his post with effect from 28 September 2021.

As at 31 December 2021 the Supervisory Board of JDC Group AG consisted of five members: Jens Harig (Chairperson), Markus Drews, professor Dr Markus Petry, Dr Igor Radović and Claudia Haas.

Audit of the company financial statements and the consolidated financial statements for 2021

The consolidated financial statements and management report were prepared in accordance with International Financial Reporting Standards (IFRS). The annual financial statements and management report for the company were prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB). The 2021 annual financial statements of the company and the consolidated financial statements, along with the management reports for the company and for the Group, were audited by the audit firm chosen by the annual general meeting of shareholders of 2 September 2021 and engaged by the Supervisory Board, Dr Merschmeier + Partner GmbH, Münster, Germany, who issued an unqualified audit opinion.

The unqualified audit opinions for the consolidated financial statements and those of the company for the financial year 2021 were signed jointly by the certified auditors, Michael Jäger and Wolfgang Scheiper, on 24 March 2022.

These documents and the audit reports were provided to the members of the Supervisory Board. The Supervisory Board examined the documents relating to the financial statements for the company and the Group and discussed them in their meeting on 29 March 2022, which was attended by the certified auditor. The certified auditor gave a report on the main findings of his audits. The findings of the audits did not give rise to any objections. The Supervisory Board approved the annual financial statements of JDC Group AG prepared by the Management Board and the consolidated financial statements, along with the Group management report and the management report of JDC Group AG. The annual financial statements are thus adopted.

Thanks to the Management Board and members of staff

The Supervisory Board thanks Dr Markus Schachner and Klemens Hallmann for their good work on the Supervisory Board of the company.

The Supervisory Board also wishes to thank the Management Board and all the employees of JDC Group AG and the entire Group for their dedication and good work in the past financial year which, against the backdrop of the continuing Covid-19 crisis, was a challenging but very successful financial year.

For the Supervisory Board
Wiesbaden, Germany, 29 March 2022

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

"We are very happy with the company's performance in 2021. We showed strong growth, with further proportionate increases in all key earnings figures along with an excellent operational cash flow. The key accounts acquired in 2021, especially the savings banks in the Provinzial insurance group's business region, have not even contributed to the revenues yet."

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

Klemens Hallmann
Vienna
Independent entrepreneur
Deputy Chairman
(until 28 September 2021)

Dr. Markus Schachner
Wollerau (Schweiz)
Managing Director
(until 02 September 2021)

Markus Drews
Köln
CEO Canada Life Assurance Europe plc

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

Dr. Igor Radovic
Köln
Director product and sales management
Canada Life Assurance Europe plc
(since 29 June 2021)

Claudia Haas
Mainz
Division manager market management D-A-CH,
Euler Hermes
(since 02 September 2021)

Consolidated financial statements

Consolidated financial statements

Consolidated income statement

	Notes	01/01/ – 31/12/2021 kEUR	01/01/ – 31/12/2020 kEUR
1. Revenues	[1]	146,808	122,834
2. Capitalised services	[2]	1,196	1,091
3. Other operating income	[2]	682	339
4. Commission expenses	[3]	–106,996	–90,542
5. Personnel expenses	[4]	–22,287	–18,737
6. Depreciation and amortisation of tangible and intangible assets	[5]	–5,397	–4,628
7. Other operating expenses	[6]	–11,095	–9,860
8. Income from participations	[7]	70	0
9. Other interest and similar income	[7]	1	13
10. Interest and similar expenses	[7]	–1,576	–1,541
11. Operating profit/loss		**1,406**	–1,031
12. Income tax expenses	[8]	–497	–100
13. Other tax expenses	[8]	–5	–32
14. Net profit		**904**	–1,163
of which attributable to minorities		–3	0
thereof attributable to parent company's shareholders		907	–1,163
15. Earnings per share	[9]	**0.07**	–0.09

Consolidated statement of comprehensive income

	01/01/ – 31/12/2021 kEUR	01/01/ – 31/12/2020 kEUR
Profit or loss for the period	**904**	–1,163
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	2	31
In following periods in the profit and loss account to be reclassified into other result	2	31
Other income after taxes	2	31
Total income after taxes	**906**	–1,132
Attributable to:		
– Parent company‘s shareholders	**906**	–1,132

Segment reporting

	Advisortech		Advisory		
	2021 kEUR	2020 kEUR	**2021 kEUR**	2020 kEUR	
Segment income					
Revenues	121,023	102,578	35,696	29,663	
of which with other segments	1,412	1,213	8,773	8,194	
Total segment income	**121,023**	102,578	**35,696**	29,663	
Capitalised services	1,196	1,091	0	0	
Other income	493	237	190	99	
Segment expenses					
Commission expenses	–91,829	–78,227	–24,497	–20,966	
Personnel expenses	–14,844	–12,492	–4,517	–4,008	
Depreciation and amortisation	–4,053	–3,563	–1,051	–896	
Other	–8,530	–7,161	–3,507	–3,735	
Total segment expenses	**–119,256**	–101,443	**–33,572**	–29,605	
EBIT	**3,456**	2,463	**2,314**	157	
EBITDA	**7,509**	6,026	**3,365**	1,053	
Income from investments	70	0	0	0	
Other interest and similar income	484	733	0	12	
Yield on other securities	0	0	0	0	
Depreciation of financial assets	0	0	0	0	
Other interest and similar expenses	–1,767	–1,775	–592	–589	
Financial result	**–1,213**	–1,042	**–592**	–577	
Segment earnings before tax (EBT)	**2,243**	1,421	**1,722**	–420	
Tax expenses	175	121	–690	504	
Segment net profit from continuing operations	**2,418**	1,542	**1,032**	84	
Segment net profit from discontinued operations	0	0	0	0	
Minority interests	–3	0	0	0	
Segment net profit after minority interests	2,421	1,542	1,032	84	
Additional information					
Investments in tangible and intangible assets	2,350	2,101	182	550	
Shares in companies accounted for using the equity method	0	0	0	0	
Other non-cash itemised expenses except for scheduled depreciation	–4,172	–1,515	–2,617	982	
Scheduled depreciation	–4,053	–3,564	–1,051	–897	
Unscheduled depreciation	0	0	0	0	
Total segment assets	**88,997**	70,556	**18,064**	8,312	
Total segment liabilities	**67,593**	54,388	**20,775**	13,598	

	Holding		Total reportable segments		Transfer		Total	
	2021 kEUR	2020 kEUR	**2021 kEUR**	2020 kEUR	**2021 kEUR**	2020 kEUR	**2021 kEUR**	2020 kEUR
	2,220	1,640	158,939	133,881	–12,131	–11,047	146,808	122,834
	1,946	1,640	12,131	11,047	–12,131	–11,047	0	0
	2,220	1,640	**158,939**	133,881	**–12,131**	–11,047	**146,808**	122,834
	0	0	1,196	1,091	0	0	1,196	1,091
	8	6	691	342	–9	–3	682	339
	0	0	–116,326	–99,193	9,330	8,651	–106,996	–90,542
	–2,926	–2,237	–22,287	–18,737	0	0	–22,287	–18,737
	–293	–169	–5,397	–4,628	0	0	–5,397	–4,628
	–1,868	–1,363	–13,905	–12,259	2,810	2,399	–11,095	–9,860
	–5,087	–3,769	**–157,915**	–134,817	**12,140**	11,050	**–145,775**	–123,767
	–2,859	–2,123	**2,911**	497	**0**	0	**2,911**	497
	–2,566	–1,954	**8,308**	5,125	**0**	0	**8,308**	5,125
	0	0	70	0	0	0	70	0
	897	795	1,381	1,540	–1,380	–1,527	1	13
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	–597	–704	–2,956	–3,068	1,380	1,527	–1,576	–1,541
	300	91	**–1,505**	–1,528	**0**	0	**–1,505**	–1,528
	–2,559	–2,032	**1,406**	–1,031	**0**	0	**1,406**	–1,031
	13	–757	–502	–132	0	0	–502	–132
	–2,546	–2,789	**904**	–1,163	**0**	0	**904**	–1,163
	0	0	0	0	0	0	0	0
	0	0	–3	0	0	0	–3	0
	–2,546	–2,789	907	–1,163	0	0	907	–1,163
	6,662	2,564	9,194	5,215	0	0	9,194	5,215
	0	0	0	0	0	0	0	0
	–390	–682	–7,179	–1,215	0	0	–7,179	–1,215
	–293	–170	–5,397	–4,628	0	0	–5,397	–4,628
	0	0	0	0	0	0	0	0
	67,651	55,179	**174,712**	134,047	**–52,959**	–42,256	**121,753**	91,791
	28,086	24,370	**121,291**	92,356	**–38,355**	–27,853	**82,936**	64,503

Consolidated balance sheet

Assets	Notes	**31/12/2021 kEUR**	31/12/2020 kEUR
Non-current assets			
Intangible assets	[10]	66,423	47,930
Fixed assets	[11]	5,584	5,117
Financial assets	[12]	417	216
		72,424	53,263
Deferred taxes	[8]	3,089	3,552
Long-term non-current assets			
Accounts receivable	[13]	1,122	891
Other assets	[13]	1,390	1,746
		2,512	2,637
Total non-current assets		**78,025**	59,452
Current assets			
Accounts receivable	[14]	19,205	18,364
Other assets	[14]	2,226	1,838
Cash and cash equivalents	[15]	21,906	11,718
Deferred charges		391	419
Total current assets		**43,728**	32,339
Total assets		**121,753**	91,791

Liabilities

	Notes	31/12/2021 kEUR	31/12/2020 kEUR
Equity			
Subscribed capital	[16]	13,668	13,128
Own shares	[16]	-505	–505
Capital reserves	[16]	29,153	19,064
Other retained earnings	[17]	425	423
Other equity components	[17]	–3,924	–4,822
Total equity		**38,817**	27,288
Non-current liabilities			
Deferred taxes	[8]	6,168	4,140
Bonds	[18]	19,491	19,337
Liabilities due to banks	[18]	0	33
Accounts payable	[18]	11,513	10,280
Other liabilities	[18]	7,357	3,636
Provisions	[19]	1,494	1,240
Total non-current liabilities		**46,023**	38,666
Current liabilities			
Bonds	[20]	0	0
Provisions	[20]	545	284
Liabilities due to banks	[20]	1,015	1,067
Accounts payable	[20]	23,796	19,872
Other liabilites	[20]	10,842	4,545
Deferred income	[20]	715	69
Total current liabilities		**36,913**	25,837
Total equity and liabilities		**121,753**	91,791

Consolidated cash flow statement

			01/01/– 31/12/2021 kEUR	01/01/– 31/12/2020 kEUR	Changes compared to previous year kEUR
1.		Result for the period	907	–1,163	2,070
2.	+	Depreciation and amortisation of fixed assets	5,397	4,628	769
3.	–/+	Decrease/increase of provisions	–715	–186	–529
4.	–/+	Other non-cash itemised income/expenses	–38	52	–90
5.	–/+	Profit/loss from disposals of fixed assets	1	0	1
6.	–/+	Increase/decrease of inventories, accounts receivable as well as other assets	1,820	1,966	–146
7.	–/+	Decrease/increase of accounts payable as well as other liabilities	7,483	3,576	3,907
8.	**=**	**Cash flow from operating activities**	**14,855**	8,873	5,982
9.	+	Cash receipts from disposals of intangible assets	0	100	–100
10.	–	Cash payments for investments in intangible assets	–1,532	–1,524	–8
11	+	Cash receipts from disposals of fixed assets	44	45	–1
12.	–	Cash payments for investments in intangible assets	–474	–610	136
13.	+	Cash receipts from disposals of financial assets	162	0	162
14.	–	Cash payments for investments in financial assets	–267	–30	–237
15.	+	Cash receipts from the disposal of consolidated companies	0	0	0
16.	–	Cash payments for the acquisition of consolidated companies	–11,014	0	–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**	**–13,081**	–2,019	–11,062
20.	+	Cash receipts/payment to equity	10,622	0	10,622
21.	–	Payments from the purchase of own shares	0	–2,069	2,069
22.	+	Cash receipts from issuance of bonds	0	0	0
23.	–	Payments from the redemption of bonds	0	–12,292	12,292
24.	+	Cash receipts from borrowings	35	835	–800
25.	–	Cash payments from loan redemptions	–55	–104	49
26.	–	Payments for the repayment part of the rental and leasing obligations	–807	–920	113
27.	–	Paid interests	–1,381	–1,710	329
28.	**=**	**Cash flow from financing activities**	**8,414**	–16,260	24,674
26.		Changes in cash and cash equivalents (total of pos. 8, 19, 25)	10,188	–9,406	19,594
27.	+	Cash and Cash equivalents at the beginning of the period	11,718	21,124	–9,406
28.	**=**	**Cash and Cash equivalents at the end of the period**	**21,906**	11,718	10,188

Breakdown of cash and cash equivalents

	31/12/2021 kEUR	31/12/2020 kEUR	Change kEUR
Cash and cash in banks	21,906	11,718	10,188
Current liabilities due to banks	0	0	0
	21,906	11,718	10,188

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 01/01/2020	**13,128,461**	**13,128**	**–162**	**20,780**	**392**	**–3,656**	**0**	**30,482**
Results as of 31/12/2020						–1,163		–1,163
Other results					31			31
Total					**31**	**–1,163**		**–1,132**
Repurchase of own shares			–343	–1,726				–2,069
Capital increase								0
Other equity changes				10		–3		7
As of 31/12/2020	**13,128,461**	**13,128**	**–505**	**19,064**	**423**	**–4,822**	**0**	**27,288**
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**

Notes to the consolidated financial statements

1 General information

The JDC Group Enterprise (JDC Group) is a diversified financial services company with the operating segments Advisortech and Advisory plus Holding. The company was registered on 6 October 2005 under the name Aragon Aktiengesellschaft in the commercial register of the Wiesbaden district court (HRB 22030). The annual shareholders' meeting decided the change of name into JDC Group AG on 24 July 2015, this was fulfilled with the entry into the commercial register on 31 July 2015.

The company's registered office is located in Wiesbaden. The address is:

Rheingau-Palais
Söhnleinstraße 8
65201 Wiesbaden
Federal Republic of Germany

JDC Group shares are admitted for the open market (Scale).

The Management Board prepared consolidated financial statements on 23 March 2022 and will release them for publication on 31 March 2022.

The consolidated financial statements for financial year 2021 are for the parent company and its subsidiaries on a consolidated basis.

1.1 DECLARATION OF COMPLIANCE BY THE MANAGEMENT BOARD

JDC Group's consolidated financial statements for financial year 2021 as well as the previous year have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), application of which is mandatory in the European Union (EU). The term IFRS also encompasses the International Accounting Standards (IAS) which are still in effect. All interpretations binding for financial year 2021 by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), as applicable in the EU have likewise been applied. In what follows, the term IFRS has been used throughout.

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

The 2021 financial year of the companies in the Group comprises the period from 1 January to 31 December 2021.

2 Summary of significant accounting policies

2.1 ACCOUNTING PRINCIPLES

The consolidated financial statements comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated balance sheet, 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 the recognition and measurement methods that apply throughout the Group. The consolidated financial statements are prepared in euro (EUR), the functional currency of the Group. Unless otherwise stated, all amounts are rounded to the nearest thousand (EUR '000). The Group's statement of income is prepared according to the total cost method. The consolidated financial statements for the periods shown here were consistently prepared according to the following principles of consolidation, accounting and measurement.

The consolidated financial statements are drawn up on the basis of the cost of acquisition or manufacturing, except in the case of financial derivative instruments and financial assets held for sale, which are recognised at fair value.

2.1.1 Standards, interpretations, and amendments to standards and interpretations effective from the financial year 2021

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

JDC Group AG applied the following new and revised standards of the International Accounting Standards Board (IASB) for the first time with effect from 1 January 2021:

AMENDMENTS TO IFRS 9, IAS 39, IFRS 7, IFRS 4 AND IFRS 16: INTEREST RATE BENCHMARK REFORM – PHASE 2

The amendments offer temporary reliefs for the future effects on financial reporting arising from the replacement of the interbank offered rates (IBOR) by alternative, almost risk-free rates (RFR). The amendments provide a practical expedient that:

- allows modifications to the contractual terms or cash flow as a direct result of the reform – for instance, fluctuations in a market interest rate – to be treated as changes in a variable interest rate;
- allows changes in the designation and documentation of a hedge relationship necessitated by the IBOR reform, without this resulting in the discontinuation of hedge accounting;
- provides a temporary exemption from having to meet the separately identifiable requirement if a RFR instrument is used to hedge a risk component.

These amendments had no impact on the consolidated financial statements. The Group intends to make use of the practical expedient from the date on which it becomes effective.

AMENDMENTS TO IFRS 16: COVID-19-RELATED RENT CONCESSIONS AFTER 30 JUNE 2021

On 28 May 2020, the IASB published COVID-19-Related Rent Concessions (Amendment to IFRS 16: COVID-19-Related Rent Concessions).
The amendments grant relief to lessees from IFRS 16's provisions on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, lessees are allowed not to assess whether a COVID-19-related rent concession from a lessor represents a modification of the lease agreement. A lessee applying this option accounts for each qualifying change in lease payments resulting from the COVID-19-related rent concession in the same way as it would account for the change under IFRS 16 if the change were not a lease modification.

These amendments were originally intended to apply until 30 June 2021. However, as the COVID-19 pandemic is ongoing, on 31 March 2021 the IASB extended the period of application of the practical expedient until 30 June 2022.

The amendments are effective for annual periods beginning on or after 1 April 2021.

The Group has not received any rent concessions in connection with COVID-19. However, should this situation arise within the period of application, the Group intends to make use of the practical expedient.

2.1.2 Standards, interpretations and amendments published but not yet implemented

Standards published before the date of publication of the consolidated financial statements, but not mandatorily effective, are listed below. The Group intends to implement these standards as they become effective.

IFRS 17 – INSURANCE CONTRACTS

In May 2017, the IASB published IFRS 17 Insurance Contracts, a comprehensive new accounting standard containing principles for recognition, measurement, presentation and disclosure obligations in relation to insurance contracts. When it comes into effect, IFRS 17 will replace IFRS 4 Insurance Contracts, which was published in 2005. IFRS 17 applies to all kinds of insurance contracts (life insurance, property insurance, direct insurance and reinsurance), and to certain guarantees and financial instruments with discretionary profit participation, regardless of the type of issuing entity.

Some exemptions apply with regard to the area of application. The primary aim 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 allows entities to continue using their local accounting standards, IFRS 17 presents a comprehensive model for insurance contracts that covers all relevant aspects of accounting. The general model forms the core of IFRS 17, supplemented by

— a specific approach for direct participating contracts (variable fee approach); and
— a simplified model (premium allocation approach), generally for short-term contracts.

IFRS 17 is effective for financial years beginning on or after 1 January 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 published amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to clarify the rules for the classification of liabilities as current or non-current. The changes clarify the following aspects:

— the right to defer settlement of a liability is explained;
— the right to defer settlement of a liability must exist at the end of the reporting period;
— classification is unaffected by expectations about whether an entity will actually exercise this right;
— only when a derivative embedded in a convertible debt instrument is an equity instrument that has to be accounted for separately, the classification does not have to take into account the terms of the debt instrument.
—

The amendments are effective for financial years beginning on or after 1 January 2023, and have to be applied retrospectively. The Group is currently investigating what impact the amendments will have on the current accounting practice.

AMENDMENTS TO IFRS 3: REFERENCE TO THE CONCEPTUAL FRAMEWORK

In May 2020 the IASB published amendments to IFRS 3 Business Combinations. The amendments replace the reference to the Framework for the Preparation and Presentation of Financial Statements published in 1989 by a reference to the Conceptual Framework for Financial Reporting published in March 2018, without significantly changing the existing provisions of the standard.

The Board also introduced an exception in IFRS 3 regarding the principles for recognition to avoid Day 2 gains or losses arising for separately recorded liabilities and contingent liabilities in the area of application of International Accounting Standard (IAS 37) or International Financial Reporting Interpretations Committee (IFRIC) interpretation 21 Levies.

At the same time the Board decided to add to the standard a clarification that the existing provisions for contingent assets in IFRS 3 will not be affected by the replacement of the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for financial years beginning on or after 1 January 2022 and are to be applied prospectively.

AMENDMENTS TO IAS 16: PROCEEDS BEFORE INTENDED USE

In May 2020, the IASB published amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use. The amendment prohibits entities from deducting from the acquisition or manufacturing costs of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items have to be recognised in the statement of income along with the manufacturing costs of those items.

The amendments are effective for financial years beginning on or after 1 January 2022, and have to be applied retrospectively to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating on or after the beginning of the earliest reporting period presented in the financial statements in which the amendments are first applied.

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

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

In May 2020, the IASB published amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract to specify which costs an entity has to consider when assessing whether a contract is onerous or loss-making. The amendment applies to costs directly related to the contract (directly related cost approach). The costs associated with fulfilling contracts for the supply of goods or the provision of services include both the directly attributable (incremental) costs of fulfilling the contract and the overheads directly related to activities to fulfil the contract.

General administration costs are not directly related to the contract and thus do not fall under the costs of fulfilling a contract, unless the contract specifically provides for the costs to be charged to the customer. The amendments are effective for financial years beginning on or after 1 January 2022. The Group will apply these changes to contracts in which, at the beginning of the financial year in which the Group first applies the amendments, not all obligations have yet been fulfilled.

AMENDMENT TO IFRS 1: SUBSIDIARY AS A FIRST-TIME ADOPTOR

As part of its annual IFRS improvement process for the 2018-2020 cycle, the IASB has amended IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences on the basis of the amounts reported by the parent company, based on the parent company's date of transition to IFRS. This amendment also applies for associates and joint ventures that apply IFRS 1.D16(a).

The amendment is effective for financial years beginning on or after 1 January 2022. Early adoption is permitted.

AMENDMENT TO IFRS 9: FEES IN THE '10 PERCENT TEST' FOR DERECOGNITION OF FINANCIAL LIABILITIES

As part of its annual IFRS improvement process for the 2018–2020 cycle, the IASB has published an amendment to IFRS 9 Financial Instruments. The amendment clarifies the fees an entity has to include when assessing whether the terms of a new or modified financial liability are substantially different from those of the original financial liability. It only covers fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. An entity has to apply the amendment to financial liabilities modified or exchanged on or after the beginning of the financial year in which the entity first adopts the amendment.

The amendment is effective for financial years beginning on or after 1 January 2022. Early adoption is permitted. The Group will apply the amendment to financial liabilities modified or exchanged on or after the beginning of the financial year in which it first adopts the amendment.

The Group does not expect the amendments to have any significant impact on the consolidated financial statements.

AMENDMENTS TO IAS 8: DEFINITION FOR ACCOUNTING ESTIMATES

In February 2021, the IASB published amendments to IAS 8 to introduce a new definition for accounting estimates. The amendments clarify the distinction between changes to accounting estimates and changes to accounting policies and error correction. They also explain how entities can develop accounting estimates with the aid of measurement techniques and input factors.

The amendments are effective for financial years beginning on or after 1 January 2023, and apply to changes in accounting policies and accounting estimates that occur at or after the start of that period. Early application is permissible provided that the entity discloses the fact that it has applied the amendments early.

The Group does not expect the amendments to have any significant impact on the consolidated financial statements.

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

In February 2021, the IASB published amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements, in which it provides guidance and explanatory examples intended to help entities judge when accounting policy information should be classified as material and therefore disclosed. The amendments are intended to assist entities to make more helpful disclosures on accounting policies for users of their financial statements, by replacing the requirement to disclose significant accounting policies with the requirement to disclose material accounting policy information, and by supplementing the guidance intended to assist entities in applying the concept of materiality when judging when accounting policy information should be disclosed.

The amendments to IAS 1 apply to financial years starting on 1 January 2023 or later. Any earlier application is permissible. As the amendments to Practice Statement 2 contain non-binding application guidance for the definition of material in relation to accounting policy information, it was not considered necessary to set a deadline for application of the amendments.

The Group is currently investigating the impact that the amendments will have on its accounting policy disclosures.

2.2 INFORMATION REGARDING CONSOLIDATION

2.2.1 Reporting entity

In addition to JDC Group AG the consolidated financial statements in principle include all subsidiaries under IFRS 10, in which JDC Group AG holds a majority of voting rights or which it can control by other means.

With the exception of Jung, DMS & Cie. GmbH, Vienna/Austria, 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 GmbH, Triesen/Liechtenstein, all of the subsidiaries are registered in Germany. In addition to the parent company, the consolidated financial statements also include the direct subsidiaries and sub-groups Jung, DMS & Cie. Aktiengesellschaft, FiNUM.Private Finance Holding GmbH, Wiesbaden, and FiNUM.Private Finance Holding GmbH, Vienna/Austria.

The following table provides an overview of the JDC Group AG reporting entity:

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

A complete list of the shareholdings of JDC Group AG is available in Appendix 3 to these notes and is filed with the electronic company register.

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	01/01/2020
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

2.2.2 Principles of consolidation

Subsidiaries are companies in which JDC Group AG holds more than half of the voting rights, either directly or indirectly. Control in the sense of IFRS 10 is present if JDC Group AG is in a position to influence the level of return.

Under IFRS rules, all business combinations must be represented in accordance with the purchase method. The consolidation of capital was carried out at the time of acquisition in line with the purchase method. The time of acquisition represents the time when the ability to control the acquired company in terms of decisions about financial and operational actions passes to the buyer. Under the acquisition method, the purchase price of the purchased shares is offset by the proportional fair value of the purchased assets and liabilities and contingent liabilities of the subsidiary at the time of acquisition. What is dispositive are the value ratios at the time when control over the subsidiary was achieved. Any positive difference arising from the offsetting is capitalised as derivative goodwill. Any negative difference is recognised directly in the income statement following revaluation of the identifiable assets, liabilities and contingent liabilities.

When acquiring additional shares of companies which are already included as subsidiaries in the consolidated financial statements, the difference between the purchase price and the proportionally acquired equity capital is reported as goodwill. With regard to investments where less than 100 percent of the equity in the subsidiary is held, minority interests need to be taken into account. Where consolidation is based on the revaluation method, the equity attributable to minority shareholders is increased pro rata by hidden reserves. Hidden reserves and charges identified on valuation of the assets and liabilities at fair value as part of first-time consolidation are amortised, written down or released in subsequent periods, depending on the development of the assets and liabilities. Derivative goodwill is attributed to the relevant cash generating unit and is subject to regular impairment tests in the subsequent periods. If an impairment is ascertained, derivative goodwill is written down on an unscheduled basis to the lower recoverable amount.

A subsidiary's income and expenses are included in the consolidated financial statements from the time of acquisition. Income and expenses of a subsidiary remain included in the consolidated financial statements until the control by the parent company comes to an end. The difference between the proceeds from the sale of the subsidiary and its carrying value is reported at the time of the sale in the consolidated income statement as a profit or loss resulting from the divestment of the subsidiary. Inter-company expenses and income, receivables and liabilities, and earnings between companies included in the consolidated financial statements are eliminated.

Associates are companies where JDC Group AG or one of its subsidiaries has a substantial influence on financial and business policy without being in a position to control decisions. The consolidated financial statements contain the Group's share, calculated using the equity method, in the profit or loss of associates, from the date on which a substantial influence exists until such time as it is relinquished. Investments in associated companies are recorded pro rata at the time of acquisition with their re-valued assets (plus any goodwill), liabilities and contingent liabilities. The goodwill from applying the equity method is not subject to regular depreciation. The carrying value resulting from applying the equity method is tested for impairment if there are indications for a loss of value. Unrealised profits and losses from business transactions with these companies are eliminated pro rata. Where the Group's share of losses exceeds the carrying value of the investment in the associate, it is reported as zero. Additional losses are included by reporting a liability to the extent that JDC Group AG has assumed economic and legal obligations or made payments in the name of the associate.

Balances and transactions within the Group and any unrealised profits from Group-internal transactions are eliminated when the consolidated financial statements are prepared. Unrealised profits from transactions with associates are eliminated to the extent of the stake in the relevant company. Unrealised losses are treated in the same way as unrealised profits. However, this applies only if no impairment of the carrying value of the investment is discernible. Deferred taxes are accrued in accordance with IFRS rules against consolidation processes realised through profit or loss.

2.3 Currency translation

Foreign currency transactions are converted into euros at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies existing on the balance-sheet reporting date are translated into euros at the exchange rate applicable on the reporting date. Currency differences resulting from currency translation are recognised in profit and loss.

Non-monetary assets and liabilities in foreign currencies existing on the reporting date which are valued at fair value are translated into euros at the exchange rate applicable at the time when the fair value was determined.

2.4 INTANGIBLE ASSETS

2.4.1 Goodwill

Goodwill may arise, in principle, as a result of the purchase of business units, the acquisition of subsidiaries, associates and joint ventures. The goodwill from mergers results, on application of the provisions of IFRS 3, as the surplus cost of acquisition of the investment above the acquired share in the revalued equity of the purchased company.

The value of goodwill is tested at least annually on the basis of the recoverable amount of the cash-generating unit and, when an impairment is present, is written down, on an unscheduled basis, to the amount recoverable ("impairment only" approach). Impairment testing must also be carried out whenever there are indications that the cash-generating unit has been impaired in value.

For the purposes of impairment testing, goodwill acquired through mergers must be allocated as of the date of acquisition to each cash-generating unit or group of cash-generating units of the Group that are to benefit from the synergies resulting from the merger. This applies irrespective of whether other assets and liabilities of the acquired company have already been allocated to these units or groups of units.

If the carrying value of the cash-generating unit to which the goodwill has been allocated exceeds the recoverable amount, the goodwill allocated to this cash-generating unit must be reduced and written down by the difference. Reductions in the value of goodwill may not be reversed. If the impairment in value of the cash-generating unit exceeds the carrying value of its allocated goodwill, any additional reduction in value must be recorded by a pro rata reduction of carrying values of the assets allocated to the cash-generating unit. The re-coverable amount of a cash-generating unit is calculated on the basis of its fair value minus the disposal costs. The fair value minus the disposal costs is usually calculated using the Discounted Cash Flow method (DCF). Underlying these DCF calculations are forecasts based on the financial plans approved by the Management Board which are also used for internal purposes. The planning horizon chosen reflects the assumptions regarding short- and medium-term market developments. Cash flows beyond a forecast period of generally 3 years are calculated using suitable growth rates. The key assumptions on which the calculation of fair value minus disposal costs is based include assumptions about the number of agreements brokered, gross margin, payments for operating business activities, growth rates and the discount rate. External information is also included in the cash flow calculations.

Every unit or group of units to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than an operative segment pursuant to IAS 8. Under IAS 36, the operative segments prior to aggregation are considered the highest level of a group.

2.4.2 Other intangible assets

Other intangible assets acquired by Group companies, such as software and licences or a customer base, are reported at cost plus incidental acquisition costs (e.g. software customisation), less accumulated amortisation and impairment (cf. Section 3.1.5).

Internally developed software is capitalised at cost, provided that it is possible to clearly allocate costs and both the technical viability of project completion and usefulness to the company (or commercialisation) of the intangible asset are ensured, and there is sufficient likelihood that development activities will result in a future economic benefit. Capitalised development costs comprise all costs directly attributable to specific software development and pro rata overhead costs. Internally generated intangible assets are reported less accumulated amortisation and impairment (cf. ref. 3.1.5). Research expenditure and costs of debt are not capitalised. In accordance with the causation principle, they are booked as expenses on the date they arise.

Scheduled amortisation of other intangible assets with a definite useful life is carried out on a straight-line basis over the expected useful life. Amortisation starts from the moment the intangible asset becomes useful.

The expected useful life is as follows:

Internally developed 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 life and depreciation methods are reviewed, at a minimum, as of each annual financial-statement reporting date. If the expectations differ from the preceding estimates, the corresponding changes are recorded, in accordance with IAS 8, as amended estimates.

Intangible assets are impaired in value if the recoverable amount – the higher value of fair value minus the disposal costs and the utilisation value of the asset – is lower than the carrying value.

Within the context of the transfer of activities in relation to Geld.de, intangible assets (domain) were acquired with an indefinite term of use; no depreciation is applicable to these.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported at their purchase or production costs minus the accumulated scheduled depreciations and impairment in value (Impairment Test) in accordance with the cost model.

Purchase or production costs also include, in addition to the purchase price and the directly allocable costs for putting the asset into the intended operational condition, the estimated costs for the breaking up and removal of the object.

Subsequent expenses are only capitalised if it is probable that the economic benefit associated with these expenses will flow to the asset concerned and the costs can be determined reliably. All other expenses such as maintenance costs are recorded as expenses. Borrowing costs are not capitalised.

The scheduled depreciation for tangible assets follows the linear method over the expected useful life of the objects. In the year of accession, assets values within property, plant and equipment are depreciated prorated over time.

Tenant improvements are either depreciated over the respective useful life or the shorter duration of the leasehold.

The expected useful life is as follows:

IT hardware/equipment	2 to 5 years
Office equipment	5 to 13 years
Trade fair stands	6 years
Cars	6 years
Office furniture	12 to 13 years
Tenant's improvements	4 to 25 years

If an asset falling within property, plant and equipment consists of several components having different useful lives, the major individual components are depreciated over their individual useful lives.

If an item of property, plant and equipment is disposed of or no further benefit is expected from its use or disposal, the carrying value of the item is removed from the books. Profit or loss from the write off of property, plant and equipment is the difference between the net proceeds of sale and the carrying value of the item and is recorded in other operating earnings or other operating expenses.

The remaining carrying values, useful lives and the depreciation method for assets are reviewed at a minimum as of each annual financial-statement reporting date. If the expectations differ from the existing estimates, the corresponding changes are recorded, in accordance with IAS 8, as amended estimates.

2.6 LEASED ITEMS

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

All leases (with the exception of short-term leases and leases where the underlying asset has a low value) are recognised and valued in accordance with a single model. Liabilities to make lease payments and rights of use for the underlying asset are recognised.

The Group recognises rights of use as of the date of provision (i.e., when the underlying leased asset is available for use). Rights of use are valued at cost minus all accumulated depreciation and all accumulated impairment expenditures, and adjusted for each revaluation of the lease liabilities. The costs of rights of use include the recognised lease liabilities, the initial direct costs incurred, as well as the lease payments made at or before the provision minus any lease incentives received. Rights of use are amortised on a linear basis over the shorter of the two periods of the term and expected useful life of the leases, as follows. The rental agreements for office buildings are concluded for up to ten years, while the rental contract for vehicles is between three and four years.

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

At the date of provision, the Group recognises the lease liabilities at the present value of the lease payments to be made over the term of the lease. The lease payments include fixed payments (including de facto fixed payments) minus 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. The lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it, as well as penalties for termination of the lease, if it is taken into account in the term that the Group will exercise the termination option. Variable lease payments that are not linked to an index or (interest) rate will be recognised in the period in which the event or condition that triggers the payment has occurred (unless they are triggered by the production of stocks).

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate on the date of provision, as the underlying interest rate of the lease cannot be readily determined. After the date of provision, the amount of lease liabilities is increased to reflect the higher interest costs, or reduced to reflect the lease payments made. In addition, the carrying amount of the lease liabilities will be revalued in the event of changes to the lease, changes to the lease term, changes to lease payments (e.g. changes to future lease payments as a result of a change in the index or interest rate used to determine these payments) or a change to the assessment of a purchase option for the underlying asset.

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

The Group applies the exemption for short-term leases (i.e. leases with a maximum term of twelve months from the date of provision and that do not include a purchase option) to its short-term leases. The Group also applies the exemption for leases based on a low-value asset to office equipment leases that are classified as low-value. Lease payments for short-term leases and for leases involving an asset of low value are recognised as an expense on a linear basis over the term of the lease.

2.7 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

Long-term assets and sales groups held for sale are classified as such if the corresponding carrying value is realised mainly by a sale transaction and not by continued use. These assets are valued at the lower of the carrying value and fair value minus the disposal costs. These assets are no longer subject to regular depreciation. In principle, an impairment for these assets is only recorded if the fair value minus the disposal costs is below the carrying value. Should the fair value minus the disposal costs subsequently rise, the previously recorded value impairment must be reversed. An appreciation in value is limited to the value impairment previously recorded for the assets concerned.

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

The intrinsic value is calculated by comparison of the carrying value and the recoverable amount. The recoverable amount of assets is the higher of the fair value minus the disposal costs and the utility value. For assets to which no cash flows can be directly allocated, the amount recoverable by the cash-generating unit to which the asset is allocated must be established.

At every reporting date a check is made whether there are indications that an asset might be impaired in value. If such indications are present the recoverable amount of the asset or cash-generating unit must be calculated. The corresponding impairment requirement is recognised as an expense.

If the reasons for a previously recorded value impairment have been eliminated, these assets are written up. However, a write-up only takes place to the extent that the carrying value of an asset, which would have resulted minus the scheduled depreciation and without taking impairments into account, is not exceeded. No write-ups are made to goodwill.

The recoverable amount of the cash-generating units is normally calculated using the discounted cash flow method. Here, forecasts are made on the basis of financial schedules with respect to cash flows to be achieved over the estimated useful life of the asset or the cash-generating unit. The applied discount interest rate is an interest rate before taxes that reflects current market assessments regarding the interest effect and the specific risks of the asset or cash-generating unit. The internal pretax interest rate has been set at 5.5 percent (previous year: 5.5 percent).

The calculated cash flows reflect the assumptions by the management.

2.9 FINANCIAL INSTRUMENTS

A financial instrument is a contract that produces a financial asset for one business and a financial liability or an equity capital instrument for another. Financial assets comprise in particular financial investments held to maturity, original and derivative financial assets held for trading, trade accounts receivable as well as other loans and receivables as well as means of payment and means of payment equivalents. Financial liabilities regularly substantiate an entitlement to repayment in the form of cash or other financial assets. This includes, in particular, bonds, accounts receivable trade, liabilities to banks, liabilities from finance leases and derivative financial liabilities.

Financial instruments are in principle recognised as soon as the JDC Group becomes a party to the terms of the financial instrument.

Upon initial recognition, financial assets are classified as either amortised costs (AC), as fair value through other comprehensive income (FVOCI) or as fair value through profit and loss (FVPL) for subsequent valuation. The classification of financial assets upon initial recognition depends on the nature of the contractual cash flows of the financial assets and on the business model the company uses to manage its financial assets.

The business model the company uses to manage its financial assets reflects how a company manages its financial assets for the purpose of generating cash flows. Depending on the business model, the cash flows accrue through the collection of contractual cash flows, the sale of financial assets or both. The JDC Group makes purchases of financial assets exclusively with the goal of collecting contractual cash flows. This means that sales prior to maturity are generally excluded and all financial assets are classified under the "hold" business model.

The category "assets (debt instruments) carried as amortised costs" is of primary importance with respect to the consolidated financial statement. The Group carries financial assets as amortised costs if the following two conditions are met:

— the financial asset is held within the context of a business model aimed at holding financial assets for the purpose of collecting contractual cash flows, and
— the contractual terms of the financial asset result in cash flows at fixed times that represent repayment of principle and interest on outstanding capital.

Financial assets carried as amortised costs are recognised in subsequent periods by application of the effective interest method and are to be reviewed for depreciation. Profits and losses are recognised as affecting net income if the asset is written off, modified or depreciated. The group financial assets carried as amortised costs include trade account receivables as well as other receivables recorded under other assets.

The Group records an adjustment for expected credit losses (ECL) for all debt instruments not recognised as fair value affecting net income. Expected credit losses are based on the difference between contractual cash flows to be paid per contract and the sum of cash flows the group expects to receive, discounted with a value approximate to the original interest rate. The expected cash flows include the cash flows from the sale of securities held or other collateral that constitutes a significant component of the contractual provisions.

Expected credit losses are recorded in two steps. For financial instruments with a default risk that has not increased since initial recognition, a risk provision in the amount of the expected credit loss is recorded based on a default event within the next twelve months. (12-month ECL). For financial instruments with a default risk that has increased significantly since initial recognition, a company records a risk provision in the amount of the credit loss expected for the remaining period, regardless of when the default event occurs (total maturity ECL).

With trade account receivables and other assets, the Group applies a simplified method for calculating expected credit losses. Consequently, it does not track changes in credit risk subsequent to each reporting date and instead records a risk provision for each reporting date on the basis of the total maturity ECL. The Group applies the simplified method (loss-rate method). This involves determining historical default rates for defined portfolios with the same risk characteristics. Criteria for portfolio formation are similarly formulated contract terms for assets and similar counter-party attributes. The expected losses are estimated based on historical losses.

The retirement of a financial instrument is then performed if according to reasonable estimation it is not expected that a financial asset can be realised, either wholly or in part, for example following the conclusion of an insolvency proceeding or subsequent to a court decision.

Subsequent to initial recognition, financial obligations are generally valued by applying the effective interest method with amortised costs. Upon retirement and in the context of amortisations, profits or losses are recorded in profit and loss.

2.10 OTHER FINANCIAL INSTRUMENTS

2.10.1 Classification of the maturities for assets

An asset is classified as current if
- the realisation of the asset is expected within the normal business cycle or the asset is being held for sale or use within this time period,
- the asset is primarily held for trading purposes,
- the realisation of the asset is expected within twelve months after the balance sheet date or
- cash or cash equivalents are involved, unless the exchange or use of the asset for the fulfilment of an obligation is limited for a period of at least twelve months after the balance sheet date.

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

2.10.2 Trade receivables

Trade receivables and other short-term receivables are, where necessary, shown using the effective interest method at amortised costs, minus any necessary impairment in value. Impairments in value carried out in the form of individual valuation adjustments are sufficient to protect against expected default risks. Actual defaults lead to the receivables concerned being removed from the books. Receivables from services not invoiced represent commission receivables under brokerage agreements. The income is realised when the contract is entered into. All identifiable risks are here taken into account.

2.10.3 Derivative financial instruments

Derivative financial instruments are exclusively used for hedging purposes to hedge against interest rate risks arising from operational activities and financing and investment activities. Derivative financial instruments are neither held nor issued for speculation purposes. Derivative financial instruments not meeting the requirements of a hedging tool (Hedge Accounting), must be categorised as "financial assets and obligations held for commercial purposes". Derivative financial instruments with positive market values are recorded at fair value when they are added and reported under the "securities" item under current assets. Derivative financial instruments with a negative market value are reported under other current liabilities. If no market values exist, fair values must be calculated using accepted methods of financial mathematics. In subsequent periods, these are reported at fair value as of the reporting date, with gains and losses reflected on the income statement.

For derivative financial instruments, fair value corresponds to the amount which JDC Group AG would either receive or have to pay upon termination of the financial instrument at the reporting date. This is calculated using the relevant interest rates, exchange rates and credit quality of the contractual partners on the reporting date. Average rates are used for the calculations. For interest-bearing derivative financial instruments, a distinction is made between "Clean Price" and "Dirty Price". Unlike the "Clean Price", the "Dirty Price" also includes accrued interest. The fair values to be recorded correspond to the full fair value or the "Dirty Price".

For the recording of changes in fair values – realisation through profit or loss or realisation directly in equity without affecting income – the decisive factor is whether the derivative financial instrument is integrated in an effective hedging relationship or not. If no Hedge Accounting exists, the changes in the fair values of the derivative financial instruments must be immediately realised through profit and loss. If, on the other hand, there is an effective hedging relationship, the hedging context is recorded as such.

Depending on the hedged item type, a distinction is made between **"Fair Value Hedge"**, **"Cash-Flow Hedge"** and **"Hedge of a Net Investment in a Foreign Operation"**.

JDC Group currently uses derivative financial instruments only to hedge interest risks resulting from operational activities, financial transactions and investments (interest swap). The principles of accounting for this **"Cash Flow Hedge"** are described below.

Using a cash flow hedge, future cash flows from assets and liabilities recorded in the balance sheet or from highly probable scheduled transactions are hedged against fluctuations. If a cash flow hedge exists, the effective portion of the change in value of the hedging tool is recorded in equity capital without being realised in profit and loss (hedging reserve) until the result from the hedged underlying business is available; the ineffective part of the value change of the hedging tool is realised through profit and loss.

IFRS 9 places strict requirements on the use of hedge accounting. JDC Group meets these as follows: At the start of a hedging measure both the relationship between the financial instrument used as hedging tool and the underlying transaction as well as the aim and strategy of hedging are documented. This includes both the concrete allocation of the hedging tools to corresponding assets or liabilities or (fixed) future transactions as well as an estimate of the degree of effectiveness of the hedging tools used. Existing hedging measures are continually monitored for their effectiveness. If a hedge becomes ineffective, it is immediately dissolved.

2.10.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits which have a remaining term of up to three months when received. This inventory will be valued at amortised cost.

2.10.5 Financial obligations

When first recorded, **financial obligations** are valued at fair value. The transaction costs directly allocable to the acquisition are also recorded for all financial obligations subsequently recorded at fair value without being realised in profit and loss.

Trade payables and other original financial obligations are, in principle, recorded using the effective interest rate method with amortised costs.

To date, JDC Group has not made use of the right to elect to designate financial obligations upon their initial recognition as financial obligations to be recorded at fair value through profit or loss (**Financial Liabilities at Fair Value Through Profit or Loss**).

2.11 IMPAIRMENT OF FINANCIAL ASSETS

On every reporting date the carrying values of financial assets which are not to be recorded at fair value through profit and loss are examined as to whether objective indications, such as significant financial difficulties of the debtor, a high probability of insolvency proceedings against the debtor, the disappearance of an active market or significant changes in the economic or legal climate, point to an impairment in value.

Any impairment expenses justified by a fair value lower than the comparable carrying value are recorded through profit or loss. If impairments of value of the fair values of financial assets available for sale were hitherto recorded in the equity capital without being realised through profit or loss, they must be eliminated from equity capital up to the level of the calculated impairment in value and rebooked for realisation through profit and loss.

If at later valuation dates it transpires that the fair value has objectively risen due to events after the date of recording the impairment in value, the impairments are reversed to a corresponding level and realised through profit or loss. Impairments relating to unlisted equity capital instruments which are available for sale which have been recorded at their acquisition costs may not be reversed. The fair value of held-to-maturity securities to be calculated in connection with impairment testing and the fair value of loans and receivables recorded at their acquisition costs correspond to the present value of the estimated future cash flow discounted using the original effective interest rate. The fair value of unlisted equity capital instruments that were recorded at their acquisition costs is equal to the present value of the expected future cash flows discounted using the current interest rate that corresponds to the special risk of the investment.

Through the introduction of IFRS 9, potential defaults of receivables and other assets will be divided into three stages, and the JDC Group will avail itself of the potential simplifications and aggregate stages 2 and 3.

In stages 2 and 3, anticipated defaults for all receivables and other assets will be estimated across the entire term. The average defaults for the last five years were ascertained in order to complete the estimate. For 2021, this means an anticipated risk of default of 7% for receivables in stages 2 and 3.

The impairments according to IFRS 9 are as follows:

Impairments in accordance with IFRS 9

	2021 kEUR	2020 kEUR
As of 1 January	428	480
Allowance for expected bad debt losses	0	428
Reversal	–18	–480
Exchange rate changes	0	0
As of 31 December	**410**	428

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

thereof	308	321
long-term	102	107
short-term	410	428

2.12 LIABILITIES

2.12.1 Classification of the maturities for liabilities

A liability is classified as current if
- the fulfilment of the liability is expected within the normal business cycle,
- the liability is primarily held for trading purposes,
- the realisation of the liability is expected within twelve months after the balance sheet date or
- the company has no unlimited right to postpone the fulfilment of the liability by a minimum of twelve months after the balance sheet date.

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

2.12.2 Other provisions

Other provisions are recorded in the consolidated balance sheet if a legal or fact-based obligation has arisen to a third party as a result of a past event and it is probable that an outflow of resources with economic benefit will be necessary to honour this commitment, and the level of the expected provisioning amount can be reliably estimated. These provisions are evaluated taking all recognisable risks to the prospective performance amount into account and must not be offset with reimbursements. The performance amount is calculated on the basis of the best possible estimate.

Other non-current provisions are stated at their performance amount discounted to the reporting date insofar as the interest rate effect is material.

Changes in the estimated amounts or estimated timing of cash payments or changes in the interest rate for measuring the provisions for disposal, repair and other obligations are recorded in accordance with the change of the carrying value of the corresponding asset. If a reduction of the provision exceeds the corresponding asset, the excess amount must be immediately recorded as income.

2.12.3 Pension provisions

Old-age provision in the Group is performed is based on the defined-benefit and defined contribution old-age provision plans.

In the defined contribution plans, JDC pays premiums to statutory or private pension insurance institutions based on legal or contractual provisions or on a voluntary basis. After payment of the premiums, JDC has no further benefit obligations. Commitments to pay premiums into defined contribution schemes are recognised as expenses as soon as the related service has been rendered. Pre-paid premiums are recognised as assets insofar as a right to reimbursement or reduction of future payments arises.

In accordance with IAS 19 “Employee Benefits”, the provisions for pension obligations from defided benefit plans are measured using the projected-unit credit method. The benefit obligations are partly covered by reinsurance. Virtually all reinsurance policies meet the conditions of pension scheme assets. For this reason the claims from reinsurance policies are netted against corresponding pension provisions in the balance sheet as per IAS 19. The Group’s net obligation with regard to defined benefit plans is calculated separately for each plan by estimating future benefits that the employees have earned in the current period and in earlier periods. This amount is discounted and the fair value of any pension scheme assets subtracted from this. For the measurement of pension obligations, JDC uses actuarial calculations to estimate future events for the calculation of the expenses, obligations and entitlements in connection with these plans. These calculations are based on assumptions with regard to the discount rate, mortality and future salary, as well as pension increases. The interest rate used to discount post-employment benefij obligations is derived from the interest rates of senior, fixed-rate corporate bonds.

Revaluations of net liabilities from defined benefit plans are recognised directly under other comprehensive income. The revaluation encompasses actuarial gains and losses, income from pension scheme assets (without interest) and the effects of any upper asset limit (without interest). The Group calculates net interest expenses (income) on net liabilities (assets) from defined benefit plans for the reporting period through application of the discount rate used for valuation of the defided benefit obligations at the start of the annual reporting period. This discount rate is applied to net liabilities (assets) from defined benefit plans at this time. Any changes to net liabilities (assets) from defided benefit plans that occur as a result of premium and benefit payments over the course of the reporting period are taken into account. Net interest expenses and other expenses for defined benefit plans are recognised as profit or loss.

2.12.4 Income tax liabilities

Income tax liabilities correspond to the expected tax liabilities which result from the taxable income during the period under review. The tax rates applicable on the reporting date or applicable shortly thereafter and the adjustments to taxes owed for previous periods are taken into account.

2.12.5 Contingent liabilities and receivables

Contingent liabilities and receivables are potential obligations or assets resulting from past events and whose existence is conditional on the occurrence or non-occurrence of uncertain future events. Contingent liabilities are also current obligations resulting from past events where the outflow of resources representing a commercial benefit is unlikely or where the scope of the obligation cannot be reliably estimated.

Contingent liabilities are recorded at their fair value if they were accepted as part of a company acquisition. Contingent receivables are not recorded. If the outflow of commercial benefit is unlikely, information on the contingent liabilities is provided in the notes to the consolidated financial statements. The same applies to contingent receivables where the inflow is unlikely.

2.12.6 Equity options

As remuneration for work performed, the Group's employees (including executives) receive share-based payment in the form of equity instruments (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 recognised in employee benefit expense over the period in which the service conditions and, if applicable, the performance conditions are fulfilled (vesting period). The cumulative expense recognised 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 recognised in profit or loss for the period is the change in the cumulative expense recognised at the beginning and end of the reporting period.

In determining the fair value of award agreements at grant date, service and market independent performance conditions are not considered. 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 recognised at least equal to the grant-date fair value of the unmodified award, provided that 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 recognised in profit or loss.

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

2.13 INCOME AND EXPENSES

2.13.1 Income

Income is recorded when it is probable that an economic benefit will flow to the Group, the amount of which can be determined reliably. For the Group's material types of income, this implies the following: Income from services is recorded according to the percentage of completion of the transaction on the reporting date. If the result of a service cannot be reliably estimated, income is only recorded to the extent that the expenses incurred are recoverable.

Initial commissions from the brokerage of financial products are recorded if there is an entitlement to a fee on the basis of the underlying brokerage agreement. Portfolio commissions are only recorded after the legal entitlement arises. Income from other services is only recognised after the service has been rendered.

In accordance with the effective interest rate method, interest is recognised as income in the period in which the capital is provided and dividends are recognised at the time when the legal entitlement to payment arises.

2.13.2 Income taxes

Tax on income and earnings comprises current and deferred taxes. Current income tax corresponds to the expected tax liability resulting from the income subject to taxation in the period under review. Here, the tax rates applicable on the reporting date or shortly thereafter and adjustments to tax owed for previous periods are taken into account.

Active and passive deferred tax is recognised for all temporary taxable differences between the carrying value of an asset or a liability in the consolidated balance sheet and the tax balance sheet value. Deferred tax is measured on the basis of the regulations issued by lawmakers in the country in which the registered office is based as of the end of the relevant financial year for the financial years in which the differences are expected to be netted out. Deferred tax assets on temporary differences are only recognised if it seems sufficiently certain that they will be realised in the near future. Deferred tax liabilities arise as a result of temporary differences from shares in subsidiaries and associated companies, except where the Group is able to control the temporal course of the reversal and it is probable the temporary difference is not likely to be reversed soon. Deferred taxes are also not recorded if they result from the first recording of an asset or a liability during a transaction which is not a business merger and affects neither the commercial results for the period (prior to turnover tax) nor the tax results. Deferred tax is stated for temporary differences resulting from fair value reporting of assets and liabilities as part of company acquisitions. Deferred tax is only stated for temporary differences on derivative goodwill if the derivative goodwill can also be asserted under tax law.

Tax loss carryforwards result in the recognition of deferred tax assets if future taxable income is likely to be available for offsetting against the loss carryforwards.

2.13.3 Results from discontinued operations

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

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

The income and expenses resulting from discontinued operations are to be disclosed separately from the income and expenses from continued operations in the income statement of the reporting period and the comparative period, and are to be reported separately as post-tax profit or loss of discontinued operations. Property, plant and equipment and intangible assets classified as being held for sale are not depreciated or amortised. For a subsidiary that was acquired exclusively with a view to resale, a breakdown of the results by income, expenses and taxes in the notes to the financial statements is not necessary.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are to be presented in the balance sheet separately from other assets. If the disposal group is a newly acquired subsidiary that fulfils the criteria for classification as being held for sale at the acquisition date, disclosure of the major classes of assets and liabilities is not required. These assets and liabilities may be offset and presented as a separate amount.

2.14 SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The presentation of the net asset, financial position and results of operations in the consolidated financial statements depends on the accounting and valuation methods and requires assumptions to be made and estimates to be used which impact the amount and reporting of the recognised assets and liabilities, the income and expenses as well as contingent liabilities. The following material estimates and corresponding assumptions and the uncertainties related to the accounting and valuation methods chosen are decisive for understanding the underlying risks of financial reporting and the effects these estimates, assumptions and uncertainties might have on the consolidated financial statements.

Actual values may deviate from the assumptions and estimates in individual cases. Changes are realised through profit or loss once the relevant information is available.

Material assumption and estimates relate to the following:

The valuation of **intangible assets and tangible fixed assets** is related to estimates for calculating fair value at the time of acquisition, if they were acquired during a merger. The expected useful life of the assets must also be estimated. The determination of the fair value of assets and liabilities and the useful lives of assets is based on management judgements. Internal development costs for internally developed software tools are capitalised when the development phase starts. Amortisation of capitalised expenses begins once the item is ready for use and is applied over an expected useful life of six years.

Share transfer agreements in connection with mergers sometimes contain purchase price adjustment clauses based on the future income of the purchased subsidiaries. A best estimate of the acquisition costs of these shares is made on the date of the first-time consolidation based on forecast figures. Actual purchase prices may differ from this estimate.

In calculating the **impairment of intangible assets and tangible assets**, estimates are also made, inter alia, that relate to the cause, date and level of the impairment. An impairment is based on a multitude of factors. In principle, the development of the economic environment, changes in the current competitive situation, expectations for the growth of the financial service industry, development of the gross margin, increase in capital costs, changes in the future availability of financing, current replacement costs, purchase prices paid in comparable transactions and other changes indicating impairment are taken into account. The recoverable amount and the fair value are normally calculated using the DCF method, in which the reasonable assumptions are included. The identification of indications suggesting an impairment, estimation of future cash flows as well as calculation of the fair values of assets (or asset groups) involve material estimates to be made by management with regard to identifying and verifying any indications of an impairment, the expected cash flows, the applicable discount rates, the respective useful lives and the residual values.

The calculation of the **recoverable amount for a cash-generating unit** involves estimates by management. The methods used to calculate the fair value minus the disposal costs include methods based on discounted cash flows and methods based on the use of quoted stock market prices. The material assumptions on which the calculation by management of fair value minus disposal costs is based include assumptions about the number of brokered financial products, development of the raw margin, cancellation quota and costs for broker retention. These estimates, including the methods used, can significantly affect the calculation of the value and ultimately the level of depreciation of the goodwill.

Management carries out **adjustment to doubtful receivables** to take account of expected losses resulting from the insolvency of customers. The principles used for evaluating the appropriateness of the adjustment are based on past removal of receivables from the books, the credit quality of the customers and changes in payment terms. If the financial situation of customers worsens, the scope of actual losses on receivables may exceed the scope of the valuation adjustment carried out.

For every **taxable entity** of the Group, the expected actual income taxes must be calculated and temporary differences between the different treatment of specific balance sheet items in the IFRS consolidated financial statements and the annual tax statements must be evaluated. If there are temporary differences, these differences in principle lead to the recording of active and passive deferred taxes in the consolidated financial statements. Management must make judgments when calculating the actual and deferred taxes. To evaluate the probable future usability of deferred tax assets, different factors must be considered, such as the past income situation, operative planning, loss-carryforward periods and tax planning strategies. If the actual results deviate from these estimates or these estimates need to be adjusted during future periods, this could have negative effects on the net assets, financial situation and results of operations. If there is a change in the valuation assessment for deferred tax assets, a writing down must be done, to be realised through profit or loss.

The recognition and measurement of **provisions** and the level of **contingent liabilities** are significantly associated with estimates made by JDC Group. The evaluation of the probability of the claim and the quantification of the potential level of the payment obligation depends, for example, on an estimate of the respective situation. If losses from pending business are imminent, provisions are formed if a loss is likely and this loss can be reliably estimated. Because of the uncertainty related to this evaluation, actual losses might differ from the original estimates and thus from the amount of provisions. Furthermore, the calculation of provisions for taxes, legal risks and cancellation reserves involves material estimates. These estimates may change due to new information. In obtaining new information, JDC Group uses internal and external sources. Changes in the estimates may have considerable effects on future operating results.

Turnover realised from as yet uninvoiced brokerage services is calculated on the basis of the brokerage services performed or the brokerage income of the previous period. If the estimates change, differences in the amount and date of income may result for subsequent periods.

2.15 Additional information on company acquisitions

Company acquisitions in 2021

ACQUISITION OF BENEFIT CONSULTING GMBH, VIENNA/AUSTRIA

The Group purchased all the shares in benefit consulting GmbH, Vienna/Austria, in April and December 2021. As part of the deal, JDC Group acquired the insurance portfolio (customer list) of benefit consulting GmbH, and the existing sales structure was transferred to the Group upon acquisition.

benefit consulting GmbH has a large number of customers in the medical profession in Austria, particularly in the area of health insurance, so it complements ideally the integrated advisory approach of FiNUM. Private Finance AG in Austria.

The fair values of the identifiable assets and assumed liabilities of benefit consulting GmbH and the cash outflows are as follows:

benefit consulting GmbH	31/03/2021 kEUR
Total purchase price	**5,304**
Capitalised customer list	1,755
Other intangible assets	14
Goodwill	3,890
Property, plant and equipment	23
Financial assets	14
Cash acquired	705
Other assets	13
Provisions	–182
Deferred tax liabilities	–439
Other liabilities	–489
Total net assets	**5,304**
Total purchase price	5,304
of which paid in cash in the period	4,000
Cash acquired	705
Cash outflow	**3,295**

The kEUR 3,890 in goodwill comprises the value of expected synergies from the takeover of the company. The goodwill is allocated in full to the Advisory segment. It is assumed that the goodwill recognised is not tax-deductible.

Since its acquisition, benefit consulting GmbH has generated revenues of kEUR 1,361. The net income for the year was kEUR 798.

ACQUISITION OF BB WERTPAPIERVERWALTUNGSGESELLSCHAFT MBH, AUGSBURG:

The Group took over a stake of 25.1 percent in BB Wertpapierverwaltungsgesellschaft mbH in February 2015. In July 2021, further shares were acquired, increasing the shareholding to 75.1 percent. BB Wertpapierverwaltungsgesellschaft offers individual and investment fund-based asset management in addition to labelling strategies. In the JDC Group this provides potential for the allocation of further portfolios to asset management and for optimisation of the added-value chain.

The revaluation at fair value of the Group's existing 25.1 percent long-term equity investment in BB Wertpapierverwaltungsgesellschaft mbH resulted in a profit of kEUR 69 (kEUR 179 less the kEUR 109 carrying value at the time of acquisition of the company, which was recognised at equity). This amount is shown in the financial result (see note 3.1.7).

The fair values of the identifiable assets and assumed liabilities of BB Wertpapierverwaltungsgesellschaft mbH and the cash outflows are as follows:

BB Wertpapierverwaltungsgesellschaft mbH	30/06/2021 kEUR
Total purchase price	**539**
Capitalised customer list	539
Other intangible assets	3
Goodwill	0
Property, plant and equipment	7
Long-term investment securities	51
Cash acquired	84
Other assets	944
Provisions	–546
Deferred tax liabilities	–171
Other liabilities	–367
Total net assets	**544**
Total purchase price	539
of which paid in cash in the period	360
Cash acquired	84
Cash outflow	**276**

Since its acquisition, BB-Wertpapierverwaltungsgesellschaft mbH has generated revenues of kEUR 1,843. The result for the period was kEUR –14.

ACQUISITION OF MORGEN & MORGEN GMBH, HOFHEIM/TS.:

With effect from 2 August 2021 the Group purchased 100 percent of the shares of MORGEN & MORGEN GmbH, based in Hofheim am Taunus, Germany. JDC Group acquired the customer list and the existing IT infrastructure of MORGEN & MORGEN as part of the transaction.

MORGEN & MORGEN GmbH is the independent market leader for analysis and comparison software with price and benefit comparison across all categories. Apart from ratings, the offering includes stochastic simulations of potential returns, data analytics at point of sale, and individual analyses. The acquisition of MORGEN & MORGEN GmbH enables JDC to expand its own platform in the areas of data analysis, software development and product knowledge with an analysis of the prices of all insurance products marketed in Germany.

The fair values of the identifiable assets and assumed liabilities of MORGEN & MORGEN GmbH and the cash outflows are as follows:

MORGEN & MORGEN GmbH	31/07/2021 kEUR
Total purchase price	**13,650**
Capitalised customer list	3,472
Other intangible assets	0
Goodwill	9,191
Property, plant and equipment	2,018
Financial assets	31
Cash acquired	207
Other assets	1,939
Provisions	–502
Deferred tax liabilities	–1,736
Other liabilities	–970
Total net assets	**13,650**
Total purchase price	13,650
of which paid in cash in the period	7,650
Cash acquired	207
Cash outflow	**7,443**

The kEUR 9,191 in goodwill comprises the value of expected synergies from the acquisition of the company. The goodwill is allocated in full to the Advisortech segment. It is assumed that the goodwill recognised is not tax-deductible.

Since its acquisition, Morgen & Morgen GmbH has generated revenues of kEUR 2,474. The net income for the year was kEUR 340.

The following applies to all business combinations:

Over the financial year 2021 as a whole – that is, including the time before they belonged to the Group – the three companies generated revenues of EUR 10.2 million in total, and their total net income amounted to EUR 1.0 million.

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/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Initial commission		
Insurance products	77,255	64,125
Investment funds	15,944	16,028
Closed-end funds	6,956	5,394
Follow-up commission	25,962	21,242
Overrides	6,849	6,451
Construction financing	4,371	3,478
Fee-based advisory	3,139	2,757
Other income	6,332	3,359
Total	**146,808**	122,834

At kEUR 146,808, the total revenue for the period was 19.5 percent higher than in the same period of 2020 (kEUR 122,834).

3.1.2 Other capitalised services/other operating income [2]

	01/01/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Capitalised services	1,196	1,091
Reversal of impairments/income from receivables written off	1	4
Income from provision’s release	324	85
Income from security sales	0	0
Income from statute-barred debt	46	106
Income from benefits in kind	41	44
Other operating income	270	100
Total	**1,878**	1,430

Other own work services in the amount of kEUR 1,196 (previous year: kEUR 1,091) were mainly achieved by the development of in-house proprietary-use software solutions (Compass, iCRM/iCRM-Web, allesmeins and Portal GELD.de) (cf. Ref. 3.2.1.1.1 Concessions and licences).

The other miscellaneous operating income of kEUR 682 (previous year: kEUR 339) mainly includes kEUR 324 (previous year: kEUR 85) from the reversal of provisions and kEUR 46 (previous year: kEUR 106) from the derecognition of statute-barred liabilities.

3.1.3 Commission expenses [3]

This item mainly consists of commissions for independent brokers and sales agents. The commissions were up kEUR 16,154 on the previous year, at kEUR 106,996 (previous year: kEUR 90,542) in line with the increase in revenue.

3.1.4 Personnel expenditure [4]

	01/01/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Wages and salaries	18,757	15,764
Expense from stock options granted	7	0
Social security	3,523	2,973
Total	**22,287**	18,737

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

With the approval of the Supervisory Board, the Executive Board has decided and implemented the introduction of a stock option model as of the 2021 financial year. The resulting personnel expenses in the financial year amount to TEUR 7. Further information can be found under note 2.12.6 and note 3.1.9.1.

Social security payments mainly comprise the employer’s statutory social security contributions.

The number of people employed during the financial year averaged 335 full-time equivalents (previous year: 294).

Due to the new consolidations, the number of employees grew by 51.5 full-time equivalents.

3.1.5 Depreciation, amortisation and impairment charges [5]

	01/01/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Depreciation and amortization of intangible assets	–3,903	–3,421
Purchased software	–429	–270
Internally developed software	–1,635	–1,516
Customer lists	–1,815	–1,611
Contract preparation costs	–24	–24
Other intangible assets	0	0
Depreciation and amortization of property and equipment	–1,494	–1,207
Leasehold improvements	0	0
Operating and office equipment	–406	–287
Rights of use rental and leasing	–1,088	–920
Total	**–5,397**	–4,628

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/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Marketing costs	938	825
Travel costs	35	191
External services	893	675
IT costs	4,138	3,404
Occupancy costs	711	712
Vehicle costs	232	156
Office supplies	145	129
Fees, insurance premiums	805	718
Postage, telephone	296	299
Write-downs/impairments of receiveables	280	382
Legal and consulting costs	1,425	1,018
Training costs	58	76
Human resources	7	1
Supervisory boad compensation	92	78
Non-deductible input tax	50	170
Impairment IFRS 9	87	428
Other	903	598
Total	**11,095**	9,860

Advertising costs include exhibitions and trade fairs, customer events, printed matter and hospitality.

Third-party services comprise the costs of agencies, external employees, stock brokerage services and meetings of shareholders.

Information technology (IT) costs consist of the costs of general IT operations (servers, clients, data centre), software leasing, scanning services and software licences that cannot be capitalised.

Occupancy costs include incidental rental costs, energy supply and cleaning costs. The rental costs are recognised in accordance with IFRS 16 and shown under amortisation of right-of-use assets and under interest expense arising from the compounding of interest on right-of-use assets.

Vehicle costs consist of vehicle fleet expenses. Vehicle leasing is shown under amortisation of right-of-use assets and under interest expense from the compounding of interest on right-of-use assets, in compliance with IFRS 16.

Fees and insurance comprises the expenses for insurance policies, subscriptions to professional associations and fees to the German Federal Financial Supervisory Authority (BaFin) and the Financial Market Authority of Austria (FMA).

Legal and consulting costs include expenses relating to legal issues/legal advice, tax advice, financial statements and auditing costs, and general accounting costs.

Due to the existing revenue structure and the non-taxable services it comprises, JDC Group has an input tax deduction rate of approximately 13 percent. This is recalculated every year on the basis of the continual changes in the revenue structure.

Based on measurement in accordance with IFRS 9, there are additional impairment charges amounting to kEUR 87 (previous year: kEUR 428)

3.1.7 Financial result [7]

	01/01/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Income from closed-end fund investments	70	0
Interest and similar income	1	13
Interest and similar expenses	–1,576	–1,541
Compounding rights of use	–252	–229
Interest expenses bond	–1,254	–1,274
Other interest expenses	–70	–38
Total	**–1,505**	–1,528

The interest expenses mainly comprise interest on the bond issued by the Group subsidiary Jung, DMS & Cie. Pool GmbH, amounting to kEUR 1,254 (previous year: kEUR 1,274) and interest on right-of-use assets in accordance with IFRS 16, which amounted to kEUR 252 (previous year: kEUR 229).

OF WHICH: ON FINANCIAL INSTRUMENTS IN THE MEASUREMENT CATEGORIES

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

	2021 kEUR	2020 kEUR
Loans and receivables (AC)	1	13
Financial liabilities measured at amortised cost (AC)	–1,576	–1,541
Total	**–1,575**	–1,528

3.1.8 Income and other taxes [8]

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

	01/01/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Current income tax	–337	–54
Deferred taxes	–160	–46
Total income tax	**–497**	–100
Other taxes	–5	–32
Total tax expenditure	**–502**	–132

For the financial years 2021 and 2020, using an expected tax rate of 31.72 percent (previous year: 31.72 percent), the tax expense deviates from the actual amounts as follows:

	01/01/–31/12/2021 kEUR	01/01/–31/12/2020 kEUR
Earnings before income taxes	1,401	–1,082
Arithmetical tax expense at expected tax rate (31.72%, previous year: 31.72%)	444	0
Other	53	–100
Income tax as stated in the income statement	**497**	–100

The effective tax rate is 35.47 percent (previous year: 0.00 percent).

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

	31/12/2021 kEUR	31/12/2020 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	1,335	1,863
Tax reimbursement claims from financial liabilities	1,754	1,689
	3,089	3,552
Deferred tax liabilities		
Intangible assets (software/customer base)	958	1,117
Customer base	3,762	1,690
From other recognition differences	1,448	1,333
	6,168	4,140

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

	31/12/2021 kEUR	31/12/2020 kEUR
Deferred tax assets		
Tax reimbursement claims from loss carry-forwards	–614	–283
Tax reimbursement claims from financial liabilities	136	685
	–478	402
Deferred tax liabilities		
Intangible assets (software/customer base)	159	75
Customer base	274	163
From other recognition differences	–115	–686
	318	–448

The intangible assets are customer lists, software and contract initiation costs.

The deferred taxes for the German companies were calculated on the basis of the corporate tax rate of 15.0 percent plus the solidarity surcharge of 5.5 percent and the 454.0 percent rate of trade tax for the City of Wiesbaden (combined income tax rate: 31.72 percent).

For the Austrian company, the corporate tax rate used was the 25 percent rate that has applied since 2005.

The decrease in deferred tax assets results from the use of loss carryforwards due to positive results of the companies. The increase in deferred tax liabilities is mainly due to the first-time consolidation of the companies acquired in the financial year.

3.1.9 Earnings per share [9]

	2021 kEUR	2020 kEUR
Consolidated net income	907	–1,163
Weighted average number of shares (number)	13,322,023	12,715,056
Own shares	505	505
Earnings per share in EUR diluted	**0.07**	–0.09
Number of stock options granted	90,000	0
Number of ordinary shares weighted before dilution	13,232,023	12,715,056
Earnings per share adjusted for the dilution effect	**0.07**	–0.09

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

No dividend payment was made in the 2021 financial year.

3.1.9.1 AKTIENOPTIONEN

Equity option plan 2018

At the general meeting of shareholders on 24 August 2018, the Management Board of the Company was authorised to issue subscription rights until 23 August 2023 under the equity option plan for 2018. The subscription rights can be issued on one or more occasions for up to 420,000 shares in the Company. They have a term of seven years, with a vesting period of four years. After the vesting period ends, the subscription rights can only be exercised if the JDC Group AG share's closing price in Xetra trading exceeds the subscription price by at least 25 percent on the last ten trading days before the day on which the subscription rights are exercised. The subscription price is the average of the closing prices of the JDC Group AG share in Xetra trading on the last five exchange trading days before the relevant allocation date.

A total of 90,000 subscription rights were granted to the Management Board under the equity option plan on 21 December 2021.

Changes in subscription rights/equity options

	2021 kEUR	2020 kEUR
As at 1 January	0	0
During the reporting period:		
granted	90.000	
forfeited	0	
exercised	0	
lapsed	0	
As at 31 December	**90.000**	0

The subscription rights were valued using the Black Scholes model and based on the absolute performance target. The following parameters were used in the valuation of the subscription rights:

Valuation of subscription rights/equity options

	2021
Measurement date	21/12/2021
Subscription price	23.80 €
Share price	24.60 €
Risk-free interest rate	–0.52 %
Dividend yield	0.00 %
Expected volatility	43.00 %
Term	7 years
Fair value	8.50 €

The expected volatility is calculated on the basis of the historical changes in the share price of JDC Group AG.

The amount recognised under personnel expenses for the granting of equity options during the financial year is kEUR 7.

	2021 TEUR	2020 TEUR
Profit/loss attributable to holders of ordinary shares in the parent company		
Continuing operations	907	–1.163
Discontinued operations	0	0
Profit/loss attributable to holders of ordinary shares in the parent company for calculation of basic earnings	907	–1.163
Weighted average number of ordinary shares for calculation of basic earnings per share	13.232.023	12.715.056
Effect of dilution arising from		
equity options	90.000	0
convertible preference shares	0	0
Weighted average number of ordinary shares, adjusted for effect of dilution	13.322.023	12.715.056

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]

	31/12/2021 kEUR	31/12/2020 kEUR
Concessions, industrial property rights and similar rights and values	26,220	20,809
Goodwill	40,203	27,121
Total	**66,423**	47,930

3.2.1.1.1 Concessions, industrial property rights and similar rights and assets

This item mainly consists of customer lists from portfolio acquisitions, software licences for standard business software, and self-developed software.

Customer lists are amortised on a straight-line basis, usually over 15 years. Purchased software and self-developed software are amortised over three years and over five to six years respectively, also on a straight-line basis.

As part of the acquisition of the customer lists of Geld.de, the geld.de domain name was also acquired (kEUR 800). The company expects that the domain name will maintain its recoverable value in the long term, therefore it is not subject to ongoing amortisation.

Self-generated software tools valued at kEUR 1,201 were capitalised during the financial year (previous year: kEUR 1,257). These are mainly company-specific software applications (Compass, iCRM/iCRM-Web, allesmeins, and the Geld.de portal) to support the distribution of financial products.

As at the reporting date, the carrying amount of the self-developed software tools was kEUR 2,980 (previous year: kEUR 3,422)

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:

	31/12/2021 kEUR	31/12/2020 kEUR
Advisortech	30,846	21,653
Advisory	9,350	5,461
Holding	7	7
	40,203	27,121

3.2.1.1.3 Impairment losses

Details relating to the impairment of intangible assets can be found in note 3.1.5. There are no indications of impairment on any other software and/or licences.

Goodwill was tested for impairment as at 31 December 2021. Potential impairment is tested by comparing the carrying amount of the cash-generating unit (CGU) or group of CGUs, including the goodwill allocated to them, with the recoverable amounts attributed to them. If the carrying amounts exceed the recoverable amounts, an impairment loss must be recognised for the goodwill in the statement of income. The recoverable value is the higher of fair value less costs of disposal and value in use.

The recoverable value of the Advisortech and Advisory cash-generating units was determined by calculating a value in use from forecasts for the cash flow before income tax. These forecasts were made on the basis of detailed budget projections for the Group companies for the financial year 2022 approved by Management and the Supervisory Board. For the financial years 2023 to 2024, moderate growth rates (Phase I) are assumed. For subsequent periods, the cash flow was forecast as a perpetuity (Phase II).

The discount factor (capitalisation rate) for the Group companies is determined on the basis of the capital asset pricing model. The assumptions underlying the determination of the capitalisation rate – including the risk-free rate of return, the market risk premium and the beta factor – are based on publicly available information, or capital market data. Given a risk-free base rate of –0.11 percent (previous year: –0.31 percent) derived from the yield curve, a market risk premium of 5.39 percent (previous year: 5.81 percent), and applying a beta factor for the comparative investment of 0.60 (previous year: 0.88), the capitalisation rate is 5.5 percent (previous year: 5.5 percent). The capitalisation rate used to determine the present value of the initial cash flows of the perpetuity includes a deduction for growth of 1.0 percent (previous year: 1.0 percent). An additional major factor influencing the free cash flow is the assumptions with regard to growth in revenue and growth in the profits of the operating units.

The increase in the discount rate before taxes to 7.5 percent (up 2.0 percent) would mean no impairment was necessary for the cash-generating units. The 20 percent decline in the planned EBIT figures in the cash-generating units would not result in any impairment. A significant additional reduction in the planned EBT growth could lead to the carrying amount exceeding the recoverable amount. However, the Management Board believes such a scenario is unlikely, as significant measures to increase the EBT have already been introduced.

The fair value less the costs of disposal was also determined for the Advisortech and Advisory cash generating units. During 2021, as in the previous year, no goodwill impairments were necessary. The Group's market capitalisation as at 31 December 2021 was higher than the carrying amount of its equity.

3.2.1.2 PROPERTY, PLANT AND EQUIPMENT [11]

	31/12/2021 kEUR	31/12/2020 kEUR
Property, plant and equipment		
Operating and office equipment	1,017	914
Rights of use rental and leasing	4,567	4,203
Total	**5,584**	5,117

Operating and office equipment mainly comprises PC hardware including servers, notebooks and printers; office equipment; motor vehicles; and office furnishings.

The right-of-use assets arising from rental agreements and leases include the fair values of the rented and leased assets for the exclusive use of the Group, which under IFRS 16 have to be capitalised.

The change in acquisition costs, depreciation and the 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 any impairment of property, plant and equipment in 2021.

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:

	31/12/2021 kEUR	31/12/2020 kEUR
Shares in affiliated companies	55	55
Investments	175	123
Securities	187	38
Total	**417**	216

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

Also recognised under equity investments are two (three in the previous year) shareholdings in companies with a capital ownership percentage of between 25.1 percent and 30.0 percent. As the impact of these equity investments has a negligible impact on the Group's assets, financial and income position, they were not valued by the equity method.

The securities include a reinsurance policy for pension commitments in the amount of kEUR 76.

3.2.1.4 NON-CURRENT RECEIVABLES AND OTHER ASSETS [13]

	31/12/2021 kEUR	31/12/2020 kEUR
Accounts receivables	1,122	891
Other assets	1,698	2,067
Impairment from expected losses	–308	–321
Total	**2,512**	2,637

Accounts receivable mainly relates to commissions receivable from the cancellation reserves. Other assets mainly consists of receivables from intermediaries.

In accordance with IFRS 9, a risk provision for expected losses of 7 percent was made for the accounts receivable and other receivables. This reduced the other receivables by kEUR 308 (31 December 2020: kEUR 321)

3.2.2 Current assets

3.2.2.1 ACCOUNTS RECEIVABLE AND OTHER ASSETS [14]

	31/12/2021 kEUR	31/12/2020 kEUR
Accounts receivable	19,205	18,364
Other assets		
Commission advances	391	419
Prepaid expenses	–102	–107
Other	2,328	1,945
Total	**21,822**	20,621

Accounts receivable relates mainly to commission receivable from partner companies and broker pool partners for intermediary services. Other miscellaneous assets primarily comprises receivables from intermediaries.

In accordance with IFRS 9, a risk provision of 7 percent for expected losses was made for the accounts receivable and other receivables. This reduced the other receivables by kEUR 102 (31 December 2020: kEUR 107).

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

3.2.2.2 CASH AND CASH EQUIVALENTS [15]

	31/12/2021 kEUR	31/12/2020 kEUR
Cash and cash equivalents	21,906	11,718
Total	**21,906**	11,718

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).

	31/12/2021 kEUR	31/12/2020 kEUR
Subscribed capital	13,668	13,128
Own shares	–505	–505
Capital reserves	31,727	21,638
Own shares	–2,574	–2,574
Other revenue reserves	425	423
Other equity components	-3,923	–4,822
Minorities	–1	0
Total	**38,817**	27,288

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 notional no-par-value bearer shares (previous year: 13,128,461) with an accounting par value of EUR 1 of the share capital per share. The shares of JDC Group AG are admitted to trading on the Open Market (regulated unofficial market) and listed on the Scale segment of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse – FWB®). German securities code (WKN): A0B9N3; International Securities Identification Number (ISIN): DE000A0B9N37.

Share buyback programme

The Management Board of JDC Group AG decided on 29 July 2019 with the approval of the Supervisory Board to repurchase up to 656,423 of JDC Group AG's own shares on the stock market. The total volume of the share buyback was fixed at a maximum of EUR 5 million, excluding incidental costs. The share buyback programme ended on 30 July 2020.

As at 31 December 2020, 505,202 of the company's own shares had been acquired through the share buyback programme.

The capital reserve is the result of the issuing of shares in JDC Group AG in previous years at more than their accounting par value. The aggregated capital procurement costs of kEUR 1,458 associated with the issue were deducted from the capital reserve. As a result of the share buyback, the share premium account was reduced by kEUR 2,574.

The capital reserve of the parent company is subject to a restraint on disposal in accordance with Section 150 of the German Stock Corporation Act (Aktiengesetz, AktG).

Conditional capital

The share capital was increased conditionally by up to EUR 5,500,000 through the issue of up to 5,500,000 new notional, no-par-value bearer shares, which carry dividend rights from the start of the financial year in which they are issued (conditional capital 2018/I).

The share capital is increased conditionally by a further up to EUR 420,000 through the issue of up to 420,000 new notional, no-par-value bearer shares, each with an accounting par value of EUR 1 of the share capital (conditional capital 2018/II).

The share capital is increased conditionally by a further up to EUR 420,000 through the issue of up to 420,000 new notional, no-par-value bearer shares, each with an accounting par value of EUR 1 of the share capital (conditional capital 2021/I).

Authorised capital

The Management Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 6,564,230 in total on one or more occasions up to 01 September 2026 by issuing, on one or more occasions, up to a total of 6,564,230 new notional, no-par-value bearer shares for a cash or non-cash consideration. (Authorised capital 2021).

3.2.3.2 OTHER EQUITY [17]

Retained earnings include legal reserves of subsidiaries and revaluation reserve from the revaluation of defined benefit pension commitments in the amount of kEUR 425 (previous year: kEUR 423).

The other equity components comprise the past earnings of the companies included in the consolidated financial statements, if they have not been distributed.

Details of the changes in the retained earnings and other equity components can be found in the statement of changes in equity.

3.2.4 Non-current liabilities [18]

	31/12/2021 kEUR	31/12/2020 kEUR
Bonds	19,491	19,337
Liabilities to banks	0	33
Accounts payable	11,513	10,280
Other liabilities		
Purchase price liabilities	3,687	0
Liabilities from rental and lease	3,463	3,437
Others	207	199
Total	**38,361**	33,286

The bonds include a corporate bond issued by Jung, DMS & Cie. Pool GmbH in 2019, which is recognised at amortised cost using the effective interest method.

Non-current accounts payable relates to broker commissions withheld until expiry of the cancellation liability. The obligation to pay the broker's commission generally has a residual term of one to five years. The other miscellaneous liabilities mainly consist of the long-term portion of loan liabilities.

Other liabilities comprises the liabilities corresponding to the right-of-use assets recognised for rent and leases under IFRS 16 since it was first adopted in 2019. The long-term portion is reported here.

This item also includes deferred tax liabilities (see also note 3.1.8).

The classification of the individual items into the measurement categories set out in IFRS 7 is shown in annex 4.

3.2.5 Long-term provisions [19]

	31/12/2021 kEUR	31/12/2020 kEUR
Pension provisions	479	434
Provisions with reversal liabilities	1,001	774
Asset Damage precaution	14	32
Total	**1,494**	1,240

The changes in the pension provisions were as follows:

Pension provisions

	2021 kEUR	2020 kEUR
Present value from defined benefit obligation as of 1 January	955	976
Interest expenses	3	7
Ongoing service costs	42	42
Paid benefits	–41	–40
Actuarial loss	–2	–30
Debt from defined benefit obligation as of 31 December	**957**	955

Fair value of plan assets

	2021 kEUR	2020 kEUR
1 January	480	436
Income from plan assets	0	44
Paid benefits	–43	0
31 December	437	480
Debt from defined benefit obligation	**520**	475

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: 0.7 percent).

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

- Long-term portion: kEUR 479 (previous year: kEUR 434)
- 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]

	31/12/2021 kEUR	31/12/2020 kEUR
Pension provisions	41	41
Provisions for taxes	254	49
Provisions for lapse liabilities	250	194
Bonds	0	0
Liabilities to banks	1,015	1,067
Accounts payable	23,796	19,872
Other current liabilities		
Loan liabilities	2,979	0
Rights of use rental and lease	1,370	938
Others	6,493	3,607
Deferred income	715	69
Total	**36,913**	25,837

The pension provisions comprise the current portion due for payment within one year.

Tax provisions consist of the expected final payments for corporate tax, solidarity surcharge and trade tax for the 2019 and 2021 assessment periods.

Liabilities to financial institutions mainly include a working capital loan to JDC Group AG, Wiesbaden, issued by Raiffeisenbank Attersee eG.

The accounts payable include obligations in relation to the cancellation reserve due within one year.

The other miscellaneous liabilities include tax on salaries and church tax, value-added tax, current interest liabilities relating to the corporate bond, and liabilities for purchased services.

Other liabilities also comprises the liabilities corresponding to the right-of-use assets recognised for rent and leases under IFRS 16 since it was first adopted in 2019. The short-term portion is reported here.

3.2.7 Changes in liabilities arising from financing activities

	01/01/2021 kEUR	Cashflow kEUR	Other kEUR	31/12/2021 kEUR
Non-current bonds	19,337		154	19,491
Current bonds	0			0
	19,337	**0**	**154**	**19,491**
Non-current liabilities due to banks	33	–33		0
Current liabilities due to banks	1,067	13	–65	1,015
./. Components of cash and cash equivalents	0			0
	1,100	**–20**	**–65**	**1,015**
Other liabilities				
Non-current loan liabilities	199		8	207
Current loan liabilities				0
Non-current Rights of use rental and leasing	3,437	0	655	4,092
Current Rights of use rental and leasing	938	–807	610	741
Non-current purchase price obligations	0		3,687	3,687
Current purchase price obligations	0		2,979	2,979
	4,574	**–807**	**7,939**	**11,706**
Total liabilities from financing activities	**25,011**	**–827**	**8,028**	**32,212**

Other liabilities include the effects of the reclassification of loans between non-current and current liabilities due to the passing of time or extension of the loans; the effects of loan interest accrued but not yet paid; and the effects of the recognition of the bond at amortised cost using the effective interest method.

3.3 LEASE DISCLOSURES

If, owing to its short-term nature or because it does not give the company exclusive use of the asset concerned, a lease does not have to be accounted for in accordance with IFRS 16, the other financial liabilities arising from it are recognised according to their maturity dates.

The future minimum lease payments on operating leases are as follows:

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

The leases currently in effect are for office machines and IT equipment.

The agreements have remaining terms of up to 12 months (previous year: up to 36 months), and some contain renewal clauses and price adjustment clauses.

3.4 CONTINGENCIES

a) Liability for products on the "master list"

As business partners of JDC Group companies, the independent financial brokers are liable for their investment recommendations if they have failed to fulfil all the legal obligations to examine and research the products offered. For selected products, Jung, DMS & Cie. AG has these analyses for release from liability carried out by its own staff with the assistance of external research companies.

For transactions involving these researched products, which are included in what are known as master lists, liability is automatically and voluntarily assumed by the pool, if the transactions are settled and processed via the Group companies.

b) Professional liability cover

Through Jung DMS & Cie. GmbH, Vienna/Austria, more wide-ranging liability cover is provided by Jung, DMS & Cie. AG for financial brokers who become tied agents by means of an exclusive pool partner contract. Jung, DMS & Cie. AG is directly liable for any incorrect advice given to the customers of the pool partner. In order to avoid as far as possible any burden from this liability to third parties, the pool partner indemnifies Jung, DMS & Cie., Vienna, against all such claims in their internal relationship. Jung, DMS & Cie., Vienna/Austria, also takes out appropriate fidelity insurance for each pool partner.

c) Letters of comfort

JDC Group AG has issued letters of comfort to a number of insurance companies and banks on behalf of its subsidiaries.

Jung, DMS & Cie. AG has issued letters of comfort to a number of insurance companies on behalf of its subsidiary Jung, DMS & Cie. Pool GmbH.

d) Other contingencies

There were no other contingencies at the reporting date.

3.5 CONTINGENT LIABILITIES

There were no contingent liabilities up to the date of publication of the annual report.

3.6 RELATED PARTY DISCLOSURES

IAS 24 requires that disclosures be made with regard to persons or entities that have control over JDC Group AG or are controlled by it, if they are not included in the consolidated financial statements of the JDC Group as a Group company. Control is deemed to be exercised if a shareholder holds more than half of the voting rights in JDC Group AG or has the potential, by virtue of a contractual agreement, to influence the financial and business policy of JDC Group AG's management.

The disclosure requirements under IAS 24 also extend to transactions with associates and with persons who exercise significant influence on the financial and business policy of JDC Group AG, including close family members or intermediate holding companies. A significant influence on the financial and business policy of JDC Group AG can be deemed to exist on the basis of a shareholding in JDC Group AG of 20 percent or more, a position on the Management Board or Supervisory Board, or another key management position.

The following disclosures are required for JDC Group AG in 2021:

The largest individual shareholder is currently Great-West Lifeco, with 26.9 percent; the two Management Board members and their holding companies, Aragon Holding GmbH and Grace Beteiligungs GmbH, together hold around 11.2 percent; the Versicherungskammer Bayern hold 6.0 percent; 3.7 percent are treasury shares; and the free float percentage accounts for a further around 52.2 percent.

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

	31/12/2021 kEUR	31/12/2020 kEUR
Supervisory Board		
Total remuneration	**92**	78
Management Board		
Total remuneration*	**1,359**	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 movement in Group equity as of the reporting date is shown in the statement of changes in equity, which forms part of the consolidated financial statements.

Changes in equity

	kEUR
Equity 31/12/2020	27,288
Capital increase	10,622
Repurchase own shares	0
Stock options granted	7
other equity movements	–6
Net profit	906
Equity 31/12/2021	**38,817**

3.9 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The financial position of the Group is presented in the statement of cash flows, which forms part of the consolidated financial statements in accordance with IFRS. The cash flow from operating activities was kEUR 14,855.

The statement of cash flows shows the changes in the cash and cash equivalents of JDC Group during the financial year through cash flows from operating activities, investing activities and financing activities. Non-cash transactions are added together and shown in the cash flow from operating activities.

Cash and cash equivalents

The consolidated statement of cash flows shows a breakdown of the cash and cash equivalents. Cash and cash equivalents with maturities of up to three months are added together with short-term current account overdrafts under this item. Cash equivalents are short-term financial investments that can be converted into cash at any time and for which there is a low risk of changes in value.

3.10 SEGMENT REPORTING

In accordance with IFRS 8, the identification of reportable operating segments is based on the management approach. This requires that external reporting be based on the internal Group organisational and management structure and on internal reports to the chief operating decision maker. In the JDC Group, the Management Board of JDC Group AG is responsible for evaluating, managing and controlling the performance of the segments and is the chief operating decision maker for the purposes of IFRS 8.

JDC Group reports on three segments which are managed separately, according to the type of products and services offered, by committees responsible for the segments. Designation of components of the Group as operating segments is based mainly on the existence of segment managers who are responsible for the performance of the segments and who report to the top management of JDC Group.

JDC Group is divided into the following segments:

- Advisortech
- Advisory
- Holding

Advisortech

The Advisortech segment comprises all the Group's business with independent financial intermediaries. The segment offers all asset classes (investment funds, closed-end funds, insurance products and structured products) from different product companies, including application processing and commission statements, in addition to various other services relating to investment advice for retail customers. Advisers are supported by a variety of software products developed in-house, such as the digital insurance folder allesmeins and iCRM-Web.

Advisory

The Advisory segment comprises the Group's activities in relation to advice and distribution to retail customers. As independent financial and investment advisers, we offer our customers an integrated advisory service tailored to every individual situation, covering insurance, investment and financing products.

Holding

The Holding segment comprises JDC Group AG.

The valuation principles for JDC Group's segment reporting are based on the IFRS standards used for the consolidated financial statements. JDC Group assesses the performance of the segments according to, among other things, their operating profit/loss (EBITDA and EBIT). Intersegment revenues and advance payments are offset against each other on the basis of market prices.

Segment assets and liabilities include all assets and liabilities attributable to operating activities, the positive and negative results of which determine the operating result. In particular, the segment assets include intangible assets; property, plant and equipment; commissions receivable and other receivables. The segment liabilities include, in particular, accounts payable and other liabilities. Segment investments comprise additions to intangible assets and to property, plant and equipment.

The number of employees in each of JDC Group Group's individual segments is as follows – full-time equivalents:

	2021	2020
Advisortech	271	235
Advisory	50	42
Holding	14	17
Total	**335**	294

Geographical segment information

JDC Group operates mainly in Germany and Austria. Its customer base therefore forms a single geographical segment (the German-speaking area of the European Union).

4 Other disclosures

4.1 BUSINESS PURPOSE AND KEY ACTIVITIES

The business purpose of JDC Group AG as set out in its articles of association is to acquire, manage and sell equity investments in companies, especially financial services companies, and to provide management, advisory and other services, for the following companies in particular.

The parent company is a holding company, which primarily acquires majority interests in distribution companies involved in the placement of financial products and related services. The company performs an advisory and management function for the subsidiaries. The business strategy is to bring about the long-term integration of the subsidiaries into the Group and to increase the profitability of the subsidiary concerned by achieving synergies. Within the holding company structure created, JDC Group AG is responsible for the strategic control of the business and financial policy of the Group. However, the subsidiaries are responsible for the operating activities. The parent company is also the subsidiaries' interface with the capital markets.

Jung, DMS & Cie. AG acts as an operational holding company. This company and its subsidiaries engage in the business of operating purchasing and processing/settlement centres for independent financial intermediaries – or broker pools – which perform central functions such as product purchasing, marketing, central transaction processing and training for independent financial brokers. As a consideration for the above services, the broker pools retain a portion of the initial commission and of the renewal or portfolio commission. Jung, DMS & Cie. AG, along with its subsidiaries, currently operates in Wiesbaden, Munich and Troisdorf in Germany, and Vienna in Austria.

The advisory service provided by FiNUM.Private Finance AG, Vienna, FiNUM.Private Finance AG, Berlin, and FiNUM.Finanzhaus AG, Wiesbaden, is geared to the interests of retail customers. As independent financial advisers, they offer personalised advice on insurance, investment and financing. The other Group companies based in Germany are not financial services institutions within the meaning of Section 1, paragraph 1a of the German Banking Act (Kreditwesengesetz, KWG) and are in principle not subject to supervision by the German Federal Financial Supervisory Authority (BaFin). Jung, DMS & Cie. GmbH, Vienna, is an authorised investment services undertaking and is subject to supervision by the Austrian Financial Market Authority (FMA). FiNUM.Private Finance AG, Berlin, is an authorised investment services undertaking and is subject to supervision by the German Federal Financial Supervisory Authority (BaFin).

4.2 CAPITAL MANAGEMENT

Capital management concerns the management of cash to meet the needs of the Group, including the selection and management of sources of financing. The objective is to make the required cash available at the lowest possible cost. The main management criterion is the interest on debit and credit balances. The volume of cash and cash equivalents to be managed is in the range of EUR 21 million (2020: EUR 21 million). Daily and monthly reports showing comparisons of target and actual figures are used to perform the task of capital management.

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

The Group's future business performance involves all the opportunities and risks associated with the distribution of financial products and the acquisition, management and disposal of companies. The risk management system of JDC Group AG is aimed at identifying risks early and minimising them by taking appropriate measures. Financial instruments are used only for hedging purposes. In order to identify early any potential problems in the affiliated companies and the companies in which they in turn hold equity investments, key indicators are monitored and evaluated. Monthly, weekly and daily analyses of turnover, revenues and the liquidity position are prepared. Management obtains a daily summary of the turnover and liquidity ratios.

JDC Group AG is controlled by means of a monthly reporting system, which includes the key indicators and pays particular attention to the liquidity position. On top of this, the Management Board is updated on the current level of liquidity on a daily basis.

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

- In the context of providing intermediary services relating to financial products and insurance products, it cannot be ruled out that cancellations could give rise to expenses not balanced by claims for refunds of the same amount from intermediaries. With the increase in JDC's insurance revenues, receivables management to collect such refunds is of greater importance than before.
- Claims could be made against JDC for misinformation or misadvice by distribution partners. It is not possible to make a blanket statement as to whether the risks in specific cases will be covered by existing insurance policies or by the refund claims against intermediaries.
- The continuing volatility of the capital markets and the difficulty in forecasting the product turnover means great demands have to be placed on the liquidity management system. A lack of liquidity could become an existential problem.
- JDC is increasingly a focus of attention on the capital market. Its customers also include growing numbers of big corporations. Any damage to its image could lead to a loss of revenues.

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

- The business success of the company is fundamentally dependent on economic developments.
- Developments on the German and global financial and capital markets are of considerable importance to JDC's success. Continuing volatility or adverse developments could have a negative impact on JDC's profitability.
- The stability of the legal and regulatory environment in Germany and Austria is of great importance. Short-term changes in the environment for financial services companies, intermediaries and financial products, in particular, could have adverse impact on JDC's business model.
- The Corona crisis has had a considerable impact on the willingness of companies to invest and on the income development of many consumers. The consequences continue to be felt, despite the stabilisation of the pandemic situation. In particular, the emergence of new COVID 19 variants could again prolong the pandemic and trigger renewed economic disruptions. This would have a negative impact on JDC's profitability.
- In addition, the impact of the current war in Ukraine cannot be predicted. The accompanying economic sanctions, higher raw materials prices, production shortfalls and supply chain disruption also have economic consequences and could slow down or even halt the economic upturn after the Covid-19 crisis. A deterioration of this kind 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 Union's General Data Protection Regulation (GDPR) affects all German companies, but particularly those in the financial services sector, whose business involves working with personal data to a particularly large extent. The GDPR imposes extensive information and documentation obligations on us. As the digital transformation of the insurance industry is just beginning, many processes at JDC still have to be handled manually. This increases the risk of data breaches 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.

JDC Group took some decisive measures in 2021 as well to set the course for the coming years. Two further high-profile bancassurance customers acquired during the year under review were Finanzguru und Mediolanum, who rely on JDC's platform technology. Extensive collaboration agreements were established with the Provinzial group and Versicherungskammer Bayern (VKB). Under the agreements, JDC will be a technical provider and handle the third-party insurance business of the affiliated savings banks. Additionally, the acquisition of the analyst firm MORGEN & MORGEN – which retains its independence and autonomy despite being part of the JDC Group – has filled the last remaining gap in the JDC platform offering

In the view of the Management Board, this will all result in the continued overall positive performance of JDC Group AG's long-term equity investments, and thus also of JDC Group AG itself, in the financial year 2022.

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

	2021 kEUR	2020 kEUR
Auditor services	141	150
Other confirmation services	9	9
Consulting	10	11
Total	**160**	170

On average, the Group companies employed 335 staff – full-time equivalents – throughout the year (previous year: 294).

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

Klemens Hallmann
Vienna
Independent entrepreneur
Deputy Chairman
(until 28 September 2021)

Dr. Markus Schachner
Wollerau (Schweiz)
Managing Director
(until 02 September 2021)

Markus Drews
Köln
CEO Canada Life Assurance Europe plc

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

Dr. Igor Radovic
Köln
Director product and sales management
Canada Life Assurance Europe plc
(since 29 June 2021)

Claudia Haas
Mainz
Division manager market management D-A-CH,
Euler Hermes
(since 02 September 2021)

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 2021

	Cost of Acquisition/production					
	01/01/2021 kEUR	Reclassifications kEUR	First consolidation kEUR	Additions kEUR	Disposals kEUR	**31/12/2021 kEUR**
I. Intangible assets						
1. Concessions, industrial property rights and similar rights and values	44,100	7,216	2,074	888	0	52,502
a) internally generated industrial property rights and similar rights and values	12,240	1,201	0	0	–8	13,433
b) for remuneration aquired concessions and similar rights and values	7,902	201	2,074	888	8	9,296
c) Customer base	23,791	5,815	0	0	0	29,606
d) Contract preparation costs	166	0	0	0	0	166
2. Company Value	27,121	–7	13,088	0	0	40,203
3. Payments made	0	25		0	0	25
	71,221	**7,235**	**15,162**	**888**	**0**	**92,730**
II. Property, plant and equipment						
1. Other equipment, operating and	3,932	475	48	304	0	4,151
business equipment	6,057	1,483	0	893	0	6,647
2. Rights of use rental and leasing	**9,989**	**1,958**	**48**	**1,197**	**0**	**10,798**
III. Financial assets						
1. Shares in affiliated companies	55	0	0	0	0	55
2. Closed-end fund investments	123	130	31	110	0	175
3. Securities held as fixed assets	38	136	65	52	0	187
	216	**266**	**96**	**162**	**0**	**416**
	81,426	**9,459**	**15,306**	**2,247**	**0**	**103,944**

Depreciation/amortisation						Book value	
01/01/2021 kEUR	Depreciation/ Amortisation in financial year kEUR	Disposals kEUR	Reclassifications kEUR	First consolidation kEUR	**31/12/2021 kEUR**	31/12/2020 kEUR	**31/12/2021 kEUR**
23,291	3,902	887	0	0	26,306	20,809	26,195
8,818	1,635	0	0	0	10,453	3,422	2,980
6,614	429	887	0	0	6,155	1,288	3,141
7,800	1,815	0	0	0	9,615	15,991	19,991
60	24	0	0	0	84	106	83
0	0	0	0	0	0	27,121	40,203
0	0	0	0	0	0	0	25
23,291	**3,903**	**887**	**0**	**0**	**26,306**	**47,930**	**66,423**
3,018	406	293	0	1	3,133	914	1,018
1,853	1,088	861	0	0	2,080	4,204	4,567
4,871	**1,494**	**1,153**	**0**	**1**	**5,213**	**5,117**	**5,584**
0	0	0	0	0	0	55	55
0	0	0	0	0	0	123	175
0	0	0	0	0	0	38	187
0	**0**	**0**	**0**	**0**	**0**	**216**	**417**
28,163	**5,397**	**2,040**	**0**	**1**	**31,519**	**53,263**	**72,424**

Appendix 2

Statement of changes in the net book values of consolidated fixed assets as of 31 December 2021

	Book value 01/01/2021 kEUR	First consolidation kEUR	Reclassi-fications kEUR	Additions/ Reclassi-fications kEUR	Disposals kEUR	Depreciation/ amortisation in the financial year kEUR	**Book value 31/12/2021 kEUR**
I. Intangible assets							
1. Concessions, industrial property rights and similar rights and values	20,809	2,074	0	7,216	1	3,902	26,195
a) internally generated industrial property rights and similar rights and values	3,422	0	–8	1,201	0	1,635	2,980
b) for remuneration aquired concessions and similar values	1,288	2,074	8	201	1	429	3,141
c) Customer base	15,991	0	0	5,815	0	1,815	19,991
d) Contract preparation costs	106	0	0	0	0	24	83
2. Company Value	27,121	13,088	0	–7	0	0	40,203
3. Payments made	0	0	0	25	0	0	25
	47,930	**15,162**	**0**	**7,235**	**1**	**3,903**	**66,423**
II. Property, plant and equipment							
1. Other equipment, operating and business equipment	914	48	0	475	11	406	1,018
2. Rights of use rental and leasing	4,203	0	0	1,483	33	1,088	4,567
	5,117	**48**	**0**	**1,958**	**44**	**1,494**	**5,584**
III. Financial assets							
1. Shares in affiliated companies	55	0	0	0	0	0	55
2. Closed-end fund investments	123	31	0	130	110	0	175
3. Securities held as fixed assets	38	65	0	136	52	0	187
	216	**96**	**0**	**266**	**162**	**0**	**417**
	53,263	**15,306**	**0**	**9,459**	**207**	**5,397**	**72,424**

Appendix 3

List of shareholdings as of 31 December 2021

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 31/12/2021 kEUR	Net profit 2021 kEUR
1. Non-consolidated subsidiaries			
MEG AG, Kassel	100.0	n. a.	n. a.
FVV GmbH, Wiesbaden [2]	100.0	24	4
2. Other investments			
Einfach gut versichert GmbH	25.1	333	–72
Dr. Jung & Partner GmbH Generalrepräsentanz, Essenbach [1] [3]	30.0	153	42

[1] indirect shareholdings via Jung, DMS & Cie. Pool GmbH
[2] indirect shareholdings via FiNUM.Private Finance AG, Berlin
[3] Data from 31 December 2020

Appendix 4

Additional informations concerning Financial instruments IFRS 7 as of 31 December 2021

	Measurement categories as defined by IFRS 9	Book value 31/12/2021 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	175		175	
Securities	AC	187		187	
Accounts receivable	AC	1,122	1,122		
Other assets	AC	1,390	1,390		
Current assets					
Accounts receivable	AC	19,205	19,205		
Other assets	AC	2,226	2,226		
Cash and cash equivalents	AC	21,906	21,906		
Liabilities					
Non-current liabilities					
Bonds	AC	19,491	19,491		
Liabilities due to banks	AC	0	0		
Accounts payable	AC	11,513	11,513		
Other liabilities	AC	7,357	7,357		
Current liabilities					
Liabilities due to banks	AC	1,015	1,015		
Accounts payable	AC	23,796	23,796		
Other liabilities					
Other liabilities	AC	10,842	10,842		

* 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 31/12/2021 kEUR**	Book value 31/12/2020 kEUR	Continuing book value kEUR	Cost of acquisition kEUR	Fair Value – not affecting net income kEUR	Fair Value – affecting net income kEUR	Fair Value 31/12/2020 kEUR
		55	55		55			55
		175	123		123			123
		187	38		38			38
		1,122	891	891				891
		1,390	1,746	1,746				1,746
		19,205	18,364	18,364				18,364
		2,226	1,838	1,838				1,838
		21,906	11,718	11,718				11,718
		20,609	19,337	19,337				20,400
		0	33	33				33
		11,513	10,280	10,280				10,280
		7,357	3,636	3,636				3,636
		1,015	1,067	1,067				1,067
		23,796	19,872	19,872				19,872
		10,842	4,545	4,545				4,545

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, 2021, 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, 2021 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, 2021.

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, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, 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 24, 2022

Dr. Merschmeier + Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Jäger
(Wirtschaftsprüfer)

Scheiper
(Wirtschaftsprüfer)

Contact

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DISCLAIMER

The Annual Report of JDC Group AG is available in German and English. The English translation of the Group Management Report and the consolidated financial statements has been provided for conveniance. The German version of the 2021 Annual Report (including the opinion of an independant auditor) is legally binding and can be viewed on the company's website: www.jdcgroup.de

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