



BRILL

The Offer expires at 17:40 hours, Amsterdam time, on 15 February 2024, unless extended

OFFER MEMORANDUM

Dated 21 December 2023

RECOMMENDED CASH OFFER

by

WALTER DE GRUYTER GMBH

**a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated
under the laws of Germany**

**FOR ALL LISTED ISSUED DEPOSITORY RECEIPTS OF ORDINARY SHARES AND ALL
NON-LISTED ISSUED AND OUTSTANDING ORDINARY SHARES WHICH ARE NOT HELD
BY STICHTING ADMINISTRATIEKANTOOR KONINKLIJKE BRILL,**

IN THE CAPITAL OF

KONINKLIJKE BRILL N.V.

**a public company with limited liability (*naamloze vennootschap*)
incorporated under the laws of the Netherlands**

This offer memorandum (the "**Offer Memorandum**") contains the details of the recommended cash offer by Walter de Gruyter GmbH (the "**Offeror**") to all holders of issued depository receipts of ordinary shares in the capital of the Koninklijke Brill N.V. ("**Brill**") (the "**Depository Receipts**") and all issued and outstanding ordinary shares in the capital of Brill which are not held by Stichting Administratiekantoor Koninklijke Brill (the "**Share Trust Office**") (the "**Registered Shares**", and together with the Depository Receipts, the "**Securities**"; holders of such Securities being referred to as the "**Securityholders**") to purchase for cash the Securities held by them, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum (the "**Offer**"). Capitalised terms used in this Offer Memorandum have the meaning set out in Section 3 (*Definitions*) or elsewhere in this Offer Memorandum. As at the date of this Offer Memorandum, Brill's total issued and outstanding share capital amounts to EUR 1,124,666.4, consisting of 1,874,444 ordinary shares with a nominal value of EUR 0.60 each (the "**Ordinary Shares**", and the holders of such Ordinary Shares being referred to as the "**Shareholders**"). 1,834,463 Ordinary Shares are held by the Share Trust Office for which the Share Trust Office has issued 1,834,463 Depository Receipts and 39,981 Ordinary Shares are Registered Shares. The issued and outstanding Depository Receipts and Registered Shares are subject to the Offer.

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the "**Wft**") in conjunction with Article 8, paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the "**Decree**") in connection with the Offer. This Offer Memorandum has been reviewed and approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") as an offer memorandum under Article 5:76 Wft on 21 December 2023.

The information required by Article 18, paragraph 2 of the Decree in connection with the Offer is included in the position statement of Brill (the "**Position Statement**"), which is also published on the date of this Offer Memorandum. The Position Statement, including all appendices thereto, does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to publication. The Position Statement will be reviewed by the AFM after publication.

Securityholders tendering their Securities under the Offer will be paid, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum, in consideration for each Security validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) on the terms and subject to the conditions and restrictions of the Offer (each a "**Tendered and Delivered Security**") a cash amount of EUR 27.50 (cum dividend) (the "**Offer Price**"). The Offer Price shall be net of (and be decreased by) any (interim) dividend and any other distributions, whether in cash, in stock, or otherwise, declared or made between 12 October 2023 and the Settlement Date (or, with respect to Securities tendered during the Post-Closing Acceptance Period, a record date prior to or on the date of settlement of such Tendered and Delivered Securities), in each case before any applicable withholding tax and/or other taxes due in respect thereof.

The management board (*raad van bestuur*) of Brill (the "**Management Board**") and the supervisory board (*raad van commissarissen*) of Brill (the "**Supervisory Board**", and jointly, the "**Boards**"), on the terms and subject to the conditions contained in this Offer Memorandum, unanimously support the Transactions (as defined below), recommend the Offer to the Securityholders for acceptance and recommend the Securityholders to vote in favour of the Resolutions (as defined below). Reference is made to Section 5.6 (*Decision-making and Recommendation by the Boards*) and the Position Statement.

The Offer is supported through irrevocable undertakings by Brill's largest Securityholders, representing approximately 60.4% of all Securities, see also Section 5.8 (*Irrevocable undertaking of Securityholders*).

The acceptance period under the Offer begins at 9:00 hours, Amsterdam time, on 22 December and ends at 17:40 hours, Amsterdam time, on 15 February 2024, or such other date as extended in accordance with Article 15 paragraph 9 of the Decree (the "**Closing Date**"), unless extended in accordance with the terms of this Offer Memorandum and Article 15 of the Decree (the "**Acceptance Period**"). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum. Securities tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during an extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Decree. The Offeror reserves the right to extend the Acceptance Period once, for a minimum of two (2) weeks and up to a maximum of ten (10) weeks. If the Acceptance Period is extended, the Offeror will make an announcement to that effect no later than on the third (3rd) Business Day following the Closing Date in accordance with the provisions of Article 15, paragraph 1 and paragraph 2 of the Decree.

During the Acceptance Period, the Offeror has the right pursuant to Article 15, paragraph 4 of the Decree to increase the Offer Price. The Acceptance Period must be open for at least seven (7) Business Days following an increase of the Offer Price. Should the Acceptance Period be open for a shorter period, it will by virtue of law be extended to seven (7) Business Days. During such extended Acceptance Period, the Offeror is not allowed to further increase the Offer Price. Securities tendered prior to such extension of the Acceptance Period may be withdrawn during the extended Acceptance

Period in accordance with Article 15a, paragraph 3 of the Decree. However, during any such extension of the Acceptance Period, any Securities previously tendered and not withdrawn will remain subject to the Offer. See Section 4 (*Invitation to the Shareholders*).

No later than on the third (3rd) Business Day following the Closing Date, the Offeror will announce whether the Offer is declared unconditional (*gestand is gedaan*) (the "**Unconditional Date**"). The Offeror reserves the right to waive certain Offer Conditions in accordance with Section 5.5 (*Offer Conditions and waiver*). See also Section 4.7 (*Declaring the Offer unconditional*).

Announcements declaring whether the Offer is declared unconditional (*gestand is gedaan*) and announcements in relation to an extension of the Acceptance Period will be made by press release. See Section 4.13 (*Announcements*).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand is gedaan*), the Offeror will make the payment of the Offer Price to the Securityholders having tendered their Securities for acceptance pursuant to the Offer no later than on the fifth (5th) Business Day following the Unconditional Date (the "**Settlement**" and the day on which the Settlement occurs, the "**Settlement Date**"). See Section 4 (*Invitation to the Shareholders*).

Following the Settlement Date, the Offeror (i) shall, if certain conditions are met, commence a compulsory acquisition procedure (*uitkoopprocedure*) on the terms and conditions set out in Section 5.12.2 (*Statutory Buy-Out Proceedings*) or (ii) may, if certain conditions are met, decide to pursue the Post-Closing Merger on the terms and conditions set out in Section 5.12.3 (*Post-Closing Merger*).

In accordance with Article 18, paragraph 1 of the Decree, Brill will hold an extraordinary meeting of shareholders on 1 February 2024 (the "**EGM**"). At the EGM, the Offer will be discussed and unanimously recommended by the Boards to the Securityholders for acceptance and the Securityholders will be requested to vote in favour of the Resolutions. Separate convocation materials will be made available on Brill's website (www.brill.com). Reference is made to Section 5.27 (*Extraordinary general meeting*).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Offeror and Brill disclaim all responsibility for any violation of such restrictions by any person. Reference is made to Section 1.1 (*Restrictions*)**RESTRICTIONS AND IMPORTANT INFORMATION**

1.1 Restrictions

The Offer is made in the Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Securityholder, even if it has not been effected in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. The Offer is not made, and the Securities will not be accepted for purchase from, or on behalf of, any Securityholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. If you are in any doubt as to your eligibility to participate in the Offer, you should contact your professional adviser immediately. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable).

No actions have been taken or will be taken to make the Offer possible in any jurisdiction outside of the Netherlands where such actions would be required. In addition, this Offer Memorandum has not been filed with or recognized by the authorities of any jurisdiction other than the Netherlands. However, acceptances of the Offer by Securityholders not residing in the Netherlands will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Memorandum and (ii) the laws of the jurisdiction from which such acceptance has been made.

Neither the Offeror, nor Brill, nor any of their advisers, nor the Settlement Agent accepts any responsibility or liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands should carefully read this Section 0 (*Restrictions and important information*) before taking any action.

1.2 Important information

1.2.1 Introduction

This Offer Memorandum contains, incorporates and refers to important information that should be read carefully before any Securityholder makes a decision to tender Securities under the Offer. Securityholders are advised to seek independent professional advice where necessary. In addition, Securityholders are urged to consult their own independent tax adviser as to the Dutch or other tax consequences of the contents of this Offer Memorandum, including but not limited to the acceptance or non-acceptance of the Offer.

1.2.2 Information for U.S. Securityholders

The Offer is being made for the Securities of Brill, a public limited liability company incorporated under the laws of the Netherlands, and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information of Brill included or referred to herein has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission for use in the European Union ("**IFRS**"), and Part 9 of Book 2 DCC and, accordingly, may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other

procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. Securityholder may be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local laws, as well as foreign and other tax laws. Each U.S. Securityholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. Securityholders to enforce their rights and any claim arising out of the U.S. federal securities laws, since the Offeror and Brill are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. Securityholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Offer Memorandum or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with standard Dutch practice, the Offeror or brokers (acting as agents for the Offeror) may, before or during the period in which the Offer remains open for acceptance, directly or indirectly, purchase, or arrange to purchase Securities outside of the United States, from time to time, other than pursuant to the Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In addition, the financial advisers to the Offeror may engage in ordinary course trading activities in Securities, which may include purchases or arrangements to purchase such Securities. To the extent required in the Netherlands, any information about such purchases will be announced by a press release in accordance with Article 13 of the Decree and made available on the website of the Offeror.

1.3 Responsibility for information

The information and declarations included on the cover page and on pages 1, 2 and 3 and in Section 0 (*Restrictions and important information*) through Section 5 (*Explanation and Background to the Offer*) (excluding Section 1.4 (*Presentation of financial information and other information*), Section 1.9 (*Financial advisers*), Section 5.1 (*Background and public announcements*), Section 5.6 (*Decision-making and Recommendation by the Boards*), Section 5.9 (*Securityholdings of the members of the Boards*), Section 5.10 (*Respective cross-securityholdings*), Section 5.13 (*Composition of the Supervisory Board*), Section 5.14 (*Composition of the Management Board*), Section 5.15 (*Compensation to the members of the Boards in connection with resignation*), Section 5.17 (*Corporate governance following Settlement*), Section 5.20 (*Employee consultations and SER and Trade Unions notification*) and Section 5.27 (*Extraordinary general meeting*)), Section 7 (*Information regarding the Offeror*), Section 8 (*Dutch tax aspects of the Offer*), Section 10 (*Dutch language summary*), Section 11 (*Press releases*), Section 0 (*Articles of Association*) and Section 13.1 (*Advisers to the Offeror*) have been solely provided by the Offeror.

The information and declarations included in Section 1.4 (*Presentation of financial information and other information*), Section 5.6 (*Decision-making and Recommendation by the Boards*), Section 5.9 (*Securityholdings of the members of the Boards*), Section 5.13 (*Composition of the Supervisory Board*), Section 5.14 (*Composition of the Management Board*), Section 5.15 (*Compensation to the members of the Boards in connection with resignation*), Section 5.20 (*Employee consultations and SER and trade unions notification*), Section 5.27 (*Extraordinary general meeting*), Section 6

(*Information regarding Brill*), Section 13.2 (*Advisers to Brill*) and Section 14 (*Financial information of Brill*) have been solely provided by Brill.

The information and declarations included in Section 1.9 (*Financial advisers*), Section 5.1 (*Background and public announcements*), Section 5.10 (*Respective cross-securityholdings*), Section 5.17 (*Corporate governance following Settlement*) and Section 9 (*Other information required by the Decree*) have been provided by the Offeror and Brill respectively to the extent it relates to it.

The Offeror and Brill are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each severally with respect to the information it has solely provided, and jointly with respect to the information they have provided jointly.

The Offeror and Brill confirm, each severally with respect to the information it has solely provided, and jointly with respect to the information which they have provided jointly, that to the best of their knowledge the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in Section 14 (*Financial information of Brill*) has been derived by Brill from the audited consolidated financial statements for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020 as included in the 2022, 2021 and 2020 annual reports of Brill, as further explained in Section 14 (*Financial information of Brill*). The independent auditor's report included in Section 0 (*Independent auditor's report of PwC on the selected consolidated financial information for 2022, 2021 and 2020*) has been sourced by Brill from PricewaterhouseCoopers Accountants N.V. ("**PwC**"), the independent auditor of Brill for the financial years 2022, 2021 and 2020.

No person other than the Offeror and Brill, and without prejudice to the independent auditor's (review) reports issued by PwC included in this Offer Memorandum, and the fairness opinions rendered by AXECO Corporate Finance B.V. ("**Axeco**") to the Boards and Coöperatieve Rabobank U.A., acting through its Corporate Finance Advisory department, also known as Mergers & Acquisitions ("**Rabobank**") to the Supervisory Board, is authorised to provide any information or to make any statements on behalf of the Offeror or Brill in connection with the Offer or the information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror or Brill, such information or statements must not be relied upon as having been provided by or made by or on behalf of the Offeror or Brill. Any information or representation not contained in this Offer Memorandum or in press releases by the Offeror or Brill must not be relied upon as having been provided or made by or on behalf of the Offeror or Brill.

The information included on pages 1 – 3 and in Section 10 (*Dutch language summary*) contains summarised and translated information, and as the case may be, has been derived from the information included in the other sections of this Offer Memorandum.

ABN AMRO Bank N.V. ("**ABN AMRO**") has been engaged by the Offeror as Settlement Agent for the Offer, upon the terms and subject to the conditions set out in the agency agreement. Neither the Settlement Agent nor any of its directors, officers, agents or employees make any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offer Memorandum or for any other statements made or purported to be made either by itself or on its behalf in connection with the Offer set forth in this Offer Memorandum. Accordingly, the Settlement Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Offer Memorandum and or any such other statements.

1.4 Presentation of financial information and other information

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate

and complete as of any time subsequent to the date of this Offer Memorandum or that there has been no change in the information set out in this Offer Memorandum or in the affairs of the Offeror, Brill and/or their respective Affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of the Offeror or Brill, each insofar as it concerns them, to make a public announcement pursuant to, respectively, Article 4, paragraphs 1 and 3 of the Decree and the European Market Abuse Regulation (596/2014), if applicable.

The selected consolidated financial information of Brill (as included in Section 14 (*Financial information of Brill*)) is that of Brill and its consolidated subsidiaries. The selected consolidated financial information should be read in conjunction with the consolidated financial statements of Brill for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020. The selected consolidated financial information of Brill is derived from Brill's consolidated financial statements for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020. The consolidated financial statements for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020 have been audited by PwC. The Annual Report 2022 is included in Section 0 (*Annual Report 2022 including independent auditor's report of PwC*). The consolidated financial statements from which the selected consolidated financial information has been derived were prepared in accordance with IFRS as adopted by the European Union and the provisions of Part 9 of Book 2 DCC.

The interim consolidated financial information of Brill for the first six (6) months of the financial year 2023 (the "**Interim Consolidated Financial Information**") included in this Offer Memorandum is derived from the unaudited condensed consolidated interim financial information of Brill for the six (6) month period ended 30 June 2023 as published on the website of Brill (www.brill.com) on 21 December 2023 (the "**Half Year Report 2023 – Unaudited (Revised)**"). Brill concluded that the unaudited condensed consolidated interim financial information of Brill for the six (6) month period ended 30 June 2023 as published on the website of Brill (www.brill.com) on 29 August 2023 overstated the following two balance sheet items: (i) trade and other receivables were reported at EUR 8.4 million but should instead have been reported at EUR 7.6 million and (ii) deferred income was reported at EUR 11.6 million but should instead have been reported at EUR 10.8 million. The overstatements related to two matters. First, Brill processed unpaid renewal notices by recognising accounts receivable against deferred income. Second, Brill recognised subscription revenue by increasing accounts receivable instead of reducing deferred income. By making the aforementioned adjustments Brill has ensured that (i) only paid renewal notices are recognised as deferred income and (ii) subscription revenue is recognised against deferred income. The Interim Consolidated Financial Information included in this Offer Memorandum reflect the aforementioned adjustments. The Interim Consolidated Financial Information derived from the Half Year Report 2023 – Unaudited (Revised) are included in Section 14.5 (*Unaudited condensed consolidated interim financial information for the six month period ended 30 June 2023*) and the independent auditor's review report thereon issued by PwC on 21 December 2023 is included in Section 14.6 (*Independent auditor's review report of PwC on the condensed consolidated interim financial information for the six-month period ended 30 June 2023*) of this Offer Memorandum.

Certain numerical figures set out in this Offer Memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

1.5 Governing law

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Securities will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*), the Netherlands, and its appellate courts shall have exclusive jurisdiction to settle any disputes that might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Securities. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender,

purchase or transfer of Securities, shall be brought exclusively in such courts.

1.6 Addresses

The Offeror

Walter de Gruyter GmbH
Genthiner Str. 13
10785 Berlin
Germany

Brill

Koninklijke Brill N.V.
Plantijnstraat 2
2321 JC Leiden
The Netherlands

Settlement Agent

Attn: Corporate Broking (HQ7212)
ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

1.7 Availability of information and documents incorporated by reference

Digital copies of this Offer Memorandum are available on the websites of Brill (www.brill.com) and the Offeror (www.degruyter.com). Copies of this Offer Memorandum are also available free of charge at the offices of Brill and the Settlement Agent, at the addresses mentioned in Section 1.6 (*Addresses*). The websites of Brill, the Offeror and the AFM do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

The current Articles of Association, which are incorporated by reference in this Offer Memorandum, are available on the website of Brill ([Articles of Association 2020](#)). Certain amendments of the Articles of Association will be proposed for adoption at the EGM in accordance with the draft of the amended articles of association included in Section 0 (*Amendment of the Articles of Association*) and Section 5.27 (*Extraordinary general meeting*).

The Annual Report 2022 is set out in Section 0 (*Annual Report 2022 including independent auditor's report of PwC*). The annual reports for the financial years 2021 and 2020 are incorporated by reference in this Offer Memorandum. The Half Year Report 2023 – Unaudited (Revised) is set out in Section 14.5 (*Unaudited condensed consolidated interim financial information for the six month period ended 30 June 2023*).

Copies of Brill's annual reports for the financial years 2022, 2021 and 2020 and the Half Year Report 2023 – Unaudited (Revised) are available free of charge at the abovementioned offices of Brill and the Settlement Agent and on the website of Brill ([annual report 2022, 2021, 2020](#) and [Half Year Report 2023 – Unaudited \(Revised\)](#)).

1.8 Forward-looking statements

This Offer Memorandum includes "forward-looking statements" including statements about the expected timing and completion of the Transactions. Forward-looking statements involve known or unknown risks and uncertainties because these statements relate to events and depend on circumstances that occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although the Offeror believes the expectations reflected in such forward-looking

statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror and/or Brill does business, to competitive developments or risks inherent to the Offeror's and/or Brill's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror and/or Brill.

The Offeror expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based, except as required by Applicable Laws and regulations or by any competent regulatory authority.

1.9 Financial advisers

Park 56 B.V. ("**Park 56**") is acting as financial adviser exclusively to the Offeror and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of Park 56 or for providing advice in relation to the Offer.

Axeco is acting as financial adviser exclusively to Brill, and Rabobank exclusively to the Supervisory Board, and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than the Boards, or the Supervisory Board, as applicable, for providing the protections afforded to the clients of Axeco or Rabobank or for providing advice in relation to the Offer.

2. TABLE OF CONTENTS

1.	RESTRICTIONS AND IMPORTANT INFORMATION	3
2.	TABLE OF CONTENTS	10
3.	DEFINITIONS.....	11
4.	INVITATION TO THE SHAREHOLDERS.....	20
5.	EXPLANATION AND BACKGROUND OF THE OFFER	27
6.	INFORMATION REGARDING BRILL	58
7.	INFORMATION REGARDING THE OFFEROR	66
8.	DUTCH TAX ASPECTS OF THE OFFER	68
9.	OTHER INFORMATION REQUIRED BY THE DECREE	73
10.	DUTCH LANGUAGE SUMMARY	75
11.	PRESS RELEASES	106
12.	ARTICLES OF ASSOCIATION	108
13.	ADVISERS	136
14.	FINANCIAL INFORMATION OF BRILL	137

3. DEFINITIONS

ABN AMRO	has the meaning ascribed to it in Section 1.3
Acceptance Period	has the meaning ascribed to it on page 2
Acceptance Threshold	has the meaning ascribed to it in Section 5.5.1(a)
Admitted Institutions	those institutions admitted to Euronext Amsterdam
Adverse Recommendation Change	has the meaning ascribed to it in Section 5.7
Affiliate	means in relation to any Person, from time to time, any Person that is controlled by that Person, controls that Person, is controlled by a Person that also controls that Person or otherwise qualifies as a subsidiary or a group company of that Person. "Control" for purposes of this definition means the possession, directly or indirectly, solely or jointly (whether through ownership of securities or partnership interest or other ownership interest, by contract, or otherwise) of (a) more than 50% of the voting power at general meetings of that Person or (b) the power to appoint and to dismiss a majority of the managing directors or supervisory directors of that Person or otherwise to direct the management and policies of that Person.
AFCA	means the Austrian Federal Competition Authority
AFM	has the meaning ascribed to it on page 2
Aggregate Minority Cash Out Amount	has the meaning ascribed to it in Section 5.12.3(b)
Alternative Proposal	means any offer or proposal for, or any indication of interest in, with respect to (i) any direct or indirect acquisition of all or a material part (representing more than 20%) of the: (x) Securities; (y) voting rights attached to the Securities; or (z) shares issued by any Affiliate of Brill, (ii) any public offer relating to the Securities, or (iii) any direct or indirect acquisition of the whole or a material part (representing more than 20%) of the business or assets of the entire Brill Group, or any other transaction that could result in a change of control over Brill or all or a substantial part of its business or otherwise prevent the Offer and the Transaction from being consummated, in each case, whether by direct or indirect acquisition, reverse takeover or purchase, subscription, merger, demerger, reorganisation, contribution, joint-venture, share exchange, consolidation, business combination, recapitalisation, liquidation, dissolution or any other transaction involving Brill or any Affiliate of Brill, with a person other than the Offeror or any of its Affiliates
Antitrust Laws	means the Dutch Competition Act, the EU Merger Regulation and any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation or restraint of trade or the significant impediment of effective competition

Applicable Laws	means all applicable laws and regulations, including the applicable provisions of the Wft, the Decree, the rules and regulations promulgated pursuant to the Wft and the Decree, the European Market Abuse Regulation (596/2014), the policy guidelines and instructions of the AFM, the Works Council Act (<i>Wet op de Ondernemingsraden</i>), the Merger Code, the rules and regulations of Euronext Amsterdam, the DCC, and the relevant Antitrust Laws and other applicable regulatory and foreign direct investments laws and regulations
Articles of Association	means the articles of association (<i>statuten</i>) of Brill as amended on 2 July 2020
Axeco	has the meaning ascribed to it in Section 1.3
Bank	Landesbank Baden-Württemberg
Boards	has the meaning ascribed to it on page 2
Brill	has the meaning ascribed to it on page 1
Brill Group	means Brill and its Affiliates
Brill Holdco	Alexandria Holdco B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Leiden, the Netherlands, its office address at Plantijnstraat 2, 2321 JC Leiden, the Netherlands, and registered with the Dutch trade register under number 92266142
Brill Sub	Alexandria Sub B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Leiden, the Netherlands, its office address at Plantijnstraat 2, 2321 JC Leiden, the Netherlands, and registered with the Dutch trade register under number 92275451
Business Day	means a day (other than a Saturday or Sunday) on which banks and Euronext Amsterdam are generally open in the Netherlands for normal business
Buy-Out	has the meaning ascribed to it in Section 5.12.2
Buy-Out Threshold	has the meaning ascribed to it in Section 5.12.2
Closing Date	has the meaning ascribed to it on page 2
Combination	has the meaning ascribed to it in Section 5.3
Combination Management Board	has the meaning ascribed to it in Section 7.3
Combined Strategy	has the meaning ascribed to it in Section 5.18
Consecutive Independent Member	has the meaning ascribed to it in Section 5.13

Core Executive Team	has the meaning ascribed to it in Section 5.18(e)
DCC	means the Dutch Civil Code
Debt Financing	has the meaning ascribed to it in Section 5.4
Decree	has the meaning ascribed to it on page 2
Defaulting Party	has the meaning ascribed to it in Section 5.26.1(b)
Depository Receipts	has the meaning ascribed to it on page 1
Dutch Competition Act	means the Dutch competition act (<i>Mededingingswet</i>), dated 22 May 1997, as amended from time to time
Dutch Resident Entity	has the meaning ascribed to it in Section 8.4.2
Dutch Resident Individual	has the meaning ascribed to it in Section 8.4.1
Dutch Works Council	means the employee representative body installed at Brill in the Netherlands
EGM	has the meaning ascribed to it on page 3
Enterprise Chamber	means the Enterprise Chamber (<i>Ondernemingskamer</i>) of the Amsterdam Court of Appeal (<i>Gerechtshof Amsterdam</i>)
ESG	has the meaning ascribed to it in Section 5.18(d)
EU Merger Regulation	means Council Regulation (EC) No. 139/2004
EUR	means euro, the legal currency of the European Monetary Union
Euroclear	means the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euronext Amsterdam	means the regulated market operated by Euronext Amsterdam N.V.
Explanatory Notes	has the meaning ascribed to it in Section 5.12.3
Fairness Opinions	has the meaning ascribed to it in Section 5.6
First Notice	has the meaning ascribed to it in Section 5.22
Fully Diluted	means that all options, warrants, convertible instruments or other rights to subscribe for or acquire shares, issued by Brill Group, are taken into account as if they have vested, have been exercised or have been converted, as applicable, in full
Governance Resolutions	has the meaning ascribed to it in Section 5.27.2
Governmental Entity	means any European Union, national, provincial, local or foreign governmental or other Regulatory Authority, agency, commission, court, arbitral tribunal or other legislative, executive or judicial governmental entity
Half Year Report 2023 –	has the meaning ascribed to it in Section 1.4

Unaudited (Revised)

Holdco Dissolution	has the meaning ascribed to it in Section 5.12.3(c)
IFRS	has the meaning ascribed to it in Section 1.2.2
Independent Members	has the meaning ascribed to it in Section 5.13(b)
Interim Consolidated Financial Information	has the meaning ascribed to it in Section 1.4
Interim Period	means the period between 12 October until the earlier of (i) midnight on the Settlement Date and (ii) the date on which the Merger Protocol is terminated in accordance with its terms and conditions
Integration Plan	has the meaning ascribed to it in Section 5.18(e)
Lessor	has the meaning ascribed to it in Section 5.4
Liquidator	has the meaning ascribed to it in Section 5.12.3(c)
Long Stop Date	has the meaning ascribed to it in Section 5.5.6
Management Board	has the meaning ascribed to it on page 2
Material Adverse Effect	means any change, event, development, occurrence, violation, inaccuracy, circumstance or effect that occurred after the date of the Merger Protocol, individually or taken together with all such changes, events, developments, occurrences, violations, inaccuracies, circumstances and effects, that individually or taken together have or would reasonably be expected to have a material adverse effect on the business, the financial position or the capitalisation of Brill and its Affiliates, taken as a whole, such that the Offeror cannot be reasonably expected to make the Offer (<i>het bod uitbrengen</i>) or declare the Offer unconditional (<i>bod gestand doen</i>), as the case may be, provided, however, that none of the following, alone or in combination, shall be deemed to constitute or be considered in determining whether a Material Adverse Effect has occurred or is reasonably expected to occur: (a) general economic, political, monetary or market conditions (or changes in such economic, political, monetary or market conditions) in any other country, region or area in the world in which Brill or its Affiliates conduct business or plans to conduct business, or global economic, political, monetary or market conditions (or changes in such economic, political, monetary or market conditions) in general; (b) changes in any financial, debt, credit, capital, banking or securities markets or conditions; (c) changes or volatilities in interest, currency or exchange rates or in the price of any commodity, security or market index; (d) changes or prospective changes in Applicable Laws (or the enforcement or interpretation thereof), changes or prospective changes in IFRS or other applicable accounting

standards, and changes or prospective changes in stock exchange rules or listing standards of Euronext Amsterdam (or the enforcement or interpretation thereof);

- (e) changes affecting the industries in which Brill or its Affiliates operate;
- (f) a change or prospective change in the market price, trading volume or ratings of any securities or indebtedness of Brill or any of its Affiliates, any change or prospective change of the credit, financial strength or other ratings or such ratings outlook for Brill or any of its Affiliates by any applicable rating agency and the consequences of such ratings or outlook decrease, or the change in, or failure of Brill or its Affiliates to meet, or the publication of any report regarding, any internal or public projections, forecasts, guidance, budgets, predictions or estimates of or relating to Brill or any of its Affiliates;
- (g) the continuation, occurrence, escalation, outbreak or worsening of any hostilities, war, police action, acts of terrorism, sabotage or military conflicts, whether or not pursuant to the declaration of an emergency or war;
- (h) any event, occurrence, fact, circumstance, condition, change or effect resulting from any act or omission of the Offeror, whether before or after the date the Merger Protocol, including any action taken by Brill or any of its Affiliates with the Offeror's written consent or at the Offeror's direction (or not taken where such consent has been withheld) or compliance by Brill with the terms of, or the taking of any action required by, the Merger Protocol except for any event, occurrence, fact, circumstance, condition, change or effect resulting from any act or omission of the Offeror that is a response to a breach of the Merger Protocol by Brill;
- (i) any event, occurrence, fact, circumstance, condition, change or effect resulting directly from the entry into, execution, performance (including the taking of any action required hereby or the failure to take any action prohibited hereby) of the Merger Protocol, the announcement or pendency, as the case may be, of the Merger Protocol, the Offer and the Transactions, or the making or implementation of the Transactions (it being understood and agreed that the foregoing shall not apply with respect to any representation or warranty that is intended to address the consequences of the entry into, execution, performance, implementation or announcement of the Merger Protocol or the Transaction);
- (j) any breach of the Merger Protocol or Applicable Laws by the Offeror;
- (k) any actions required to make all necessary filings to obtain the antitrust clearances and all other approvals and consents of the relevant antitrust authorities required in relation to the Transactions;

- (l) any event, occurrence, fact, circumstance, condition, change or effect which is actually known to the Offeror as per the date of the Merger Protocol by way of fair disclosure in the data room;
- (m) the existence, occurrence or continuation of any force majeure events, including any earthquakes, floods, hurricanes, tropical storms, fires or other natural or manmade disasters, any epidemic, pandemic or other similar outbreak (including any non-human epidemic, pandemic or other similar outbreak) or any other national, international or regional calamity; and
- (n) any action brought or threatened by Securityholders (whether on behalf of Brill or otherwise) in relation to the Transactions or asserting allegations of breach of fiduciary duties relating to the Merger Protocol,

provided that, if any change, event, circumstance and effect as described in subparagraphs (a), (d), (e), (g) and (m) disproportionately affects Brill and its Affiliates, taken as a whole, compared to other similarly situated companies, then, to the extent not otherwise excluded from the definition of Material Adverse Effect, only such incremental disproportionate impact or impacts shall be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect

Merger Code	means the SER Merger Code 2015 (<i>SER-besluit Fusiegedragsregels 2015</i>)
Merger Proposal	has the meaning ascribed to it in Section 5.12.3
Merger Protocol	means the agreement dated 12 October 2023 between Brill and the Offeror regarding the Offer by the Offeror for all Securities
Minority Securityholders	means any Securityholder that did not tender their Securities in the Offer
NFC Duration	means three (3) years after the Settlement Date, provided that the Non-Financial Covenants set forth in Sections 5.18(m), 5.18(n), 5.18(o) and 5.18(p) will expire on the fifth (5 th) anniversary of the Settlement Date, except to the extent expressly provided otherwise in this Offer Memorandum
Non-Dutch Resident	has the meaning ascribed to it in Section 8.4.3
Non-Financial Covenants	has the meaning ascribed to it in Section 5.18
Offer	has the meaning ascribed to it on page 1
Offer Conditions	means the conditions to declaring the Offer unconditional (<i>gestand doen</i>) as set out in Section 5.5 (<i>Offer Conditions and waiver</i>)
Offer Memorandum	has the meaning ascribed to it on page 1
Offer Price	has the meaning ascribed to it on page 2
Offeror	has the meaning ascribed to it on page 1

Offeror Group	means the Offeror and its Affiliates
Order	means any order, stay, judgment, injunction or decree having been issued by any Governmental Entity and no Governmental Entity of competent jurisdiction having enacted any law, regulation, statute, injunction or other rule or order (whether temporary, preliminary or permanent) that is in effect and restrains or prohibits the making, closing and/or Settlement and/or the other Transactions in any material respect
Ordinary Shares	has the meaning ascribed to it on page 1
Other Post-Closing Measures	has the meaning ascribed to it in Section 5.12.4
Park 56	has the meaning ascribed to it in Section 1.9
Person	means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, unincorporated association, organization, including a government or political subdivision or an agency or instrumentality thereof or other entity of any kind or nature (in each case whether or not having separate legal personality)
Position Statement	has the meaning ascribed to it on page 2
Post-Closing Acceptance Period	has the meaning ascribed to it in Section 4.9
Post-Closing Merger	has the meaning ascribed to it in Section 5.12.3
Post-Closing Merger Resolutions	has the meaning ascribed to it in Section 5.27.2
Post-Closing Restructuring Threshold	has the meaning ascribed to it in Section 5.12.1
Postponed Closing Date	has the meaning ascribed to it in Section 4.6
Potential Superior Offer	has the meaning ascribed to it in Section 5.22
Potential Superior Offer Period	has the meaning ascribed to it in Section 5.22
Preference Shares	means the preference shares in the capital of Brill
Properties	has the meaning ascribed to it in Section 5.4
Protection Foundation	has the meaning ascribed to it in Section 6.8
Protection Foundation Letter Agreement	has the meaning ascribed to it in Section 6.8
Purchaser Net Amount	has the meaning ascribed to it in Section 5.12.3(b)
PwC	has the meaning ascribed to it in Section 1.3

Rabobank	has the meaning ascribed to it in Section 1.3
Recommendation	has the meaning ascribed to it in Section 5.6
Registered Shares	has the meaning ascribed to it on page 1
Regulatory Authority	means any competent governmental, administrative, supervisory, regulatory, judicial, disciplinary, enforcement body, agency, commission, board, organisation, court, taxing authority or arbitral tribunal of any jurisdiction (including any sub-division, department or branch of any of the foregoing as well as any relevant stock exchange), in each case whether supranational (including the European Union), national, federal, state, provincial, regional, municipal or local
Relevant Persons	has the meaning ascribed to it in Section 5.21
Resolutions	has the meaning ascribed to it in Section 5.27.2
Reference Date	has the meaning ascribed to it in Section 5.2.2
Revised Offer	has the meaning ascribed to it in Section 5.24
Revised Offer Period	has the meaning ascribed to it in Section 5.24
Revision Right	has the meaning ascribed to it in Section 5.24
Securityholder Irrevocable Undertaking	has the meaning ascribed to it in Section 5.8
Share Purchase Agreement	has the meaning ascribed to it in Section 5.12.3(b)
Share Sale	has the meaning ascribed to it in Section 5.12.3(b)
Share Sale Purchase Price	has the meaning ascribed to it in Section 5.12.3(b)
Share Transfer Deed	has the meaning ascribed to it in Section 5.12.3(b)
Share Trust Office	has the meaning ascribed to it on page 1
Share Trust Office Letter Agreement	has the meaning ascribed to it in Section 6.9
Shareholders	has the meaning ascribed to it on page 1
Second Notice	has the meaning ascribed to it in Section 5.24
Securities	has the meaning ascribed to it on page 1
Securityholders	has the meaning ascribed to it on page 1
Settlement	has the meaning ascribed to it on page 3
Settlement Agent	means ABN AMRO Bank
Settlement Date	has the meaning ascribed to it on page 3

Statutory Proceedings	Buy-Out	has the meaning ascribed to it in Section 5.12.2
Substantial Interest		has the meaning ascribed to it in Section 8.2
Superior Offer		has the meaning ascribed to it in Section 5.23
Supervisory Board		has the meaning ascribed to it on page 2
Tendered and Delivered Security		has the meaning ascribed to it on page 2
Tendered Securities		has the meaning ascribed to it in Section 5.5.1(a)
Terminating Party		has the meaning ascribed to it in Section 5.26.1
Termination Date		has the meaning ascribed to it in Section 5.14
Transactions		means the Offer and, to the extent applicable, the Buy-Out, the Post-Closing Merger and any Other Post-Closing Measures
Treasury Securities		means any Securities held by Brill in its own capital
Triangular Merger		has the meaning ascribed to it in Section 5.12.3
Unconditional Date		has the meaning ascribed to it on page 3
U.S. Exchange Act		has the meaning ascribed to it in Section 1.2.2
VP Integration		has the meaning ascribed to it in Section 5.18(e)
Wft		has the meaning ascribed to it on page 1
Works Councils		means the Dutch Works Council, the German Works Council and the Austrian Works Council and Works Council means any one of them
Works Council Nominee		has the meaning ascribed to it in Section 5.19

4. INVITATION TO THE SHAREHOLDERS

4.1 Introduction

Subject to the terms and conditions of this Offer Memorandum, the Offeror hereby makes a recommended full public cash offer to all Securityholders to purchase all Securities held by them.

Securityholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) thoroughly and completely and to seek independent financial, tax and/or legal advice where appropriate to reach a balanced and informed judgment with respect to the Offer and the contents of this Offer Memorandum.

With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Securityholders are hereby invited to tender their Securities under the Offer in the manner and subject to the terms and conditions set out below.

4.2 Offer Price

For each Tendered and Delivered Security, the Securityholders will be paid the Offer Price of EUR 27.50 in cash (cum dividend). The Offer Price shall be net of (and be decreased by) any (interim) dividend and any other distributions, whether in cash, in stock, or otherwise, declared or made between 12 October 2023 and the Settlement Date (or, with respect to Securities tendered during the Post-Closing Acceptance Period, a record date prior to or on the date of settlement of such Tendered and Delivered Securities), in each case before any applicable withholding tax and/or other taxes due in respect thereof.

4.3 Acceptance by Securityholders

4.3.1 General

The tender of any Security by a Securityholder constitutes an acceptance of the Offer by the Securityholder. If in doubt, Securityholders should contact the Settlement Agent at the contact details included in Section 1.6 (*Addresses*).

To the extent permitted by Applicable Laws, the Offeror reserves the right to accept any Securities tendered for acceptance, even if it has not been effected in the manner set out in this Section 4.3 (*Acceptance by Securityholders*).

4.3.2 Acceptance via an Admitted Institution

Holders of Securities which are held through an Admitted Institution are requested to make their acceptance known via their custodian, bank or stockbroker no later than 17:40 hours, Amsterdam time on the Closing Date, unless the Acceptance Period is extended in accordance with Section 4.6 (*Extension*). The relevant custodian, bank or stockbroker may set an earlier deadline for communication by Securityholders in order to permit the custodian, bank or stockbroker to communicate their acceptance to the Settlement Agent in a timely manner.

The Admitted Institutions may tender Securities on behalf of Securityholders for acceptance only to the Settlement Agent and only in writing. The Admitted Institutions are requested to tender Securities via Euroclear (via Swift message MT565). In submitting an acceptance, the Admitted Institutions are required to submit a statement to the Settlement Agent containing the name and the number of Securities for all instances in which Securityholders tender more than 10,000 Securities. In submitting the acceptance, the Admitted Institutions are required to declare that (i) they have the Tendered Securities in their administration, (ii) each Securityholder who accepts the Offer irrevocably represents and warrants that (a) the Securities tendered by him are being tendered in compliance with the restrictions set out in Section 0 (*Restrictions and important information*) and (b) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced

by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended and (iii) they undertake to effect the transfer (*levering*) of these Tendered Securities to the Offeror on or before the Settlement Date, provided that the Offer has been declared unconditional (*gestand is gedaan*).

Although under normal circumstances the relevant Admitted Institutions will ensure that the Tendered Securities are transferred (*geleverd*) to the Offeror, if so instructed by the Securityholder, Securityholders are advised that each Securityholder is responsible for the transfer (*levering*) of such Tendered Securities to the Offeror.

Subject to Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, the tendering of Securities by a Securityholder in acceptance of the Offer will constitute irrevocable instructions (i) to block any attempt to transfer (*levering*) such Tendered Securities, so that on or prior to the Settlement Date no transfer (*levering*) of such Tendered Securities may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Offer is declared unconditional (*gestand is gedaan*) and the Tendered Securities have been accepted for purchase) and (ii) to debit the securities account in which such Tendered Securities are held on the Settlement Date in respect of all of the Tendered Securities, against payment by the Settlement Agent of the Offer Price per Tendered Security accepted for purchase.

4.3.3 Acceptance by holders of Registered Shares individually recorded in Brill's shareholders' register

Securityholders owning Registered Shares individually recorded in Brill's shareholders' register that choose to accept the Offer in respect of such Registered Shares must deliver a completed and signed acceptance form to the Settlement Agent. Completed acceptance forms should be received by the Settlement Agent no later than 17:40 hours, Amsterdam time on the Closing Date, unless the Acceptance Period is extended in accordance with Section 4.6 (*Extension*). The acceptance forms are available upon request from the Settlement Agent via corporate.broking@nl.abnamro.com. Completed and signed acceptance forms can be submitted via the same email address.

The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Securities referenced therein.

4.3.4 Undertakings, representations and warranties by tendering Securityholders

Each Securityholder tendering Securities pursuant to the Offer, by such tender irrevocably undertakes, represents and warrants to the Offeror, on the date that such Securities are tendered up to and including the Settlement Date, or, with respect to Tendered Securities in the Post-Closing Acceptance Period, the settlement date for such Securities and subject to a valid withdrawal of any tender during any extension of the Acceptance Period, that:

- (a) the tender of any Securities constitutes an acceptance by the Securityholder of the Offer, on and subject to the terms, conditions and restrictions of the Offer as contained in this Offer Memorandum;
- (b) such Securityholder has full power and authority to tender, sell and transfer (*leveren*) the Securities held by it, and has not entered into any other agreement to tender, sell or deliver the Securities stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror under the Offer, the Offeror will acquire such Securities, with full title guarantee and free and clear of all third party rights and restrictions of any kind, unless such third party rights and restrictions arise solely and result directly from such Securities being held in book entry form by Euroclear or pursuant to the Articles of Association;

- (c) such Securities are being tendered in compliance with the restrictions as set out in Section 0 (*Restrictions and important information*) and the securities and other Applicable Laws or regulations of the jurisdiction in which such Securityholder is located or of which it is a resident and no registration, approval or filing with any Regulatory Authority of such jurisdiction is required in connection with the tendering of such Securities; and
- (d) neither such Securityholder nor any director, officer, member, employee or agent acting for it in connection with the Tendered Securities is the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

Furthermore, each Securityholder tendering Securities under the Offer, by such tender, acknowledges towards and agrees with the Offeror (i) that it has received this Offer Memorandum, and has reviewed and accepted the restrictions, terms, conditions and other considerations of the Offer, all as described in this Offer Memorandum, and has undertaken an analysis of the implications of the Offer without reliance on the Offeror, the Settlement Agent or any other representative of the Offeror, except as set forth in this Offer Memorandum and (ii) as of the date on which its Securities are transferred (*geleverd*) to the Offeror, that it has waived any and all rights or entitlements that it may have in its capacity as Securityholder or otherwise in connection with its securityholding in Brill vis-à-vis any group company of Brill and any past or current member of the Boards.

4.4 Withdrawal rights

Securities tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during the extension of the Acceptance Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree:

- (a) following an announcement of a mandatory public offer in accordance with the provisions of Article 5b, paragraph 5 of the Decree, provided that such Securities were already tendered prior to such announcement and withdrawn within seven (7) Business Days following such announcement;
- (b) during any extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Decree;
- (c) following the filing of a successful request to set a reasonable price for a mandatory public bid by the Offeror in accordance with the provisions of Article 15, paragraph 8 of the Decree, provided that (A) such request was granted, (B) such Securities were already tendered prior to the filing of such request, and (C) withdrawn within seven (7) Business Days following the date on which the judgment of the Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or
- (d) following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and a document in relation thereto is made publicly available in accordance with the provisions of Article 15a, paragraph 3 of the Decree, provided that such Securities were already tendered before such document was made publicly available and withdrawn within seven (7) Business Days following such document being made publicly available.

To withdraw Tendered Securities, Securityholders must instruct the Admitted Institution they initially instructed to tender the Securities or, if Registered Shares are individually recorded in Brill's shareholders' register, must instruct the Settlement Agent directly to arrange for the withdrawal of such Securities by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent.

Any notice of withdrawal for Securities must specify the name of the person having tendered the Securities to be withdrawn, the number of Securities to be withdrawn and the name of the registered holder of the Securities to be withdrawn, if different from that of the person who tendered such Securities. The signature(s) on the notice of withdrawal of Securities must be guaranteed by an Admitted Institution, unless such Securities have been tendered for the account of any intermediary. All questions as to the form and validity, including time of receipt, of any notice of withdrawal will be determined by the Offeror, in its sole discretion, which determination will be final and binding. Securityholders should contact their financial intermediary to obtain information about the deadline by which such Securityholder must send instructions to the financial intermediary to withdraw their acceptance of the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

Withdrawals of tenders of Securities may not be rescinded, and any Securities validly withdrawn will be deemed not to be Tendered Securities for purposes of the Offer. However, validly withdrawn Securities may be retendered by the procedure for tendering Securities described in Section 4.3 (*Acceptance by Securityholders*).

During the Post-Closing Acceptance Period, no withdrawal rights will apply to Securities tendered during such Post-Closing Acceptance Period or to Tendered Securities on or prior to the Closing Date and accepted by the Offeror.

4.5 Acceptance Period

The Acceptance Period begins at 9:00 hours, Amsterdam time on 22 December 2023 and ends at 17:40 hours, Amsterdam time on 15 February 2024, unless extended in accordance with Article 15 of the Decree and the provisions of this Offer Memorandum.

If one or more of the Offer Conditions set out in Section 5.5 (*Offer Conditions and waiver*) are not satisfied or waived on the Closing Date, the Offeror may extend the Acceptance Period once for a minimum of two (2) weeks and up to a maximum of ten (10) weeks. See also Section 4.6 (*Extension*).

If all Offer Conditions are satisfied or, where appropriate, waived at the Closing Date, the Offeror will accept all Tendered Securities not previously withdrawn in accordance with the procedures set forth in Section 4.4 (*Withdrawal rights*).

4.6 Extension

If one or more of the Offer Conditions set out in Section 5.5 (*Offer Conditions and waiver*) are not satisfied or waived in accordance with Section 5.5.2 (*Waiver*) by the initial Closing Date, the Offeror may, without Brill's consent and in accordance with Article 15, paragraph 1 and paragraph 2 of the Decree, extend the Acceptance Period once for a minimum period of two (2) weeks and a maximum period of ten (10) weeks calculated from the initial Closing Date.

If the Offeror and Brill do not agree on the Offer Condition set out in Section 5.5.1(d) (*No Material Adverse Effect*) being satisfied, the Offeror has not waived such Offer Condition in accordance with the terms of the Merger Protocol and the Binding Advice has not been rendered, the Offeror shall extend the Acceptance Period until such time as the Offeror and Brill believe is necessary to obtain the Binding Advice and in accordance with Article 15 of the Decree. See Section 5.5.5 (*Satisfaction*) for further information. Without prejudice to the Offeror's right to rely on the Offer Condition set out in Section 5.5.1(a) (*Acceptance Threshold*) and invoke such Offer Condition, and unless the Offeror declares the Offer unconditional, if the total of Tendered Securities at the Closing Date represents less than 80% of the issued and outstanding Securities, the Offeror, subject to compliance with Applicable Laws, will in good faith consult with Brill on a possible extension of the Acceptance Period, without any obligation for the Offeror to so extend the Acceptance Period.

In the event of any extension, all references in this Offer Memorandum to "Closing Date" and "17:40 hours" shall, unless the context requires otherwise, be changed to the latest date and time to which the Acceptance Period has been so extended (the "**Postponed Closing Date**").

If the Acceptance Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional (*gestand is gedaan*) is postponed, a public announcement to that effect will be made ultimately on the third (3rd) Business Day following the initial Closing Date in accordance with the provisions of Article 15, paragraphs 1 and 2 of the Decree. If the Offeror extends the Acceptance Period, the Offer will expire on the latest time and date to which the Offeror extends the Acceptance Period.

During an extension of the Acceptance Period, any Securities previously tendered and not validly withdrawn will remain tendered under the Offer, subject to the right of each Securityholder to withdraw the Securities he or she has already tendered in accordance with the procedures set forth in Section 4.4 (*Withdrawal rights*).

4.7 Declaring the Offer unconditional

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the satisfaction or waiver of the Offer Conditions. Reference is made to Section 5.5 (*Offer Conditions and waiver*). The Offer Conditions may be waived, to the extent permitted by Applicable Law, as set out in Section 5.5.2 (*Waiver*). If any Offer Condition is waived in accordance with Section 5.5.2 (*Waiver*), the Offeror will inform the Securityholders as required by the Applicable Laws.

On the Unconditional Date (i.e. no later than the third (3rd) Business Day following the Closing Date), the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in Section 5.5 (*Offer Conditions and waiver*), to the extent permitted by Applicable Laws. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional (*gestand is gedaan*), (ii) the Acceptance Period will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of any of the Offer Conditions set out in Section 5.5.1 (*Offer Conditions*) not having been satisfied or waived, all in accordance with Section 5.5.2 (*Waiver*) and Section 5.5.5 (*Satisfaction*) and Article 16 of the Decree. In the event that the Offer is not declared unconditional (*niet gestand is gedaan*), the Offeror will explain such decision.

4.8 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand is gedaan*), the Offeror will accept all Tendered Securities and will make the payment of the Offer Price to the Securityholders having tendered their Securities for acceptance no later than on the Settlement Date in respect of each Tendered and Delivered Security on the terms and subject to the conditions and restrictions of the Offer. The Offeror cannot guarantee that Securityholders will receive the payment within such period.

4.9 Post-Closing Acceptance Period

In the event that the Offeror declares the Offer unconditional (*gestand wordt gedaan*), the Offeror will, in accordance with Article 17 of the Decree, within three (3) Business Days after declaring the Offer unconditional, publicly announce a Post-Closing Acceptance Period of up to two (2) weeks (the "**Post-Closing Acceptance Period**") to enable Securityholders who did not tender their Securities during the Acceptance Period to tender their Securities during the Post-Closing Acceptance Period under the same terms and conditions as the Offer.

In the Post-Closing Acceptance Period, Securityholders who hold their Securities through an Admitted Institution are requested to make their acceptance known through their custodian, bank or stockbroker no later than 17:40 hours, Amsterdam time on the last Business Day of the Post-Closing Acceptance Period. The custodian, bank or stockbroker may set an earlier deadline for communication by Securityholders in order to permit the custodian, bank or stockbroker to communicate its acceptances

to the Settlement Agent in a timely manner. Accordingly, Securityholders holding Securities through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

The Offeror will publicly announce the results of the Post-Closing Acceptance Period and the total amount and total percentage of Securities to be held by it in accordance with Article 17, paragraph 4 of the Decree ultimately on the third (3rd) Business Day following the last day of the Post-Closing Acceptance Period. The Offeror shall accept all Tendered Securities during such Post-Closing Acceptance Period.

During the Post-Closing Acceptance Period, Securityholders have no right to withdraw validly Tendered Securities (or defectively tendered, provided that such defect has been waived by the Offeror) from the Offer during the Acceptance Period or during the Post-Closing Acceptance Period. Securityholders will receive for each Tendered Security that is transferred (*geleverd*) for acceptance pursuant to the Offer during the Post-Closing Acceptance Period, the Offer Price in accordance with the terms and conditions of the Offer no later than on the fifth (5th) Business Day after expiration of the Post-Closing Acceptance Period. The Offeror cannot guarantee that Securityholders will receive the payment within such period.

As of the relevant settlement date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the tendering, sale or transfer (*levering*) of any Security tendered during the Post-Closing Acceptance Period is not possible.

4.10 Costs related to tendering

No costs will be charged to Securityholders by the Offeror or the Company for the transfer (*levering*) and payment for each Tendered Security if an Admitted Institution is involved. However, Securityholders may be charged certain fees by Admitted Institutions or their custodians, banks or stockbrokers. Costs may also be charged to Securityholders by or on behalf of a foreign institution involved in the transfer (*levering*) and payment of the Tendered Securities. Securityholders should consult their custodians, banks and/or stockbrokers regarding any such fees.

4.11 Dividend

Any distribution made in respect of Securities not tendered during the Acceptance Period, the extended Acceptance Period (if applicable) or the Post-Closing Acceptance Period (before any applicable withholding tax and/or other taxes due in respect thereof) will *pro rata* be deducted from the price per Security for the purpose of establishing the value per Security in the Post-Closing Merger and Statutory Buy-Out Proceedings, or any Other Post-Closing Measure contemplated by Section 5.12.4 (*Other Post-Closing Measures*).

4.12 Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Securityholder, even if it has not been effected in the manner set out above.

4.13 Announcements

Any announcements contemplated by this Offer Memorandum will be made by press release. Any press release issued by the Offeror will be made on the website www.degruyter.com. Any press release issued by Brill will be made available on the website www.brill.com.

Subject to any applicable requirements of the Decree and other Applicable Laws and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

4.14 Envisaged timetable

The times and dates below are indicative only.

Expected date and time	Event
21 December 2023	Announcement of (i) general availability of the Offer Memorandum and (ii) the date of the commencement of the Acceptance Period
22 December 2023	Commencement of the Acceptance Period, in accordance with Article 14, paragraph 2 of the Decree
1 February 2024	<i>EGM</i> EGM during which the Offer will be discussed and recommended by the Boards to the Securityholders for acceptance and the Securityholders will be requested to vote in favour of the Resolutions
15 February 2024	<i>Closing Date</i> Deadline for Securityholders wishing to tender Securities, unless extended in accordance with Article 15, paragraph 2 of the Decree
Within three (3) Business Days following the Acceptance Closing Date	<i>Unconditional Date</i> The date on which the Offeror shall publicly announce whether the Offer is declared unconditional (<i>gestand is gedaan</i>) in accordance with Article 16, paragraph 1 of the Decree
Within five (5) Business Days after the Unconditional Date	<i>Settlement Date</i> The date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Offer Price per Tendered and Delivered Security to the respective Securityholders
No later than on the third (3 rd) Business Day following the Unconditional Date	<i>Post-Closing Acceptance Period</i> If the Offer is declared unconditional, the Offeror will announce a Post-Closing Acceptance Period (<i>na-aanmeldingstermijn</i>) for the Offer for a maximum period of two (2) weeks. During the Post-Closing Acceptance Period, Securityholders that have not yet tendered their Securities under the Offer will be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum all in accordance with Article 17 of the Decree
No later than three (3) Business Days after the expiration of the Post-Closing Acceptance Period	<i>Results Post-Closing Acceptance Period</i> The Offeror will publicly announce the results of the Post-Closing Acceptance Period
No later than five (5) Business Days after the expiration of the Post-Closing Acceptance Period	<i>Post-Closing Acceptance Period settlement date</i> Settlement of the Tendered Securities during the Post-Closing Acceptance Period in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Security

5. EXPLANATION AND BACKGROUND OF THE OFFER

5.1 Background and public announcements

In April, May and early June 2023, Brill held discussions with multiple strategic parties (including the Offeror) regarding their interest in a potential acquisition of Brill by them on the basis of non-binding offers.

On 5 June 2023, the Offeror submitted a first non-binding offer letter to Brill. On 23 June 2023, the Offeror entered into a confidentiality agreement with Brill, which included a standstill provision. Following further conversations between the Offeror and Brill, the Offeror submitted a revised non-binding offer letter on 20 July 2023, elaborating on the proposed strategy for the combined business.

On 14 August 2023, the Offeror and Brill entered into an exclusivity agreement, giving the Offeror and their advisers the opportunity to conduct a due diligence investigation on Brill and its business, consisting of a review of documents that were made available in a virtual data room prepared by Brill and its advisers to which Offeror and its advisers were granted access on 4 September 2023 and the possibility to ask questions and join expert sessions.

After finalising the due diligence investigation, the Offeror submitted a further revised non-binding offer letter on 28 September 2023.

During the due diligence investigation and thereafter, Brill and the Offeror continued to have meetings and negotiations on the terms and conditions of the potential transaction, including the Merger Protocol.

Various drafts and mark-ups of the Merger Protocol were exchanged between Brill and the Offeror. The Offeror and Brill executed the Merger Protocol on 12 October 2023. On the same day, Brill and the Offeror jointly announced that they had reached conditional agreement on the main terms and conditions of the Offer, see Section 11 (*Press releases*).

As further described in Section 5.6 (*Decision-making and Recommendation by the Boards*), Supervisory Board member Mr Niessen has, in view of his indirect interest of more than 20% in Brill via Mont Cervin Sarl, not participated in the deliberations and decision making of the Boards with respect to the Transactions.

On 20 December 2023, the Dutch Works Council has rendered a positive advice regarding the Transactions. The secretariat of the Social Economic Council (*Sociaal Economische Raad*) and the relevant Dutch trade unions within the meaning of the Merger Code have also been informed in writing of the Offer in accordance with the Merger Code. In addition, the Austrian Federal Competition Authority (the "**AFCA**") issued a positive clearance decision with respect to the Transaction on 7 December 2023.

5.2 Substantiation of the Offer Price

5.2.1 General

In establishing the Offer Price, the Offeror has carefully considered the history and prospects of Brill. The Offeror derived information from various sources for the analyses set out in Section 5.2.2 (*Analyses*):

- (a) historic financial information and potential future developments in Brill's growth, profitability, cash flows and balance sheet on the back of public disclosures by Brill prior to 12 October 2023, including its financial statements, shareholder presentations and press releases;
- (b) the prospects of Brill by analysing and taking into account the overall growth prospects in social science and humanities publishing, a continued high inflationary environment resulting in margin

pressure and Brill's supply chain disruption due to the insolvency of its main distributor as reported in Brill's 2022 Annual Report;

- (c) equity research reports on Brill published by Kepler Cheuvreux on 11 April 2023 and 30 August 2023; and
- (d) information disclosed in a virtual data room and information derived from management meetings and expert sessions.

5.2.2 Analyses

The Offer Price represents an equity value of approximately EUR 51.5m, which implies a valuation multiple of 13.5x based on enterprise value (EV) / normalized EBITDA for the year 2022. The multiple is based on a normalized EBITDA of EUR 5.1m¹, as presented by Brill during its annual general meeting held on 24 May 2023 and its 31 December 2022 balance sheet, which implies an enterprise value of EUR 69m, taking into account a net debt of EUR 17.5m (consisting of interest bearing loans (-/- EUR 6.8m), trapped cash (being cash that is not immediately available to Brill for immediate or general business) (-/- EUR 0.3m), income tax (+ EUR 0.4m), lease liabilities (-/- EUR 9.1m, which equates to 8 times Brill's FY22 redemption of lease liabilities), cash & cash equivalents (+ EUR 3.7m) and provisions (-/- EUR 0.5m) and a working capital correction (-/- EUR 4.9m) largely due to the insolvency of Brill's main distributor).

The following financial analyses have been performed by the Offeror to form the basis of the Offer Price:

- (i) a detailed review of the equity research reports on Brill published by Kepler Cheuvreux on 11 April 2023 and 30 August 2023. The latest target price published by Kepler Cheuvreux on 30 August 2023 was EUR 27.00;
- (ii) an analysis of the historical trading volumes and prices of the Depositary Receipts over the last twelve months up to and including 11 October 2023 (the "**Reference Date**"). During this period, the closing price of the Depositary Receipts ranged from EUR 16.50 to EUR 22.20, with volume-weighted average closing prices of the Depositary Receipts for the three-, six- and twelve-months periods prior to and including the Reference Date of EUR 19.76, EUR 19.94 and EUR 19.58, respectively. Reference is made to Section 6.10 (*Security price of Brill*);
- (iii) a comparable trading multiple analysis, comparing the EV/EBITDA valuation multiples of certain publicly traded companies to the valuation multiples implied by the Offer Price. The companies included in this analysis were selected from a broader group of companies active in academic publishing Informa, Bloomsbury, Wiley and RELX. The Offeror regards Bloomsbury as Brill's closest listed peer given its overall size; Bloomsbury's research division is of similar size as Brill's. Bloomsbury traded at 7.8x EV/Last Twelve Months EBITDA²; and
- (iv) a comparable transaction multiple analysis on the basis of information included in a proprietary database established by the financial adviser of the Offeror, comparing the average valuation

¹ For a better representation of its underlying profit, Brill views normalized EBITDA the best metric. Normalized EBITDA takes out, among others, one-off effects. Brill's 2022 EBITDA was -/- EUR 30,000 as a result of the bankruptcy of Brill's main distributor and its normalized EBITDA was EUR 5.1m. Reference is made to Brill's presentation to its Securityholders as published on 24 May 2023, which sets out the reconciliation (available at: https://brill.com/fileasset/downloads_static/static_investorrelations_brill_powerpoint_presentation_agm_24_may_2023.pdf).

² Based on the following key financial data: (i) the closing price per share as per 11 October 2023 (i.e. the Reference Date), (ii) the Last Twelve Months EBITDA as per 31 August 2023, being the reporting date of the H1 figures for Bloomsbury's financial year 2023/2024, and (iii) the net financial debt as per 31 August 2023.

multiple, with a EV/EBITDA value range of 7.2-14.1 and a median EV/EBITDA of 7.5, implied by the Offer Price to the multiples paid for historical acquisitions of companies active in academic and professional publishing.

5.2.3 Premiums

The Offer Price of EUR 27.50 per Security (cum dividend) represents a premium of approximately:

- (a) 39.6% over the closing price on the Reference Date;
- (b) 39.0% over the last three (3) months average daily volume-weighted share price prior to and including the Reference Date; and
- (c) 39.9% over the last twelve (12) months average daily volume-weighted share price prior to and including the Reference Date.

For reference, the median bid premiums for public offers on companies listed on Euronext Amsterdam made between January 2015 and March 2023 to the volume-weighted average closing prices for the three-, six-, and twelve-months prior periods were approximately between 30% and 40%.

5.3 Rationale for the Transactions

The Offeror and Brill believe that the Transactions and subsequent combination of Brill and the Offeror (such combination of the Offeror's Group and Brill's Group, as may be amended from time to time, the "**Combination**") is in the best interest of Brill and promotes the sustainable success and the sustainable long-term value creation of its business, taking into account the interests of its stakeholders, and that the private ownership structure will provide strategic and other benefits to Brill and its business. The Combination will create a leading academic publisher in the humanities and presents a unique opportunity to accelerate organic growth and achieve necessary scale.

Currently, Brill and the Offeror are both successful medium-sized academic publishers operating globally and focusing mainly on research in the humanities and social sciences, and have continuously grown, both organically and through acquisitions, over the last decades. Brill in particular grew its topline through organic growth and small to medium-size add-on acquisitions from less than EUR 30 million in 2013 to EUR 48 million in 2022. Despite the efforts, Brill and the Offeror have not yet achieved the scale required to remain competitive on the long-term. As the market further digitalises, and moves to open access publishing, scale in operations has become an increasingly important factor in staying competitive, financing investments in the future, and capturing efficiencies. As Brill and the Offeror are operating in overlapping academic subject areas, markets and regions, the combination offers strong opportunities for sustainable growth. Considering the fast-changing environment of academic publishing, creating scale through entering into a combination with a strategic partner is an attractive solution for both Brill and the Offeror to secure a strong market position in the long run. As joint businesses, Brill and the Offeror will have the strong global sales organisation required to handle the growth in package licensing deals and navigating the complexities of open access transformation. Brill and the Offeror together will create a leading global academic publisher in the humanities and social sciences, with over 3,500 books and 800 journals, giving the opportunity to build stronger relationships with authors, editors and academic institutions worldwide. Combining forces will also further enable Brill and the Offeror to make the necessary investments in artificial intelligence technology, attract and retain talent and allow more effective sales & marketing. The strategic rationale is underpinned by similar cultural values. Both Brill and the Offeror are deeply rooted in the academic community, built on a long tradition, with quality, integrity and stakeholder relations at their core. The combination of two centuries-old publishing houses, which will be branded De Gruyter Brill, signalling the importance of the strong heritage and family background of both companies, will continue to have a strong presence in key academic markets worldwide and employ around 750 employees. In view of its cultural and strategic proximity, the combination will be able to save costs by lowering its complexity, accelerating digital transformation, and leveraging operational synergies.

The all-cash Offer provides Securityholders with the opportunity to realize immediate value for their Securities, reflecting Brill's potential at an attractive price for the Securityholders, and eliminating price risks related to the current operating and macro-economic environment and execution of Brill's strategy. The Offer Price represents an attractive premium as described in Section 5.2.3 (*Premiums*).

5.4 Financing of the Offer

With reference to Article 7, paragraph 4 of the Decree, the Offeror announced on 12 October 2023 that it has sufficient funds available to complete the Offer. The Offeror will fund the Offer through a combination of third-party debt financing (the "**Debt Financing**") and its own cash reserves.

The Debt Financing will be obtained through a "sale and lease back" structure whereby the Offeror will sell two properties in Berlin, Germany (the "**Properties**") for an aggregate purchase price of EUR 48.9 million to Doruto GmbH & Co. KG (the "**Lessor**") and then leases the Properties back from the Lessor. The Offeror will receive the purchase price for the Properties of EUR 48.9 million from the Lessor in cash. The Lessor will be managed by its general partner Doruto Verwaltung GmbH, which is wholly owned by LHI Leasing group. The Offeror will hold all limited partner shares (*Kommanditanteile*) in the Lessor. LHI Leasing group will not hold any limited partner shares (*Kommanditanteile*) in the Lessor.

The receipt by the Offeror of the purchase price for the Properties will be dependent on the Lessor obtaining debt financing from Landesbank Baden-Württemberg (the "**Bank**"). To this end, the Offeror, LHI Leasing group and the Bank have entered into binding commitment documentation with respect to the Debt Financing to be provided by the Bank, which is subject only to certain customary conditions. The Offeror has no reason to believe that any conditions applicable to the Debt Financing will not be fulfilled on or prior to the Settlement Date.

5.5 Offer Conditions and waiver

5.5.1 Offer Conditions

The obligation of the Offeror to declare the unconditional (*het bod gestand doen*) is subject to the satisfaction or waiver of the conditions precedent set forth in this Section 5.5.1 (*Offer Conditions*) on the Unconditional Date or, in case of Section 5.5.1(a) (*Acceptance Threshold*) below, before the Closing Date or the Postponed Closing Date, as the case may be (the "**Offer Conditions**"):

Acceptance Threshold

- (a) there shall have been a number of Securities (excluding Treasury Securities) that have been validly tendered and not withdrawn (or defectively tendered, if the Offeror accepts such defective tender) under the Offer that, together with (i) the Securities, directly or indirectly, owned by the Offeror Group, (ii) any Securities committed to the Offeror, or any member of the Offeror Group in writing and (iii) any Securities to which the Offeror is entitled but have not yet been transferred (*gekocht maar nog niet geleverd*) (collectively, the "**Tendered Securities**"), represents at least the Acceptance Threshold, where "**Acceptance Threshold**" means 95% of Brill's aggregate issued and outstanding Securities on a Fully Diluted basis (excluding the Treasury Securities) as at the Closing Date or the Postponed Closing Date, as the case may be, which percentage shall be automatically adjusted to 80% of Brill's aggregate issued and outstanding Securities on a Fully Diluted basis (excluding the Treasury Securities) as at the Closing Date or the Postponed Closing Date, as the case may be, in the event that (x) the Post-Closing Merger Resolutions have been adopted and are in full force and effect and (y) no Order having been issued or enacted in relation to the Post-Closing Merger;

No breach by Brill

- (b) Brill not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for Brill, the Offeror or the Transactions; and (ii) is incapable of being remedied or has not been remedied

(to the extent necessary) within ten (10) Business Days after receipt by Brill of a written notice from the Offeror (or, if earlier, three (3) Business Days before the Closing Date or the Postponed Closing Date, as the case may be);

No breach by the Offeror

- (c) the Offeror not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for Brill, the Offeror or the Transactions; and (ii) is incapable of being remedied or has not been remedied (to the extent necessary) within ten (10) Business Days after receipt by the Offeror of a written notice from Brill (or, if earlier, three (3) Business Days before the Closing Date or the Postponed Closing Date, as the case may be);

No Material Adverse Effect

- (d) no Material Adverse Effect having occurred or become known to the Offeror since the date of the Merger Protocol;

No Adverse Recommendation Change

- (e) no Adverse Recommendation Change having occurred that has not been rectified in accordance with the provisions of the Merger Protocol;

No Superior Offer or mandatory Offer

- (f) no Superior Offer having been announced or made and no announcement having been made of a mandatory offer for Securities pursuant to Article 5:70 Wft with a consideration that is at least equal to the Offer Price;

Securityholder Irrevocable Undertakings

- (g) the Securityholder Irrevocable Undertakings being in full force and effect and not having been breached, terminated or modified;

Protection Foundation Letter Agreement

- (h) the Protection Foundation not having exercised in whole or in part its call option under the Foundation Option Agreement, no Preference Shares having been issued and the Protection Foundation Letter Agreement being in full force and effect and not having been breached, terminated or modified;

Share Trust Office Letter Agreement

- (i) the Share Trust Office having agreed to issue voting proxies and accept binding voting instructions from the Depository Receipts holders in respect of the Resolutions and the Share Trust Office Letter Agreement being in full force and effect and not having been breached, terminated or modified;

No right to subscribe for securities

- (j) the Offeror and Brill not having obtained the right to subscribe, or having agreed to subscribe, for Securities;

No suspension or ending of trading

- (k) trading in the Securities on Euronext Amsterdam not having been permanently suspended or ended as a result of a measure taken by the AFM or a listing measure (*noteringsmaatregel*)

taken by Euronext Amsterdam in accordance with Article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules);

No AFM notification violating Wft

- (l) no notification having been received from the AFM stating that pursuant to Article 5:80 paragraph 2 of the Wft, one or more investment firms are not allowed to co-operate with the Offer;

Resolutions

- (m) the Governance Resolutions having been adopted at the EGM and being in full force and effect; and

No Order

- (n) no Order having been issued or enacted in relation to the Transactions (other than the Post-Closing Merger).

5.5.2 Waiver

The Offer Condition set out in Clause 5.5.1(a) (*Acceptance Threshold*) is for the sole benefit of the Offeror and may be waived by the Offeror (either in whole or in part) at any time by giving written notice to Brill, provided that a waiver by the Offeror of this Offer Condition requires the prior written approval of the Boards if the total of the Tendered Securities at the Closing Date or the Postponed Closing Date, as the case may be, represents less than 75% of Brill's aggregate issued and outstanding Securities at the Closing Date or the Postponed Closing Date, as the case may be, and provided that if the Offeror waives the sub-Offer Condition set out in Clause 5.5.1(a) (*Acceptance Threshold*) under (y) relating to there being no Order against the Post-Closing Merger, Brill shall not be required to cooperate with the implementation of the Post-Closing Merger without its prior written approval.

The Offer Conditions set out in Clauses 5.5.1(b) (*No breach by Brill*), 5.5.1(d) (*No Material Adverse Effect*), 5.5.1(e) (*No Adverse Recommendation Change*), 5.5.1(f) (*No Superior Offer or mandatory offer*), 5.5.1(g) (*Securityholder Irrevocable Undertakings*), 5.5.1(h) (*Protection Foundation Letter Agreement*), 5.4(i) (*Share Trust Office Letter Agreement*), 5.5.1(j) (*No right to subscribe for securities*) and 5.5.1(m) (*Resolutions*) are for the sole benefit of the Offeror and may be waived (either in whole or in part) by the Offeror at any time, in its sole discretion, by written notice to Brill.

The Offer Conditions set out in Clauses 5.5.1(k) (*No suspension or ending of trading*) and 5.5.1(n) (*No Order*) are for the benefit of both the Offeror and Brill and can, to the extent permitted by Applicable Laws, only be waived by both the Offeror and Brill jointly in writing.

The Offer Condition set out in Clause 5.5.1(c) (*No breach by the Offeror*) is for the sole benefit of Brill and may be waived (either in whole or in part) by Brill at any time, in its sole discretion, by written notice to the Offeror.

The Offer Condition set out in Clauses 5.5.1(l) (*No AFM notification violating Wft*) cannot be waived.

The Offeror or Brill may not invoke any of the Offer Conditions if the non-satisfaction of such condition(s) is caused by a material breach of that party of any of its obligations under the Merger Protocol.

5.5.3 No Material Adverse Effect

To the Offeror's knowledge, at the date of this Offer Memorandum, there are no effects that, in aggregate, would result in a Material Adverse Effect.

5.5.4 No Adverse Recommendation Change

To the Offeror's knowledge, no Adverse Recommendation Change has occurred on or before the date of this Offer Memorandum.

5.5.5 Satisfaction

The satisfaction of each of the Offer Conditions does not depend on the will of the Offeror as prohibited by Article 12, paragraph 2 of the Decree.

The Offeror and Brill shall consult with each other and each of the Offeror and Brill undertakes to use its reasonable best efforts to procure the fulfilment of the Offer Conditions as soon as reasonably practicable. The Offeror and Brill shall make all applications and notifications required by the Offer Conditions and shall use its reasonable best efforts to procure that all such information as is requested by the relevant Governmental Entities in connection with any such applications and notifications is provided as promptly as reasonably practicable. If at any time the Offeror or Brill becomes aware of a fact or circumstance that is reasonably likely to prevent an Offer Condition from being satisfied, it shall as soon as reasonably practicable inform the other party thereof in writing in sufficient detail. If at any time either the Offeror or Brill becomes aware that an Offer Condition is satisfied, it shall immediately notify the other party thereof.

In the event of a dispute regarding whether the Offer Condition set out in Section 5.5.1(d) (*No Material Adverse Effect*) has been satisfied, the Offeror and Brill have agreed on a binding advice procedure, subject to the provisions of the Merger Protocol. In such event, a binding adviser shall be appointed and a binding advice shall be rendered within ten (10) Business Days after the dispute having been referred to the binding adviser or such shorter period as the Offeror and Brill may agree. The binding advice shall be rendered no later than on the Closing Date or the Postponed Closing Date (as applicable). If the binding advice is not rendered by noon CET on the Business Day before the Closing Date or Postponed Closing Date (as applicable) the Offeror may invoke the Offer Condition as set out in Section 5.5.1(d) (*No Material Adverse Effect*) subject to the extension requirement set out in Section 4.6 (*Extension*) (without prejudice to Brill's right to continue to challenge the exercise of such right after the Offeror has invoked the relevant condition).

The binding adviser shall be appointed in accordance with Article 14 of the Binding Advice Rules of the Netherlands Arbitration Institute (*Nederlands Arbitrage Instituut*). The binding adviser shall decide as binding adviser, not as arbitrator. The Offeror and Brill shall fully cooperate with the binding adviser and shall provide him or her promptly with all information that he or she reasonably requires. The binding advice will be final and binding on the Offeror and Brill and each of the Offeror and Brill shall fully comply with the binding advice and the content thereof.

5.5.6 Long Stop Date

The Offer Conditions must be satisfied or waived before 12 October 2024 (the "**Long Stop Date**").

5.6 Decision-making and Recommendation by the Boards

In 2022 and early 2023, the Boards performed a strategic analysis to identify, review and evaluate all strategic options available, focusing on the sustainable long-term success of Brill's business and taking into account the interest of all Brill's stakeholders, concluding that in view of (a) the fast-changing environment of academic publishing, among others driven by digitalisation and new business models such as Open Access, which makes scale an increasingly important factor to stay competitive and finance investments for the future, (b) the fact that Brill has not yet achieved such scale to remain competitive on the long-term, despite acquiring more than 20 businesses over the last decade, and (c) various of Brill's systems and operations are out-of-date and require fixes and investment to enable growth and digitation, and provide a sustainable footing for the future, an acquisition of Brill by a strategic partner could provide the opportunity to achieve the aforementioned necessary scale to secure a sustainable strong market position, now and in the future, and accelerate organic growth.

As part of the strategic review, the Boards also identified the following selection criteria to evaluate, if and when relevant, whether and how strategic partners could serve the interests of Brill and its stakeholders: (i) shared vision, mission and values; (ii) long-term commitment, preserving Brill's heritage; (iii) strong administration, operations and technology, leading to an acceleration of the digital transformation at Brill; (iv) capacity to integrate and potential to realise synergies; (v) similar company culture; (vi) continuation for the location Leiden and Brill's imprint; (vii) commitment for quality control; and (viii) allow for publication of a variety of product types in Brill's core subject fields.

In May, June and July, several parties had comparable exposure to Brill's management with a view to ensuring a level playing field and were provided with further information and understanding on Brill, so that they could improve their offer. Following the aforementioned meetings with Brill's management, the parties continued to express their interest in pursuing a transaction with Brill and submitted revised non-binding offers in the second half of July.

Consistent with their fiduciary duties, the Boards, with the assistance of their financial and legal advisers, have carefully reviewed and evaluated all aspects of the non-binding offers, including, amongst others, the strategic merits, deal certainty, financial, non-financial, integrational, operational and social aspects and other terms of the non-binding offers. This resulted in the Boards favouring continuing the process exclusively with the Offeror and Brill entering into an exclusivity agreement with the Offeror on 14 August 2023, giving the Offeror and their advisers the opportunity to conduct a due diligence investigation on Brill and its business, consisting of a review of documents that were made available in a virtual data room prepared by Brill and its advisers to which the Offeror and its advisers were granted access on 4 September 2023 and the possibility to ask questions and join expert sessions.

During the due diligence investigation and thereafter, Brill and the Offeror continued to have meetings and negotiations on the terms and conditions of the potential transaction, including the Merger Protocol. Various drafts and mark-ups of the Merger Protocol were exchanged between Brill and the Offeror, including in particular on provisions regarding strategy rationale, integration principles and non-financial covenants. Throughout this process, the Boards, together with their financial and legal advisors, frequently and extensively discussed the developments in respect of the potential transaction and related key decisions and the Boards considered a number of aspects, including but not limited to, the eight (8) aforementioned selection criteria.

On 11 October 2023, AXECO issued a fairness opinion to the Boards, and Rabobank issued a separate written fairness opinion to the Supervisory Board, each to the effect that, subject to the qualifications and assumptions included in the respective opinion, the Offer Price is fair, from a financial point of view, to the Securityholders, and the purchase price for the share(s) in the capital of Brill Sub in connection with the Share Sale is fair, from a financial point of view, to Brill Holdco (the "**Fairness Opinions**"). The full text of the Fairness Opinions, which sets out the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, is included in the Position Statement.

From the start, the Boards gave in their deliberations and decision-making process due consideration to (appearances of) potential conflicts of interests between any member of the Boards and Brill in respect of the Transaction. To avoid any (appearance of a) conflict of interest, Supervisory Board member Mr Niessen has, in view of his indirect interest of more than 20% in Brill via Mont Cervin Sàrl, not participated in the deliberations and decision making of the Boards with respect to the Transactions.

After having received extensive legal and financial advice and having given due and careful consideration to all circumstances and all aspects of the Transactions, the Boards (which, for the avoidance of doubt, excludes Supervisory Board member Mr Niessen) believe that the Offeror has made a compelling offer representing an attractive cash premium to the Securityholders, as well as favourable non-financial terms. The Boards unanimously conclude that the Offer is in the best interest of Brill and promotes the sustainable success and the sustainable long-term value creation of its business, taking into account the interests of its stakeholders.

Brill and the Offeror executed the Merger Protocol on 12 October 2023. On the same day, Brill and the Offeror jointly announced that they had reached conditional agreement on the main terms and conditions of the Offer, see Section 11 (*Press releases*). With reference to the above and subject to Sections 5.21 (*Exclusivity*), 5.22 (*Potential Superior Offer*) and 5.23 (*Superior Offer*) of this Offer Memorandum, the Boards unanimously (i) support the Transaction, (ii) recommend to the Securityholders to tender their Securities into the Offer, and (iii) recommend to the Securityholders to vote in favour of the Resolutions at the EGM (the "**Recommendation**").

At the date of this Offer Memorandum, Brill published a Position Statement pursuant to Article 18a of the Decree, which sets out the Recommendation and a more elaborate explanation on the decision-making process.

5.7 Adverse Recommendation Change

Subject to the arrangements described in Sections 5.21 (*Exclusivity*), 5.22 (*Potential Superior Offer*) and 5.23 (*Superior Offer*) Brill agreed to ensure that neither the Boards nor any of their members shall:

- (a) revoke or modify, amend or qualify the Recommendation;
- (b) make any public contradictory or inconsistent statement as to their position with respect to the Recommendation or take any other action that prejudices or frustrates, or may prejudice or frustrate, the Offer or the Transactions in any material respect; or
- (c) fail to comply with referencing the Recommendation in certain documents and announcements related to the Offer, including but not limited to the Position Statement, the explanatory notes to the agenda for the EGM, the presentation for the EGM and the script for the EGM,

any of the actions prohibited by subclauses (a) through (c) above, an "**Adverse Recommendation Change**".

Subject to Sections 5.21 (*Exclusivity*), 5.22 (*Potential Superior Offer*) and 5.23 (*Superior Offer*), if either Board, or any member of the Boards effects an Adverse Recommendation Change, such will constitute a material breach by Brill of the Merger Protocol, entitling the Offeror to terminate the Merger Protocol in accordance with its terms as described in Section 5.26 (*Termination*), provided that if one or more members of the Boards are misquoted or inadvertently or without intent make a (public) statement contradictory to the Recommendation, Brill shall not be in breach of the Merger Protocol if the Boards publicly reconfirm the Recommendation of (the relevant member(s) of) the Boards as soon as reasonably possible but in any event within one (1) Business Day after such event.

5.8 Irrevocable undertaking of Securityholders

Brill's largest Securityholders, being Mont Cervin S.à.r.l. (holding approximately 24.7% of the Securities), Teslin Participaties Coöperatief U.A. (holding approximately 19.5% of the Securities), Arkelhave Capital B.V. (holding approximately 5.2% of the Securities), J.P. van Slooten Beheer B.V. (holding approximately 5.7% of the Securities) and Stichting John and Marine van Vlissingen Foundation (holding approximately 5.3% of the Securities), together representing approx. 60.4% of all Securities, have each agreed to an irrevocable undertaking to (i) support and accept the Offer, (ii) tender all Securities held by it on or before the initial Closing Date and (iii) vote in favour of the Resolutions under the terms and conditions set out in the irrevocable undertakings (the "**Securityholder Irrevocable Undertakings**").

The Securityholder Irrevocable Undertakings contain customary undertakings and conditions and may be terminated by the Offeror and the Securityholders in certain circumstances, including if the Merger Protocol is terminated in accordance with its terms.

Mont Cervin S.à.r.l., Teslin Participaties Coöperatief U.A., Arkelhave Capital B.V., J.P. van Slooten Beheer B.V. and Stichting John and Marine van Vlissingen Foundation did not receive any information relevant for a Securityholder in connection with the Offer that is not included in this Offer Memorandum and they will tender their Securities on the same terms and conditions as the other Securityholders.

5.9 Securityholdings of the members of the Boards

5.9.1 Information on Securities

As at the date of this Offer Memorandum, Securities are held by the members of the Boards as shown in the following table.

Board member	Number of Securities
J.M. Lange	500 (representing approximately 0.03% of the Securities)
J.G.H.M. Niessen (through Mont Cervin S.à.r.l.)	462,875 (representing approximately 24.7% of the Securities)

Ms Lange has agreed to an irrevocable undertaking to (i) accept the Offer, (ii) tender all Securities held by her on or before the initial Closing Date and (iii) vote in favour of the Resolutions under the terms and conditions set out in the irrevocable undertaking.

Ms Lange did not receive any information relevant for a Securityholder in connection with the Offer that is not included in this Offer Memorandum and will tender her Securities on the same terms and conditions as the other Securityholders.

Mr Niessen holds the Securities indirectly through Mont Cervin S.à.r.l. and has agreed to an irrevocable undertaking, please see Section 5.8 (*Irrevocable undertakings of Securityholders*).

5.9.2 Securities transactions in the year prior to the date of this Offer Memorandum

No transactions in Securities were effectuated by members of the Boards in the year prior to the date of this Offer Memorandum.

5.10 Respective cross-securityholdings

As of the date of this Offer Memorandum, the Offeror does not directly or indirectly hold any Securities in Brill. In the year preceding the date of this Offer Memorandum, the Offeror has not executed transactions in relation to the Securities in Brill.

The Offeror or brokers (acting as agents for the Offeror) reserve the right to, to the extent permissible under Applicable Laws, from time to time after the date this Offer Memorandum, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase Securities that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase has to be made public in the Netherlands, such information will be disclosed by means of a press release to inform Securityholders of such information and made available on the website of the Offeror.

As at the date of this Offer Memorandum, Brill and/or any of its Affiliates do not directly or indirectly hold any shares in the Offeror.

5.11 Consequences of the Offer for Minority Securityholders

It is likely that the Offer, if and when it is declared unconditional (*gestanddoening*), has implications for the Securityholders who did not tender their Securities. Therefore, Securityholders considering not

tendering their Securities under the Offer should carefully review the sections of this Offer Memorandum that further explain the intentions of the Offeror, such as this Section 5.11 (*Consequences of the Offer for Minority Securityholders*) and Section 5.12 (*Possible Post-Closing Measures and future legal structure*), which describe certain implications to which Minority Securityholders will be subject if the Offer is declared unconditional (*gestand is gedaan*) and settled. These risks are in addition to the risks associated with holding securities issued by Brill generally, such as the exposure to risks related to the business of Brill, the markets in which Brill and its Affiliates operate, as well as economic trends affecting such markets generally as such business, markets and trends may change from time to time after the Settlement Date.

5.11.1 Intentions following the Offer being declared unconditional

If the Offer is declared unconditional (*gestand is gedaan*), the Offeror and Brill intend to as soon as possible:

- (a) procure the delisting of the Depository Receipts from Euronext Amsterdam and terminate the listing agreement between Brill and Euronext Amsterdam in relation to the listing of the Depository Receipts;
- (b) convert Brill into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), if deemed desirable by the Offeror and in accordance with Applicable Laws; and
- (c) have the Offeror acquire all Securities not yet owned by it or the entirety of Brill's business, pursuant to the Statutory Buy-Out Proceedings (*uitkoopprocedure*) as set out in Section 5.12.2 (*Statutory Buy-Out Proceedings*), the Post-Closing Merger as set out in Section 5.12.3 (*Post-Closing Merger*) or any Other Post-Closing Measures as set out in Section 5.12.4 (*Other Post-Closing Measures*).

5.11.2 Liquidity and delisting

The purchase of Securities by the Offeror pursuant to the Offer will reduce the number of Securityholders, as well as the number of Securities that might otherwise be traded publicly. As a result, the liquidity and market value of the Securities that were not tendered under the Offer, or were tendered and validly withdrawn, may be adversely affected. The Offeror does not intend to compensate for such adverse effect by, for example, setting up a liquidity mechanism for the Securities that are not tendered following the Settlement Date and the Post-Closing Acceptance Period.

Should the Offer be declared unconditional (*gestanddoening*), the Offeror and Brill intend to procure the delisting of the Depository Receipts from Euronext Amsterdam as soon as possible under applicable rules. This may further adversely affect the liquidity and market value of any Securities not tendered.

If the Offeror acquires 95% or more of Brill's aggregate issued and outstanding Securities, it will be able to procure delisting of the Depository Receipts from Euronext Amsterdam in accordance with applicable (policy) rules. If the Offeror implements the Post-Closing Merger as set out in Section 5.12.3 (*Post-Closing Merger*) or any Other Post-Closing Measures as set out in Section 5.12.4 (*Other Post-Closing Measures*), the listing of the Depository Receipts on Euronext Amsterdam will also be terminated as soon as possible. In the event that Brill will no longer be listed, the provisions applicable to the governance of listed companies will no longer apply and the rights of remaining Minority Securityholders may be limited to the statutory minimum.

5.12 Possible Post-Closing Restructuring Measures and future legal structure

5.12.1 General

Taking into account the strategic rationale of the Transactions as set out in Section 5.3 (*Rationale for the Transactions*), Brill acknowledges that the terms of the Offer are predicated on the acquisition of 100% of the Securities or Brill's assets and operations. This importance is based, *inter alia*, on:

- (a) the ability of the Offeror and Brill to achieve the strategic benefits of the Offer and the related Transactions and enhance the sustainable success and the sustainable long-term value creation of Brill's business in an expeditious manner in a private environment in a fully owned set-up after delisting;
- (b) the fact that having a single shareholder and operating without a public listing increases Brill Group's ability to achieve goals and implement the actions of the proposed strategy of Brill Group as part of the Offeror Group and reduces Brill Group's costs (including the cessation of the requirements for Brill to hold physical general shareholders' meetings and the Offeror and Brill to publish separate annual accounts);
- (c) the ability to achieve, in an accelerated time frame, long-term strategic goals and operational achievements of Brill, as opposed to short-term performance driven by periodic reporting and market expectations;
- (d) the ability of Brill and the Offeror to terminate the listing of the Depository Receipts from Euronext Amsterdam, and all resulting cost savings therefrom; and
- (e) the ability to achieve an efficient capital structure (both from a financing and capital requirements perspective), the ability to facilitate intercompany transactions and dividend distributions.

In light of the above and the fact that the Offeror's willingness to pursue the strategic rationale, to pay the Offer Price in accordance with the terms and conditions of the Offer and to pursue the Transactions is predicated on the acquisition of 100% of the Securities or Brill's assets and operations, and in light of the willingness of the Offeror to reduce the Acceptance Threshold from 95% to 80% of Brill's aggregate issued and outstanding Securities on a Fully Diluted basis (excluding Treasury Securities) as at the end of the Post-Closing Acceptance Period (such percentage, the "**Post-Closing Restructuring Threshold**"), Brill agrees:

- (i) with the Post-Closing Merger; and
- (ii) subject to Section 5.12.3 (*Post-Closing Merger*), that the Offeror may, at its discretion, after reasonable consultation with Brill, decide to pursue the Post-Closing Merger, in which case Brill shall cooperate with, and implement, such Post-Closing Merger in accordance with the terms of the Merger Protocol.

Following Settlement and settlement of the Tendered Securities during the Post-Acceptance Period, the Offeror may implement the measures described in Sections 5.12.2 (*Statutory Buy-Out Proceedings*), 5.12.3 (*Post-Closing Merger*) and 5.12.4 (*Other Post-Closing Measures*), subject to the terms described in such Sections.

Furthermore, the Offeror reserves the right to use any legally permitted method to acquire all of the Securities (or full ownership of Brill's assets and operations) and to optimize the corporate and financing structure of Brill. No decision in respect of pursuing any restructuring measures as set out in this Section 5.12 (*Possible Post-Closing Restructuring Measures and future legal structure*) has been taken by the Offeror and no such decision is envisaged to be taken prior to the Offer being declared unconditional (*gestanddoening*), provided that the Offeror will decide to implement a Buy-Out in the event set out in Section 5.12.2 (*Statutory Buy-Out Proceedings*).

5.12.2 Statutory Buy-Out Proceedings

Brill acknowledges that it is the intention of the Offeror to acquire 100% of the Securities or Brill's assets and operations and accordingly, if, following the Settlement Date and the Post-Closing Acceptance Period, the aggregate number of Tendered Securities is equal to or greater than 95% of

Brill's aggregate issued and outstanding Securities on a Fully Diluted basis (excluding Treasury Securities) (the "**Buy-Out Threshold**"), the Offeror shall commence a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a DCC and/or the takeover buy-out procedure in accordance with Article 2:359c DCC to purchase from the Securityholders that have not tendered their Securities under the Offer (a "**Buy-Out**" and the "**Statutory Buy-Out Proceedings**").

Brill shall provide the Offeror with any assistance as may be required, including, if needed, joining such proceedings as co-claimant.

In the Statutory Buy-Out Proceedings, any remaining Minority Securityholders of Brill will be offered the Offer Price for their Securities unless the Amsterdam Court of Appeal in the Statutory Buy-Out Proceedings decides that there would be financial, business or other developments or circumstances that would justify a different price (including a reduction resulting from payment of any distribution) in accordance with, respectively, Article 2:92a, paragraph 5, Article 2:201a DCC or Article 2:359c, paragraph 6 DCC.

No Dutch dividend withholding tax (*dividendbelasting*) will be withheld from the payment made by the Offeror to Minority Securityholders in consideration for their Securities under the Statutory Buy-Out Proceedings. For more information on certain material Dutch tax consequences in connection with the disposal of Securities under the Statutory Buy-Out Proceedings, reference is made to the general summary set forth in Section 8.3.2 (*Dividend withholding tax consequences of the Statutory Buy-Out Proceedings*).

5.12.3 Post-Closing Merger

After and subject to (i) the Offeror having declared the Offer unconditional and the Post-Closing Acceptance Period having taken place, (ii) Settlement having occurred (iii) the Post-Closing Merger Resolutions having been adopted at the EGM and being in full force and effect and (iv) the Tendered Securities representing at least the Post-Closing Restructuring Threshold and the Buy-Out Threshold not having been met ultimately following settlement of the Tendered Securities during the Post-Closing Acceptance Period, the Offeror may notify Brill that it wishes to implement the Post-Closing Merger.

The structure comprises a statutory triangular merger (*juridische driehoeksfusie*) in accordance with Articles 2:309 et seq. and 2:333a DCC of Brill with Brill Holdco and Brill Sub, whereby each Securityholder will come to hold a number of shares in the capital of Brill Holdco, or depository receipts therefor (as applicable), equal to the number of Securities held by such Securityholders prior to the completion of the Triangular Merger (the "**Triangular Merger**").

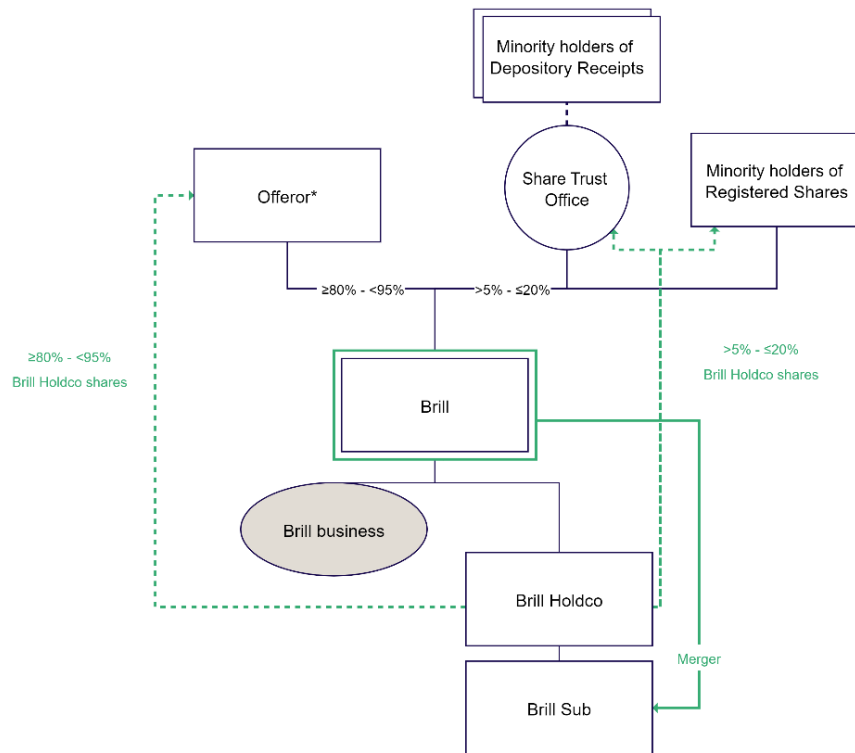
Prior to the date of this Offer Memorandum, Brill has incorporated Brill Holdco as wholly-owned subsidiary of Brill and Brill Holdco has incorporated Brill Sub as a wholly-owned subsidiary of Brill Holdco. The Boards and the management boards of Brill Holdco and Brill Sub have adopted and signed a merger proposal (the "**Merger Proposal**") for a triangular merger (*juridische driehoeksfusie*) of Brill (as disappearing company) with and into Brill Sub (as acquiring company), with Brill Holdco allotting shares to the Shareholders in accordance with Article 2:309 et seq. and 2:333a DCC. The Boards and management boards of Brill Holdco and Brill Sub have adopted and signed explanatory notes to the Merger Proposal (the "**Explanatory Notes**").

On or around the date of this Offer Memorandum, Brill has filed the Merger Proposal and all ancillary documents, including the relevant audit statements, required by Applicable Laws with the trade register of the Netherlands Chamber of Commerce (*Kamer van Koophandel*), Copies of the Merger Proposal, the Explanatory Notes and all ancillary documents, including the relevant audit statements and reports, required by Applicable Laws are available at the offices of Brill. Brill will announce the foregoing in a Dutch national newspaper.

If the conditions for implementing the Post-Closing Merger have been satisfied ultimately after settlement of the Tendered Securities during the Post-Acceptance Period, the Offeror may notify Brill

that it wishes to implement the Post-Closing Merger. The Post-Closing Merger shall consist of the following main steps:

- (a) Brill will, and shall procure that Brill Holdco and Brill Sub will, effectuate the Triangular Merger in accordance with the provisions set forth in the Merger Proposal and the Explanatory Notes pursuant to the execution of a notarial deed of merger as soon as practicably possible after the Offeror's decision to pursue the Post-Closing Merger;



* Depository Receipts acquired by the Offeror under the Offer will be exchanged for the underlying shares prior to the Triangular Merger.

Figure 1: Triangular legal merger

- (b) Brill shall procure that prior to the Triangular Merger becoming effective, Brill Holdco enters into a share purchase agreement with the Offeror (the "**Share Purchase Agreement**") pursuant to which all issued shares in the capital of Brill Sub will be sold and, by means of the execution of a notarial deed of transfer (the "**Share Transfer Deed**"), immediately after the Triangular Merger becoming effective, be transferred to the Offeror (or its nominee nominated in accordance with the Share Purchase Agreement) (the "**Share Sale**"). The aggregate purchase price for the issued shares in the capital of Brill Sub shall be an amount equal to (i) the Offer Price multiplied by (ii) the total number of Securities issued and outstanding immediately prior to the Triangular Merger becoming effective (the "**Share Sale Purchase Price**"). The Share Sale Purchase Price shall be payable immediately following the execution of the Share Transfer Deed as follows:
- (i) an amount equal to (x) the Offer Price multiplied by (y) the total number of Securities held by Securityholders other than the Offeror (such amount, the "**Aggregate Minority Cash Out Amount**") will be paid in cash; and
 - (ii) an amount equal to (x) the Share Sale Purchase Price minus (y) the Aggregate Minority Cash Out Amount (such difference, the "**Purchaser Net Amount**") will be paid by the Offeror's execution and delivery of a loan note to Brill Holdco payable at arm's length terms in an aggregate principal amount equal to the Purchaser Net Amount;

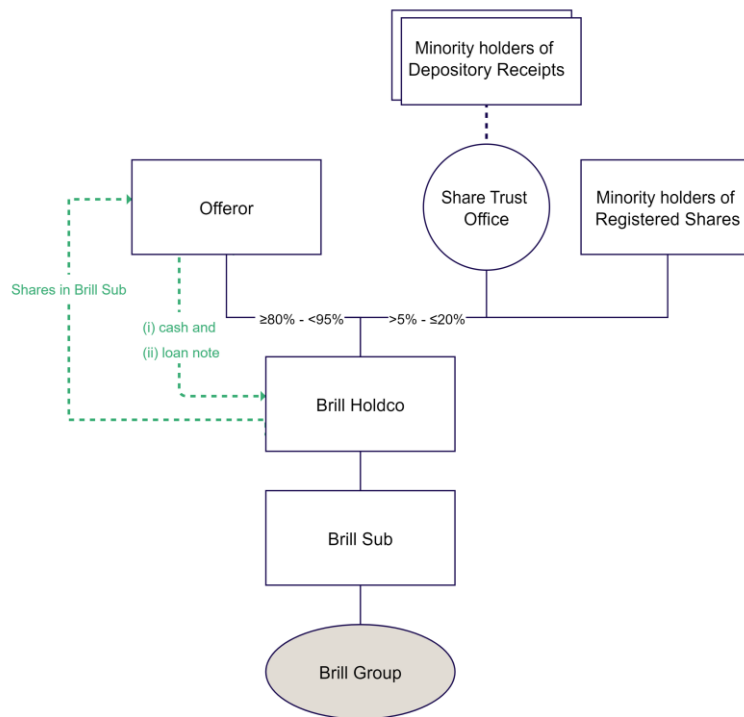


Figure 2: Share sale

- (c) Brill shall adopt prior to the Settlement Date, in its capacity as sole shareholder of Brill Holdco, a resolution to, subject to and immediately following completion of the Share Sale (i) dissolve Brill Holdco in accordance with Article 2:19 DCC (the "**Holdco Dissolution**"), (ii) appoint a special purpose foundation as the liquidator of Brill Holdco (the "**Liquidator**"), (iii) approve reimbursement of the Liquidator's reasonable salary and costs and (iv) appoint Brill Sub as the custodian of the books and records of Brill Holdco in accordance with Article 2:24 DCC; and
 - (d) following the execution of the Share Transfer Deed, Brill shall cause the Holdco Dissolution and the making of an advance liquidation distribution in accordance with the Brill Holdco articles of association per ordinary share in the capital of Brill Holdco that is intended to take place on or about the date the Share Sale is completed and in an amount that is to the fullest extent possible equal to the Offer Price per Share, without any interest and less any applicable withholding taxes and/or other taxes,
- (the steps under paragraphs (a)-(d) together, the "**Post-Closing Merger**").

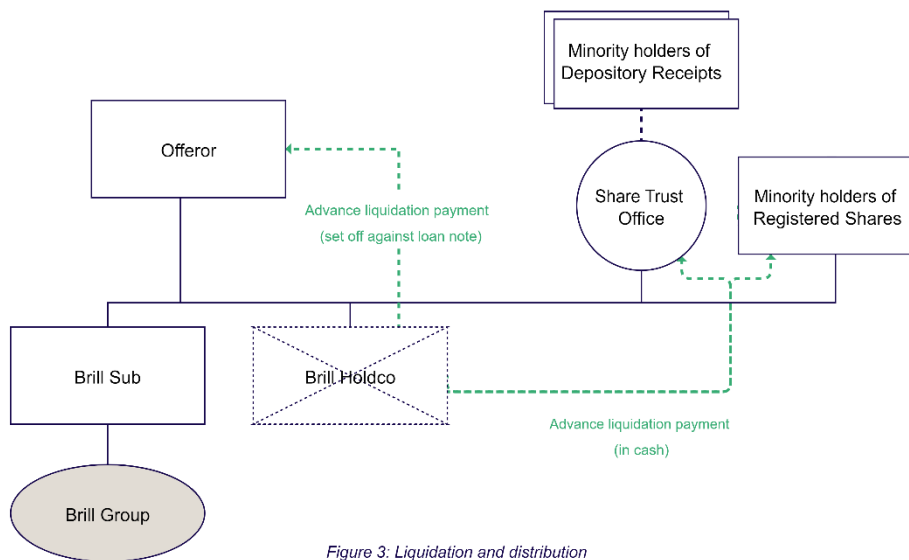


Figure 3: Liquidation and distribution

5.12.4 Other Post-Closing Measures

Without prejudice to the Buy-Out (as set out in Section 5.12.2 (*Statutory Buy-Out Proceedings*)), the Post-Closing Merger (as set out in Section 5.12.3 (*Post-Closing Merger*)) and the other provisions of this Section 5.12 (*Possible Post-Closing Restructuring Measures and future legal structure*), if the Offeror declares the Offer unconditional, the Offeror shall be entitled to effect or cause to be effected any other restructuring of Brill Group for the purpose of achieving an optimal operational, legal and/or financial structure in accordance with the Applicable Laws, some of which may have the side effect of diluting the interest of any Minority Securityholders in Brill ("**Other Post-Closing Measures**"), including:

- a subsequent public offer for any Securities held by Minority Securityholders;
- a delisting of the Depository Receipts from Euronext Amsterdam and termination of the listing agreement between Brill and Euronext Amsterdam N.V. in relation to the listing of Depository Receipts;
- a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische (drie)hoeksfusie*) in accordance with Article 2:309 et seq. DCC between (x) two or more members of Brill Group or (y) one or more members of Brill Group and the Offeror and/or any of its Affiliates;
- a statutory legal demerger (*juridische splitsing*) of Brill in accordance with Article 2:334a et seq. DCC;
- a contribution of cash and/or assets by the Offeror or by any of its Affiliates in exchange for Securities in the share capital of Brill, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of Minority Securityholders may be excluded;
- a distribution of proceeds, cash and/or assets to the Minority Securityholders or securities' buybacks;
- a liquidation of any member of Brill Group;

- (h) a sale and transfer of assets and/or liabilities by the Offeror or any of its Affiliates to Brill or its Affiliates or between Brill or any of its Affiliates and the Offeror or any of its Affiliates;
- (i) the conversion of Brill into a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);
- (j) any transaction between any member of Brill Group and the Offeror or any of its Affiliates on terms that may not be at arm's length;
- (k) any transaction, including a sale and/or transfer of any material asset, between members of Brill Group or between any member of Brill Group and the Offeror or any of its Affiliates with the objective of using any carry forward tax losses available to Brill, the Offeror or any of its respective Affiliates;
- (l) any transactions, restructurings, security issuances, procedures and/or proceedings in relation to the any member of Brill Group required to effect the aforementioned objectives; or
- (m) any combination of the foregoing.

The Offeror has agreed to only effect or cause to effect an Other Post-Closing Measure (i) in accordance with the terms and subject to the conditions of the Merger Protocol, (ii) after the Post-Closing Acceptance Period and (iii) if the Buy-Out Threshold has not been achieved thereafter.

In the implementation of an Other Post-Closing Measure, due consideration shall be given to the requirements of Applicable Laws, including the fiduciary duties of the Board under Applicable Laws to promote the sustainable success and the sustainable long-term value creation of its business, taking into account the interest of all its stakeholders (including any Minority Securityholders of Brill), and the requirement for the Supervisory Board to form their independent view of the relevant matter. In this regard, the Supervisory Board shall continue to have the right to engage, for the account of Brill, their own financial and legal advisers, if and to the extent they believe that the advice of such advisers is necessary to assist them in reviewing and assessing any matter that comes before the Supervisory Board.

If any proposed Other Post-Closing Measure could reasonably be expected to prejudice or negatively affect the value of the Securities held by the remaining Minority Securityholders in Brill, other than (i) pursuant to a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe pro rata to their then existing shareholding, (ii) any shares issued to a third party not being an Affiliate of the Offeror or Brill, (iii) the Buy-Out, or (iv) the Post-Closing Merger, then the affirmative vote of all the Independent Members shall be required prior to the implementation of any such Other Post-Closing Measure.

The applicable withholding taxes and other taxes, if any, due by Minority Securityholders in connection with any Other Post-Closing Measure or combination of Other Post-Closing Measures are dependent on the specific (combination of) Other Post-Closing Measures actually implemented (if any) and may be different from, and greater than, any taxes due in connection with (a) the disposal of Securities pursuant to the Offer or Statutory Buy-Out Proceedings and (b) the potential Post-Closing Merger (in respect of which a general summary of certain material Dutch tax consequences is set forth in Section 8 (*Dutch tax aspects of the Offer*) below). The Offeror and Brill can offer no assurances and have no responsibility with respect to the tax treatment of Minority Securityholders with respect to any Other Post-Closing Measure or combination of Other Post-Closing Measures. Securityholders are therefore urged to consult their own independent tax adviser as to the Dutch or other tax consequences in connection with any Other Post-Closing Measures or combination of Other Post-Closing Measures.

5.13 Composition of the Supervisory Board

As at the Settlement Date, the Supervisory Board will comprise five (5) members. The Offeror and Brill, including the Boards and all respective members thereof individually, will, use their respective reasonable best efforts to ensure that the Supervisory Board will, effective as at Settlement, be composed as follows:

- (a) three (3) new members of the Supervisory Board, Mr R. Gebauer, Mr F. Rodloff and Mr C. Buhr; and
- (b) a current member of the Supervisory Board, being Ms A.F.S. Blok, and the current CEO of Brill, Mr P.W.J. Hendriks, qualifying as independent from the Offeror within the meaning of the Dutch Corporate Governance Code 2022 as of Settlement (the "**Independent Members**").

The Independent Members will continue to serve on the Supervisory Board until the termination of the NFC Duration. In the event that an Independent Member resigns or ceases to be a member of the Supervisory Board within the NFC Duration, such Supervisory Board member will be replaced with a new Supervisory Board member who shall be considered independent from the Offeror and who shall qualify as Independent Member (the "**Consecutive Independent Member**"). A Consecutive Independent Member who is not the Works Council Nominee shall be appointed for the remainder of the period ending on the third (3rd) anniversary of the Settlement Date.

The Independent Member who is not the Works Council Nominee agreed to resign at the third (3rd) anniversary of the Settlement Date. Brill and the members of the Supervisory Board agreed that any Consecutive Independent Member, other than the Works Council Nominee, will only be appointed after such Consecutive Independent Member has agreed, in writing for the benefit and to the reasonable satisfaction of the Offeror, to resign at the end of the NFC Duration.

The Independent Members shall be particularly tasked with monitoring the compliance with the Non-Financial Covenants as set out in Section 5.18 (*Non-Financial Covenants*) and the fair treatment of the Minority Securityholders. Brill shall provide the Independent Members with all information as reasonably required by the Independent Members to fulfil their duties set out in this Section 5.13 (*Composition of the Supervisory Board*).

Effective as at Settlement, the current members of the Supervisory Board Mr T.J. van der Raadt, Ms J.W. van der Vlist-Verdel, Mr J.G.H.M. Niessen and Mr T.W.C. Huibers will resign from their positions as members of the Supervisory Board.

5.14 Composition of the Management Board

As at the Settlement Date, the Management Board shall comprise Ms J.M. Lange (as CPO).

Effective as at Settlement, Mr P.W.J. Hendriks (as CEO) and Mr W.A. Dikstaal (as CFO) will resign from their respective positions as members of the Management Board and as statutory directors of Brill. Mr W.A. Dikstaal will, however, continue to work for Brill until four (4) months after the Settlement Date (the "**Termination Date**").

5.15 Compensation to the members of the Boards in connection with resignation

The members of the Supervisory Board who shall resign as per the Settlement Date, as described in Section 5.13 (*Composition of the Supervisory Board*), do not receive any payments in connection with their resignation.

Mr W.A. Dikstaal who shall resign as member of the Management Board and as statutory director of Brill as per the Settlement Date, as described in Section 5.14 (*Composition of the Management Board*), will receive a gross amount of EUR 185,300 as a severance payment (amount before deduction of applicable wage taxes). The short term incentive and long term incentive to which Mr W.A. Dikstaal is entitled until the Termination Date will be calculated and settled on the Termination Date and in accordance with his settlement agreement and management agreement with Brill.

5.16 Amendment of the Articles of Association

Subject to the Governance Resolutions having been adopted at the EGM, the Offeror agrees that (i) subject to Settlement, the Articles of Association shall be amended and (ii) subject to delisting, the Articles of Association shall be amended, in each case as included in Section 0 (*Articles of Association*).

The amendments to the Articles of Association following Settlement mainly relate to the (i) abolishment of cumulative preference shares, (ii) application of the mitigated large regime and (iii) removal of transfer restrictions for Securities.

The subsequent amendments to the Articles of Association following delisting of the Depository Receipts from Euronext Amsterdam will primarily relate to Brill (i) no longer being a listed company and (ii) the conversion of Brill into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

5.17 Corporate governance rules following Settlement

For as long as the Depository Receipts remain listed on Euronext Amsterdam, the Offeror shall procure that Brill shall continue to comply with the Dutch Corporate Governance Code 2022, except for (i) current deviations and (ii) deviations that find their basis in the Merger Protocol, as disclosed in this Offer Memorandum, including but not limited to the composition of the Supervisory Board as described in Section 5.13 (*Composition of the Supervisory Board*), which entails that the majority of the Supervisory Board shall, following Settlement, not be "independent" as defined in the Dutch Corporate Governance Code 2022.

The current deviations from the Dutch Corporate Governance Code 2016 applied by Brill can be found on its website (<https://brill.com/page/CorporateGovernance/corporate-governance>). Brill shall report on the Dutch Corporate Governance Code 2022 in due course, subject to any consequences of the Transactions.

Brill is currently subject to the full large company regime (*volledig structuurregime*). Following Settlement, Brill will apply the mitigated large company regime (*verzwakte structuurregime*). Under the mitigated large company regime, members of the Management Board are appointed and dismissed by the general meeting of shareholders, rather than the Supervisory Board.

5.18 Non-Financial Covenants

The Offeror commits to abide by the covenants set out below (the "**Non-Financial Covenants**").

Combined Strategy

- (a) Following Settlement, the Offeror shall work with Brill in good faith to prepare a combined strategy for the Combination taking into account Section 5.3 (*Strategic Rationale*) and this paragraph (the "**Combined Strategy**") and to implement the Combined Strategy in a timely and effective manner. The Combined Strategy shall focus on accelerating organic growth, building and maintaining long-term customer relationships, driving the digital transformation, continuing the development of a people-oriented culture and improving sustainability and be further built upon the various document provided by the Offeror related to the Combined Strategy.
- (b) The Offeror shall work with Brill to grow the business to fully benefit from the reach, scale and resources of the Combination in a manner that reflects the Combined Strategy.
- (c) The realization of the Combined Strategy includes:
 - (i) becoming a global scholarly publishing powerhouse in humanities & social sciences;

- (ii) realizing a fully integrated business with one team, one system landscape, one global P&L and a new corporate culture;
- (iii) establishing a brand strategy with multiple imprints and comprehensive author offer;
- (iv) working closely and collaboratively with the entire research community (including authors, readers, editors, peer reviewers, librarians, institutional partners, funding bodies, societies, and new players such as research collaboration platforms);
- (v) expanding the Combination's scale organically and through acquisitions;
- (vi) creating and developing a more efficient digital infrastructure for the Combination;
- (vii) managing, developing and accelerating the Combination's traditional subscription-based business models towards new sustainable revenue models, such as open access and evidence-based models;
- (viii) maintaining and improving the quality of the Combination's peer review quality control mechanism;
- (ix) improve the digital product development of the Combination and continuously invest in required technology solutions and operations;
- (x) increasing the Combination's online sales and global sales presence;
- (xi) invest in the Combination's library and author marketing effectiveness and sales execution capabilities and operate from numerous offices around the world to be close to the Combination's clients, to adapt the Combination's global marketing to local needs and to achieve improved market coverage;
- (xii) increasing the Combination's revenue;
- (xiii) increasing the Combination's operational efficiency and improving the Combination's profitability; and
- (xiv) improving the Combination's international footprint and track record.

Corporate Social Responsibility / ESG

- (d) The Offeror will support Brill Group in furthering its current environmental, social and governance ("**ESG**") strategy as described in Brill's 2022 annual report, with a view to maintain the "best of both worlds" of the Offeror Group's and Brill Group's existing ESG standards for the Combination. The Offeror shall work together in good faith with Brill to establish an ESG strategy for the Combination, which shall be part of the Combined Strategy.

Integration, Structure and Governance

- (e) An overarching integration plan (the "**Integration Plan**") shall be prepared by the Combination's vice president integration (the "**VP Integration**") in consultation with the Combination Management Board and adopted by the Combination's core executive team, composed of Mr C. Buhr (as CEO), Mr C. Radloff (as CFO) and Ms J.M. Lange (as CPO) (the "**Core Executive Team**"). The Combination Management Board will be responsible for the overall execution thereof to achieve the strategic, operational and financial benefits of the Combination, which integration the Offeror and Brill envisage to complete within thirty-six (36) months as from Settlement. In order to facilitate the preparation of the Integration Plan and to identify potential synergies between Brill Group and the Offeror Group, the VP Integration will be supported by the

members of the Combination Management Board. In implementing the Integration Plan, the Combination Management Board will work with the "best person for the job"-principle (subject to Applicable Laws) as guiding principle, while to the extent possible taking into account a balanced representation of employees from both the Offeror Group and Brill Group.

- (f) As part of the Integration Plan, the Offeror and Brill shall in good faith agree on an integration of editorial programs. The relevant teams will be combined and report to the CPO to ensure a focused acquisition strategy and a market-facing editorial strategy without losing the strengths of the various imprints and the individual qualities of the acquisitions editors, with the aim for more high-quality publications translating into higher top-line revenue growth. Editorial, Sales & Marketing will work closely together to drive top-line growth in line with the market facing strategy and find new revenue models. Editorial, Operations and Information Technology will also work closely together, focussing on standardization and operational efficiencies.
- (g) The Offeror shall procure that the Combination Management Board, in consultation with an outside consultant, will review and map the cultural differences between the Offeror Group and Brill Group and develop a suitable program in order to allow for an optimal integration. The Offeror shall also provide reasonable resources (such as man hours, instructions and training) for the employees of the Offeror Group and Brill to get to know each other. When new systems are rolled-out, the Offeror will provide for training programs aimed to ensure that the employees are properly trained to use such new systems.
- (h) Following Settlement, Brill will apply the mitigated large company regime (*verzwakte structuurregime*).
- (i) In order to underline the joint ambitions and the importance of the heritages of both the Offeror and Brill, the Offeror and Brill shall procure that Brill's core DNA, which reflects Brill's corporate identity, values and culture, shall be respected and preserved in the Combination.
- (j) Following Settlement, Brill will continue to have a Supervisory Board comprising of five (5) members, of which at least two (2) members qualify as independent from the Offeror within the meaning of the Dutch Corporate Governance Code. The Supervisory Board shall meet at least four (4) times a year, of which two (2) times in Leiden, the Netherlands.
- (k) Subject to the Governance Resolutions having been adopted at the EGM, the Offeror agrees that (i) subject to Settlement, Brill's Articles of Association shall be amended in accordance with the Articles of Association as set out in Section 12.1 (*Articles of Association following Settlement*) and (ii) subject to delisting, Brill's Articles of Association shall be amended in accordance with the Articles of Association as set out in Section 12.2 (*Articles of Association following Delisting*).
- (l) As long as Brill's Depository Receipts remain listed on Euronext Amsterdam, the Offeror shall procure that Brill shall continue to comply with the Dutch Corporate Governance Code, except for (i) current deviations and (ii) deviations from the aforementioned codes that find their basis in the Merger Protocol.

Location, heritage, branding, imprints

- (m) The Offeror acknowledges the importance of Brill's presence in Leiden, the Netherlands, and the historical meaning of the Leiden office to Brill Group. The Offeror undertakes to ensure that the Leiden location shall continue to have material substance as one of the largest offices of the Combination following Settlement, both in terms of number of employees and responsibilities.

The Offeror intends that the Combination Management Board will have at least one (1) member who is primarily assigned to work and based in Leiden, the Netherlands.

- (n) The Offeror acknowledges the importance of the continuation of Brill's name and agrees to combine Brill's name and the Offeror's name into a new corporate brand name to underline joint ambition and historic nature. The new corporate brand name will be "De Gruyter Brill".
- (o) The Offeror shall agree in good faith with Brill on a new logo for the Combination.
- (p) The Offeror agrees that the imprints "Brill" and "De Gruyter" remain the most prominent imprints.

M&A and long-term shareholding

- (q) The Offeror acknowledges that the realisation of the Combined Strategy can be enhanced by pursuing acquisitions for the Combination. The Offeror will support the Combination in pursuing these acquisitions.
- (r) The Offeror may pursue any divestments of Brill Group, provided that the prior written approval of the Supervisory Board and the affirmative vote of the two (2) Independent Members has been obtained in case more than EUR 5,000,000 in revenues is being disposed.
- (s) The Offeror confirms that (i) it envisages holding its shareholding in the Combination for long-term value enhancement purposes and (ii) has no intention to dispose of its direct or indirect shareholding in the Combination for the NFC Duration.

Financing

- (t) Brill shall, barring unforeseen circumstances, be prudently capitalised and financed to safeguard the execution of (the continuity of) the business and to support the sustainable success of the business and the Combined Strategy, also taking into account any dividends paid out.
- (u) After Settlement, the Combination shall not, barring unforeseen circumstances, incur additional debt resulting in a higher ratio of Net Debt to EBITDA than 3.5x EBITDA. For the purposes of this condition, Net Debt shall mean all outstanding interest bearing financial debt, excluding any shareholder debt, minus cash and cash equivalents, and EBITDA shall mean Earnings Before Interest Taxes Depreciation and Amortization adjusted for exceptional and non-recurring items. Both Net Debt and EBITDA should be calculated at the same foreign currency exchange rates.

Employment

- (v) Subject to a "100 = 100" principle (i.e. employees may experience changes to the composition of their package (rights and benefits), but the total package should not be affected), the Offeror will respect the existing rights and benefits of the employees of Brill Group, including existing rights and benefits under their individual employment agreements, incentive plans, collective labour agreements, social plans and covenants in accordance with Applicable Laws.
- (w) The Offeror and Brill recognise that for the sustainable success of the Combination a fair and proper integration process is important. The overall expected future workforce of the Combination, following the integration based on the "best person for the job"-principle, subject to Applicable Laws, will reflect future business needs of the Combination and the reduction of the overall workforce is at this point not expected to be material, subject to the actual integration planning in accordance with the Merger Protocol. To the extent the integration of activities will

result in any redundancies, change in employment terms, work location, or other reorganisation, all applicable consultation requirements and procedures with employee representatives will be observed. Any redundant employees will be offered a fair and reasonable severance package in accordance with an appropriate social plan that will be developed and implemented by the Combination as set out in (x) below.

- (x) The Combination will develop and implement a fair social plan in each jurisdiction with the relevant employee representatives and/or trade unions in accordance with Applicable Laws.
- (y) Following Settlement, the nomination, selection and appointment of staff for open positions will be based on the "best person for the job"-principle, as well as ensuring the client franchise and the required functional capabilities to develop the business, or where not feasible or appropriate, on a non-discriminatory, fair and business-oriented transparent set of criteria.
- (z) The Offeror will respect Brill Group's current employee consultation structure in the Netherlands, Austria and Germany.
- (aa) The existing pension arrangements and the pension rights of current and former employees of Brill Group shall be respected.
- (bb) The Offeror will seek to foster a safe, diverse, inclusive and engaging work culture to attract develop and retain people within the Combination where employees can excel and deliver value to customers and other stakeholders. Furthermore, by offering attractive training and career progression, the Offeror will seek to ensure that the Combination will be an employer of choice for its highly-skilled workforce, which supports talented employees to reach their full potential in a diverse, inclusive and family culture.

Minority Securityholders

- (cc) Until the earlier of (i) the date on which the Offeror holds 100% of the outstanding share capital or (ii) the date on which a Buy-Out is irrevocably initiated for at least Offer Price, no member of Brill Group shall take any of the following actions:
 - 1. issue additional shares or depository receipts or a cash consideration to any person (other than Brill) without offering pre-emption rights to the Minority Securityholders;
 - 2. agree to and enter into a related party transaction with any Securityholder or any affiliated person of such Securityholder which is not at arm's length; and
 - 3. take any other action which disproportionately prejudices the value of, or the rights relating to, the minority's securityholding.

The Non-Financial Covenants set forth in paragraph (cc) above will cease to apply on the earliest of the date:

- A. on which the Offeror and its Affiliates hold 100% of Brill's aggregate issued and outstanding securities on a Fully Diluted basis (excluding Treasury Securities);
- B. on which a Buy-Out is irrevocably initiated for at least the Offer Price;
- C. on which, following the Post-Closing Merger, the Securityholders have received the advanced liquidation distribution; and

D. that is the third (3rd) anniversary of the Settlement Date.

5.19 Benefit and enforcement of Non-Financial Covenants

Until the third (3rd) anniversary of the Settlement Date, any deviation from the Non-Financial Covenants shall require the prior approval of the Supervisory Board, including the affirmative vote of the two (2) Independent Members. After the third (3rd) anniversary of the Settlement Date until the end of the NFC Duration, the affirmative vote of the Works Council Nominee is required.

The Non-Financial Covenants are made to Brill as well as, by way of an irrevocable third party stipulation for no consideration (*onherroepelijk derdenbeding om niet*), to each of the Independent Members and regardless of whether he or she is in office, has resigned or has been dismissed, provided that after resignation or dismissal, the resigned or dismissed Independent Member(s) must assign the benefit of such stipulation to any Consecutive Independent Member in function, unless such dismissal is successfully challenged by such Consecutive Independent Member.

Subject to Section 5.13 (*Composition of the Supervisory Board*), Consecutive Independent Members will be nominated for appointment based on the recommendation of a majority of the members of the Supervisory Board, subject to the approval of the outgoing and/or the remaining Independent Member who was originally a member of the Supervisory Board or who replaced the Independent Member who was originally a member of the Supervisory Board, provided that the Independent Member who was appointed on the recommendation (*aanbeveling*) of the Dutch Works Council in accordance with Article 2:158 or 2:268 DCC (the "**Works Council Nominee**"), can only be replaced with a new Supervisory Board member who was also so appointed on the recommendation (*aanbeveling*) of the Dutch Works Council. The Offeror hereby agrees in advance to the assignment of the benefit of this undertaking by any Independent Member to its successor.

In the event that Brill ceases to exist or ceases to be the holding company of Brill's operations during the NFC Duration, the Non-Financial Covenants, the provisions in this Section 5.19 (*Benefit and enforcement of Non-Financial Covenants*) and the relevant provisions of the Merger Protocol shall continue to apply to the holding company of Brill's operations (being Brill Sub if the Post-Closing Merger is effected). In such case, all references to Brill shall be deemed to refer to such holding company, its subsidiaries and its businesses and any and all of Brill's rights and obligations under the Non-Financial Covenants, this Section 5.19 (*Benefit and enforcement of Non-Financial Covenants*) and the relevant provisions of the Merger Protocol will be assigned and transferred to such holding company.

In the event that the Offeror or any of its Affiliates sells or transfers (whether directly or indirectly, whether by a sale or transfer of securities or assets or otherwise) Brill Group or substantially all of the assets of Brill Group (in a single transaction or a series of related transactions) to any third party within the NFC Duration, the Offeror shall procure that such third party shall commit to undertakings in respect of Brill Group which are comparable to the Non-Financial Covenants as set out in Section 5.18 (*Non-Financial Covenants*) and which are at such time still applicable for the remainder of the NFC Duration.

5.20 Employee consultations and SER and trade unions notification

5.20.1 Works Council

The Works Councils have been informed of, and where relevant consulted on, the Transactions. On 20 December 2023, the Dutch Works Council has rendered a positive advice regarding the Transactions.

5.20.2 SER Notification and trade unions

The secretariat of the Social Economic Council (*Sociaal Economische Raad*) and the relevant Dutch trade unions within the meaning of the Merger Code have been informed in writing of the Offer in accordance with the Merger Code.

5.21 Exclusivity

Brill and the Offeror agreed that, during the Interim Period:

- (a) except as permitted pursuant to Sections 5.21 (*Exclusivity*), 5.22 (*Potential Superior Offer*) and 5.23 (*Superior Offer*), Brill shall not, and shall ensure that no Affiliate and its and their respective directors, officers, employees, agents, advisers and other representatives acting on its or their behalf (together the "**Relevant Persons**"), shall, directly or indirectly,
 - (i) initiate, enter into, engage or have discussions or negotiations with any third party;
 - (ii) provide any non-public or confidential information or data relating to Brill Group or its business or assets or grant access to its books, records or personnel to any third party in relation to an Alternative Proposal; or
 - (iii) approve or recommend, or propose publicly to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger protocol, purchase agreement, business combination agreement, joint-venture agreement, option agreement or similar agreement, related to an Alternative Proposal; and
- (b) Brill shall notify the Offeror promptly (and in any event within 36 hours) if any communication, invitation, approach or enquiry, or any request for information, is received by it or any of its Relevant Persons or Affiliates from any third party in relation to an Alternative Proposal, it being understood that Brill shall notify the Offeror (to the extent available to Brill) of: (i) its knowledge of the identity of such third party, (ii) the proposed consideration, (iii) the conditions to (the making and declaring unconditional of) and other proposed material terms and conditions of such communication, invitation, approach or enquiry, and (iv) Brill's intention to enter into discussions with such third party.

Notwithstanding the above, Brill and its Relevant Persons are permitted to engage in limited discussions with, and provide limited information to, a *bona fide* third party that makes an unsolicited written Alternative Proposal to Brill with the intention of making a Superior Offer, provided that (i) Brill shall only provide information if and to the extent the Boards have in their good faith opinion determined that doing so is reasonably necessary to assess whether such Alternative Proposal is reasonably likely to qualify or evolve into a Potential Superior Offer or Superior Offer and (ii) such discussions and provision of information must be kept as limited as reasonably possible and must in any event be completed within two (2) Business Days, after which any discussion with or provision of information to the relevant third party may only take place in accordance with and subject to Section 5.22 (*Potential Superior Offer*) and Section 5.23 (*Superior Offer*). The obligations of Brill described in paragraph (b) above shall apply *mutatis mutandis* to the previous sentence.

5.22 Potential Superior Offer

A "**Potential Superior Offer**" is a *bona fide* unsolicited written Alternative Proposal, which did not result from a breach of Section 5.21 (*Exclusivity*), for or in respect of:

- (a) any public offer for all Securities;
- (b) any direct or indirect acquisition of all or substantially all of the business or assets of Brill Group;
or
- (c) a legal merger (or reverse takeover) resulting in the control over all Securities,

made by a third party who, in the good faith opinion of the Boards, taking into account their fiduciary duties under Applicable Laws of the Netherlands, is a *bona fide* third party, and which proposal, in the good faith opinion of the Boards, after having considered advice of Brill's outside counsel and financial adviser, is reasonably likely to qualify as or evolve into a Superior Offer.

In the event that a Potential Superior Offer is received by Brill, Brill shall promptly (and, in any event, within 36 hours) provide the Offeror in writing with (i) the identity of such third party, (ii) the proposed consideration, and (iii) the conditions to (the making and declaring unconditional of) the Alternative Proposal and other proposed material terms and conditions of such Alternative Proposal, and (iv) Brill's reasons for determining that such offer is a Potential Superior Offer (the "**First Notice**").

In the event that a Potential Superior Offer is received by Brill and subject to the terms and conditions of the Merger Protocol, including the relevant notice provisions, Brill and the Relevant Persons may, for a period no longer than ten (10) Business Days following the receipt of the written Potential Superior Offer (the "**Potential Superior Offer Period**"):

- (i) consider such Potential Superior Offer;
- (ii) engage in discussions or negotiations regarding such Potential Superior Offer;
- (iii) provide non-public, confidential information to the third party making the Potential Superior Offer, provided that such third party shall receive the same information as provided to the Offeror, except if and to the extent that the Boards determine, taking into account their fiduciary duties under Applicable Laws of the Netherlands and having consulted their financial and legal advisers, that the third party reasonably requires additional information to be able to make a Superior Offer. In that case, Brill shall substantially concurrently provide to the Offeror the same additional information provided to such third party. Brill shall not provide any information or data to any third party in connection with such Potential Superior Offer before the third party has first signed a confidentiality agreement on terms no less stringent than those of the confidentiality agreement entered into between Brill and the Offeror; and
- (iv) make any public announcement in relation to a Potential Superior Offer to the extent required under Applicable Laws,

provided that during the Potential Superior Offer Period, Brill shall continue to co-operate with and support the Offer and the related Transactions in accordance with the terms and conditions of the Merger Protocol.

If, during (or following the expiry of) the Potential Superior Offer Period, the Boards in their good faith opinion determine that the Potential Superior Offer does not constitute a Superior Offer, Brill shall inform the Offeror promptly (and, in any event, within 24 hours) thereof and shall confirm to the Offeror that:

- A. the Boards continue to support the Offer and the related Transactions in accordance with the terms and conditions of this Merger Protocol and maintain the Recommendation in accordance with Section 5.6 (*Decision-making and Recommendation by the Boards*); and
- B. Brill has discontinued considering the Potential Superior Offer and terminated discussions or negotiations regarding the Potential Superior Offer from such third party, it being understood that these confirmations by Brill shall be made public if the relevant Potential Superior Offer has also been communicated in public.

5.23 Superior Offer

An Alternative Proposal shall be a "**Superior Offer**" if all of the following conditions are met:

- (a) the Alternative Proposal, which did not result from a breach of Section 5.21 (*Exclusivity*), is a *bona fide*, credible, unsolicited written offer or proposal for or in respect of:

- (i) any public offer for all of the Securities;
 - (ii) any direct or indirect acquisition of all or substantially all of the business or assets of Brill Group; or
 - (iii) a legal merger (or reverse takeover) resulting in the control over all Securities,

made by a person who, in the good faith opinion of the Boards, taking into account their fiduciary duties under Applicable Laws of the Netherlands, is a *bona fide* third party;
- (b) in the good faith opinion of the Boards, taking into account their fiduciary duties under Applicable Laws of the Netherlands and having consulted their financial and legal advisers, on balance, the Alternative Proposal is substantially more beneficial to Brill and the sustainable success and the sustainable long-term value creation of its business, taking into account the interests of its stakeholders (including the Securityholders), than the Transactions, taking into account the identity and track record of the Offeror and its Affiliates and that of such third party, certainty aspects (including certainty of financing and compliance with all Antitrust Laws), conditionality, the level and nature of the consideration, the future plans of such third party with respect to Brill and Brill's strategy, and the interest of all stakeholders of Brill;
- (c) the consideration per Security payable to the Securityholders in connection with such Alternative Proposal is in cash and/or listed securities and exceeds the Offer Price (as increased in accordance with the Decree (if applicable)), but excluding, for the avoidance of doubt, any increases pursuant to any Revised Offers) by at least 10%; and
- (d) the Alternative Proposal is legally binding on the third party such that the third party has:
- (i) committed itself to Brill to (x) in the case of a public offer, subject to customary commencement or offer conditions, make a public offer which is consistent with that Alternative Proposal within ten (10) weeks after the public announcement of that Alternative Proposal by the third party or (y) in case of another transaction not involving a public offer, subject to obtaining required regulatory clearances and other customary conditions complete such transaction which is consistent with that Alternative Proposal as soon as possible following the required regulatory clearances; and
 - (ii) announced publicly its intention to pursue a transaction which is consistent with that Alternative Proposal, including the proposed consideration per Security and the conditions precedent.

If the consideration payable to the Securityholders in connection with a Potential Superior Offer or Superior Offer consists solely or partly of listed securities, the listed securities component of such consideration is to be valued by the Boards in their calculation of whether the threshold under paragraph (c) above is exceeded, at prevailing market prices and practices, as at the date that the comparison is made, after obtaining advice from their financial advisers.

To the extent that the Potential Superior Offer or Superior Offer is an offer for all or substantially all of the assets of Brill and Brill Group, the calculation shall be made on the basis of the reasonably assessed net proceeds to be distributed to the Securityholders resulting from such a transaction calculated on a per Security basis.

5.24 Revised Offer

If, during (or at the expiry of) the Potential Superior Offer Period, the Boards in their good faith opinion determine that a Potential Superior Offer constitutes a Superior Offer, Brill shall notify the Offeror in writing promptly (and, in any event, within 24 hours) of such determination and of the contents of such a Superior Offer, as well as Brill's reasons for determining that such offer is a Superior Offer (the "**Second Notice**").

The Offeror shall have ten (10) Business Days following the date on which it has received the Second Notice (the "**Revised Offer Period**") to make a revision of the Offer and to match the Superior Offer by submitting in writing to the Boards a revision of the Offer within the Revised Offer Period (the "**Revision Right**").

A "**Revised Offer**" is an offer at an offer price that is, and on terms and conditions that are, in the good faith opinions of the Boards, taking into account their fiduciary duties under Applicable Laws of the Netherlands and having consulted their financial and legal advisers, on balance, at least equally beneficial to Brill and the sustainable success and the sustainable long-term value creation of the business, taking into account the interests of its stakeholders (including the Securityholders), as the Superior Offer. Brill shall notify the Offeror as promptly as possible of the Boards' opinion on such offer. A revised offer submitted as described above, shall in any event be deemed to be a Revised Offer if the Boards have not confirmed otherwise to the Offeror in writing within four (4) Business Days after receipt of such revised offer.

If the Offeror has submitted a revised Offer to the Boards as described above within the Revised Offer Period and the Boards have qualified it as a Revised Offer or it is deemed a Revised Offer, the Offeror and Brill shall remain bound to the terms and conditions of the Merger Protocol and the Offeror may require the Boards to reaffirm the Recommendation. If details of the Superior Offer have become public, Brill shall make such reaffirmation by way of a public announcement. Should Brill fail to reaffirm the Recommendation within 24 hours after having received the relevant request from the Offeror, the Offeror shall have the right to terminate the Merger Protocol.

If the Offeror has not made a Revised Offer within the Revised Offer Period (or, if earlier, if the Offeror notifies Brill in writing of its intent not to exercise its Revision Right and not to make a Revised Offer), then (i) Brill may accept the Superior Offer, which acceptance shall be communicated to the Offeror by Brill as soon as possible (and, in any event within 24 hours) following the last day of the Revised Offer Period and (ii) each Party shall be entitled to terminate the Merger Protocol in accordance with Section 5.26 (*Termination*).

5.25 Consecutive Offer

Sections 5.22 (*Potential Superior Offer*), 5.23 (*Superior Offer*) and 5.24 (*Revised Offer*) shall apply mutatis mutandis to any consecutive (Potential) Superior Offer, which must exceed the consideration per Security of the Revised Offer by at least 5% and meet the other requirements set out in the definition of Superior Offer to qualify as a (new) Superior Offer by the initial party making the initial Superior Offer following a (i) Revised Offer, or (ii) Potential Superior Offer or Superior Offer made by another third party.

5.26 Termination

5.26.1 Termination grounds

The Merger Protocol terminates immediately if the Parties so agree in writing, or by either Brill or the Offeror (such party being the "**Terminating party**"):

(a) by notice in writing given by the Terminating Party to the other party if:

- (i) (x) any of the Offer Conditions set out in Section 5.5.1 (*Offer Conditions*) has not been satisfied or waived by the relevant party for whose benefit such Offer Condition is stipulated in accordance with Section 5.5.2 (*Waiver*) on the Unconditional Date or Postponed Closing Date (as applicable), subject to the extension requirements as set out in Section 4.6 (*Extension*) or (y) it is apparent that such Offer Condition(s) is incapable of being satisfied and will not be waived on such date; and

- (ii) the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the Terminating Party of any of its obligations under the Merger Protocol or any agreement resulting from it;
- (b) by notice in writing given by the Terminating Party to the other party in case of the other party having breached the terms of the Merger Protocol (the "**Defaulting Party**") to the extent that such breach:
 - (i) has or could reasonably be expected to have material adverse consequences for Brill, the Offeror or their respective Affiliates, the Offer or the Transactions; and
 - (ii) is incapable of being remedied or has not been remedied (to the extent necessary) by the Defaulting Party, in each case before the date that is (x) ten (10) Business Days after receipt by the Defaulting Party of a notice from the other party of such breach and (y) three (3) Business Days prior to the Closing Date.
- (c) by notice in writing by the Terminating Party to the other party pursuant to Section 5.24 (*Revised Offer*);
- (d) by notice in writing by the Offeror to Brill in case of an Adverse Recommendation Change, which if capable of being rectified has not been rectified in accordance with Section 5.7 (*Adverse Recommendation Change*);
- (e) by notice in writing by Brill to the Offeror if all Offer Conditions have been satisfied or waived and Settlement has not taken place on the Settlement Date; or
- (f) by notice in writing given by the Terminating Party (provided that the party attempting to terminate the Merger Protocol is not in breach of the terms of the Merger Protocol) to the other party at any time on or after the Long Stop Date.

5.26.2 Termination payments

As an inducement to both the Offeror and Brill to enter into the Merger Protocol and as a compensation for the Offeror or Brill, respectively, and their Affiliates for costs and expenses such party has already incurred and shall continue to incur in connection with (the preparation of) the Offer, Brill and the Offeror have agreed on the following termination payments in the Merger Protocol.

Brill shall pay to the Offeror (or its Affiliates) an amount exclusive of VAT, if any, in cash, without any withholding deductions, defences or set-off of any kind of:

- (a) EUR 1,000,000, as compensatory damages, if the Merger Protocol is terminated pursuant to Section 5.26.1(a) because the Offer Condition as set out in Section 5.5.1(i) (*Share Trust Office Letter Agreement*) has not been satisfied or waived by the Offeror in accordance with Section 5.5.2 (*Waiver*), without prejudice to the Offeror's right to seek remedy or claim damages, fees and costs for breach by Brill of the Merger Protocol or on any other basis;
- (b) EUR 1,200,000, as compensatory damages, if the Merger Protocol is terminated pursuant to Section 5.26.1(c) or Section 5.26.1(d) in accordance with Section 5.26 (*Termination*), without prejudice to the Offeror's right to seek remedy or claim damages, fees and costs for breach by Brill of the Merger Protocol or on any other basis; and
- (c) EUR 1,000,000, as compensatory damages, if the Merger Protocol is terminated pursuant to Section 5.26.1(b) in case of a breach by Brill (*Material Breach*), without prejudice to the Offeror's right to seek remedy or claim additional damages, fees and costs for such breach by Brill of the Merger Protocol or on any other basis and subject to the representations and warranties by Brill in accordance with the Merger Protocol.

The Offeror shall pay to Brill (or its Affiliates) an amount exclusive of VAT, if any, in cash, without any withholding deductions, defences or set-off of any kind of EUR 1,000,000, as compensatory damages, if the Merger Protocol is terminated pursuant to Section 5.26.1(b) in case of a breach by the Offeror (*Material Breach*), without prejudice to Brill's right to seek remedy or claim additional damages, fees and costs for such breach by the Offeror of the Merger Protocol or on any other basis.

5.27 Extraordinary general meeting

5.27.1 Convocation

In accordance with Article 18, paragraph 1 of the Decree, Brill shall on the date of the publication of this Offer Memorandum convene an EGM with a 42 day convocation period, in order to provide the Securityholders with the necessary information concerning the Offer and the related Transactions, to recommend the Offer to the Securityholders for acceptance and to recommend the Securityholders to vote in favour of the Resolutions.

5.27.2 Resolutions

At the EGM, the Securityholders shall be requested to:

- (a) appoint the persons identified by the Offeror in accordance with Section 5.13 (*Composition of the Supervisory Board*) as Supervisory Board members effective as at Settlement;
- (b) accept the resignation of the members of the Boards as set out in Sections 5.13 and 5.14, and, give full and final discharge for the performance of any duties and liability in respect of such Board member's position, except for liability as a result of wilful misconduct (*opzet*), gross negligence (*grove schuld*) or fraud (*bedrog*) effective as at Settlement;
- (c) resolve on the amendments of the Articles of Association as set out in Section 12.1 (*Articles of Association following Settlement*) effective as of Settlement;
- (d) resolve on the amendment of the Articles of Association as set out in Section 12.2 (*Articles of Association following Delisting*) and the conversion of Brill into a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) effective as of completion of the delisting,

in each case, subject to the Offer being declared unconditional (*gestanddoening*) (collectively the "**Governance Resolutions**").

At the EGM, the Securityholders of Brill shall be requested to, effective as at Settlement, adopt the resolution for the implementation of the Post-Closing Merger (i) to enter into the Triangular Merger and (ii) to approve, to the extent required under Applicable Laws, the Share Sale and the Holdco Dissolution, each subject to the Triangular Merger being effected,

in each case subject to:

- (i) the Offer being declared unconditional (*gestand gedaan*);
 - (ii) the Tendered Securities being at least equal to the Post-Closing Restructuring Threshold and the Buy-Out Threshold not having been met ultimately at the end of the Post-Closing Acceptance Period; and
 - (iii) the Offeror having notified Brill it wishes to continue to pursue the Post-Closing Merger,
- (collectively, the "**Post-Closing Merger Resolutions**").

Brill shall reasonably do, and procure to be done, all things necessary to ensure that the Governance Resolutions and Post-Closing Merger Resolutions (the "**Resolutions**") are passed at the EGM. If, however, either (i) one or more of the Resolutions is not approved at the EGM or (ii) the Post-Closing Merger Resolutions are approved at the EGM but it is reasonably expected that it will not be possible to effectuate the Triangular Merger on the basis of the adopted Post-Closing Merger Resolutions in view of the timing constraint included in Article 2:318 paragraph 1 DCC, Brill will at the Offeror's request convene a new meeting of shareholders of Brill at which the relevant Resolution(s) will be put to a vote.

6. INFORMATION REGARDING BRILL

6.1 Overview

Brill is a public company with limited liability (*naamloze vennootschap*), incorporated under the laws of the Netherlands, having its corporate seat in Leiden, the Netherlands and its office address at Plantijnstraat 2, 2321 JC Leiden, the Netherlands and registered with the Dutch trade register under number 28000012. Brill's Depository Receipts are admitted to listing and trading on Euronext Amsterdam.

Brill is an international academic publisher, mainly publishing in the field of the humanities, social sciences, international law and biology. It has a long history of publishing works by renowned scholars and a reputation for producing high-quality works. Books are the leading publication format, with journals as a strong second pillar. Today, Brill publishes more than 350 journals and around 2,000 new books and reference works each year, covering subjects such as classical studies, history, language and linguistics, literature and cultural studies, philosophy, religious studies and human rights. Brill also offers various online platforms and databases.

Brill's key customers are academic and research institutions, libraries, and scholars. With its global presence (including in the Netherlands, Germany, Austria and the United States), mostly selling in Europe, the United States and Japan, Brill's team of over 250 dedicated employees generated EUR 48 million revenue in 2022.

6.2 History of Brill

Brill is the oldest publishing house in the Netherlands, and one of the oldest in the world. Its history goes back to 1683, when Jordaen Luchtmans established himself as a bookseller in Leiden. Five generations of his family ran the bookshop and publishing house near the Leiden University, the oldest university of the Netherlands. The "Luchtmanses" produced a steady stream of scholarly books and served as "Printers to the University." In the beginning of the 19th century, the Leiden printer Johannes Brill and his son Evert Jan became involved with the firm. The latter took over the business in 1848, combining it with his father's printing works and continuing it under his own name. Since then, it has been known as "E.J. Brill," which was later shortened to "Brill." In 1896, Brill became a public limited company, when E.J. Brill's successors, A.P.M. van Oordt and Frans de Stoppelaar, both businessmen with some academic background and interest, died.

Especially in the period between 1850 and 1900 the foundations were laid for a publishing program that still characterizes present-day Brill. In the 20th century, Brill faced several challenges, such as the two world wars, the economic depression and the decolonization of Asia and Africa. It also faced increasing competition from other publishers, especially in the Anglo-American market. Despite these difficulties, Brill persisted well over three centuries and published influential works in various disciplines, such as the *Encyclopaedia of Islam* and the *Nag Hammadi codices* for UNESCO. In the late 90's, its name changed to "Koninklijke Brill", after receiving the royal predicate from Queen Beatrix of the Netherlands. In the 21st century, Brill has embraced the digital transformation of the publishing industry, and has developed several online platforms and databases, such as *brill.com* and specialty platforms for text editions and bibliographies. In his prime days, Jordaen Luchtmans published six books per year, while Brill today publishes more than 350 journals and around 2,000 new books and reference works each year.

6.3 Brill's mission, vision, core values and strategy

6.3.1 Mission

Brill operates from a strong belief that the humanities, social sciences, international law and biology are areas of scholarship vital for addressing today's global challenges. This belief motivates Brill to offer authors and editors the best possible service and infrastructure to disseminate research. The relevance and high quality of the works Brill publishes are key to the sustainability of our business.

6.3.2 Vision

Brill aims to be a (more) digitally-driven academic publishing house that offers researchers a top service and user experience, while increasing its annual revenue in a socially responsible and economically sustainable way.

6.3.3 Core values

Brill employees share a set of core values: quality service to the scholarly community, integrity, and respect for people. Brill also firmly believes in the fundamental importance of trust, diversity and inclusion, teamwork and professionalism. Brill is committed to the sustainable development of its business.

6.3.4 Strategy

Based on the mission, vision and core values, Brill's strategy centers on four long-term goals (of which the first two are key focus points in its three-year rolling strategic plan):

(a) Expand scale

Brill builds on its historical position as the publisher of choice for many academic researchers in the humanities, social sciences, international law and selected fields of science. Additionally, Brill aims to enter adjacent segments where Brill's key assets (reputation, service, distribution, infrastructure) can be leveraged. Expanding position can be achieved organically or through acquisition, such as its acquisitions of Vandenhoeck & Ruprecht in Germany and Wageningen Academic Publishers in the Netherlands. Brill actively explores acquisition opportunities based on clearly established priorities for areas where social, natural, and life sciences converge on subjects in which Brill is traditionally strong, such as language, philosophy and ethics, religion, history and biology. Furthermore, Brill is expanding its publishing formats for its library customers and is more actively managing and developing its traditional subscription-based business models towards new open access and evidence-based models. For its authors, Brill is developing additional services to help guide the publishing process.

(b) Become a digitally driven publishing house

Brill continues to invest in its digital business capabilities to facilitate value creation. Strategy-driven roadmaps for investment are in place for key business applications, for its content management process, and for its online publishing platforms. Brill aims to produce content in such a way that it can be published and used in any format, unit, and on any device. Product and data distribution will be further improved to shorten its time to market. Findability and (mobile) usability are key and have been improved by its new Brill.com platform and through its collaboration with third-party platforms. Brill supports its operations with standard software applications that are widely used in the industry and which are provided by reputable partners. Creating a more balanced and efficient digital infrastructure will help Brill achieve the long-term goals.

(c) Publishing excellence

A reputation for publishing excellence is key to the sustainability of Brill's business. Brill's publishing strategy is to continually seek differentiation and competitive advantage by building on key strengths:

- **Highly relevant content:** Brill aims to publish relevant research in the humanities, social sciences, and international law. The focus is on high-quality studies at a faculty level from upcoming as well as established authors. Brill communicates the relevance of the books and journals by highlighting not only the quality but also the societal impact of the research Brill publishes.
- **Strict quality control:** To remain relevant and retain its reputation, Brill must maintain and improve the quality of its peer review. This includes guidelines for the selection of editorial board members, training and recognition of peer reviewers, and investment in peer review systems (e.g. submission systems and anti-plagiarism software).

- Community building: Brill works closely and collaboratively with the entire research community: authors, readers, editors, peer reviewers, librarians, institutional partners, funding bodies, societies, and new players such as research collaboration platforms.
- Best-in-class author service: Brill's editorial department offers the best possible service to book authors, series editors, and journal editors. Having a stable editorial team with a combination of experienced and new in-house editors is key to offering such service. Editors must be well-trained and supported by efficient workflows to focus on relationship management and publishing services.
- Improved access: The research Brill publishes has an impact only if it is accessible. Apart from selling its content to specialized libraries around the globe, Brill believes that financially sustainable open access models are the best way to improve access to its authors' research.

(d) Develop market presence

Brill invests in its marketing and sales execution capabilities and operate from numerous offices around the world to be close to its clients, to adapt its global marketing to local needs, and to achieve improved market coverage. Doing so entails enhancing its communications to raise awareness of the depth and breadth of its portfolio. Communication and sales efforts will be further concentrated around publications that define Brill's reputation in core areas of excellence. Digital marketing and social media are increasingly employed to improve the efficiency and effectiveness of its marketing operation.

6.4 Recent developments

Brill has identified six industry areas in which developments took place that are important for the way it does business:

(a) Publishing programs

Post the COVID-19 crisis, the scholarly community returned to an active conference schedule, helping Brill to reinvigorate and expand its networks in vital face-to-face meetings. The pandemic continued to have an impact on the development of Brill's program as authors were engaged with return to classrooms and post-lockdown life. Peer review and turnover of manuscripts was slower than in 2020 and 2021, leading to a minor decrease in the number of new book titles published. In April 2022, the imprint Wageningen Academic joined Brill, strengthening its program in the Life Sciences and Open Access. The Wageningen-based press publishes journals, books and conference proceedings in Animal Sciences, Food and Health Sciences, Agriculture, Environment and Agribusiness. Wageningen Academic was in 2023 fully integrated and delivering good contributions to Brills program. The overall 2023 publishing program develops according expectations, with a healthy outlook towards 2024.

(b) Journals

Brill continued to grow its journal program by acquiring diamond or full open access titles as well as established subscription journals. New journals are being launched in fast-evolving research areas. In 2022, a large number of journals were added to its journal program. The article output for 2023 is strong, resulting in good issue output across all disciplines.

(c) Books

In 2022, Brill completed the first part of the Brill Book Archive and successfully sold the product as full and sub-collections to customers in North America, Australia and Europe. The launch of the second part of Brill Book Archive, which will contain twice the number of titles of part one, was prepared and part of the collection published at the end of the year. The planning is to complete the digitization of titles for Brill Book Archive by 2024. During 2023, Brill realised substantial sales of the second archive, and the digitization of the archive will be completed for over 50% by the end of this year. To further grow its book list and e-book collections, Brill added more than 40 new book series to the program.

(d) Reference works and primary sources

Brill continued to add new titles to its reference works and primary sources. New primary source collections were contracted in history and theology, and a subsidy of a German library consortium was granted for the digitizing of more than 3.7 million pages of the IDC microform collection *The History of Religiosity in Latin America*.

(e) Open access

Brill's open access program continues to grow. The number of national and institutional open access journal agreements, so called "transformative agreements", doubled in 2022 compared to 2021 with eight such agreements in place with a total value of over EUR 1.5 million, including the first deal in the US. The open access program showed strong further growth in 2023.

In 2022, Brill saw further growth of the open access book program, especially in the DACH region where open access book revenue has doubled compared to previous year. The German market for open access is a growth market, which Brill is able to successfully tap into. Brill concluded, among others, an agreement with the Max Planck Digital Library. The ongoing drive for open access and developments in funder policy means that new budgets continue to become available and open access will be a growth market in the years to come. The focus of Brill's open access strategy is to achieve growth at scale. Strategic development of business models is at the forefront, and Brill will continue to focus on maximizing efficiency by further improving processes and workflows to deliver open access content.

(f) Publication ethics

Brill continues to build upon the progress made in previous years since its publication ethics policies and procedures were first overhauled in 2019. Thanks to ongoing collaboration between Brill and representatives of the academic community, handling of publication ethics incidence is transparent, consistent and efficient. Brill continues to refine policies and the procedural framework, always bearing in mind industry best practices and the core principles and evolving guidance of the Committee on Publication Ethics.

Brill continuously monitors developments in the market and will be required to invest in the robustness of its policies and workflows. The publication ethics landscape is becoming increasingly complex as publishers are confronted with nefarious actors, e.g., paper mills and disruptive technologies, with artificial intelligence being an important example. Therefore, the driving principle of publication ethics at Brill in 2023 and the longer term will be "to lead by example". Brill is well positioned to translate and scale the publication ethics initiatives of STM and the larger publishers in meaningful and sustainable ways that can be feasibly adopted by its mid-size industry counterparts as well as smaller enterprises. Publication ethics will remain a strategic priority of great importance in the coming years and provides an opportunity for Brill to develop an authoritative voice and to influence the conversations taking place in the STM community and among larger publishers.

6.5 Supervisory Board, Management Board and Employees

6.5.1 Supervisory Board

The Supervisory Board consists of the following five members:

T.J. van der Raadt (chairman)

Nationality:	Dutch
Appointed:	16-05-2019
End of current term of office:	2027
Committees at Brill:	Audit Committee and Strategy Committee

T.W.C. Huibers (vice chairman)

Nationality: Dutch
Appointed: 24-05-2023
End of current term of office: 2027
Committees at Brill: Strategy Committee

A.F.S. Blok

Nationality: Dutch
Appointed: 19-05-2021
End of current term of office: 2025
Committees at Brill: Remuneration & Nomination Committee

J.G.H.M. Niessen

Nationality: Dutch
Appointed: 14-12-2022
End of current term of office: 2027
Committees at Brill: Audit Committee

J.W. Van der Vlist-Verdel

Nationality: Dutch
Appointed: 14-12-2022
End of current term of office: 2027
Committees at Brill: Audit Committee, Remuneration & Nomination Committee and Strategy Committee

6.5.2 Management Board

The Management Board consists of the following three members:

P.W.J. Hendriks

Mr Hendriks is the Chief Executive Officer. He was appointed as Brill's Chief Executive Officer and statutory director per 25 May 2023. His current term expires in 2027. Mr Hendriks has the Dutch nationality and was born in 1960.

W.A. Dikstaal

Mr Dikstaal is the Chief Financial Officer. He was appointed as Brill's Chief Financial Officer per 1 September 2021 and as statutory director per 25 May 2022. His current term expires in 2026. Mr Dikstaal has the Dutch nationality and was born in 1969.

J.M. Lange

Ms Lange is the Chief Publishing Officer. She was appointed as Brill's Chief Publishing Officer per 16 May 2019. The Supervisory Board has appointed Ms Lange as temporary statutory director per 24 May 2023 and will (formally) reappoint her with retroactive effect per 24 May 2023 for the remaining part of the four-year term after the Supervisory Board has notified the general meeting thereof. Her current term expires in 2027. Ms Lange has the German nationality and was born in 1978.

6.5.3 Employees

The average number of Brill's full-time equivalents in 2022 was 250, compared to 227 FTE's in 2021, and in 2022 28% of Brill's employees worked part-time.

6.6 Capital and Shares

As of the date of this Offer Memorandum, Brills total issued and outstanding share capital amounts to EUR 1,124,666.4, consisting of 1,874,444 Ordinary Shares. 1,834,463 Ordinary Shares are held by the Share Trust Office for which the Share Trust Office has issued 1,834,463 Depositary Receipts. 39,981 Ordinary Shares are held by parties other than the Share Trust Office and are registered under their respective names in Brill's shareholders' register. Brill does not hold Securities in treasury.

Only the Depository Receipts are admitted to listing and trading on Euronext Amsterdam under ticker symbol BRILL and the ISN code is NL0000442523.

6.7 Main Securityholders

The table below sets out the holders of notifiable interest (*substantiële deelneming*) in the share capital or voting rights in Brill, according to the public register on the website of the AFM as at 20 December 2023. These percentages may not reflect the actual shareholdings and/or voting rights as at 20 December 2023, since not all changes in shareholdings or voting rights require a notification. Only if a notification threshold is reached, exceeded or fallen below this must be notified.

Securityholder	Capital interest	Voting interest
J.G.H.M. Niessen	21.65%	21.65%
Teslin Participaties Coöperatief U.A.	19.41%	19.41%
J.P. van Slooten	5.33%	5.33%
Lazard Frères Gestion SAS	5.19%	5.19%
Stichting Administratiekantoor Arkelhave Capital	5.17%	5.17%
Stichting John and Marine Van Vlissingen Foundation	5.01%	5.01%
P. C. van Leeuwen	3.80%	3.80%
E.M. Aarts	3.36%	3.36%

6.8 Protective Foundation

Stichting Luchtmans (the "**Protection Foundation**") is a foundation (*stichting*) incorporated under the laws of the Netherlands, with its statutory seat (*statutaire zetel*) in Leiden, the Netherlands, and registered with the Dutch trade register under number 41167205.

The purpose of the Protection Foundation is to serve the interests of Brill and its businesses, in such a way as to ensure that their interests, including the interests of all related stakeholders, are safeguarded against circumstances that could adversely affect the independence, the continuity and/or the identity of Brill.

The board of the Protection Foundation currently consists of the following members: Ms H.M. Vletter-van Dort, Mr H.A. Pabbruwe, Mr N.J., Schrijver and Ms C.J. M. Noordermeer-van Loo.

On 23 June 2017, Brill has entered into an agreement with the Protection Foundation (the "**Foundation Option Agreement**"), pursuant to which the Protection Foundation has been granted a call option (the "**Call Option**") to acquire (either in portions or at once) from Brill by way of an issuance of shares such number of Preference Shares equal to the lower of (i) 100% of the total number of issued and outstanding Ordinary Shares, less one share and less any shares already held by the Protection Foundation immediately before exercise, and (ii) the authorised but unissued Preference Share capital as set out in the Articles of Association immediately before exercise. At the date of this Offer Memorandum the Protection Foundation holds no Preference Shares.

On 11 October 2023, Brill, the Offeror and the Protection Foundation entered into a Protection Foundation letter agreement (the "**Protection Foundation Letter Agreement**") in which the Protection Foundation agreed to, *inter alia*, (i) not exercise the Call Option, (ii) subject to and with effect from Settlement, terminate the Foundation Option Agreement, and (iii) to the extent the Protection Foundation holds any Preference Shares as of Settlement, to transfer such Preference Shares to the Offeror under the obligation for the Offeror to pay a cash consideration equal to the aggregate capital paid up on such Preference Shares plus any accrued dividends.

As set out in Section 5.5.1 (*Offer Conditions*), the Offeror's obligation to declare the Offer unconditional is conditional upon the Protection Foundation (i) not having exercised in whole or in

part the Call Option under the Foundation Option Agreement, (ii) no Preference Shares having been issued and (iii) the Protection Foundation Letter Agreement being in full force and effect and not having been breached, terminated or modified.

6.9 Share Trust Office

The Share Trust Office is a foundation (*stichting*) incorporated under the laws of the Netherlands, with its statutory seat (*statutaire zetel*) in Leiden, the Netherlands, and registered with the Dutch trade register under number 41170065.

The Share Trust Office administers and manages almost all Ordinary Shares and, in exchange, issued the Depository Receipts. The Share Trust Office issues voting proxies to holders of Depository Receipts or accept binding voting instructions from them for the general meeting, except in the situations referred to in Article 118a, paragraph 2 DCC. The same applies to any revocation of a proxy that has already been issued. In accordance with its voting policy, the Share Trust Office refrains from voting, unless explicitly mandated to do so by holders of Depository Receipts.

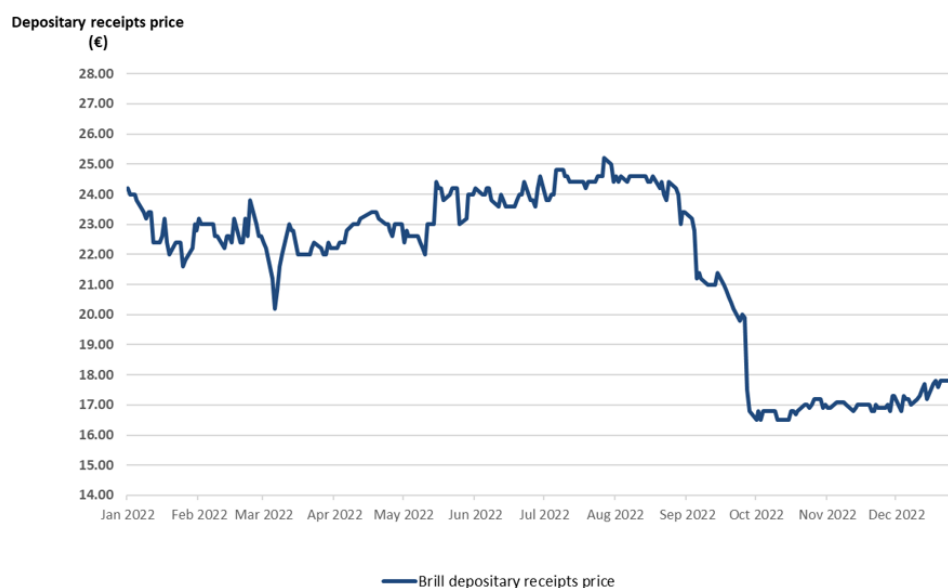
The board of the Share Trust Office currently consists of the following members: Ms L.M.T. Boeren, Mr J.C.L. Kuiper and Mr M.P. Nieuwe Weme.

On 20 December 2023, Brill and the Share Trust Office entered into a Share Trust Office letter agreement (the "**Share Trust Office Letter Agreement**") in which the Share Trust Office agreed to, *inter alia*, (i) issue voting proxies and accept binding voting instructions from Depository Receipts holders and to not withhold or revoke voting proxies in accordance with Article 2:118a paragraph 2 DCC in relation to the Offer and the (other) Transactions, (ii) subject to and with effect from Settlement, exchange all Depository Receipts to be held by the Offeror from time to time for the corresponding Ordinary Shares at the first written request of the Offeror, (iii) amend its articles of association and share trust conditions to allow that a Depository Receipt can also represent an interest in a share allotted (*toegekend*) by Brill Holdco in exchange for an Ordinary Share as a result of the Post-Closing Merger and (iv) subject to Settlement and at the request of Brill, cooperate with delisting of the Depository Receipts in accordance with Applicable Laws.

As set out in Section 5.5.1 (*Offer Conditions*), the Offeror's obligation to declare the Offer unconditional is conditional upon the Share Trust Office (i) having agreed to issue voting proxies and accept binding voting instructions from the Depository Receipts holders in respect of the Resolutions and (ii) the Share Trust Office Letter Agreement being in full force and effect and not having been breached, terminated or modified.

6.10 Security price of Brill

The chart below shows the development of the price of the Depository Receipts on Euronext Amsterdam in the period from 1 January 2022 to 31 December 2022.



The chart below shows the development of the price of the Depositary Receipts on Euronext Amsterdam in the year prior to the Offer, being the period from 21 December 2022 up to and including 20 December 2023.



6.11 No incentive plans

No incentive plans pursuant to which options, warrants, convertible instruments or other rights to subscribe for Securities have been granted and it is currently not expected that any such rights would be granted.

6.12 The Transactions by Brill relating to the Securities

No transactions have been effected and no agreements have been concluded by Brill in relation to the Securities in the year immediately preceding this Offer Memorandum.

7. INFORMATION REGARDING THE OFFEROR

7.1 Introduction

The Offeror is a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany, having its corporate seat in Berlin, Germany and its office address at Genthiner Str. 13, 10785 Berlin, Germany and registered with the German trade register under number HRB 143490.

Pursuant to Article 1:1 of the Wft, the Offeror is the only (natural or legal) person that qualifies as an offeror in respect of the Offer and the Offeror is solely responsible for accepting and paying for the Tendered Securities.

It is currently not envisaged that the Offer will have an impact on the business and place of establishment of the Offeror.

7.2 Shareholder structure of the Offeror

At the date of this Offer Memorandum, the share capital of the Offeror consists of 6,581,478 issued shares with a nominal value of EUR 1.00 per share, of which 6,069,978 are outstanding and 511,500 (7.77%) are held in the treasury of the Offeror.

At the date of this Offer Memorandum, the shares in the capital of the Offeror are held as follows: 77.20% of the shares are held by 34 family members and 15.03% of the shares are held by two foundations, the Clara Cram Stiftung and the Walter de Gruyter Stiftung. Neither foundations hold voting rights in the general meeting of shareholders of the Offeror.

The Clara Cram Stiftung and the Walter de Gruyter Stiftung were established in 2006 and 2014, respectively, by shareholders from the family De Gruyter in the context of settling their heritage (Clara Cram was the daughter of Walter de Gruyter and the wife of Herbert Cram).

Both foundations are recognized as non-for-profit under German foundation law. The purpose of both foundations is the funding of science and research, and in the case of the Clara Cram Stiftung it is also the protection of historical monuments. The Walter de Gruyter Stiftung sponsors seminars, workshops and congresses of scientists, it supports a humanities discussion series in New York, a scientific podcast and a mathematics prize.

7.3 Offeror's boards

At the date of this Offer Memorandum, the governing bodies of the Offeror consist of an operational board and a supervisory board. The operational board is responsible for managing the day-to-day business of the Offeror. The supervisory board supervises the operational board.

The sole statutory director (*Geschäftsführer*) of the Offeror is the CEO, Mr C. Buhr.

Operational board

The Offeror's operational board consists of the following members:

- Mr C. Buhr (CEO)
- Mr C. Radloff (CFO)
- Ms J. Hoppe (Director People and Culture)
- Mr B. Ashcroft (Vice President Commercial)
- Mr J. Buchmann (COO)
- Mr G. Nold (Chief Technology Officer)

Effective as at Settlement, the Offeror's operational board shall be replaced by a combination management board (the "**Combination Management Board**"), which shall comprise seven (7) members, and be composed of the Core Executive Team and a CCO, a COO, a CTO and a CHRO.

Supervisory board

The Offeror's supervisory board consists of the following members:

- Mr R. Gebauer (chairman)
- Mr F. Rodloff
- Mr C. Marksches
- Mr C. Seils
- Ms S. Schütz

7.4 Further information on the Offeror

Headquartered in Berlin since 1749 - and with offices in Boston, Beijing and across Europe - family-owned academic publisher De Gruyter uses its global reach to promote, disseminate and advance knowledge. Its portfolio makes De Gruyter one of the world's largest and most reputable humanities publishers while extending to subject areas like natural and social sciences, economics, technology, mathematics, architecture, design and more. Eight highly respected publishing brands - De Gruyter Mouton, De Gruyter Oldenbourg, De Gruyter Akademie Forschung, De Gruyter Saur, Birkhäuser, Deutscher Kunstverlag (DKV), Jovis Verlag and Ubiquity - are part of De Gruyter. De Gruyter publishes over 120 gold open access journals and is one of the largest independent open access book publishers. A partner and provider of publishing services to top-tier universities, academic societies and publishers, De Gruyter also distributes the complete digital collections of some of the world's most renowned scholarly presses through its University Press Library. The award-winning website degruyter.com hosts the complete De Gruyter collection since 1749 and research published by De Gruyter's imprints and partners. Over 150,000 eBooks and 850,000 journal articles make degruyter.com one of the most comprehensive digital platforms for high-class scholarly content in the world.

For more information, visit: www.degruyter.com.

8. DUTCH TAX ASPECTS OF THE OFFER

8.1 Introduction

The information set out below is a general summary of certain material Dutch tax consequences in connection with (i) the disposal of Securities under the Offer or the Statutory Buy-Out Proceedings and (ii) the potential Post-Closing Merger. This summary does not purport to be a comprehensive or complete description of all Dutch tax considerations or consequences that may be relevant for a particular Securityholder, who or which may be subject to special tax treatment under any applicable law, nor does this summary intend to be applicable in respect of all categories of Securityholders or the Other Post-Closing Measures.

For purposes of Dutch tax law, a Securityholder may include an individual who, or an entity which, does not have the legal title to the Securities, but to whom or to which the Securities or the income therefrom are nevertheless attributed based on specific statutory provisions or on the basis of such individual or entity having a beneficial interest in the Securities or the income therefrom.

Unless explicitly stated otherwise, this summary is based upon tax laws of the Netherlands as in effect on the date of this Offer Memorandum and as applied and interpreted in case law of the relevant Dutch courts and in administrative guidance of the relevant Dutch authorities, in each case as available in printed form on or before such date and without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect. The tax consequences that may arise in any jurisdiction other than the Netherlands in connection with the disposal of Securities under the Offer, the Statutory Buy-Out Proceedings or in connection with the potential Post-Closing Merger are not addressed.

All references in this summary to the Netherlands and to Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. In addition, any reference hereafter made to a double taxation convention concluded by the Netherlands includes a reference to the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation Netherlands-Curacao (*Belastingregeling Nederland Curaçao*), the Tax Regulation Netherlands Sint Maarten (*Belastingregeling Nederland Sint Maarten*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the Avoidance of Double Taxation.

As this is a general summary only, Securityholders should consult their own independent tax advisers as to the Dutch or other tax consequences in connection with the disposal of Securities under the Offer or the Statutory Buy-Out Proceedings or in connection with the potential Post-Closing Merger, including, in particular, the application to their specific situations of the tax considerations discussed below.

8.2 Excluded Securityholders

The description of the Dutch tax consequences set out in this general summary is not intended for any Securityholder:

- (a) for whom the income or capital gains derived from the Securities are attributable to a membership of a management board or a supervisory board, an employment relationship or a deemed employment relationship, the income from which is taxable in the Netherlands;
- (b) who has, or that has, a Substantial Interest (*aanmerkelijk belang*) or deemed Substantial Interest (*fictief aanmerkelijk belang*) (as further described below) in Brill within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (c) that is an entity for which the income and/or capital gains derived in respect of the Securities are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the

participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (as further discussed below), or for which the income and/or capital gains derived in respect of the Securities would have been subject to either the participation exemption or participation credit regime if such Securityholder had been a taxpayer in the Netherlands;

- (d) which is an entity that is, in whole or in part, not subject to or exempt from Dutch corporate income tax (such as qualifying pension funds) or, in case of an entity that is not resident or deemed to be resident in the Netherlands for tax purposes, corporate income tax or other taxation levied by reference to profits in its state of residence;
- (e) which is an entity that is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in Article 6a and Article 28, respectively, of the Dutch Corporate Income Tax Act 1969 or, in the case of an entity that is not resident in the Netherlands for tax purposes, has a function comparable to any such exempt investment institution or fiscal investment institution;
- (f) which is an entity that is a resident of Aruba, Curaçao or Sint Maarten and has a business enterprise which is carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) located on Bonaire, Sint Eustatius or Saba to which the Securities are attributable; and/or
- (g) who or which is not considered the beneficial owner of the Securities and/or the income and/or capital gains derived therefrom.

Substantial interest

Generally, a Securityholder will have a substantial interest (*aanmerkelijk belang*) in Brill if such Securityholder holds, alone or, in the case of an individual, together with his or her partner (statutorily defined term in Dutch tax law), whether directly or indirectly, the ownership of, or certain rights over, Ordinary Shares (or Depository Receipts for Ordinary Shares) representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of Brill, or rights to acquire Ordinary Shares (or Depository Receipts for Ordinary Shares), whether or not already issued, that represent 5% or more of Brill's total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or the ownership of certain profit participating certificates that relate to 5% or more of Brill's annual profit, and/or 5% or more of the proceeds upon liquidation of Brill ("**Substantial Interest**"). A Securityholder will also have a Substantial Interest in Brill if his or her partner, or (a) certain relative(s) of the Securityholder or of his or her partner, has a Substantial Interest in Brill. If a Securityholder does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognizing a taxable gain.

Participation exemption and participation credit

Generally, a holding of Ordinary Shares (or Depository Receipts for Ordinary Shares) may qualify as a participation for the participation exemption or participation credit if that holding represents an interest of 5% or more of the nominal paid-up capital of Brill and certain conditions are met. A Securityholder may also have a qualifying participation if such holder does not have such 5% interest but a related entity (statutorily defined term under Dutch tax law) does, or if Brill is a related entity of the Securityholder.

8.3 Dividend withholding tax

8.3.1 Dividend withholding tax consequences of the Offer

No Dutch dividend withholding tax (*dividendbelasting*) will be withheld from the payment of the Offer Price by the Offeror to Securityholders in respect of a disposal of Securities under the Offer.

8.3.2 Dividend withholding tax consequences of the Statutory Buy-Out Proceedings

In the event the Offeror shall commence any Statutory Buy-Out Proceedings in accordance with Section 5.12.2 (*Statutory Buy-Out Proceedings*), no Dutch dividend withholding tax will be withheld from the payment made by the Offeror to Securityholders in consideration for their Securities under such Statutory Buy-Out Proceedings.

8.3.3 Dividend withholding tax consequences of the Post-Closing Merger

Triangular Merger and Holdco Dissolution

In the event that the Post-Closing Merger would be implemented in accordance with Section 5.12.3 (*Post-Closing Merger*), no Dutch dividend withholding tax will be due in connection with a disposal of Securities and the allotment of shares by Brill Holdco pursuant to the Triangular Merger. However, any liquidation distribution or advance liquidation distribution made by Brill Holdco following the Triangular Merger becoming effective would generally be subject to Dutch dividend withholding tax at a rate of 15% to the extent such distribution would exceed the average paid-in capital as recognized for Dutch dividend withholding tax purposes on the relevant (class of) shares in Brill Holdco. Any such Dutch dividend withholding tax would be for the account of the relevant holders of shares (or depository receipts for shares) in Brill Holdco following the Triangular Merger becoming effective and will be withheld from any liquidation distribution or advance liquidation distribution made by Brill Holdco. Brill Holdco would not be obliged to pay additional amounts to the relevant holders of (depository receipts for) its shares in respect of Dutch dividend withholding tax withheld and deducted from any liquidation distribution or advance liquidation distribution.

Relief from Dutch dividend withholding tax

a. Holders of shares (or depository receipts for shares) resident in the Netherlands

A holder of shares (or depository receipts for shares) in Brill Holdco following the Triangular Merger becoming effective who or which is, or is deemed to be, a resident of the Netherlands for tax purposes, would generally be entitled to credit any Dutch dividend withholding tax withheld and deducted from any liquidation distribution or advance liquidation distribution against his or her Dutch personal income tax or its Dutch corporate income tax liability, provided certain conditions are met. Any (deemed) Dutch tax resident individual would generally also be entitled to a refund of any Dutch dividend withholding tax exceeding his or her aggregate Dutch personal income tax liability, but a (deemed) Dutch tax resident holder of shares (or depository receipts for shares) in Brill Holdco which is subject to Dutch corporate income tax would only be allowed to credit the aggregate amount of Dutch dividend withholding tax (together with any gaming tax (*kansspelbelasting*) in respect of items of profits taxable for Dutch corporate income tax purposes) levied in a relevant year against the amount of Dutch corporate income tax payable in that same year. Any excess amount is not refunded but can be carried forward to future years, subject to certain conditions being met.

b. Holders of shares (or depository receipts for shares) not resident in the Netherlands

A holder of shares (or depository receipts for shares) in Brill Holdco following the Triangular Merger becoming effective who or which is not and is not deemed to be a resident of the Netherlands for tax purposes, may, depending on the particular situation and specific circumstances of such holder, be eligible for a full or partial exemption from, or a full or partial refund or reduction of, Dutch dividend withholding tax pursuant to Dutch domestic law or double taxation conventions concluded by the Netherlands, provided that all relevant conditions are met.

c. Limitation

Any holder of shares (or depository receipts for shares) in Brill Holdco following the Triangular Merger becoming effective, will not be entitled to an exemption from, or credit, reduction or refund of, Dutch dividend withholding tax if such holder would not be considered the beneficial owner (*uiteindelijk gerechtigde*) of the liquidation distribution or advance liquidation distribution. A holder of shares (or

depository receipts for shares) in Brill Holdco will in any case not be considered the beneficial owner if it would not be considered such under specific Dutch domestic anti-dividend stripping rules.

8.4 Taxes on income and capital gains

Any reference in this Section 8.4 to 'Securities' includes a reference to shares (or depository receipts for shares) in Brill Holdco held by Minority Securityholders following the (potential) Triangular Merger becoming effective, and references to 'Securityholders' have to be construed accordingly.

8.4.1 Dutch resident individuals

A Securityholder who is an individual and who is resident or deemed to be resident in the Netherlands for Dutch tax purposes (a "**Dutch Resident Individual**"), will generally be subject to Dutch personal income tax (*inkomstenbelasting*) at progressive rates of up to 49.5% (maximum rate for 2023 and 2024) with respect to (a) any capital gains realized in respect of a disposal of Securities pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) any income and capital gains realized in connection with the potential Post-Closing Merger, if:

- (i) the relevant Securityholder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Securities are attributable or deemed to be attributable; or
- (ii) the relevant Securityholder derives income or capital gains from the Securities, as the case may be, that is or that are taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), as defined in the Dutch Income Tax Act 2001, which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also include benefits resulting from a lucrative interest (*lucratief belang*).

If neither condition (i) nor condition (ii) mentioned above applies, a Dutch Resident Individual will generally be subject to Dutch personal income tax on a deemed return with respect to the Securities, regardless of the actual income or capital gains derived therefrom. As of 1 January 2023, transitional legislation applies to determine the income from savings and investments based on a deemed return, until a new system will be implemented (envisaged to enter into force as of 2027). Under this transitional regime, the taxable income from savings and investments is calculated by multiplying the relevant individual's deemed return percentage (*effectieve rendementspercentage*) by the individual's yield basis (*rendementsgrondslag*) exceeding a personal threshold (*heffingvrij vermogen*) of EUR 57,000 (2023 and 2024) (*grondslag sparen en beleggen*). The individual's deemed return percentage is calculated on the basis of the actual composition of the individual's yield basis (determined as the fair market value of certain qualifying assets less the fair market value of certain qualifying liabilities) on 1 January of the relevant year (subject to certain rules against reference date arbitration; *peildatumarbitrage*), with separate (periodically announced) deemed return percentages applying for bank deposits (*banktegoeden* – estimated at 0.01% for 2023), other investments (such as Securities; *overige bezittingen* – 6.17% for 2023 and 6.04% for 2024) and debts (*schulden* – estimated at 2.46% for 2023). The definitive deemed return percentages for bank deposits and debts for 2023 will be confirmed in early 2024. The estimated deemed return percentages for bank deposits and debts for 2024 are not yet announced. The taxable income from savings and investments will be taxed at a rate of 32% in 2023 and 36% in 2024.

8.4.2 Dutch resident entities

A Securityholder which is an entity (including for example a partnership or mutual fund, in each case to the extent taxable as a corporate entity from a Dutch tax perspective) and that is resident or deemed to be resident in the Netherlands for Dutch tax purposes (a "**Dutch Resident Entity**"), will generally be subject to Dutch corporate income tax at rates of up to 25.8% (maximum rate for 2023 and 2024) on (a) any capital gains realized in respect of a disposal of Securities pursuant to the Offer or Statutory

Buy-Out Proceedings and/or (b) any income and capital gains realized in connection with the potential Post-Closing Merger.

8.4.3 Non-Dutch residents

A Securityholder who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity (a "**Non-Dutch Resident**"), is generally not subject to Dutch personal income tax or corporate income tax on (a) any capital gains realized in respect of a disposal of Securities pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) any income and capital gains realized in connection with the potential Post-Closing Merger, provided that:

- (a) such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise (other than as an entrepreneur or a shareholder), which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Securities are attributable or deemed attributable;
- (b) in case such Non-Dutch Resident is an individual, such individual does not derive income or capital gains from the Securities, as the case may be, that are taxable as benefits from miscellaneous activities performed in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*), which include, but are not limited to, the performance of activities in respect of the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*);
- (c) in case such Non-Dutch Resident is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands (other than by way of the holding of securities in such enterprise or through an employment relationship) to which enterprise the Securities or payments in respect of the Securities are attributable; and
- (d) in case such Non-Dutch Resident is an entity (including for example a partnership or mutual fund, in each case to the extent taxable as a corporate entity), such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of an enterprise effectively managed in the Netherlands (other than by way of the holding of securities in such enterprise), to which enterprise the Securities, or payments in respect of the Securities are attributable.

8.5 Value added tax

No Dutch value added tax (*omzetbelasting*) will be payable by a Securityholder (a) in respect of the disposal of Securities pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) in connection with the potential Post-Closing Merger.

8.6 Gift and inheritance taxes

No Dutch gift or inheritance tax will be payable by a Securityholder (a) in respect of the disposal of Securities pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) in connection with the potential Post-Closing Merger.

8.7 Other taxes and duties

No Dutch registration tax, stamp duty or any other similar tax will be payable by a Securityholder (a) in respect of the disposal of Securities pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) in connection with the potential Post-Closing Merger.

9. OTHER INFORMATION REQUIRED BY THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror with regard to (b), (c), (e), (h), (i) and (j) below, Brill with regard to (f) below and the Offeror and Brill jointly with regard to (a), (d) and (g) below hereby declare as follows:

- (a) there have been multiple consultations regarding the Offer between the Offeror and the Boards, which have resulted in a conditional agreement regarding the Offer as publicly announced on 12 October 2023. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions, the (future) strategy of Brill, the integration and the Non-Financial Covenants took place between the Offeror and its advisers on the one hand and the Boards and their advisers on the other hand. As further described in Section 5.6 (*Decision-making and Recommendation by the Boards*), Supervisory Board member Mr Niessen has, in view of his indirect interest of more than 20% in Brill via Mont Cervin Sarl, not participated in the deliberations and decision making of the Boards with respect to the Transactions;
- (b) with due observance of and without prejudice to the restrictions referred to in Section 0 (*Restrictions and important information*), the Offer concerns all outstanding Securities and applies on an equal basis to all Securities and all Securityholders;
- (c) with reference to Annex A, paragraph 2, subparagraphs 5, 6 and 7 of the Decree, the Offeror has not directly or indirectly acquired any Securities in the year preceding the date of this Offer Memorandum;
- (d) other than as described in (i) Section 5.8 (*Irrevocable undertaking of Securityholders*) and (ii) Section 5.9 (*Securityholdings of the members of the Boards*), no securities in Brill are held at the date of this Offer Memorandum, and no transactions or agreements in respect of securities in Brill have been effected or have been concluded and no similar transactions have been effected in respect of securities in Brill during the twelve (12) months preceding the date hereof, by the Offeror or any of its Affiliates, or any member of the board of directors or supervisory board or any ultimate decision maker of the Offeror or by any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreeerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, subparagraph 5, 6 and 7 of the Decree;
- (e) the costs incurred or to be incurred by the Offeror in relation to the Offer are expected to amount to approximately EUR 2.4 million and comprise finance arrangement fees, bank adviser fees, listing and Settlement Agent fees, legal fees, financial, commercial and tax due diligence fees, and public relations and communications advice. These costs will be borne by the Offeror;
- (f) the costs of Brill's fees of legal advisers, financial advisers, tax advisers, accountants and communications advisers incurred and expected to be incurred in relation to the Offer amount to approximately EUR 2 million. These costs will be borne by Brill;
- (g) no remunerations will be paid to members of the Boards or to any member of the board of directors or the supervisory board of the Offeror in connection with the Offer being declared unconditional (*gestanddoening*);
- (h) the Offer will not have any impact on the business and place of establishment of the Offeror;
- (i) at the date of this Offer Memorandum and other than described in Section 7.3 (*Offeror's board*), no changes are foreseen to the governance of the Offeror after the Offer has been declared unconditional; and
- (j) the Offer will not have any impact on the employment or employment conditions of the directors and employees of the Offeror.

9.1 Available documents

Copies of this Offer Memorandum are available free of charge at the website and offices of Brill (www.brill.com) and the Offeror (www.degruyter.com) and at the offices of the Settlement Agent, at the addresses mentioned in Section 1.6 (*Addresses*).

10. DUTCH LANGUAGE SUMMARY

Dit Hoofdstuk 10 is de Nederlandse samenvatting van het Biedingsbericht dat is uitgegeven ter zake van het aanbevolen openbaar bod uitgebracht door de Bieder op alle Effecten van Brill met inachtneming van de voorwaarden zoals beschreven in dit Biedingsbericht.

De gedefinieerde termen in dit Hoofdstuk 10 (*Dutch language summary*) van het Biedingsbericht hebben de betekenis die daaraan is gegeven in Hoofdstuk 10.2 (*Nederlandse Definities*). Deze Nederlandstalige samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor Effectenhouders van belang zou kunnen zijn om een afgewogen oordeel te vormen omtrent het Bod.

Het lezen van deze Nederlandstalige samenvatting mag niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Effectenhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen en goed geïnformeerd oordeel te kunnen vormen omtrent het Bod. Daarnaast wordt Effectenhouders geadviseerd een onafhankelijke professionele adviseur te raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Effecten onder het Bod.

Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst.

10.1 Restricties en belangrijke informatie

Het uitbrengen van het Bod, de algemeen verkrijgbaarstelling van het Biedingsbericht, inclusief deze Nederlandstalige samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie tevens Hoofdstuk 1 (*Restrictions and important information*) van het Biedingsbericht.

Het Bod wordt gedaan in Nederland met inachtneming van de in het Biedingsbericht opgenomen verklaringen, voorwaarden en beperkingen. De Bieder behoudt zich het recht voor elk Effect onder het Bod te aanvaarden dat door of namens een Effectenhouder wordt aangemeld, zelfs als dit niet is gedaan op de wijze zoals uiteengezet in het Biedingsbericht.

Het Bod wordt niet gedaan, en de Effecten zullen niet worden aanvaard voor aankoop van, of namens, een Effectenhouder, vanuit een jurisdictie waar het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende effectenwetgeving of andere wet- of regelgeving of registratie, goedkeuring of indiening bij een regelgevende instantie vereist is die niet uitdrukkelijk wordt beoogd door de voorwaarden van het Biedingsbericht.

De informatie en verklaringen op het voorblad en op pagina's 1, 2 en 3 en in Hoofdstuk 1 (*Restrictions and important information*) tot en met Hoofdstuk 5 (*Explanation and Background to the Offer*) (met uitzondering van Hoofdstuk 1.4 (*Presentation of financial information and other information*), Hoofdstuk 1.9 (*Financial advisers*), Hoofdstuk 5.1 (*Background and public announcements*), Hoofdstuk 5.6 (*Decision-making and Recommendation by the Boards*), Hoofdstuk 5.9 (*Securityholdings of the members of the Boards*), Hoofdstuk 5.10 (*Respective cross-securityholdings*), Hoofdstuk 5.13 (*Composition of the Supervisory Board*), Hoofdstuk 5.15 (*Composition of the Management Board*), Hoofdstuk 5.17 (*Corporate governance following Settlement*), Hoofdstuk 5.20 (*Employee consultations and SER and Trade Unions notification*) en Hoofdstuk 5.27 (*Extraordinary general meeting*)), Hoofdstuk 7 (*Information regarding the Offeror*), Hoofdstuk 8 (*Dutch Tax aspects of the Offer*), Hoofdstuk 10 (*Dutch language summary*), Hoofdstuk 11 (*Press releases*), Hoofdstuk 12 (*Articles of Association*) en Hoofdstuk 13.1 (*Advisers to the Offeror*) zijn uitsluitend verstrekt door de Bieder.

De informatie en verklaringen in Hoofdstuk 1.3 (*Presentation of financial information and other information*), Hoofdstuk 5.6 (*Decision-making and Recommendation by the Boards*), Hoofdstuk 5.9 (*Securityholdings of the members of the Boards*), Hoofdstuk 5.13 (*Composition of the Supervisory Board*), Hoofdstuk 5.14 (*Composition of the Management Board*), Hoofdstuk 5.15 (*Compensation to the members of the Boards in connection with resignation*), Hoofdstuk 5.20 (*Employee consultations and SER and trade unions notification*), Hoofdstuk 5.27 (*Extraordinary general meeting*), Hoofdstuk 6 (*Information regarding Brill*), Hoofdstuk 13.2 (*Advisers to Brill*) en Hoofdstuk 14 (*Financial information of Brill*) zijn uitsluitend verstrekt door Brill.

De informatie en verklaringen in Hoofdstuk 1.9 (*Financial advisers*), Hoofdstuk 5.1 (*Background and public announcements*), Hoofdstuk 5.10 (*Respective cross-securityholdings*), Hoofdstuk 5.17 (*Corporate governance following Settlement*) en Hoofdstuk 9 (*Other information required by the Decree*) zijn door respectievelijk de Bieder en Brill verstrekt, voor zover op hen betrekking hebbend.

De Bieder en Brill zijn exclusief verantwoordelijk voor de juistheid en volledigheid van de informatie die in dit Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder en Brill bevestigen, ieder afzonderlijk ten aanzien van de informatie die door henzelf is verstrekt, en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat naar hun beste weten en overtuiging de informatie in dit Biedingsbericht in overeenstemming is met de feiten en geen gegevens zijn weggelaten waarvan de vermelding de strekking van het Biedingsbericht zou wijzigen.

De informatie in het Biedingsbericht geeft de situatie weer op datum van het Biedingsbericht tenzij specifiek anders is aangegeven.

De geselecteerde geconsolideerde financiële informatie van Brill (zoals opgenomen in Hoofdstuk 14 (*Financial information of Brill*)) is die van Brill en haar geconsolideerde dochterondernemingen. De geselecteerde geconsolideerde financiële informatie dient te worden gelezen in samenhang met de geconsolideerde jaarrekening van Brill over de boekjaren geëindigd op 31 december 2022, 31 december 2021 en 31 december 2020. De geselecteerde geconsolideerde financiële informatie van Brill is ontleend aan de geconsolideerde jaarrekeningen van Brill voor de boekjaren geëindigd op 31 december 2022, 31 december 2021 en 31 december 2020. De geconsolideerde jaarrekeningen voor de boekjaren eindigend op 31 december 2022, 31 december 2021 en 31 december 2020 zijn gecontroleerd door PwC. Het jaarverslag over het boekjaar 2022 is opgenomen in Hoofdstuk 14.4 (*Annual Report 2022 including independent auditor's report of PwC*). De geconsolideerde jaarrekening waaraan de geselecteerde geconsolideerde financiële informatie is ontleend, is opgesteld in overeenstemming met IFRS zoals aangenomen door de Europese Unie en Titel 9 van Boek 2 BW.

De Tussentijdse Geconsolideerde Financiële Informatie die in dit Biedingsbericht is opgenomen, is ontleend aan het Halfjaarrapport 2023 - Niet-gecontroleerd (Herzien). Brill heeft vastgesteld dat de niet-gecontroleerde verkorte geconsolideerde tussentijdse financiële cijfers van Brill voor de zes (6) maanden eindigend op 30 juni 2023, zoals gepubliceerd op de website van Brill (www.brill.com) op 29 augustus 2023, de volgende twee balansposten te hoog weergaven: (i) "trade and other receivables" werden gerapporteerd op EUR 8,4 miljoen, maar hadden in plaats daarvan gerapporteerd moeten worden op EUR 7,6 miljoen en (ii) "deferred income" werd gerapporteerd op EUR 11,6 miljoen, maar had in plaats daarvan gerapporteerd moeten worden op EUR 10,8 miljoen. De te hoge weergaven hadden betrekking op twee kwesties. Ten eerste verwerkte Brill onbetaalde verlengingsberichten door debiteuren te boeken tegenover uitgestelde omzet. Ten tweede boekte Brill abonnementsomzet door debiteuren te verhogen in plaats van uitgestelde omzet te verlagen. Door de genoemde correcties aan te brengen, heeft Brill ervoor gezorgd dat (i) alleen betaalde verlengingsberichten als uitgestelde omzet worden erkend en (ii) abonnementsomzet wordt verantwoord tegenover uitgestelde omzet. De Tussentijdse Geconsolideerde Financiële Informatie

die in dit Biedingsbericht is opgenomen, weerspiegelen de voornoemde aanpassingen. De Tussentijdse Geconsolideerde Financiële Informatie die is ontleend aan het Halfjaarrapport 2023 - Niet-gecontroleerd (Herzien) is opgenomen in Hoofdstuk 14.5 (*Unaudited condensed consolidated interim financial information for the six month period ended 30 June 2023*) en het bijbehorende beoordelingsrapport van PwC dat is uitgebracht op 21 december 2023 is opgenomen in Hoofdstuk 14.6 (*Independent auditor's review report of PwC on the condensed consolidated interim financial information for the six-month period ended 30 June 2023*) van dit Biedingsbericht.

Uitsluitend de Bieder en Brill zijn bevoegd informatie te verstrekken of verklaringen af te leggen namens de Bieder respectievelijk Brill in verband met het Bod of de informatie in dit Biedingsbericht, zonder afbreuk te doen aan de accountantsverklaringen van PwC die zijn opgenomen in dit Biedingsbericht en de fairness opinions die zijn verstrekt door Axeco en Rabobank aan het Bestuur respectievelijk de Raad van Commissarissen. Indien dergelijke informatie of verklaringen door anderen dan de Bieder of Brill is verstrekt of gedaan, dient op dergelijke informatie of verklaringen niet te worden vertrouwd als zijnde verstrekt door of gedaan door of namens de Bieder of Brill. Op informatie of verklaringen die niet in dit Biedingsbericht of in persberichten van de Bieder of Brill zijn opgenomen, mag niet worden vertrouwd als zijnde verstrekt of gedaan door of namens de Bieder of Brill.

10.2 Nederlandse Definities

Gedefinieerde termen in deze Nederlandse samenvatting zullen de volgende betekenis hebben:

Aanbeveling	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.14
Aangemelde Effecten	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.6.1(a)
Aangemeld en Geleverd Effect	betekent elk Effect dat geldig wordt aangemeld (of gebrekkig is aangemeld of voorwaarde dat de Bieder afstand heeft gedaan van het gebrek) en dat is geleverd onder de voorwaarden en beperkingen van het Bod
Aangesloten Instellingen	betekent de instellingen die aangesloten zijn bij Euronext Amsterdam
Aanmelding	betekent de aanmelding van Effecten door de Effectenhouders ter aanvaarding van het Bod
Aanmeldingstermijn	betekent de periode gedurende welke de Effectenhouder hun Effecten kunnen aanmelden bij de Bieder, beginnend om 9:00 uur Amsterdamse tijd, op 22 december 2023 en eindigend om 17:40 uur Amsterdamse tijd op de Laatste Dag van Aanmelding
Aanvaardingsdrempel	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.6.1(a)
ABN AMRO	betekent ABN AMRO Bank N.V.
Afwikkelingskantoor	betekent ABN AMRO
Alternatief Voorstel	betekent elk aanbod of voorstel voor, of elke blijk van belangstelling voor, met betrekking tot (i) elke directe of indirecte verwerving van alle of een materieel deel (dat meer dan 20% vertegenwoordigt) van de: (x) Effecten; (y) stemrechten verbonden aan de Effecten; of (z) Effecten uitgegeven door een aan Brill Gelieerde Partij, (ii) enig openbaar bod met betrekking tot de Effecten, of (iii) enige directe of indirecte verwerving van het geheel of een materieel deel (dat meer dan 20% vertegenwoordigt) van de activiteiten of activa van de gehele Brill Groep, of enige andere transactie die zou kunnen resulteren in een wijziging van de zeggenschap over Brill of het geheel of een materieel deel van haar activiteiten of die anderszins zou kunnen verhinderen dat het Bod en de Transacties worden uitgevoerd, in elk geval, hetzij door directe of indirecte verwerving, omgekeerde overname of aankoop, inschrijving, fusie,

	splitsing, reorganisatie, bijdrage, joint venture, effectenruil, consolidatie, bedrijfscombinatie, herkapitalisatie, liquidatie, ontbinding of enige andere transactie waarbij Brill of enige aan Brill Gelieerde Partij van Brill betrokken is, met een andere persoon dan de Bieder of enige aan zijn Gelieerde Partijen
AFM	betekent Stichting Autoriteit Financiële Markten
Bank	Landesbank Baden-Württemberg
BAVA	betekent de buitengewone vergadering van aandeelhouders die zal worden gehouden om 14:00 uur op 1 februari 2024
Beschermingsstichting	betekent Stichting Luchtman, een stichting opgericht naar Nederlands recht, met statutaire zetel in Leiden, Nederland, kantoorhoudende te Plantijnstraat 2, 2321 JC Leiden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 41167205
Beschermingsstichting Overeenkomst	betekent de overeenkomst aangegaan tussen Brill, de Bieder en de Beschermingsstichting op 11 oktober 2023
Besluiten	betekent de Post-Closing Fusiebesluiten en Post-Closing Governance Besluiten gezamenlijk
Bestuur	betekent de raad van bestuur van Brill
Bevel	betekent enig bevel, schorsing, vonnis, gerechtelijk bevel of decreet dat is uitgevaardigd door een Overheidsinstantie en geen Overheidsinstantie van een bevoegde jurisdictie die een wet, voorschrift, statuut, gerechtelijk bevel of andere regel of bevel (tijdelijk, voorlopig of definitief) heeft afgekondigd dat van kracht is en het aanmelden van Effecten onder het Bod en/of het overdragen van Effecten onder het Bod en/of de Transacties in enig materieel opzicht beperkt of verbiedt
Bieder	betekent Walter de Gruyter GmbH, een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Duits recht, met statutaire zetel in Berlijn, Duitsland, kantoorhoudende te Genthiner Str. 13, 10785 Berlijn, Duitsland en geregistreerd bij het ondernemingenregister (<i>Unternehmensregister</i>) onder nummer HRB 143490

Biedingsbericht	betekent dit biedingsbericht dat de voorwaarden en beperkingen beschrijft die van toepassing zijn op het Bod
Biedprijs	betekent een cash bedrag van EUR 27,50 (cum dividend)
Bob	betekent Besluit Openbare Biedingen Wft
Bod	betekent het openbaar bod zoals in dit Biedingsbericht beschreven
Brill	betekent Koninklijke Brill N.V., een naamloze vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Leiden, Nederland, kantoorhoudende te Plantijnstraat 2, 2321 JC Leiden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 28000012
Brill Groep	betekent Brill en haar Gelieerde Partijen
Brill Holdco	Alexandria Holdco B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Leiden, Nederland, en kantoorhoudende te Plantijnstraat 2, 2321 JC Leiden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 92266142
Brill Sub	Alexandria Sub B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Leiden, Nederland, en kantoorhoudende te Plantijnstraat 2, 2321 JC Leiden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 92275451
Certificaathouder(s)	betekent houder(s) van één of meer Certificaten
Certificaten	betekent de certificaten uitgegeven door STAK voor gewone aandelen in het aandelenkapitaal van Brill gehouden door STAK
Combinatie	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.4
Combinatie Raad van Bestuur	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.16
Core Executive Team	betekent het "core executive team" van de

	Combinatie, welke bestaat uit de heer C. Buhr (als CEO), de heer C. Radloff (als CFO) en mevrouw J.M. Lange (als CPO)
Dag van Gestanddoening	betekent de dag waarop het Bod gestand wordt gedaan welke dag niet later zal zijn dan de derde (3 ^e) Werkdag na de Laatste Dag van Aanmelding
Dag van Overdracht	betekent de dag van Overdracht welke dag niet later zal zijn dan de vijfde (5 ^e) Werkdag na de Dag van Gestanddoening
Effecten	betekent de Geregistreerde Aandelen en de Certificaten tezamen
Effectenhouder(s)	betekent houder(s) van één of meer Effecten
Euronext Amsterdam	betekent de beurs van Euronext Amsterdam, de gereguleerde markt van Euronext Amsterdam N.V.
Fairness Opinions	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.14
Fusieprotocol	betekent de overeenkomst van 12 oktober 2023 tussen Brill en de Bieder betreffende het Bod door de Bieder op alle Effecten van Brill
Gelieerde Partijen	betekent ten aanzien van enig Persoon, van tijd tot tijd, iedere Persoon die onder zeggenschap staat van die Persoon, zeggenschap heeft over die Persoon, onder zeggenschap staat van een Persoon die eveneens zeggenschap heeft die Persoon of anderszins kwalificeert als dochteronderneming of groepsmaatschappij van Brill of de Bieder; "Zeggenschap" in de zin van deze definitie betekent het bezit, direct of indirect, alleen of gezamenlijk (door middel van het bezit van effecten of partnerschaps- of andere eigendomsbelangen, bij overeenkomst of anderszins) van (a) meer dan 50% van de stemrechten op algemene vergaderingen van die Persoon of (b) de bevoegdheid om een meerderheid van de bestuurders of commissarissen van die Persoon te benoemen en te ontslaan of anderszins het bestuur en het beleid van die Persoon te bepalen
Geregistreerde Aandelen	betekent de geplaatste en uitstaande gewone aandelen in het aandelenkapitaal van Brill die niet worden gehouden door STAK
Groep van de Bieder	betekent de Bieder en haar Gelieerde Partijen

Halfjaarrapport 2023 - Niet-gecontroleerd (Herzien)

betekent de niet-gecontroleerde verkorte geconsolideerde tussentijdse financiële cijfers van Brill voor de periode van zes (6) maanden eindigend op 30 juni 2023, zoals gepubliceerd op de website van Brill (www.brill.com) op 21 december 2023

Herziene Bieding

betekent een bod tegen een biedprijs die, en tegen voorwaarden die, naar het oordeel van het Bestuur en de Raad van Commissarissen te goeder trouw, rekening houdend met hun fiduciaire verplichtingen onder de Toepasselijke Wetgeving en na raadpleging van hun financiële en juridische adviseurs, per saldo ten minste even gunstig zijn voor Brill en het duurzame succes en de duurzame waardecreatie op lange termijn van de onderneming, rekening houdend met de belangen van haar belanghebbenden (waaronder de Effectenhouders), als het Superieur Bod. Brill zal de Bieder zo spoedig mogelijk op de hoogte stellen van het oordeel van het Bestuur en de Raad van Commissarissen over dit bod. Een herzien bod zoals hierboven beschreven, wordt in ieder geval geacht een Herziene Bieding te zijn indien het Bestuur en de Raad van Commissarissen niet binnen vier (4) Werkdagen na ontvangst van een dergelijk herzien bod schriftelijk anders hebben bevestigd aan de Bieder

Holdco Ontbinding

heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2

Koper Bedrag

heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2

Laatste Dag van Aanmelding

betekent de dag waarop de Aanmeldingstermijn afloopt, zijnde 15 februari 2024, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met artikel 15 van het Bob, in welk geval de laatste dag van aanmelding zal zijn de dag waarop de verlengde Aanmeldingstermijn afloopt

Materieel Nadelig Effect

betekent elke verandering, gebeurtenis, ontwikkeling, voorval, schending, onnauwkeurigheid, omstandigheid of effect opgetreden na de datum van het Fusieprotocol, afzonderlijk of tezamen met ieder van deze veranderingen, gebeurtenissen, ontwikkelingen, voorvallen, schendingen, onnauwkeurigheden, omstandigheden of effecten, die afzonderlijk of

tezamen een Materieel Nadelig Effect hebben of redelijkerwijs verwacht kunnen worden te hebben op de bedrijfsvoering, de financiële positie of de kapitalisatie van Brill en de aan haar Gelieerde Partijen, als geheel genomen, zodanig dat van de Bieder redelijkerwijs niet kan worden verwacht dat hij het Bod uitbrengt of het Bod gestand doet, al naar gelang het geval, met dien verstande echter dat geen van de volgende omstandigheden, alleen of tezamen, geacht zal worden een Materieel Nadelig Effect te vormen of in overweging te worden genomen bij het bepalen of een Materieel Nadelig Effect heeft plaatsgevonden of redelijkerwijs verwacht wordt te zullen plaatsvinden:

- (a) algemene economische, politieke, monetaire of marktomstandigheden (of veranderingen in dergelijke economische, politieke, monetaire of marktomstandigheden) in enig ander land, regio of gebied in de wereld waarin Brill of haar Gelieerde Partijen bedrijfsactiviteiten verrichten of van plan zijn bedrijfsactiviteiten te verrichten, of wereldwijde economische, politieke, monetaire of marktomstandigheden (of veranderingen in dergelijke economische, politieke, monetaire of marktomstandigheden) in het algemeen;
- (b) veranderingen in financiële, schuld-, krediet-, kapitaal-, bank- of effectenmarkten of -omstandigheden;
- (c) veranderingen of schommelingen in rentevoeten, valutakoersen of wisselkoersen of in de prijs van grondstoffen, effecten of marktindexen;
- (d) wijzigingen of verwachte wijzigingen in Toepasselijke Wetgeving (of de handhaving of interpretatie daarvan), wijzigingen of verwachte wijzigingen in IFRS of andere toepasselijke standaarden voor jaarrekeningen, en wijzigingen of verwachte wijzigingen in beursregels of noteringsnormen van Euronext Amsterdam (of de handhaving of interpretatie daarvan);
- (e) veranderingen die van invloed zijn op de bedrijfstakken waarin Brill of haar Gelieerde Partijen actief zijn;
- (f) een verandering of verwachte verandering in de marktprijs, het

handelsvolume of de ratings van enige effecten of schulden van Brill of enige van haar Gelieerde Partijen, enige verandering of verwachte verandering van de kredietwaardigheid, financiële kracht of andere ratings of dergelijke ratingvooruitzichten voor Brill of enige van haar Gelieerde Partijen door enig toepasselijk ratingbureau en de gevolgen van verslechterde ratings en vooruitzichten, of de verandering in, of het niet voldoen door Brill of haar Gelieerde Partijen aan, of de publicatie van enig rapport met betrekking tot interne of publieke projecties, prognoses, richtlijnen, budgetten, voorspellingen of ramingen van of met betrekking tot Brill of een van haar Gelieerde Partijen;

- (g) het voortduren, plaatsvinden, escaleren, uitbreken of verergeren van enige vijandelijkheden, oorlog, politionele acties, daden van terrorisme, sabotage of militaire conflicten, al dan niet ingevolge de afkondiging van een noodtoestand of oorlog;
- (h) elke gebeurtenis, voorval, feit, omstandigheid, voorwaarde, verandering of effect als gevolg van enig handelen of nalaten van de Bieder, hetzij vóór of na de datum van het Fusieprotocol, met inbegrip van enige actie ondernomen door Brill of enige van haar Gelieerde Partijen met schriftelijke toestemming van de Bieder of op aanwijzing van de Bieder (of niet ondernomen indien dergelijke toestemming is onthouden) of naleving door Brill van de voorwaarden van, of het ondernemen van enige actie vereist ingevolge het Fusieprotocol, met uitzondering van enige gebeurtenis, voorval, feit, omstandigheid, voorwaarde, verandering of effect als gevolg van enig handelen of nalaten van de Bieder dat een reactie is op een schending van het Fusieprotocol door Brill;
- (i) een gebeurtenis, voorval, feit, omstandigheid, voorwaarde, verandering of effect die rechtstreeks voortvloeit uit het aangaan, uitvoeren, verwezenlijken (met inbegrip van het ondernemen van enige actie die hierbij vereist is of het nalaten om enige actie te ondernemen die hierbij verboden is) van het Fusieprotocol, de aankondiging of het aanhouden van het Fusieprotocol, het

Bod en de Transacties, naar gelang het geval, of het verrichten of implementeren van de Transacties (met dien verstande en overeengekomen dat het voorgaande niet van toepassing is met betrekking tot enige verklaring of garantie die bedoeld is om de gevolgen van het aangaan, uitvoeren, presteren, implementeren of aankondigen van het Fusieprotocol of de Transactie te adresseren);

- (j) elke schending van het Fusieprotocol of Toepasselijke Wetgeving door de Bieder;
- (k) alle maatregelen die vereist zijn om de noodzakelijke filings te doen voor het verkrijgen van de mededingingsrechtelijke goedkeuringen en alle andere goedkeuringen en toestemmingen van de relevante mededingingsautoriteiten die vereist zijn in verband met de Transacties;
- (l) iedere gebeurtenis, voorval, feit, omstandigheid, voorwaarde, wijziging of effect die feitelijk bekend is bij de Bieder op de datum van het Fusieprotocol door middel van eerlijke bekendmaking in de dataroom;
- (m) het bestaan, het optreden of het voortduren van overmachtssituaties, met inbegrip van aardbevingen, overstromingen, orkanen, tropische stormen, branden of andere natuurlijke of door de mens veroorzaakte rampen, epidemieën, pandemieën of andere soortgelijke uitbraken (met inbegrip van niet-menselijke epidemieën, pandemieën of andere soortgelijke uitbraken) of andere nationale, internationale of regionale rampen; en
- (n) elke vordering die wordt ingesteld of waarmee wordt bedreigd door Effectenhouders (namens Brill of anderszins) met betrekking tot de Transacties of waarin beschuldigingen worden geuit van schending van fiduciaire plichten met betrekking tot het Fusieprotocol,

op voorwaarde dat, indien een verandering, gebeurtenis, omstandigheid en/of effect zoals beschreven in de subparagrafen (a), (d), (e), (g) en (m) een onevenredig grote invloed heeft op Brill en haar Gelieerde Partijen, als geheel genomen, in vergelijking met gelijksoortig

	gesitueerde ondernemingen, voor zover niet anderszins uitgesloten van de definitie van een Materieel Nadelig Effect, alleen rekening zal worden gehouden met dergelijke incrementele onevenredige invloed of invloed(en) bij het bepalen of er een Materieel Nadelig Effect heeft plaatsgevonden of redelijkerwijs verwacht wordt te zullen plaatsvinden
Mededingingswetgeving	de Nederlandse Mededingingswet, de EU Fusieverordening en elke andere wet, regeling of verordening (hetzij nationaal, internationaal, federaal, staats- of lokaal) die is ontworpen om acties te verbieden, te beperken of te reguleren met als doel of effect monopolisering of beperking van de handel of de significante belemmering van effectieve concurrentie.
Minderheidseffectenhouders	iedere Effectenhouder die zijn Effecten niet heeft aangeboden in het Bod
Na-aanmeldingstermijn	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.12
Nadelige Verandering van de Aanbeveling	betekent dat het Bestuur of de Raad van Commissarissen of één van haar leden (i) de Aanbeveling intrekt, wijzigt, aanpast of kwalificeert; (ii) een publieke verklaring aflegt die tegenstrijdig is aan de Aanbeveling of enig andere actie ondernemen waarvan zij weten of redelijkerwijs behoren te weten dat deze het Bod of de Transacties kan schaden of frustreren; of (iii) zich niet houdt aan het opnemen van de Aanbeveling in bepaalde documenten en aankondigingen met betrekking tot het Bod, waaronder de Standpuntbepaling, de toelichting op de agenda voor de BAVA, de presentatie voor de BAVA en het script voor de BAVA
NFC Looptijd	betekent drie (3) jaar na de Dag van Overdracht, met dien verstande dat de niet-financiële convenanten zoals uiteengezet in Hoofdstuk 5.18(m), 5.18(n), 5.18(o) en 5.18(p) aflopen vijf (5) jaar na de Dag van Overdracht, voor zover niet uitdrukkelijk anders is bepaald in dit Biedingsbericht
Onafhankelijke Commissarissen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
Ondernemingsraad	betekent de ondernemingsraad van Brill
Onherroepelijke Verbintenisovereenkomsten Effectenhouders	betekent de onherroepelijke verbintenisovereenkomsten tussen de Bieder en ieder van Mont Cervin S.à.r.l., Teslin Participaties Coöperatief U.A., Arkelhave

	Capital B.V., J.P. van Slooten Beheer B.V. en Stichting John en Marine van Vlissingen Foundation die samen ongeveer 60.4% van alle Effecten vertegenwoordigen, waarin zij instemmen met een onherroepelijke verbintenis om (i) het Bod te steunen en te aanvaarden, (ii) alle Effecten die zij houden aan te bieden op of voor de initiële Laatste Dag van Aanmelding en (iii) voor de Besluiten te stemmen onder de voorwaarden die zijn uiteengezet in de onherroepelijke verbintenisovereenkomsten
Optieovereenkomst	betekent de overeenkomst gesloten tussen Brill en de Beschermingsstichting op 23 juni 2017
Opvolgend Onafhankelijke Commissarissen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
Overdracht	betekent de betaling van de Biedprijs door de Bieder aan de Effectenhouders die hun Effecten ter aanvaarding hebben aangeboden ingevolge het Bod, welke betaling niet later dan op de vijfde (5 ^e) Werkdag na de Dag van Gestanddoening zal plaatsvinden en enkel in het geval dat de Bieder aankondigt het Bod gestand te doen
Overheidsinstantie	betekent elke Europese, nationale, provinciale, lokale of buitenlandse overheidsinstantie of andere Regelgevende Autoriteit, instantie, commissie, rechtbank, arbitragetribunaal of andere wetgevende, uitvoerende of gerechtelijke overheidsinstantie
Panden	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.5
Persoon	betekent elk natuurlijke persoon, vennootschap (met inbegrip van vennootschappen zonder winstoogmerk), vennootschap onder firma of commanditaire vennootschap, vennootschap met beperkte aansprakelijkheid, joint venture, vermogen, trust, vereniging, vereniging zonder rechtspersoonlijkheid, organisatie, met inbegrip van een regering of een politiek onderdeel of een agentschap of instantie daarvan of andere entiteit van welke aard dan ook (in elk geval met of zonder afzonderlijke rechtspersoonlijkheid)
Post-Closing Herstructureringsdrempel	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2
Post-Closing Fusie	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2

Post-Closing Fusiebesluiten

betekent de besluiten die aan de Effectenhouders op de BAVA worden voorgelegd, op voorwaarde dat (i) het Bod gestand wordt gedaan; (ii) de Post-Closing Herstructureringsdrempel is bereikt maar de Wettelijke Uitkoopdrempel uiteindelijk niet is bereikt na afwikkeling van de Aangemelde Effecten tijdens de Na-aanmeldingstermijn, en (iii) de Bieder Brill heeft geïnformeerd dat hij de Post-Closing Fusie wenst voort te zetten, tot goedkeuring van:

- (a) de implementatie van de Post-Closing Fusie; en
- (b) voor zover vereist op basis van Toepasselijke Wetgeving, de Verkoop van Aandelen en de Holdco Ontbinding, beide op voorwaarde dat de Post-Closing Fusie tot stand wordt gebracht

Post-Closing Governance Besluiten

betekent de besluiten die aan de Effectenhouders op de BAVA worden voorgelegd met betrekking tot:

- (a) de benoeming van de door de Bieder aangewezen personen als leden van de Raad van Commissarissen;
- (b) het aanvaarden van het ontslag van de leden van de Raad van Commissarissen en het verlenen van volledige en finale kwijting;
- (c) de wijziging van de statuten van Brill, in overeenstemming met de concept statutenwijzigingen in Hoofdstuk 12.1 (*Articles of Association following Settlement*), na Overdracht goed te keuren; en
- (d) de wijziging van de statuten van Brill, in overeenstemming met de concept statutenwijzigingen in Hoofdstuk 12.2 (*Articles of Association following Delisting*), na beëindiging van de beursnotering aan Euronext Amsterdam goed te keuren en Brill om te zetten in een besloten vennootschap met beperkte aansprakelijkheid

Preferente Aandelen

betekent de preferente aandelen in het aandelenkapitaal van Brill, elk met een nominale waarde van EUR 0,60

Prijs Fusieaandelen

heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2

PwC	betekent PricewaterhouseCoopers Accountants N.V.
Raad van Commissarissen	betekent de raad van commissarissen van Brill
Rabobank	betekent Coöperatieve Rabobank U.A.
Regelgevende Autoriteit	betekent elke bevoegde overheids-, administratieve, toezichhoudende, regelgevende, gerechtelijke, disciplinaire, handhavingsinstantie, agentschap, commissie, raad, organisatie, rechtbank, belastingautoriteit of arbitragetribunaal van enig rechtsgebied (met inbegrip van onderafdelingen, departementen of filialen van een van de voornoemde en elke relevante beurs), in elk van de gevallen supranationaal (met inbegrip van de Europese Unie), nationaal, federaal, staats-, provinciaal, regionaal, gemeentelijk of lokaal
Schuldfinanciering	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.5
STAK	betekent Stichting Administratiekantoor Koninklijke Brill, een stichting opgericht naar Nederlands recht, met statutaire zetel in Leiden, Nederland, kantoorhoudende te Plantijnstraat 2, 2321 JC Leiden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 41170065
STAK Overeenkomst	betekent de overeenkomst aangegaan tussen Brill en de Beschermingsstichting op 20 december 2023
Standpuntbepaling	betekent de standpuntbepaling van Brill van 21 december 2023, waarin de informatie uit artikel 18, lid 2 van het Bob is opgenomen
Superieur Bod	betekent een Alternatief Voorstel zal een "Superieur Bod" zijn indien aan alle volgende voorwaarden is voldaan: (a) het Alternatieve Voorstel, dat niet het gevolg is van een schending van Hoofdstuk 5.21 (<i>Exclusivity</i>), is een bonafide, geloofwaardig, ongevraagd schriftelijk aanbod of voorstel voor of met betrekking tot: (i) een openbaar bod op alle Effecten;

(ii) een directe of indirecte overname van alle of een aanzienlijk deel van alle activiteiten of activa van Brill Group; of

(iii) een juridische fusie (of omgekeerde overname) die resulteert in de controle over alle Effecten,

door een persoon die, naar het te goeder trouw oordeel van het Bestuur en de Raad van Commissarissen, rekening houdend met hun fiduciaire verplichtingen onder de Toepasselijke Nederlandse Wetgeving, een derde te goeder trouw is;

- (b) naar het te goeder trouw oordeel van het Bestuur en de Raad van Commissarissen, rekening houdend met hun fiduciaire plichten onder Toepasselijke Nederlandse Wetgeving en na raadpleging van hun financiële en juridische adviseurs, is het Alternatief Voorstel per saldo substantieel gunstiger voor Brill en het duurzame succes en de duurzame waardecreatie op lange termijn van haar onderneming, rekening houdend met de belangen van haar belanghebbenden (inclusief de Effectenhouders), dan de Transacties, rekening houdend met de identiteit en de staat van dienst van de Bieder en haar Gelieerde Partijen en die van een dergelijke derde partij, zekerheidsaspecten (waaronder zekerheid van financiering en naleving van alle Mededingingswetten), voorwaardelijkheid, het niveau en de aard van de vergoeding, de toekomstplannen van een dergelijke derde partij met betrekking tot Brill en de strategie van Brill, en het belang van alle belanghebbenden van Brill;
- (c) de vergoeding per Effect betaalbaar aan de Effectenhouders in verband met een dergelijk Alternatief Voorstel is in contanten en/of beursgenoteerde effecten en overschrijdt de Biedprijs (zoals verhoogd in overeenstemming met het Bob (indien van toepassing), maar exclusief, voor alle duidelijkheid, verhogingen ingevolge enig Herziene Bieding) met ten minste 10%; en
- (d) het Alternatief Voorstel is juridisch bindend voor de derde partij, zodanig dat de derde partij:

(i) zich jegens Brill heeft verbonden om (x) in het geval van een openbaar bod, met inachtneming van gebruikelijke aanvangs- of aanbiedingsvoorwaarden, een openbaar bod uit te brengen dat in overeenstemming is met dat Alternatief Voorstel binnen tien (10) weken na de openbare aankondiging van dat Alternatief Voorstel door de derde partij of (y) in het geval van een andere transactie die geen openbaar bod inhoudt, met inachtneming van het verkrijgen van vereiste regelgevende goedkeuringen en andere gebruikelijke voorwaarden zo spoedig mogelijk na de vereiste regelgevende goedkeuringen een dergelijke transactie te voltooien die in overeenstemming is met dat Alternatief Voorstel; en

(ii) publiekelijk haar intentie heeft aangekondigd om een transactie na te streven die in overeenstemming is met dat Alternatief Voorstel, met inbegrip van de voorgestelde vergoeding per Effect en de opschortende voorwaarden.

Toepasselijke Wetgeving

betekent alle toepasselijke wet- en regelgeving, met inbegrip van de toepasselijke bepalingen van de Wft en het Bob, de regels en voorschriften uitgevaardigd op grond van de Wft en het Bob, de Europese Verordening Marktmisbruik (596/2014), de beleidsregels en instructies van de AFM, de Wet op de Ondernemingsraden, de SER-Fusiegedragsregels, de regels en voorschriften van Euronext Amsterdam, het Burgerlijke Wetboek, en de relevante mededingingswetten en andere toepasselijke wet- en regelgeving op het gebied van Buitenlandse Directe Investeringen (*Foreign Direct Investments*)

Totale Minderheidsbedrag

heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2

Transacties

betekent het Bod en, voor zover van toepassing, de Wettelijke Uitkoopprocedure, Post-Closing Fusie en Andere Post-Closing Maatregelen

Treasury Effecten

betekent Effecten gehouden door Brill in haar eigen kapitaal

Tussentijdse Geconsolideerde Financiële Informatie

betekent de tussentijdse geconsolideerde financiële informatie van Brill voor de eerste zes (6) maanden van het boekjaar 2023

Referentiedatum	11 oktober 2023
Uiterlijke Datum	heeft de betekenis daaraan gegeven in Hoofdstuk 10.6.6
Uitgestelde Laatste Dag van Aanmelding	heeft de betekenis daaraan gegeven in Hoofdstuk 10.9
Verhuurder	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.5
Verkoop van Aandelen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2
Volledig Verwaterde	betekent dat alle opties, garanties, converteerbare instrumenten of andere rechten om op aandelen in te schrijven of aandelen te verwerven, uitgegeven door Brill Groep, in aanmerking worden genomen alsof ze volledig zijn verworven, uitgeoefend of geconverteerd, al naar gelang het geval
Voorwaarden	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.6.1
Werkdag	betekent een dag (anders dan een zaterdag of zondag) waarop banken en Euronext Amsterdam in Nederland gewoonlijk geopend zijn voor normale bedrijfsuitoefening
Wettelijke Uitkoopdrempel	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.1
Wettelijke Uitkoopprocedure	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.1

10.3 Het Bod

Onder de bepalingen en restricties van dit Biedingsbericht doet de Bieder hierbij een aanbevolen bod in contanten aan alle Effectenhouders om alle Effecten die door hen worden gehouden te verwerven.

Voor elk Aangemeld en Geleverd Effect zullen de Effectenhouders de Biedprijs van EUR 27,50 in contanten (cum dividend) ontvangen. De Biedprijs zal na aftrek zijn van (en worden verminderd door) enig (interim) dividend of enige andere uitkering, hetzij in contanten, in aandelen of anderszins, vastgesteld of gedaan tussen 12 oktober 2023 en de Dag van Overdracht (of, met betrekking tot Effecten die zijn aangeboden tijdens de Na-aanmeldingstermijn, een registratiedatum voorafgaand aan of op de datum van afwikkeling van die Aangemelde en Geleverde Effecten), in elk geval vóór enige toepasselijke bronbelasting en/of andere belastingen die in verband daarmee verschuldigd zijn.

De Biedprijs van EUR 27,50 (cum dividend) per Effect vertegenwoordigt een premie van ongeveer:

- (a) 39,6% ten opzichte van de slotkoers per Effect op de Referentiedatum;
- (b) 39,0% ten opzichte van de laatste drie (3) maanden gemiddelde dagelijkse volume-gewogen prijs per Effect voorafgaand aan en inclusief de Referentiedatum; en
- (c) 39,9% ten opzichte van de laatste twaalf (12) maanden gemiddelde dagelijkse volume-gewogen prijs per Effect voorafgaand aan en inclusief de Referentiedatum.

Ter referentie, de mediaan van biedpremies voor openbare biedingen op beursgenoteerde bedrijven aan Euronext Amsterdam tussen januari 2015 en maart 2023, ten opzichte van de volume-gewogen gemiddelde slotkoersen voor de drie-, zes- en twaalfmaandsperiode daarvoor, lag ongeveer tussen 30% en 40%.

Zie ook Hoofdstuk 5.2 (*Substantiation of the Offer Price*).

10.4 Rationale van de Transacties

De Bieder en Brill zijn van mening dat de Transactie en de daaruit volgende bedrijfscombinatie van de Bieder en Brill (een dergelijke combinatie van de Groep van de Bieder en de Brill Groep, de "**Combinatie**") in het beste belang van Brill is en het duurzame succes en de duurzame waardecreatie op de lange termijn van haar bedrijf bevordert, rekening houdend met de belangen van haar belanghebbenden, en dat de structuur van particulier eigendom strategische en andere voordelen zal opleveren voor Brill en haar bedrijf. De Combinatie zal een toonaangevende academische uitgeverij in de geesteswetenschappen creëren en biedt een unieke kans om organische groei te versnellen en de noodzakelijke schaalgrootte te bereiken.

Momenteel zijn Brill en de Bieder beide succesvolle middelgrote academische uitgevers die wereldwijd opereren en zich voornamelijk richten op onderzoek in de geesteswetenschappen en sociale wetenschappen, en zijn zij in de afgelopen decennia continu gegroeid, zowel organisch als door acquisities.

Met name Brill groeide haar omzet door organische groei en kleine tot middelgrote add-on acquisities van minder dan EUR 30 miljoen in 2013 naar EUR 48 miljoen in 2022. Ondanks de inspanningen, hebben Brill en de Bieder nog niet de schaalgrootte bereikt die nodig is om op de lange termijn concurrerend te blijven. Naarmate de markt verder digitaliseert en overgaat op open access publishing, is schaalgrootte in de bedrijfsvoering een steeds belangrijkere factor geworden om concurrerend te blijven, investeringen in de toekomst te financieren en efficiëntievoordelen te behalen. Aangezien Brill en de Bieder actief zijn in overlappende academische vakgebieden, markten en regio's, biedt de Combinatie sterke mogelijkheden voor duurzame groei. Gezien de snel veranderende omgeving van academisch publiceren, is het creëren van schaalgrootte door het aangaan van een combinatie met een strategische partner een aantrekkelijke oplossing voor zowel

Brill als de Bieder om een sterke marktpositie op de lange termijn te verwerven. Als gezamenlijke onderneming zullen Brill en de Bieder beschikken over een sterke wereldwijde salesorganisatie die nodig is om de groei in pakketlicentieovereenkomsten en de complexiteit van de transformatie naar open access publishing aan te kunnen. Brill en de Bieder zullen samen de wereldwijde toonaangevende academische uitgever in de Geesteswetenschappen en Sociale Wetenschappen creëren, met meer dan 3.500 boeken en 800 tijdschriften, wat de mogelijkheid biedt om sterkere relaties op te bouwen met auteurs, redacteurs en academische instellingen wereldwijd. Het bundelen van de krachten zal Brill en de Bieder ook verder in staat stellen om de noodzakelijke investeringen in kunstmatige intelligentie technologie te doen, talent aan te trekken en te behouden en effectievere sales & marketing mogelijk te maken. De strategische rationale wordt ondersteund door vergelijkbare culturele waarden. Zowel Brill als de Bieder zijn diep geworteld in de academische gemeenschap, gebouwd op een lange traditie, waarbij kwaliteit, integriteit en stakeholderrelaties centraal staan. De combinatie van twee eeuwenoude uitgeverijen, die de naam De Gruyter Brill zal dragen, waarmee het belang van het rijke erfgoed en de familieachtergrond van beide bedrijven wordt aangegeven, zal een sterke aanwezigheid blijven houden in belangrijke academische markten wereldwijd en ongeveer 750 werknemers in dienst hebben. Gezien de culturele en strategische overeenkomsten, zal de Combinatie in staat zijn om kosten te besparen door de complexiteit te verminderen, de digitale transformatie te versnellen en operationele synergiën te benutten.

Het Bod in contanten biedt Effectenhouders de mogelijkheid om onmiddellijk waarde voor hun Effecten te realiseren, hetgeen het potentieel van Brill weerspiegelt tegen een aantrekkelijke prijs voor de Effectenhouders, en elimineert prijsrisico's gerelateerd aan de huidige operationele en macro-economische omstandigheden en de executie van Brill's strategie. De Biedprijs vertegenwoordigt een aantrekkelijke premie zoals beschreven in Hoofdstuk 10.3 (*Het Bod*).

10.5 Financiering van het Bod

Onder verwijzing naar artikel 7 lid 4 van het Bob heeft de Bieder op 12 oktober 2023 aangekondigd dat hij voldoende middelen beschikbaar heeft om het Bod te voltooien. De Bieder zal het Bod financieren door een combinatie van schuldfinanciering (de "**Schuldfinanciering**") en eigen kasreserves.

De Schuldfinanciering zal worden verkregen door middel van een "sale and lease back"-structuur waarbij de Bieder twee panden in Berlijn, Duitsland (de "**Panden**") zal verkopen voor een totale verkoopprijs van EUR 48,9 miljoen aan Doruto GmbH & Co. KG (de "**Verhuurder**") en vervolgens de Panden terughuurt van de Verhuurder. De Bieder zal de verkoopprijs van EUR 48,9 miljoen ontvangen. De Verhuurder wordt bestuurd door Doruto Verwaltung GmbH, welke volledig eigendom is van LHI Leasing groep. Het belang in de Verhuurder zal worden gehouden door de Bieder (*Kommanditanteile*). LHI Leasing groep zal geen belang hebben in de Verhuurder.

De financiering van de verkoopprijs van de Panden is afhankelijk van het verkrijgen van de schuldfinanciering van Landesbank Baden-Württemberg (de "**Bank**") door de Verhuurder. Hiertoe zijn de Bieder, LHI Leasing groep en de Bank bindende financieringsdocumentatie aangegaan met betrekking tot de door de Bank te verstrekken Schuldfinanciering, die slechts onderworpen is aan bepaalde gebruikelijke voorwaarden.

De Bieder heeft geen reden om aan te nemen dat enige voorwaarden die van toepassing zijn op de Schuldfinanciering niet zullen worden vervuld op of voorafgaand aan de Dag van Overdracht.

10.6 Voorwaarden en afstand

10.6.1 Voorwaarden om het Bod gestand te doen

De Bieder zal het Bod gestand doen op voorwaarde dat aan de volgende opschortende voorwaarden (de "**Voorwaarden**") is voldaan of daarvan afstand is gedaan in overeenstemming met Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*) op de Dag van Gestanddoening of, in geval van sub (a)

(*Aanvaardingsdrempel*) hieronder, de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval:

Aanvaardingsdrempel

- (a) er zal een aantal Effecten (exclusief Treasury Effecten) zijn geweest dat geldig is aangeboden en niet is ingetrokken (of gebrekkig zijn aangeboden, indien de Bieder een dergelijke gebrekkige aanbieding accepteert) onder het Bod dat, samen met (i) de Effecten die, direct of indirect, in eigendom zijn van de Groep van de Bieder, (ii) enige Effecten die schriftelijk zijn toegezegd aan de Bieder of de Groep van de Bieder en (iii) enige Effecten die de Bieder gekocht heeft maar nog niet geleverd zijn (gezamenlijk de "**Aangemelde Effecten**"), ten minste de Aanvaardingsdrempel vertegenwoordigen, waarbij "**Aanvaardingsdrempel**" 95% betekent van Brill's totale uitgegeven en uitstaande Effecten op een Volledig Verwaterde basis (exclusief de Treasury Effecten) op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval, welk percentage automatisch zal worden verlaagd tot 80% van het totaal van uitgegeven en uitstaande Effecten van Brill op een Volledig Verwaterde basis (exclusief de Treasury Effecten) op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval, indien (x) de Post-Closing Fusiebesluiten zijn aangenomen en volledig van kracht zijn en (y) er geen Bevel is uitgevaardigd of afgekondigd met betrekking tot de Post-Closing Fusie;

Geen schending door Brill

- (b) Brill de voorwaarden van het Fusieprotocol niet heeft geschonden voor zover een dergelijke schending (i) materiële nadelige gevolgen heeft of redelijkerwijs verwacht kan worden te hebben voor Brill, de Bieder of de Transacties; en (ii) niet hersteld kan worden of niet hersteld is (voor zover noodzakelijk) binnen tien (10) Werkdagen na ontvangst door Brill van een schriftelijke kennisgeving van de Bieder (of, indien eerder, drie (3) Werkdagen voor de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval);

Geen schending door de Bieder

- (c) de Bieder de voorwaarden van het Fusieprotocol niet heeft geschonden voor zover een dergelijke schending (i) materiële nadelige gevolgen heeft of redelijkerwijs verwacht kan worden te hebben voor Brill, de Bieder of de Transacties; en (ii) niet hersteld kan worden of niet hersteld is (voor zover noodzakelijk) binnen tien (10) Werkdagen na ontvangst door de Bieder van een schriftelijke kennisgeving van Brill (of, indien eerder, drie (3) Werkdagen voor de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval);

Geen Materieel Nadelig Effect

- (d) er geen Materieel Nadelig Effect heeft plaatsgevonden of de Bieder bekend is geworden sinds de datum van het Fusieprotocol;

Geen Nadelige Verandering van de Aanbeveling

- (e) er geen Nadelige Verandering van de Aanbeveling heeft voorgedaan die niet is hersteld in overeenstemming met de bepalingen van het Fusieprotocol;

Geen Superieur Bod of verplicht bod

- (f) er geen Superieur Bod is aangekondigd of gedaan en er geen aankondiging is gedaan van een verplicht bod op de Effecten op grond van artikel 5:70 Wft met een vergoeding die ten minste gelijk is aan de Biedprijs;

Onherroepelijke Verbintenisovereenkomsten van Effectenhouders

- (g) de Onherroepelijke Verbintenisovereenkomsten van Effectenhouders volledig van kracht en deze niet geschonden, beëindigd of gewijzigd zijn;

Beschermingsstichting Overeenkomst

- (h) de Beschermingsstichting de calloptie onder de Optieovereenkomst niet geheel of gedeeltelijk heeft uitgeoefend, er geen Preferente Aandelen zijn uitgegeven en de Beschermingsstichting Overeenkomst volledig van kracht is en deze niet geschonden, beëindigd of gewijzigd is;

STAK Overeenkomst

- (i) de STAK ermee heeft ingestemd stemvolmachten af te geven en bindende steminstructies te aanvaarden van de Certificaathouders met betrekking tot de Besluiten en de STAK Overeenkomst volledig van kracht is en deze niet geschonden, beëindigd of gewijzigd is;

Geen recht om in te schrijven op Effecten

- (j) de Bieder en Brill niet het recht hebben verkregen in te schrijven op Effecten, of niet hebben ingestemd in te schrijven op Effecten;

Geen opschorting of beëindiging van de handel

- (k) de handel in de Effecten op Euronext Amsterdam niet permanent is opgeschort of beëindigd als gevolg van een maatregel van de AFM of een noteringsmaatregel van Euronext Amsterdam overeenkomstig artikel 6901/2 of enige andere relevante bepaling van Euronext Rulebook I (Harmonised Rules);

Geen AFM melding overtreding Wft

- (l) er geen melding is ontvangen van de AFM dat op grond van artikel 5:80 lid 2 Wft een of meer beleggingsondernemingen niet mogen meewerken aan het Bod;

Post-Closing Governance Besluiten

- (m) de Post-Closing Governance Besluiten op de BAVA zijn aangenomen en volledig van kracht zijn; en

Geen Bevel

- (n) er geen Bevel is uitgevaardigd of van kracht geworden met betrekking tot de Transacties (anders dan de Post-Closing Fusie).

10.6.2 Afstand van de Voorwaarden

De in Hoofdstuk 10.6.1(a) (*Aanvaardingsdrempel*) genoemde Voorwaarde is uitsluitend ten behoeve van de Bieder opgenomen en de Bieder kan daarvan te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke kennisgeving aan Brill, op voorwaarde dat het afstand doen door de Bieder van deze Voorwaarde de voorafgaande schriftelijke goedkeuring van het Bestuur en de Raad van Commissarissen vereist indien het totaal van de Aangemelde Effecten op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval, minder bedraagt dan 75% van de totale uitgegeven en uitstaande Effecten op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval, en op voorwaarde dat indien de Bieder afstand doet van de in Hoofdstuk 10.6.1(a) (*Aanvaardingsdrempel*) genoemde Voorwaarde onder (y) met betrekking tot het ontbreken van een Bevel dat gericht is tegen de Post-Closing Fusie, Brill niet verplicht is om mee te werken aan de uitvoering van de Post-Closing Fusie zonder haar voorafgaande schriftelijke goedkeuring.

De Voorwaarden opgenomen in Hoofdstukken 10.6.1(b) (*Geen schending door Brill*), 10.6.1(d) (*Geen Materieel Nadelig Effect*), 10.6.1(e) (*Geen Nadelige Verandering in de Aanbeveling*), 10.6.1(f) (*Geen Superieur Bod of verplicht bod*), 10.6.1(g) (*Onherroepelijke Verbintenisovereenkomsten van Effectenhouders*), 10.6.1(h) (*Beschermingsstichting Overeenkomst*), 10.6.1 (i) (*STAK Overeenkomst*), 10.6.1(j) (*Geen recht om in te schrijven op Effecten*) en 10.6.1(n) (*Post-Closing Governance Besluiten*) zijn uitsluitend ten behoeve van de Bieder opgenomen en de Bieder kan daarvan te allen tijde, naar eigen goeddunken, (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke kennisgeving aan Brill.

De Voorwaarden opgenomen in Hoofdstukken 10.6.1(k) (*Geen opschorting of beëindiging van de handel*) en 10.6.1(o) (*Geen Bevel*) zijn ten behoeve van zowel de Bieder als Brill opgenomen en de Bieder en Brill kunnen daarvan uitsluitend gezamenlijk schriftelijk afstand doen, voor zover toegestaan onder Toepasselijke Wetgeving.

De Voorwaarde opgenomen in Hoofdstuk 10.6.1(c) (*Geen schending door de Bieder*) is uitsluitend ten behoeve van Brill opgenomen en Brill kan daarvan te allen tijde, naar eigen goeddunken, (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke kennisgeving aan de Bieder.

Van de Voorwaarde opgenomen in Hoofdstuk 10.6.1(l) (*Geen AFM melding overtreding Wft*) kan geen afstand worden gedaan.

De Bieder en Brill kunnen geen beroep doen op één van de Voorwaarden indien de niet-vervulling van dergelijke Voorwaarde(n) wordt veroorzaakt door een materiële schending van de betreffende partij van een van haar verplichtingen onder het Fusieprotocol.

10.6.3 Geen Materieel Nadelig Effect

Voor zover de Bieder weet, zijn er op de datum van dit Biedingsbericht geen effecten die, gezamenlijk, zouden resulteren in een Materieel Nadelig Effect.

10.6.4 Nadelige Verandering van de Aanbeveling

Voor zover de Bieder weet, heeft zich op of voor de datum van dit Biedingsbericht geen Nadelige Verandering van de Aanbeveling voorgedaan.

10.6.5 Vervulling

De vervulling van elk van de Voorwaarden is niet afhankelijk van de wil van de Bieder, zoals verboden bij artikel 12 lid 2 van het Bob.

De Bieder en Brill zullen met elkaar in overleg treden en zowel de Bieder als Brill verplichten zich om zich naar beste vermogen in te spannen zo spoedig als redelijkerwijs mogelijk is aan de Voorwaarden te voldoen. De Bieder en Brill zullen alle verzoeken en kennisgevingen doen die worden vereist door de Voorwaarden en zullen zich naar redelijkheid inspannen om ervoor te zorgen dat alle informatie die wordt gevraagd door relevante Overheidsinstanties, in verband met dergelijke verzoeken en kennisgevingen, zo snel als redelijkerwijs mogelijk is, wordt verstrekt. Indien de Bieder of Brill zich op enig moment bewust wordt van een feit of omstandigheid waarvan redelijkerwijs aannemelijk is dat deze de vervulling van een Voorwaarde in de weg staat, zal zij zo spoedig als redelijkerwijs mogelijk is de andere partij daarvan schriftelijk en voldoende gedetailleerd op de hoogte stellen. Indien de Bieder of Brill zich op enig moment van bewust wordt dat aan een Voorwaarde is voldaan, zal zij de andere partij daarvan onverwijld op de hoogte stellen.

Ten aanzien van de Voorwaarde opgenomen in Hoofdstuk 10.6.1(d) (*Geen Materieel Nadelig Effect*), zijn de Bieder en Brill een bindend adviesprocedure overeengekomen voor het geval er tussen de Bieder en Brill geen overeenstemming bestaat over het vervuld zijn van die Voorwaarde, zie Hoofdstuk 5.5.5 (*Satisfaction*) voor meer informatie.

10.6.6 Uiterlijke datum

De Voorwaarden moeten zijn vervuld of hiervan moet afstand van worden gedaan vóór 12 oktober 2024 (de "**Uiterlijke Datum**").

10.7 Aanmelding

De Aanmeldingstermijn vangt aan om 9:00 uur, Amsterdamse tijd op 22 december 2023 en eindigt om 17:40 uur, Amsterdamse tijd op 15 februari 2024, tenzij verlengd in overeenstemming met artikel 15 van het Bob en de bepalingen van dit Biedingsbericht.

Indien op de Laatste Dag van Aanmelding één of meer Voorwaarden zoals uiteengezet in Hoofdstuk 10.6 (*Voorwaarden en afstand*) niet zijn vervuld of daarvan afstand is gedaan, kan de Bieder de Aanmeldingstermijn eenmaal verlengen met minimaal twee (2) weken en maximaal tien (10) weken. Zie ook Hoofdstuk 10.9 (*Verlenging*).

Als op de Laatste Dag van Aanmelding alle Voorwaarden zijn vervuld of, indien van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aangemelde Effecten accepteren waarvan de aanmelding niet eerder is herroepen in overeenstemming met de procedures zoals uiteengezet in Hoofdstuk 10.8 (*Recht tot herroeping*).

10.8 Recht tot herroeping

Effecten die zijn aangeboden op of vóór de Laatste Dag van Aanmelding kunnen niet worden herroepen, behoudens het recht tot herroeping van elke aanmelding tijdens de verlenging van de Aanmeldingstermijn in overeenstemming met de bepalingen van artikel 5b, lid 5, artikel 15, leden 3 en 8 en artikel 15a, lid 3 van het Bob.

De Aanmelding wordt herroepen door een daartoe strekkende schriftelijke kennisgeving aan de Aangesloten Instelling of Afwikkelingskantoor, zoals nader beschreven in Hoofdstuk 4.4 (*Withdrawal rights*).

Een herroeping van de aanmelding van Effecten kan niet worden teruggedraaid. Gedurende de Na-aanmeldingstermijn kan de aanmelding van Effecten niet worden herroepen.

Zie Hoofdstuk 4.4 (*Withdrawal rights*) voor meer informatie.

10.9 Verlenging

Indien op de oorspronkelijke Laatste Dag van Aanmelding één of meer Voorwaarden niet zijn vervuld en daarvan evenmin afstand is gedaan, mag de Bieder, zonder voorafgaande toestemming door Brill en in overeenstemming met artikel 15, lid 2 van het Bob, de Aanmeldingstermijn eenmaal verlengen met minimaal twee (2) weken en maximaal tien (10) weken vanaf de oorspronkelijke Laatste Dag van Aanmelding.

Als de Aanmeldingstermijn wordt verlengd, worden alle verwijzingen in dit Biedingsbericht naar "Laatste Dag van Aanmelding" en "17:40 uur", geacht te zijn gewijzigd in de laatste datum en het laatste tijdstip waartoe Laatste Dag van Aanmelding aldus is verlengd (de "**Uitgestelde Laatste Dag van Aanmelding**"), tenzij de context anders vereist.

Indien de Aanmeldingstermijn wordt verlengd, waardoor de verplichting ingevolge artikel 16 van het Bob om bekend te maken of het Bod gestand wordt gedaan wordt uitgesteld, zal een openbare mededeling daaromtrent uiterlijk op de derde (3^e) Werkdag na de oorspronkelijke Laatste Dag van Aanmelding worden gedaan overeenkomstig het bepaalde in artikel 15 leden 1 en 2 van het Bob. Indien de Bieder de Aanmeldingstermijn verlengt, zal het Bod eindigen op het laatste tijdstip en de laatste datum waartoe de Bieder de Aanmeldingstermijn verlengt.

Gedurende een verlenging van de Aanmeldingstermijn zullen alle Effecten die reeds zijn aangemeld, en niet rechtsgeldig zijn herroepen, aangemeld onder het Bod blijven, behoudens het recht op herroeping in overeenstemming met Hoofdstuk 10.8 (*Recht tot herroeping*).

10.10 Gestanddoening

De Bieder zal het Bod gestand doen op voorwaarde dat aan de Voorwaarden is voldaan of daarvan afstand is gedaan, zie ook Hoofdstuk 10.6 (*Voorwaarden en afstand*). Van de Voorwaarden kan afstand worden gedaan, voor zover toegestaan door Toepasselijk Recht, zoals uiteengezet in Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*). Indien afstand wordt gedaan van enige Voorwaarde in overeenstemming met Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*), zal de Bieder de Effectenhouders informeren zoals vereist door de Toepasselijke Wetgeving.

Op de Dag van Gestanddoening (d.w.z. niet later dan de derde (3^e) Werkdag na de Laatste Dag van Aanmelding) zal de Bieder bepalen of aan de Voorwaarden is voldaan of dat daarvan afstand is gedaan zoals uiteengezet Hoofdstuk 10.6 (*Voorwaarden en afstand*), voor zover dit is toegestaan door Toepasselijke Wetgeving. Daarnaast zal de Bieder op de Dag van Gestanddoening bekendmaken of (i) het Bod gestand wordt gedaan, (ii) de Aanmeldingstermijn wordt verlengd in overeenstemming met artikel 15 van het Bob, of (iii) het Bod wordt beëindigd als gevolg van het niet voldoen aan of afstand doen van één van de Voorwaarden zoals uiteengezet in Hoofdstuk 10.6.1 (*Voorwaarden om het Bod gestand te doen*), een en ander in overeenstemming met Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*) en Hoofdstuk 10.6.5 (*Vervulling*) en artikel 16 van het Bob. In het geval dat het Bod niet gestand wordt gedaan, zal de Bieder deze beslissing toelichten.

10.11 Overdracht

In het geval dat de Bieder aankondigt dat het Bod gestand wordt gedaan, zal de Bieder alle Aangemelde Effecten accepteren en de betaling van de Biedprijs aan de Effectenhouders die hun Effecten ter acceptatie hebben aangeboden uiterlijk op de Dag van Overdracht verrichten met betrekking tot elk Aangemeld en Geleverd Effect op de voorwaarden en onder de beperkingen van het Bod. De Bieder kan niet garanderen dat Effectenhouders de betaling binnen deze termijn zullen ontvangen.

10.12 Na-aanmeldingstermijn

In het geval dat de Bieder het Bod gestand doet, zal de Bieder, in overeenstemming met artikel 17 van het Bob, binnen drie (3) Werkdagen na het gestand doen van het Bod een na-aanmeldingstermijn van maximaal twee (2) weken (de "**Na-aanmeldingstermijn**") aankondigen om Effectenhouders die hun Effecten niet hebben aangeboden tijdens de Aanmeldingstermijn in de gelegenheid te stellen hun Effecten aan te bieden tijdens de Na-aanmeldingstermijn onder dezelfde voorwaarden en beperkingen als het Bod.

De Bieder zal de resultaten van de Na-aanmeldingstermijn en het totale bedrag en het totale percentage van de door de Bieder gehouden Effecten uiterlijk op de derde (3^e) Werkdag na de laatste dag van de Na-aanmeldingstermijn openbaar mededelen, in overeenstemming met artikel 17, lid 4 van het Bob.

Tijdens de Na-aanmeldingstermijn hebben Effectenhouders geen recht om geldig Aangemelde Effecten (of Effecten die gebrekkig zijn aangeboden, op voorwaarde dat de Bieder afstand heeft gedaan van een dergelijk gebrek) die zijn aangeboden tijdens de Aanmeldingstermijn of de Na-aanmeldingstermijn terug te trekken uit het Bod. Effectenhouders zullen voor elk Aangemeld Effect dat is geleverd voor aanvaarding ingevolge het Bod tijdens de Na-aanmeldingstermijn, uiterlijk op de vijfde (5^e) Werkdag na afloop van de Na-aanmeldingstermijn de Biedprijs ontvangen in overeenstemming met de voorwaarden en restricties van het Bod. De Bieder kan niet garanderen dat Effectenhouders de betaling binnen deze periode zullen ontvangen.

Vanaf de relevante afwikkelingsdatum is herroeping, ontbinding of vernietiging van de inschrijving, verkoop of levering van enig Effect dat is aangeboden tijdens de Na-aanmeldingstermijn niet mogelijk.

10.13 Aanvaarding door Effectenhouders

Effectenhouders die Effecten houden via een Aangesloten Instelling dienen hun aanvaarding van het Bod via hun bewaarnemer, bank of commissionair bekend te maken, uiterlijk om 17:40 uur, Amsterdamse tijd op de Laatste Dag van Aanmelding, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met Hoofdstuk 10.9 (*Verlenging*). De betreffende bewaarnemer, bank of commissionair kan een eerdere deadline vaststellen voor de communicatie door Effectenhouders zodat de bewaarnemer, bank of commissionair voldoende tijd heeft om de Aanmelding door te geven aan het Afwikkelingskantoor.

Aangesloten Instellingen mogen de Effecten slechts schriftelijk en slechts bij het Afwikkelingskantoor onder het Bod aanmelden. De Aangesloten Instellingen worden verzocht de Effecten aan te melden via Euroclear Nederland (via Swift-bericht MT565). Bij het aanmelden van de Effecten moeten de Aangesloten Instellingen een verklaring overleggen aan het Afwikkelingskantoor met daarin de namen en het aantal Effecten voor alle gevallen waarin Effectenhouders meer dan 10.000 Effecten aanmelden. Bij het aanmelden van de Effecten moeten Aangesloten Instellingen verder verklaren dat: (i) zij de Aangemelde Effecten in hun administratie hebben opgenomen, (ii) iedere betrokken Effectenhouder onherroepelijk garandeert dat (a) voldaan is aan alle restricties die worden genoemd in Hoofdstuk 10.1 (*Restricties en belangrijke informatie*) en (b) het niet, direct of indirect is onderworpen aan of getroffen door enige economische of financiële sanctie uitgevoerd of afgedwongen door enig orgaan van de Amerikaanse overheid, de Europese Unie of een van haar lidstaten of de Verenigde Naties, anders dan enkel uit hoofde van zijn opname in, of eigendom door een persoon opgenomen in de Amerikaanse "*Sectoral Sanctions Identifications (SSI) List*" of Annex III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014 en (iii) zij zich verplicht om de Aangemelde Effecten tegen ontvangst van de Biedprijs te leveren aan de Bieder voor of uiterlijk op de Dag van Overdracht, onder de voorwaarde dat het Bod gestand wordt gedaan.

Hoewel onder normale omstandigheden de relevante Aangesloten Instellingen ervoor zullen zorgdragen dat de Aangemelde Effecten worden geleverd aan de Bieder, worden Effectenhouders erop gewezen dat iedere Effectenhouder zelf verantwoordelijk is voor de levering van deze Aangemelde Effecten aan de Bieder, indien de Effectenhouder hiertoe opdracht geeft.

Met inachtneming van artikel 5b lid 5, artikel 15, leden 3 en 8 en artikel 15a, lid 3 van het Bob, zal het aanmelden van Effecten als aanvaarding van het Bod leiden tot onherroepelijke instructies om (i) de levering van de Aangemelde Effecten tegen te houden, waardoor op of voorafgaand aan de Dag van Overdracht geen van de leveringen van de Effecten uitgevoerd kan worden (anders dan aan het Afwikkelingskantoor op of voorafgaand aan de Dag van Overdracht indien het Bod gestand wordt gedaan en de Aangemelde Effecten zijn aanvaard voor aankoop) en (ii) de effectenrekening waarop dergelijke Aangemelde Effecten worden gehouden op de Dag van Overdracht te debiteren ten aanzien van alle Aangemelde Effecten, tegen betaling bij het Afwikkelingskantoor van de Biedprijs per Effect.

Effectenhouders die Geregistreerde Aandelen houden die individueel zijn ingeschreven in het aandeelhoudersregister van Brill die het Bod met betrekking tot die Geregistreerde Aandelen wensen te aanvaarden, dienen een ingevuld en ondertekend aanvaardingsformulier in te leveren bij het Afwikkelingskantoor. Ingevolde aanvaardingsformulieren dienen uiterlijk om 17:40 uur, Amsterdamse tijd op de Laatste Dag van Aanmelding door het Afwikkelingskantoor te zijn ontvangen, tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met Hoofdstuk 10.9 (*Verlenging*). De aanvaardingsformulieren zijn op verzoek verkrijgbaar bij het Afwikkelingskantoor via corporate.broking@nl.abnamro.com. Ingevolde en ondertekende aanvaardingsformulieren kunnen via hetzelfde e-mailadres worden ingediend.

Het aanvaardingsformulier zal tevens dienen als akte van levering met betrekking tot de Effecten waarnaar daarin wordt verwezen.

10.14 Besluitvorming en aanbeveling van het Bestuur en de Raad van Commissarissen

In 2022 en begin 2023 hebben het Bestuur en de Raad van Commissarissen een strategische analyse uitgevoerd om alle beschikbare strategische opties te identificeren, te beoordelen en te evalueren, met de nadruk op het duurzame succes van de Brill-activiteiten op de lange termijn en rekening houdend met de belangen van alle belanghebbenden van Brill, met als conclusie dat in het licht van (a) de snel veranderende omgeving van academisch publiceren, onder andere gedreven door digitalisering en nieuwe bedrijfsmodellen zoals Open Access, waardoor schaal een steeds belangrijkere factor wordt om concurrerend te blijven en investeringen voor de toekomst te financieren, (b) het feit dat Brill nog niet de schaal heeft bereikt die nodig is om op lange termijn concurrerend te blijven, ondanks de overnames van meer dan 20 bedrijven in de afgelopen tien jaar, en (c) diverse systemen en activiteiten van Brill verouderd zijn en moeten worden aangepast en in worden geïnvesteerd om groei en digitalisering mogelijk te maken en een duurzame basis voor de toekomst te bieden, zou een overname van Brill door een strategische partner de mogelijkheid kunnen bieden de bovengenoemde noodzakelijke schaal te bereiken om een duurzame sterke marktpositie te verwerven, nu en in de toekomst, en om de organische groei te versnellen.

Als onderdeel van de strategische evaluatie hebben het Bestuur en de Raad van Commissarissen ook de volgende selectiecriteria vastgesteld om, indien en wanneer relevant, te evalueren of en hoe strategische partners de belangen van Brill en haar belanghebbenden zouden kunnen dienen: (i) gedeelde visie, missie en waarden; (ii) betrokkenheid op lange termijn, met behoud van het erfgoed van Brill; (iii) sterke administratie, operaties en technologie, leidend tot een versnelling van de digitale transformatie bij Brill; (iv) capaciteit om te integreren en potentieel synergiën te realiseren; (v) vergelijkbare bedrijfscultuur; (vi) continuïteit van de locatie Leiden en Brill's imprint; (vii) commitment voor kwaliteitscontrole; en (viii) publicatie van een verscheidenheid aan producttypen in Brill's kernvakgebieden mogelijk maken.

In de maanden mei, juni en juli, hadden verschillende partijen vergelijkbare contacten met het management van Brill om te zorgen voor een gelijk speelveld en kregen ze meer informatie over en inzicht in Brill, zodat ze hun bod konden verbeteren. Na de bovenvermelde vergaderingen met het management van Brill bleven de partijen hun interesse in een transactie met Brill uiten en dienden zij in de tweede helft van juli herziene niet-bindende biedingen in.

In overeenstemming met hun fiduciaire plichten hebben het Bestuur en de Raad van Commissarissen, bijgestaan door hun financiële en juridische adviseurs, alle aspecten van de niet-bindende biedingen zorgvuldig beoordeeld en geëvalueerd, inclusief onder andere de strategische merites, dealzekerheid, financiële, niet-financiële, integrale, operationele en sociale aspecten en andere voorwaarden van de niet-bindende biedingen. Dit heeft ertoe geleid dat het Bestuur en de Raad van Commissarissen de voorkeur hebben gegeven aan voortzetting van het proces uitsluitend met de Bieder en dat Brill op 14 augustus 2023 een exclusiviteitsovereenkomst is aangegaan met de Bieder, waarbij de Bieder en zijn adviseurs in de gelegenheid zijn gesteld om een due diligence-onderzoek uit te voeren naar Brill en haar activiteiten, bestaande uit een beoordeling van documenten die beschikbaar zijn gesteld in een door Brill en haar adviseurs opgestelde virtuele dataroom waartoe Bieder en haar adviseurs op 4 september 2023 toegang hebben gekregen en de mogelijkheid om vragen te stellen en deel te nemen aan expertsessies.

Tijdens het due diligence onderzoek en daarna hebben Brill en de Bieder verder vergaderd en onderhandeld over de voorwaarden van de potentiële transactie, waaronder het Fusieprotocol. Verschillende concepten en mark-ups van het Fusieprotocol werden uitgewisseld tussen Brill en de Bieder, met name over bepalingen met betrekking tot de strategische rationale, integratieprincipes en niet-financiële convenanten. Gedurende dit proces hebben het Bestuur en de Raad van Commissarissen, samen met hun financiële en juridische adviseurs, de ontwikkelingen met betrekking tot de potentiële transactie en daarmee samenhangende belangrijke beslissingen veelvuldig en uitgebreid besproken en hebben het Bestuur en de Raad van Commissarissen een aantal aspecten overwogen, waaronder, maar niet beperkt tot, de acht bovengenoemde selectiecriteria.

Op 11 oktober 2023 heeft AXECO een fairness opinion afgegeven aan het Bestuur en de Raad van Commissarissen, en heeft Rabobank een afzonderlijke schriftelijke fairness opinion afgegeven aan de Raad van Commissarissen, elk met als strekking dat, met inachtneming van de in de respectieve opinie opgenomen kwalificaties en aannames, de Biedprijs vanuit financieel oogpunt billijk is voor de Effectenhouders, en de koopprijs voor de aandeel(en) in het kapitaal van Brill Sub in verband met de Aandelenverkoop vanuit financieel oogpunt billijk is voor Brill Holdco (de "**Fairness Opinions**"). De volledige tekst van de Fairness Opinions, waarin de gemaakte veronderstellingen, de gevolgde procedures, de in overweging genomen aangelegenheden en de beperkingen van het onderzoek in verband met elk van deze opinies worden uiteengezet, is opgenomen in de Standpuntbepaling.

Vanaf het begin hebben het Bestuur en de Raad van Commissarissen in hun beraadslagingen en besluitvormingsproces de nodige aandacht besteed aan (de schijn van) potentiële belangenverstrengeling tussen enig lid van het Bestuur en de Raad van Commissarissen en Brill met betrekking tot de Transactie. Om elke (schijn van) belangenverstrengeling te vermijden, heeft de heer Niessen, lid van de Raad van Commissarissen, gezien zijn indirecte belang van meer dan 20% in Brill via Mont Cervin Sàrl, niet deelgenomen aan de beraadslagingen en besluitvorming van het Bestuur en de Raad van Commissarissen met betrekking tot de Transacties.

Na uitgebreid juridisch en financieel advies te hebben ontvangen en alle omstandigheden en alle aspecten van de Transactie zorgvuldig te hebben overwogen, zijn het Bestuur en de Raad van Commissarissen (die, voor alle duidelijkheid, de heer Niessen, lid van de Raad van Commissarissen, uitsluit) van mening dat de Bieder een overtuigend bod heeft gedaan dat een aantrekkelijke premie in contanten voor de Effectenhouders vertegenwoordigt, evenals gunstige niet-financiële voorwaarden. Het Bestuur en de Raad van Commissarissen concluderen unaniem dat het Bod in het beste belang is van de Brill en het duurzame succes en de duurzame lange termijn waardecreatie van haar onderneming bevordert, rekening houdend met de belangen van haar stakeholders.

Brill en de Bieder hebben het Fusieprotocol op 12 oktober 2023 ondertekend. Op dezelfde dag kondigden Brill en de Bieder gezamenlijk aan dat zij voorwaardelijke overeenstemming hadden bereikt over de belangrijkste voorwaarden van het Bod, zie Hoofdstuk 11 (*Press releases*).

Met verwijzing naar het bovenstaande, en met inachtneming van Hoofdstukken 5.21 (*Exclusivity*), 5.22 (*Potential Superior Offer*) en 5.23 (*Superior Offer*) van dit Biedingsbericht, ondersteunen het Bestuur en de Raad van Commissarissen unaniem (i) de Transactie, (ii) bevelen zij de Effectenhouders aan om hun Effecten in te brengen in het Bod, en (iii) bevelen zij de Effectenhouders aan om voor de Besluiten te stemmen in de BAVA (de "**Aanbeveling**").

Op de datum van dit Biedingsbericht heeft Brill een Standpuntbepaling gepubliceerd op grond van artikel 18a van het Bob, waarin de Aanbeveling en een uitgebreidere toelichting op het besluitvormingsproces zijn opgenomen.

10.15 Mogelijke Post-Closing herstructureringsmaatregelen en toekomstige juridische structuur

Gelet op de strategische rationale van de Transacties, beoogt de Bieder uiteindelijk 100% van de Effecten of alle activa en activiteiten van Brill te verwerven. De bereidheid van de Bieder om de Biedprijs te betalen is gebaseerd op een dergelijke verkrijging. Daartoe kan de Bieder na Overdracht en na de Overdracht van de Effecten aangemeld tijdens de Na-aanmeldingstermijn de maatregelen nemen zoals uiteengezet in de Hoofdstukken 5.12.2 (*Statutory Buy-Out Proceedings*), 5.12.3 (*Post-Closing Merger*) en 5.12.4 (*Other Post-Closing Measures*).

De Bieder behoudt zich het recht voor van iedere juridisch toegestane methode gebruik te maken om alle Effecten (of de volledige eigendom van de onderneming van Brill) te verwerven en de bedrijfs- en financieringsstructuur van Brill te optimaliseren.

De verwerving van de Effecten door de Bieder onder het Bod zal het aantal Effectenhouders verminderen, evenals het aantal Effecten dat anders openbaar zou worden verhandeld. Als gevolg hiervan kunnen de liquiditeit en de marktwaarde van de Effecten die niet onder het Bod zijn aangeboden of waarvan Aanmelding rechtsgeldig is herroepen, nadelig worden beïnvloed. De Bieder heeft niet de intentie om een dergelijk negatief effect te compenseren door bijvoorbeeld een liquiditeitsmechanisme op te zetten voor de Effecten die niet worden aangeboden na de Dag van Overdracht en de Na-aanmeldingstermijn.

Indien het Bod gestand wordt gedaan, zijn de Bieder en Brill voornemens zo spoedig mogelijk de notering van de Certificaten aan Euronext Amsterdam te beëindigen. Dit kan de liquiditeit en marktwaarde van Effecten die niet onder het Bod zijn aangeboden verder negatief beïnvloeden.

Indien de Bieder 95% of meer van het totaal van uitgegeven en uitstaande Effecten van Brill op een Volledig Verwaterde basis verwerft, zal de Bieder in staat zijn de beëindiging van de notering van de Certificaten aan Euronext Amsterdam te bewerkstelligen in overeenstemming met de toepasselijke (beleids)regels. Indien de Bieder echter de Post-Closing Fusie implementeert zoals uiteengezet in Hoofdstuk 10.15.2 (*Post-Closing Fusie*), zal de notering van de Certificaten aan Euronext Amsterdam eveneens zo spoedig mogelijk worden beëindigd. In het geval Brill niet langer beursgenoteerd is, zullen de bepalingen die van toepassing zijn op het bestuur van beursgenoteerde vennootschappen niet langer van toepassing zijn en kunnen de rechten van de overblijvende Minderheideffectenhouders worden beperkt tot het wettelijk minimum.

10.15.1 Wettelijke uitkoopprocedure

Als na de Dag van Overdracht en na de Na-aanmeldingstermijn het totaal aantal Aangemelde Effecten gelijk is aan of groter is dan 95% van Brill's totaal geplaatste en uitstaande Effecten op een Volledig Verwaterde basis (exclusief Treasury Effecten) (de "**Wettelijke Uitkoopdrempel**"), zal de Bieder de wettelijke uitkoopprocedure overeenkomstig artikel 2:92a of artikel 2:201a BW en/of de wettelijke uitkoopprocedure overeenkomstig artikel 2:359c BW starten om de Effectenhouders die hun Effecten niet onder het Bod hebben aangeboden, uit te kopen (de "**Wettelijke Uitkoopprocedure**").

10.15.2 Post-Closing Fusie

Nadat en onder voorwaarde dat (i) de Bieder het Bod gestand heeft gedaan en de Na-aanmeldingstermijn heeft plaatsgevonden, (ii) Overdracht heeft plaatsgevonden, (iii) de Post-Closing Fusiebesluiten tijdens de BAVA zijn aangenomen en volledig van kracht zijn en (iv) de Aangemelde Effecten ten minste 80% van het totaal van uitgegeven en uitstaande Effecten van Brill op een Volledig Verwaterde basis vertegenwoordigen aan het einde van de Na-aanmeldingstermijn (de "**Post-Closing Herstructureringsdrempel**") en de Wettelijke Uitkoopdrempel niet is bereikt uiterlijk na Overdracht van de Effecten gedurende de Na-aanmeldingstermijn, kan de Bieder Brill informeren dat hij de Post-Closing Fusie wenst te implementeren, waarbij:

- (a) een juridische driehoeksfusie wordt geëffectueerd, waarbij Brill (als verdwijnende vennootschap) zal fuseren met Brill Sub (als verkrijgende vennootschap) en waarbij Brill Holdco aandelen toekent aan de aandeelhouders van Brill overeenkomstig artikelen 2:309 e.v. en 2:333a BW;
- (b) bewerkstelligd wordt dat Brill Holdco met de Bieder een koopovereenkomst zal sluiten, op grond waarvan alle geplaatste en uitstaande aandelen in het kapitaal van Brill Sub zullen worden verkocht en geleverd aan de Bieder (de "**Verkoop van Aandelen**"). De totale aankoop prijs voor de aandelen in Brill Sub zal een bedrag zijn dat gelijk is aan (i) de Biedprijs vermenigvuldigd met (ii) het totaal van uitgegeven en uitstaande Effecten onmiddellijk voorafgaand aan het van kracht worden van de Post-Closing Fusie (de "**Prijs Fusieaandelen**"). De Prijs Fusieaandelen zal als volgt worden betaald:
 - (i) een bedrag gelijk aan (x) de Biedprijs vermenigvuldigd met (y) het totale aantal Effecten gehouden door Effectenhouders anders dan de Bieder (dergelijke bedrag, "**Totale Minderheidsbedrag**") zal in contanten worden betaald; en

- (ii) een bedrag gelijk aan (x) de Prijs Fusieaandelen *minus* (y) het Totale Minderheidsbedrag (dit verschil, het "**Koper Bedrag**") zal worden betaald door het toekennen door de Bieder van een lening aan Brill Holdco tegen marktconforme voorwaarden, gelijk aan het Koper Bedrag;
- (c) na levering van de Brill Sub aandelen, bewerkstelligd wordt dat de ontbinding en vereffening van Brill Holdco wordt geëffectueerd (de "**Holdco Ontbinding**") en op ieder gewoon aandeel in het kapitaal van Brill Holdco een liquidatie-uitkering bij voorbaat wordt gedaan welke uitkering beoogd is plaats te vinden op of rond de datum waarop de Verkoop van Aandelen wordt voltooid en voor een bedrag dat zoveel mogelijk gelijk is aan de Biedprijs zonder enige rente en verminderd met enige toepasselijke belastingen.

(de stappen onder (a)-(c) vormen gezamenlijk de "**Post-Closing Fusie**")

Voor een meer gedetailleerde uitleg over de Post-Closing Fusie wordt verwezen naar Hoofdstuk 5.12.3 (*Post-Closing Merger*).

10.15.3 Samenstelling van de Raad van Commissarissen

Op de Dag van Overdracht zal de Raad van Commissarissen uit vijf (5) personen bestaan. De Bieder en Brill, met inbegrip van het Bestuur en de Raad van Commissarissen en alle respectieve leden daarvan afzonderlijk, zullen zich naar redelijkheid inspannen om te bewerkstellingen dat de Raad van Commissarissen direct na Overdracht als volgt zal zijn samengesteld:

- (a) drie (3) nieuwe leden, de heer R. Gebauer, de heer F. Rodloff en de heer C. Buhr; en
- (b) huidig lid van de Raad van Commissarissen, mevrouw A.F.S. Blok en de huidige CEO van Brill, de heer P.W.J. Hendriks, die per de Dag van Overdracht kwalificeren als onafhankelijk van de Bieder binnen de definitie van de Corporate Governance Code 2022 (de "**Onafhankelijke Commissarissen**").

De Onafhankelijke Commissarissen blijven lid van de Raad van Commissarissen tot het einde van de NFC Looptijd. In het geval dat een Onafhankelijke Commissaris aftreedt of niet langer lid is van de Raad van Commissarissen binnen de NFC Looptijd, zal deze worden vervangen door een nieuw lid die onafhankelijk van de Bieder zal zijn en die zal kwalificeren als Onafhankelijke Commissaris (de "**Opvolgend Onafhankelijke Commissarissen**"). Een Opvolgend Onafhankelijke Commissaris die niet is benoemd door de Ondernemingsraad, wordt benoemd voor het resterende deel van de periode die eindigt drie (3) jaar na de Dag van Overdracht.

De Onafhankelijke Commissaris die niet is benoemd door de Ondernemingsraad heeft ingestemd af te treden drie (3) jaar na de Dag van Overdracht. Brill en de leden van de Raad van Commissarissen zijn overeengekomen dat elk Opvolgend Onafhankelijke Commissaris, anders dan degene benoemd door de Ondernemingsraad, alleen zal worden benoemd nadat een dergelijk Opvolgend Onafhankelijke Commissaris er schriftelijk mee heeft ingestemd, ten behoeve van en naar redelijk genoegen van de Bieder, af te zullen treden aan het einde van de NFC Looptijd.

De Onafhankelijke Commissarissen hebben in het bijzonder tot taak toe te zien op de naleving van de niet-financiële convenanten zoals uiteengezet in Hoofdstuk 5.18 (*Non-Financial Covenants*) en de eerlijke behandeling van Minderheidseffectenhouders. Brill zal de Onafhankelijke Commissarissen alle informatie verstrekken die de Onafhankelijke Commissarissen redelijkerwijs nodig hebben voor het vervullen van hun taken zoals beschreven in dit Hoofdstuk 10.15.3.

Per de Dag van Overdracht zullen de huidige leden van de Raad van Commissarissen, de heer T.J. van der Raadt, mevrouw J.W. van der Vlist-Verdel, de heer J.G.H.M. Niessen en de heer T.W.C. Huibers aftreden als lid van de Raad van Commissarissen.

10.15.4 Samenstelling van het Bestuur

Op de Dag van Overdracht zal het Bestuur bestaan uit mevrouw J.M. Lange (als CPO).

Per de Dag van Overdracht zullen de heer P.W.J. Hendriks (als CEO) en de heer W.A. Dikstaal (als CFO) aftreden als leden van het Bestuur en statutair bestuurders van Brill. De heer W.A. Dikstaal zal echter werkzaam blijven bij Brill tot vier (4) maanden na de Dag van Overdracht.

10.16 Governance Bieder

Op de datum van dit Biedingsbericht bestaan de bestuursorganen van de Bieder uit een operationeel bestuur en een raad van commissarissen. Het operationele bestuur is verantwoordelijk voor de dagelijkse bedrijfsvoering van de Bieder. De raad van commissarissen houdt toezicht op het operationele bestuur.

De enige statutaire bestuurder (*Geschäftsführer*) van Bieder is de CEO, de heer C. Buhr.

Operationeel bestuur

Het operationele bestuur van de Bieder bestaat uit de volgende leden:

- De heer C. Buhr (CEO)
- De heer C. Radloff (CFO)
- Mevrouw J. Hoppe (Director People and Culture)
- De heer B. Ashcroft (Vice President Commercial)
- De heer J. Buchmann (COO)
- De heer G. Nold (Chief Technology Officer)

Vanaf de Dag van Overdracht zal het operationeel bestuur van de Bieder worden vervangen door een gecombineerde raad van bestuur (de "**Combinatie Raad van Bestuur**"), die zal bestaan uit zeven (7) leden, en zal zijn samengesteld uit het Core Executive Team en een CCO, een COO, een CTO en een CHRO.

De Raad van Commissarissen van de Bieder bestaat uit de volgende leden:

- De heer R. Gebauer (voorzitter)
- De heer F. Rodloff
- De heer C. Marksches
- De heer C. Seils
- Mevrouw S. Schütz

10.17 Aankondigingen

Aankondigingen in het kader van dit Biedingsbericht zullen worden gedaan door middel van een persbericht. Persberichten van de Bieder worden beschikbaar gesteld op de website www.degruyter.com. Persberichten van Brill worden beschikbaar gesteld op de website www.brill.com.

Behoudens eventuele toepasselijke vereisten van het Bob en andere Toepasselijke Wetgeving en zonder beperking van de wijze waarop de Bieder ervoor kan kiezen om een publieke aankondiging te doen, heeft de Bieder geen verplichting om een publieke aankondiging te doen anders dan hierboven beschreven.

11. PRESS RELEASES

11.1 Press release of 12 October 2023

This is a joint press release by Koninklijke Brill N.V. ("**Brill**" or the "**Company**") and Walter de Gruyter GmbH ("**De Gruyter**" or the "**Offeror**"). This joint press release is issued pursuant to the provisions of Section 17, paragraph 1 of the European Market Abuse Regulation (596/2014), as well as Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft, the "**Decree**") in connection with the intended recommended public offer by the Offeror for all issued depositary receipts of ordinary shares in the capital of the Company (the "**Depositary Receipts**") and all issued and outstanding ordinary shares in the capital of the Company which are not held by Stichting Administratiekantoor Koninklijke Brill (the "**Registered Shares**", and together with the Depositary Receipts, the "**Securities**"; holders of such securities being referred to as "**Securityholders**") (the "**Offer**"). This press release does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in the Company. Any offer will be made only by means of an offer memorandum approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the "**AFM**"). This press release is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful, including the United States.



JOINT PRESS RELEASE

BRILL AND DE GRUYTER TO CREATE LEADING ACADEMIC PUBLISHER IN THE HUMANITIES

- Agreement reached on recommended all-cash public offer by De Gruyter for all Securities at an offer price of EUR 27.50 per Security (*cum dividend*), representing a total consideration of approx. EUR 51.5 million
- Offer price represents premium of approx. 39.6% over the closing price on 11 October 2023
- Brill's largest Securityholders, representing approx. 60.4% of all Securities, irrevocably agreed to tender their Securities into the Offer
- The Offer is expected to complete in Q2 2024

Leiden, the Netherlands, and Berlin, Germany, 12 October 2023 – Brill, a leading international academic publisher in the Humanities, Social Sciences, International Law and Biology founded in 1683, and De Gruyter jointly announce that they have reached a conditional agreement on a recommended all-cash public offer to be made by De Gruyter.

De Gruyter is a family-owned academic publisher with a global reach, headquartered in Berlin, Germany, since 1749. Its portfolio makes De Gruyter one of the world's largest and most reputable Humanities publishers while extending to subject areas such as natural and social sciences, economics, technology, mathematics, architecture and design. Partnering with some of the most renowned scholarly and professional institutions around the world, De Gruyter is also a leading provider of publishing services for the academic community.

The transaction creates the leading academic publisher in the Humanities and presents a unique opportunity to accelerate organic growth and achieve necessary scale. With pro forma combined revenues of around EUR 134¹ million and 750 employees, the combination will be well-positioned to offer the best possible service and infrastructure to its communities. The combination will jointly publish well over 3,500 books and 800 journals per year. The enlarged scale will accelerate the transition to new business models such as open access and finance investments in technology for end-to-end workflows and a state-of-the-art market-facing (content) platform. Furthermore, it will make the business more resilient, allow more effective sales & marketing and increase the ability to attract and retain talent. The combination of two centuries-old publishing houses will be branded De Gruyter Brill, signalling the importance of the strong heritage and family background of both companies.

In addition, the strategic rationale is underpinned by similar cultural values. Both companies are deeply rooted in the academic community, built on a long tradition, with quality and stakeholder relations at their

¹ Based on the Offeror's and the Company's reported financial figures in accordance with their respective reporting standards

core. Upon the closing of the transaction, De Gruyter Brill headquarters will be in Berlin, Germany, while Brill's office in Leiden, the Netherlands, will be one of the largest offices of the new combination and will continue to have material substance, both in number of people and in terms of responsibilities. De Gruyter's shareholders take a strategic view on the business and are dedicated to ensuring the new combination stays independent for many more centuries to come.

Brill's management board (the "**Management Board**") and supervisory board (the "**Supervisory Board**", and together with the Management Board, the "**Boards**") consider that the Offer is in the best interests of the Company and promotes the sustainable success and long-term value creation of its business, having taken into account the interests of the Company's stakeholders. The Offer provides the Securityholders with an attractive premium and immediate value.

Peter Hendriks, Chief Executive Officer of Brill: *"Today's announcement marks a historic step for Brill. We attach great value to our long heritage, and foster our independence as a publishing house. At the same time, we are convinced that, in order to serve our communities, scale is essential to keeping Brill relevant and competitive going forward. By joining forces with De Gruyter we can make a leap in our growth strategy and create a publishing house with revenues of around EUR 134 million. Together we will benefit from the reach, scale and resources of our joint businesses."*

Jasmin Lange, Chief Publishing Officer of Brill: *"De Gruyter is a well-respected player in our industry combining a long heritage with a strong focus on innovation. Succeeding in Open Access publishing demands an outstanding author publishing experience and we are convinced of De Gruyter's capabilities in this respect. Joining forces enables us to make the substantial and continued investments in technology, operations, sales and quality staff required by the ongoing transition to digital publishing. Both being independent, with a strong heritage and family background, we believe we are a great strategic match, promoting the long-term sustainable success of Brill."*

Theo van der Raadt, Chairman of the Supervisory Board of Brill: *"We have known De Gruyter for a long time and know them as an innovative player in our market with solid operations and a very strong family shareholder base, safeguarding the independence of the Company. We have carefully evaluated the interest De Gruyter has expressed in Brill and following a thorough analysis, we concluded that the offer is in the best interest of Brill and its stakeholders, including the Securityholders. The Supervisory Board therefore unanimously supports the transaction and recommends the offer by De Gruyter to its Securityholders, which we believe will secure Brill's strong market position in the long run."*

Carsten Buhr, Chief Executive Officer of De Gruyter: *"Brill is a highly regarded publishing house in the Humanities and Social Sciences with a strong strategic alignment with De Gruyter, and we are enthusiastic about the clear logic of this transaction. De Gruyter and Brill are both committed to publishing excellent research, and our publishing programs complement each other perfectly. We believe combining our businesses will provide us with the scale to finance the necessary investments in technology, workflows and platforms. This will enable us to further improve the author experience and our services to libraries and academic and professional institutions worldwide. We believe the combination has the ability to accelerate our combined growth rate and we look forward to working with Brill on a clear business plan from a shared vision and joint ambition: to create the leading academic publisher in the Humanities."*

Rüdiger Gebauer, Chairman of the Supervisory Board of De Gruyter: *"We greatly value Brill's long tradition of high-quality publishing made possible by its dedicated and professional employees and its outstanding network of authors and academics. Brill plays a major role in the academic discourse and has an enormous societal impact through its publications. By joining forces with De Gruyter, we firmly believe that Brill's heritage, tradition and valuable program can fully be safeguarded. Moreover, De Gruyter's shareholders are devoted to ensuring that De Gruyter Brill remains independent for centuries to come. I look forward to welcoming Brill's team to De Gruyter and to celebrating many shared successes."*

A compelling Offer for Securityholders

De Gruyter and Brill reached a conditional agreement (the "**Merger Protocol**") on a recommended all-cash public offer by De Gruyter for all Securities at an offer price of EUR 27.50 per Security (*cum dividend*), representing a total consideration of approximately EUR 51.5 million. The Offer price represents a premium of:

- 39.6% over the closing price on 11 October 2023;

- 39.0% over the average daily volume-weighted average price over the last three months; and
- 39.9% over the average daily volume-weighted average price over the last twelve months.

AXECO Corporate Finance B.V. (“**Axeco**”) has provided a fairness opinion to the Boards and Coöperatieve Rabobank U.A., acting through its Corporate Finance Advisory department, also known as Mergers & Acquisitions (“**Rabobank**”) has provided a separate fairness opinion to the Supervisory Board (as outlined below).

The Boards unanimously support and recommend the Offer and the transactions contemplated in connection therewith, including, to the extent applicable, the Buy-Out (as defined below) and the Post-Closing Merger Restructuring (as defined below) (together, the **Transactions**). Brill’s largest Securityholders, including Mont Cervin S.à.r.l., Teslin Participaties Coöperatief U.A., J.P. van Slooten Beheer B.V. and Stichting John and Marine van Vlissingen Foundation, together representing approx. 60.4% of all Securities, have irrevocably agreed to tender their Securities into the Offer. The works council of Brill will be consulted in connection with the Offer, and the Offer will be subject to certain customary conditions, including obtaining Competition Clearance (as defined below).

The new combination with a strong strategic rationale

Brill and De Gruyter are both successful medium-sized academic publishers operating globally and focusing mainly on research in the Humanities and Social Sciences, and have continuously grown, both organically and through acquisitions, over the last decades. As the market further digitalizes, and moves to open access publishing, scale in operations has become an increasingly important factor in staying competitive, financing investments in the future, and capturing efficiencies. As Brill and De Gruyter are operating in overlapping academic subject areas, markets and regions, the combination offers strong opportunities for sustainable growth. Considering the developments in the academic publishing market, creating scale through entering into a combination with a strategic partner is an attractive solution for both Brill and De Gruyter to secure a strong market position in the long run.

As joint businesses, Brill and De Gruyter will have the strong global sales organization required to handle the growth in package licensing deals and navigating the complexities of open access transformation. The combined company will be headquartered in Berlin, Germany while Brill’s office in Leiden, the Netherlands, will be one of the largest offices of the new combination and will continue to have material substance, both in number of people and in terms of responsibilities. De Gruyter Brill will continue to be present in global offices and employ around 750 employees. Thanks to its cultural and strategic proximity, the combination will be able to save costs by lowering its complexity, accelerating digital transformation and leveraging operational synergies.

The combination will have a core executive team (the “**Core Executive Team**”), which shall be composed of De Gruyter’s current Chief Executive Officer (CEO) and Chief Finance Officer (CFO), Carsten Buhr and Christopher Radloff, and Brill’s current Chief Publishing Officer (CPO), Jasmin Lange. The management board of the combination (the “**Combination Management Board**”) shall comprise seven members and be composed of the Core Executive Team and a Chief Commercial Officer (CCO), a Chief Operations Officer (COO), a Chief Technology Officer (CTO) and a Chief Human Resources Officer (CHRO), who will be appointed as soon as possible in accordance with the “best person for the job”-principle. It is the intention to fully integrate the businesses as soon as possible after settlement.

The existing rights and benefits of the employees of Brill will be respected, as will the Company’s current employee consultation structure and existing arrangements with any employee representative body within the Company. The combination shall continue to foster a safe, diverse, inclusive and engaging work culture to attract, develop and retain people. De Gruyter Brill will be a workplace where employees can excel and deliver value to customers and other stakeholders. By offering attractive training options and perspectives for career progression, the combination will be an employer of choice for highly-skilled talent. De Gruyter Brill will support its employees to reach their full potential in the diverse and inclusive culture of a family-owned company.

Unanimous Support and Recommendation by the Boards

Consistent with their fiduciary responsibilities, the Boards have discussed and carefully reviewed the Offer, with the assistance of their financial and legal advisors, and carefully considered all alternatives available to them. Over the past months, the Boards have had constructive interactions with De Gruyter’s management board and supervisory board. The Boards have followed a thorough and careful process in

which they have frequently discussed the developments and monitored (potential) conflicts of interest. To avoid any (appearance of a) conflict of interest, Supervisory Board member Mr Niessen has, in view of his indirect interest of more than 20% in the Company via Mont Cervin Sàrl, not participated in the deliberations and decision making of the Boards with respect to the Offer and related matters. Having taken the interests of all stakeholders into account, including authors, libraries, traders and other business relations, employees and Securityholders, the Boards (which, unless specifically stated otherwise, exclude Supervisory Board member Mr Niessen for the purpose of this announcement) have concluded that the Offer is in the best interests of the Company and promotes the sustainable success and the sustainable long-term value creation of its business. The Boards unanimously support the Offer and recommend the Securityholders to tender their Securities into the Offer, if and when made, and vote in favour of the resolutions relating to the Offer (the “**Resolutions**”) at the upcoming extraordinary general meeting of the Company (the “**EGM**”) to be held during the acceptance period of the Offer (the “**Recommendation**”). The Recommendation will also be included in the position statement of the Company, which is expected to be published simultaneously with the publication of the offer memorandum.

Fairness Opinions

The Boards have obtained a written opinion of Axeco, and the Supervisory Board has received a separate written opinion from Rabobank, each to the effect that, subject to the qualifications and assumptions included in the respective opinion, the Offer price is fair, from a financial point of view, to the Securityholders, and the purchase price for the share(s) in the capital of Company Sub (as defined below) in connection with the Share Sale (as defined below) is fair, from a financial point of view, to Company Holdco. The full text of the fairness opinions, each of which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, will be included in Brill’s position statement, which is expected to be published simultaneously with the offer memorandum.

Irrevocable Undertakings

The Offer is supported through irrevocable undertakings by Brill’s largest Securityholders, including, Mont Cervin S.à.r.l., Teslin Participaties Coöperatief U.A., J.P. van Slooten Beheer B.V. and Stichting John and Marine van Vlissingen Foundation, together representing approximately 60.4% of all Securities. Each has irrevocably committed to De Gruyter to support the Offer and tender its Securities into the Offer. In accordance with the applicable public offer rules, any information shared with these major Securityholders about the Offer shall, if not published prior to the offer memorandum being made generally available, be included in the offer memorandum in respect of the Offer (if and when issued) and these Securityholders will tender their Securities on the same terms and conditions as the other Securityholders.

Financing certainty

The Offeror shall fund the Offer and the Transactions through a combination of its own cash reserves and third-party debt financing (the “**Debt Financing**”). The Debt Financing will be obtained through a “sale and lease back” structure whereby the Offeror will sell two properties in Berlin, Germany for an aggregate purchase price of EUR 48.9 million to a company managed by LHI Leasing GmbH. This company will fund the purchase price with debt financing to be obtained from Landesbank Baden-Württemberg. To this end, the Offeror, LHI Leasing GmbH and Landesbank Baden-Württemberg have entered into binding documentation with respect to the Debt Financing to be provided by Landesbank Baden-Württemberg, which is fully committed. The Offeror has no reason to believe that any conditions applicable to the Debt Financing will not be fulfilled on or prior to the settlement date of the Offer.

Non-financial Covenants

The Company and the Offeror have agreed to certain non-financial covenants (the “**Non-Financial Covenants**”) on, amongst others, strategy, integration, governance, location, heritage, branding and imprints, M&A, financing and employees, for a duration of three years after settlement, provided that the Non-Financial Covenants on the Leiden location, heritage, branding and imprints have a duration of five years after settlement (the “**NFC Duration**”).

Strategy

The Offeror shall work with the Company to prepare a combined strategy for the combination (the “**Combined Strategy**”). The Combined Strategy shall focus on accelerating organic growth, building and maintaining long-term customer relationships, driving the digital transformation, continuing the development of a people-oriented culture and improving sustainability.

Corporate social responsibility

The Offeror will support Brill in furthering its current environmental, social and governance (“**ESG**”) strategy as described in the Company's 2022 annual report, with a view to maintain the "best of both worlds" of De Gruyter's and Brill's existing ESG standards for the combination. The ESG strategy for the combination will be part of the Combined Strategy.

Governance

Following Settlement, the Company will continue to have a Supervisory Board comprised of five members, of which at least two members qualify as independent from the Offeror within the meaning of the Dutch Corporate Governance Code. The two independent supervisory board members will be tasked in particular with monitoring compliance with the Non-Financial covenants and any deviation from the Non-Financial Covenants will require the prior approval of the Supervisory Board, including the affirmative vote of the two independent supervisory board members.

Integration

An over-arching integration plan (the “**Integration Plan**”) shall be prepared to identify potential synergies between Brill and De Gruyter and to achieve the strategic, operational and financial benefits of the combination. The Integration Plan shall be prepared by the vice president integration of the combination (the “**VP Integration**”), who shall initially be an employee from Brill as agreed between the Company and the Offeror, in consultation with the members of the Combination Management Board and be adopted by the Core Executive Team. In implementing the Integration Plan, the Combination Management Board will work with the "best person for the job"-principle as guiding principle, while to the extent possible taking into account a balanced representation of employees from both Brill and De Gruyter.

Location, heritage, branding and imprints

The Offeror acknowledges the importance of the Company's presence in Leiden, the Netherlands, and the historical meaning of the Leiden office to Brill. The Offeror undertakes to ensure that the Leiden location shall continue to have material substance as one of the largest offices of the combination, both in terms of number of employees and responsibilities. The Offeror intends that the Combination Management Board will have at least one member who is assigned to work and based in Leiden, the Netherlands. The new corporate brand name for the combination will be "De Gruyter Brill" with a new corporate logo. "Brill" and "De Gruyter" will remain the most prominent imprints.

M&A and long-term shareholding

The Offeror acknowledges that the realisation of the Combined Strategy can be enhanced by pursuing acquisitions and will therefore support the combination in pursuing these acquisitions. The Offeror furthermore confirms that it envisages holding its shareholding in the combination for long-term value enhancement purposes and that it has no intention to dispose of its direct or indirect shareholding in the combination for the NFC Duration.

Financing

The Company shall be prudently capitalised and financed to safeguard the execution of (the continuity of) the business and to support the sustainable success of the business and the Combined Strategy and the combination shall maintain a reasonable level of debt in accordance with a sustainable leverage ratio.

Employment

The Offeror will respect the existing rights and benefits of the employees of Brill, including existing rights and benefits under their individual employment agreements, incentive plans, collective labour agreements, social plans and covenants. Brill and De Gruyter recognise that for the sustainable success of the combination a fair and proper integration process is important. The overall expected future workforce of the combination, following the integration based on the "best person for the job"-principle, will reflect future business needs of the combination and the reduction of the overall workforce is at this point not expected to be material, subject to the actual integration planning which Brill and De Gruyter will jointly start to plan in the coming period.

Minority Securityholders

Until the earlier of (i) the date on which the Offeror holds 100% of the outstanding share capital or (ii) the date on which the Buy-Out (as defined below) is irrevocably initiated for at least Offer price, no member of the Company Group shall take any of the following actions: (a) issue additional shares or depository receipts or a cash consideration to any person (other than the Company) without offering pre-emption rights to the Minority Securityholders; (b) agree to and enter into a related party transaction with any Securityholder or any affiliated person of such Securityholder which is not at arm's length; and (c) take any other action which disproportionately prejudices the value of, or the rights relating to, the minority's security holding.

Commencement and Offer Conditions

The commencement of the Offer shall be subject to the satisfaction or waiver of commencement conditions customary for a transaction of this kind, being:

- no material breach of the Merger Protocol having occurred that has not been timely remedied;
- no material adverse effect having occurred or become known;
- no adverse recommendation change having occurred that has not been timely rectified;
- the AFM having approved the offer memorandum;
- no Superior Offer (as defined below) having been announced or made and no announcement having been made of a mandatory offer for Securities with a consideration that is at least equal to the Offer price;
- the shareholder irrevocable undertakings being in full force and effect;
- the Offeror having received executed copies of resignation letters in respect of each of the resigning members of the Management Board and Supervisory Board;
- the parties having complied with their notification and consultation obligations pursuant to the Merger Code (*SER Fusiegedragsregels*);
- the fulfilment of the Company's information and consultation obligations for the purposes of the Employee Clearance (as defined below);
- Stichting Luchtman (the "**Protection Foundation**") not having exercised its call option under the option agreement, no preference shares having been issued and the Offeror having received a copy of a letter agreement signed by the Protection Foundation;
- Stichting Administratiekantoor Koninklijke Brill (the "**Share Trust Office**") having agreed to issue voting proxies and accept binding voting instructions from the Depository Receipts holders in respect of all relevant resolutions and the Offeror having received a copy of a letter agreement signed by the Share Trust Office;
- no party having obtained the right to subscribe, or having agreed to subscribe, for Securities;
- trading in the Securities on Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**") not having been permanently suspended or ended as a result of a measure taken by the AFM or a listing measure taken by Euronext Amsterdam;
- no notification having been received from the AFM stating that under article 5:80 paragraph 2 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*; the "**Wft**") one or more investment firms (*beleggingsondernemingen*) will not be allowed to co-operate with any part of the Offer;
- no order, stay, judgment, injunction or decree having been issued and no governmental entity of competent jurisdiction having enacted any law, regulation, statute, injunction or other rule or order that is in effect and restrains or prohibits the making, closing and/or settlement of the Offer or other Transactions in accordance with the Merger Protocol in any material respect (collectively, an "**Order**"); and
- the Merger Protocol not having been terminated in accordance with its terms.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of offer conditions customary for a transaction of this kind, being:

- a minimum acceptance level of at least 95%, which percentage shall be automatically adjusted to 80% if (i) the Post-Closing Merger Resolutions (as defined below) have been adopted and (ii) no Order having been issued or enacted in relation to the Post-Closing Merger Restructuring (as defined below), which condition may be waived by the Offeror, provided that a waiver by the Offeror of this condition requires the prior written approval of the Boards if the percentage is less than 75%, and provided that if the Offeror waives the sub-condition (ii) above relating to there being no Order against the Post-Closing Merger Restructuring the Company shall not be required to cooperate with the implementation of the Post-Closing Merger Restructuring without its prior written approval.

- no material breach of the Merger Protocol having occurred that has not been timely remedied;
- no material adverse effect having occurred or become known;
- no adverse recommendation change having occurred that has not been timely rectified;
- no Superior Offer having been announced or made and no announcement having been made of a mandatory offer for Securities with a consideration that is at least equal to the Offer price;
- the shareholder irrevocable undertakings being in full force and effect;
- the Protection Foundation not having exercised its call option under the option agreement, no preference shares having been issued and the related letter agreement being in full force and effect;
- the Share Trust Office having agreed to issue voting proxies and accept binding voting instructions from the Depository Receipts holders in respect of all relevant resolutions and the related letter agreement being in full force and effect;
- no party having obtained the right to subscribe, or having agreed to subscribe, for Securities;
- trading in the Securities on Euronext Amsterdam not having been permanently suspended or ended as a result of a measure taken by the AFM or a listing measure taken by Euronext Amsterdam;
- no notification having been received from the AFM stating that under article 5:80 paragraph 2 of the Wft one or more investment firms (*beleggingsondernemingen*) will not be allowed to co-operate with any part of the Offer;
- competition clearances having been obtained;
- resolutions in connection with the governance having been adopted at the EGM and being in full force and effect; and
- no Order having been issued or enacted in relation to the transaction.

The Share Trust Office and the Protection Foundation were duly informed about, and discussed the Offer and Transactions. The Share Trust Office confirmed its current intention to fully cooperate with the Offer and the Transactions. The Protection Foundation has given the customary confirmations in respect of the relevant commencement condition and offer condition.

Acquisition of 100%

Taking into account the strategic rationale of the Offer, the Company and the Offeror acknowledge the importance for the Offeror to acquire 100% of the Securities or the Company's assets and operations. This importance is based, *inter alia*, on:

- the ability to achieve the strategic benefits of the Offer and enhance the sustainable success and the sustainable long-term value creation of the Company's business in an expeditious manner in a private environment in a fully owned set-up after delisting;
- the fact that having a single shareholder and operating without a public listing increases the Brill's ability to achieve its goals, implement the actions of the Combined Strategy and it reduces Brill's costs;
- the ability to achieve, in an accelerated time frame, long-term strategic goals and operational achievements of the Company, as opposed to short-term performance driven by periodic reporting and market expectations;
- the ability to terminate the listing of the Depository Receipts from Euronext Amsterdam, and all resulting cost savings therefrom; and
- the ability to achieve an efficient capital structure (both from a financing and capital requirements perspective) and the ability to facilitate intercompany transactions and dividend distributions.

The Company and the Offeror procure the delisting of the Depository Receipts from Euronext Amsterdam as soon as practicable after settlement.

If, following the settlement and the post-closing acceptance period, the aggregate number of tendered Securities is equal to or greater than 95% of the Company's aggregate issued and outstanding Securities on a fully diluted basis (the "**Buy-Out Threshold**"), the Offeror shall commence a compulsory acquisition procedure in accordance with article 2:92a or 2:201a of the Dutch Civil Code ("**DCC**") and/or the takeover buy-out procedure in accordance with article 2:359c DCC to purchase from the Securityholders that have not tendered their Securities under the Offer (a "**Buy-Out**").

If the Buy-Out Threshold has not been achieved following settlement and the post-closing acceptance period, the Offeror may, subject to (i) the Offeror having declared the Offer unconditional and the post-

closing acceptance period having taken place, (ii) settlement having occurred, (iii) the Offeror holding at least 80%, but less than 95% of the Company's aggregate issued and outstanding Securities on a fully diluted basis as at the end of the post-closing acceptance period and (iv) the adoption of certain resolutions at the EGM (the "**Post-Closing Merger Resolutions**"), notify the Company that it wishes to implement a triangular merger in accordance with the Merger Protocol involving the Company and two newly to be incorporated subsidiaries of the Company ("**Company Holdco**" and "**Company Sub**") pursuant to which (a) the Company (as disappearing company) merges with and into Company Sub (as acquiring company) and (b) Company Holdco subsequently sells and transfers all issued shares in the capital of Company Sub to the Offeror (the "**Share Sale**"), following which (c) Company Holdco is liquidated to deliver such consideration to the shareholders ((a), (b) and (c) together, the "**Post-Closing Merger Restructuring**"). An advance liquidation distribution per ordinary share in the capital of Company Holdco is intended to take place on or about the date the Share Sale is completed and in an amount that is to the fullest extent possible equal to the Offer price per Share, without any interest and less any applicable withholding taxes and/or other taxes.

Competition Clearance

The Offeror shall as soon as reasonably practicable prepare and file with the Austrian competition authority the notices and applications necessary to obtain the required competition clearance in respect of the Offer. The Offeror is confident that it will secure all competition clearances within the timetable of the Offer.

Exclusivity and Superior Offer

As part of the Merger Protocol, the Company has entered into customary undertakings not to solicit any third party offers. If an unsolicited written proposal for or in respect of (i) any public offer for all Securities; (ii) any direct or indirect acquisition of all or substantially all of the business or assets of Brill; or (iii) a legal merger (or reverse takeover) resulting in the control over all Securities, is made by a third party who, in the good faith opinion of the Boards, taking into account their fiduciary duties, is a *bona fide* third party, and which proposal is (a) in cash and/or listed securities, (b) exceeds the Offer price by at least 10% and (c) is, in the good faith opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, on balance, substantially more beneficial to the Company and the sustainable success and the sustainable long-term value creation of its business, taking into account the interests of its stakeholders (including the Securityholders) (a "**Superior Offer**"), the Company shall promptly inform the Offeror in writing. The Company may, for a period no longer than ten business days following the receipt of the written potential Superior Offer, amongst others, consider such proposal and engage in discussions or negotiations. If the Boards determine that such proposal constitutes a Superior Offer, the Company shall notify the Offeror in writing. In such case, the Offeror has ten business days to make a revision of the Offer and to match the Superior Offer. If the Offeror timely submits a revised offer in writing at an offer price that is, and on terms and conditions that are, in the good faith opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, on balance, at least equally beneficial to the Company and the sustainable success and the sustainable long-term value creation of the business, taking into account the interests of its stakeholders (including the Securityholders) (a "**Revised Offer**"), the Company will not accept the Superior Offer and the Company and the Offeror shall remain bound to the terms and conditions of the Merger Protocol. If the Offeror has not made a Revised Offer (or, if earlier, if the Offeror notifies the Company in writing of its intent not to exercise its revision right and not to make a Revised Offer), then (i) the Company may accept the Superior Offer and (ii) the Company and the Offeror shall each be entitled to terminate this Merger Protocol. The same conditions apply to any consecutive Superior Offer, except that such consecutive Superior Offer must exceed the consideration per Security of the Revised Offer by at least 5%.

Termination

The Company shall pay to the Offeror an amount of: (i) EUR 1 million if the Merger Protocol is terminated because the commencement condition or offer condition relating to the Share Trust Office has not been satisfied or waived; (ii) EUR 1.2 million if the Merger Protocol is terminated because of an adverse recommendation change or a Superior Offer; and (iii) EUR 1 million if the Merger Protocol is terminated in case of a material breach by the Company.

The Offeror shall pay to the Company an amount of: (i) EUR 0.9 million if this Merger Protocol is terminated by the Offeror because the offer condition to obtain Competition Clearance has not been

satisfied or waived; and (ii) EUR 1 million if the Merger Protocol is terminated in case of a material breach by the Offeror.

Timing and Next Steps

The Offeror will submit a first draft of the offer memorandum to the AFM within the statutory timetable. The offer memorandum will be published shortly after approval, which is expected to occur in Q1 2024. The Company will hold an EGM at least six business days before the offer period ends, in accordance with Section 18, paragraph 1 of the Decree, to inform the Securityholders about the transaction and to adopt the resolutions at the EGM. Based on the required steps and subject to the necessary approvals, the Company and the Offeror anticipate settlement of the Offer ultimately Q2 2024.

Advisors

Axeco is acting as financial advisor and Allen & Overy LLP is acting as legal advisor to the Company. Rabobank is acting as independent financial advisor to the Supervisory Board. CFF Communications is acting as communications advisor to the Company.

Park 56 is acting as financial advisor and Stibbe N.V. is acting as legal advisor to the Offeror.

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11.2 Press release of 8 November 2023

*This is a joint press release by Koninklijke Brill N.V. ("**Brill**" or the "**Company**") and Walter de Gruyter GmbH ("**De Gruyter**" or the "**Offeror**"). This joint press release is issued pursuant to the provisions of Section 7, paragraph 1 sub a of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft, the "**Decree**") in connection with the intended recommended public offer by the Offeror for all issued depositary receipts of ordinary shares in the capital of the Company (the "**Depositary Receipts**") and all issued and outstanding ordinary shares in the capital of the Company which are not held by Stichting Administratiekantoor Koninklijke Brill (the "**Registered Shares**", and together with the Depositary Receipts, the "**Securities**"; holders of such securities being referred to as "**Securityholders**") (the "**Offer**"). This press release does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in the Company. Any offer will be made only by means of an offer memorandum approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the "**AFM**"). This press release is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful, including the United States.*



UPDATE – JOINT PRESS RELEASE

UPDATE ON INTENDED OFFER BY DE GRUYTER FOR BRILL

Leiden, the Netherlands, and Berlin, Germany, 8 November 2023 – Reference is made to the joint press release issued by De Gruyter and Brill on 12 October 2023 in respect of the conditional agreement on a recommended all-cash public offer to be made by the Offeror for all the Securities in the capital of Brill at an offer price of EUR 27.50 per Security (cum dividend).

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, which requires a public announcement with a status update on an intended public offer within four weeks after such offer is announced, De Gruyter and Brill hereby provide this joint update on the Offer.

De Gruyter and Brill confirm that they are making good progress on the preparations for the Offer. A request for review and approval of the Offer Memorandum will be filed with the AFM no later than the end of December 2023.

De Gruyter and Brill confirm that the competition clearance process with the Austrian competition authority is ongoing. De Gruyter and Brill are closely co-operating to obtain the competition clearance and expect that clearance will be secured within the timetable of the Offer.

In compliance with the Dutch Works Councils Act (*Wet op de ondernemingsraden*), the works council of Brill in the Netherlands has been requested to render its advice in connection with the Offer.

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12. ARTICLES OF ASSOCIATION

12.1 Articles of Association following Settlement

ARTICLES OF ASSOCIATION

NAME AND REGISTERED OFFICE

Article 1

The name of the company is: Koninklijke Brill N.V.
It has its registered office in Leiden, the Netherlands.

OBJECTS

Article 2

The objects of the company are:

- a. to publish information products and to trade in these products;
- b. to cooperate with, participate in, take over and/or conduct the management of other companies with a similar or related object;
- c. to carry out all that is connected to the above or could be beneficial to the above, all in the broadest sense.

DURATION

Article 3

The company is formed for an indefinite period of time.

CAPITAL

Article 4

The authorised share capital of the company amounts to one million five hundred thousand euros (EUR 1,500,000), divided into two million five hundred thousand (2,500,000) shares, with a nominal value of sixty eurocent (EUR 0.60) each.

SHARES, SHARE CERTIFICATES, REGISTER OF HOLDERS OF SHARES, RIGHTS OF USUFRUCT AND RIGHTS OF PLEDGE ON SHARES

Article 5

1. All shares are registered shares. No share certificates will be issued; on request holders of shares will be issued with a non-negotiable certificate of registration in the register referred to below.
2. The Management Board will keep a register of holders of shares at the company's offices, in which the name and the address of the shareholder is recorded for each share and which shows the amount paid up on each share. It will also include the names and the addresses of those who have a right of usufruct or a right of pledge on shares and will state which rights attached to the shares they are entitled to in accordance with paragraphs 7 and 8 of this Article.
3. Every shareholder and everyone who has a right of usufruct or a right of pledge on one or more shares is obliged to ensure that his address is known to the company.
4. The register is updated regularly; it will also include any discharge from liability granted in respect of payments that have not yet been made, as well as, in the case of a transfer of partly paid up shares, the date of transfer.
Every entry or note in this register will be signed or initialled by a Managing Director.
Changes of address to be noted in the register will be confirmed by the Management Board within fourteen days of receipt.
5. The Management Board will provide a shareholder and everyone who has a right of usufruct or a right of pledge in respect of one or more shares with an extract from the register relating to his right to shares free of charge. If a right of usufruct or right of pledge is established on a share then the extract will state who is entitled to the rights referred to in paragraphs 7 and 8 of this Article.
6. The Management Board will keep the register at the company's offices for inspection by the holders of shares, as well as by the holders of a right of usufruct or right of pledge in respect of shares. The information contained in the register relating to partly paid up shares is available for general inspection: a copy or extract of this information will be provided at no more than cost price.
7. A right of usufruct may be established on shares. The voting rights on the shares in question

are vested in the holder of shares in respect of which the right of usufruct was established, unless determined otherwise at the time when the right of usufruct was first established. If the voting right is vested in the holder of the right of usufruct, this will also include all special rights attached to the shares unless determined otherwise at the time when the right of usufruct was first established.

8. The shareholder who has no voting rights and the holder of a right of usufruct who does have voting rights, have the same rights that holders of depository receipts for shares issued with the company's concurrence are entitled to by law.
9. A right of pledge may be established on shares. The provisions laid down in paragraphs 7 and 8 of this Article apply mutatis mutandis.

ISSUE OF SHARES

Article 6

1. Any issue of shares takes place pursuant to a resolution passed by the general meeting of shareholders or by the Management Board if they have been appointed to do so by virtue of the Articles of Association or by a resolution passed by the general meeting of shareholders for a set period of no more than five years.
At the time of the appointment it should be determined how many shares may be issued. The appointment can be extended for a maximum period of five years at a time. Unless determined otherwise at the time of appointment, it cannot be withdrawn. The appointment by virtue of the Articles of Association can only be revoked by means of an amendment of the Articles of Association.
2. A resolution by the general meeting of shareholders to issue shares can only be passed following a motion put forward by the Management Board. A resolution to put forward a motion to this effect by the Management Board and any resolution by the Management Board to issue shares, if appointed to do so, is subject to prior approval by the Supervisory Board.
3. The Management Board will file a copy of the full text of a resolution passed by the general meeting of shareholders to issue shares or to make an appointment at the offices of the trade register within eight days after such a resolution was passed. Within eight days after the end of each quarter of the financial year the Management Board will report the share issues that took place in that quarter at the offices of the commercial register, stating the number and class of the shares issued. The provisions laid down in this paragraph and the previous paragraphs of this Article apply mutatis mutandis to the granting of rights to acquire shares, but is not applicable to the issue of shares to someone exercising a previously acquired right to purchase shares.
4. As long and in so far as the Management Board is authorised to resolve to issue shares, the general meeting of shareholders can no longer resolve to issue shares.
5. If the Management Board is not authorised to resolve to issue shares, the Management Board will determine the price and the other conditions of issue, subject to prior approval by the Supervisory Board or the general meeting of shareholders respectively, with due observance of the other relevant provisions laid down in these Articles of Association.
6. Shares will never be issued below par. When acquiring a share the nominal amount will have to be paid up on it as well as, if the share is being acquired at a higher price, the difference between these amounts, notwithstanding the provisions laid down in the law.
7. The Management Board is authorised, without the prior approval of the general meeting of shareholders, though subject to the prior approval of the Supervisory Board to perform legal acts:
 - a. related to the acquisition of shares whereby special obligations are imposed on the company;
 - b. pertaining to the acquisition of shares on terms other than those whereby investment in the company is opened up to the public;
 - c. concerning contributions in respect of shares other than in cash.

PRE-EMPTIVE RIGHT

Article 7

1. Notwithstanding the provisions laid down in this paragraph below, every shareholder has a pre-emptive right in respect of an issue of shares, in proportion to the aggregate amount of his shares. However, the shareholders do not have a pre-emptive right in respect of shares that are issued for a non-cash contribution. The shareholders furthermore do not have a pre-

emptive right in respect of shares that are issued to employees of the company or employees of a group company.

2. The Management Board, subject to the prior approval of the Supervisory Board or the general meeting of shareholders, if the Management Board is not authorised to decide on the issue of shares, will determine when taking a decision to issue shares with a pre-emptive right, how and within which period the pre-emptive right can be exercised, without prejudice to the provisions laid down in Section 2:96a, subsections 4 and 5 of the Dutch Civil Code.
3. The pre-emptive right can be restricted or excluded by virtue of a resolution passed by the general meeting of shareholders. The pre-emptive right can also be restricted or excluded by the Management Board, if it has been appointed as the body authorised to restrict or exclude the pre-emptive right by virtue of the Articles of Association or by virtue of a resolution passed by the general meeting of shareholders for a set period of no more than five years.
4. The appointment of the Management Board as the body authorised to restrict or exclude the pre-emptive right, can be extended by virtue of the Articles of Association or by virtue of a resolution passed by the general meeting of shareholders for a maximum period of five years at a time. An appointment by virtue of a resolution passed by the general meeting shareholders cannot be revoked unless determined otherwise at the time of the appointment. The appointment by virtue of the Articles of Association can only be revoked by means of an amendment of the Articles of Association. The appointment in any event comes to an end when the appointment of the Management Board as referred to in Article 6 paragraph 1 comes to an end.
5. Any resolution passed by the general meeting of shareholders to restrict or exclude the pre-emptive right can only be taken on the basis of a motion put forward by the Management Board. Any decision to this effect by the Management Board and any decisions by the Management Board to restrict or exclude the pre-emptive right, if it is the body authorised to do so, is subject to prior approval by the Supervisory Board.
6. Any resolution by the general meeting of shareholders pertaining to a restriction or exclusion of the pre-emptive right or an appointment as referred to in paragraph 4 of this Article, requires a majority of at least two-thirds of the votes cast, if less than half of the issued capital is represented at the meeting.
7. Any motion that is put to the general meeting of shareholders pertaining to the restriction or exclusion of the pre-emptive right should give the reasons for the motion and the proposed issue price in writing.

PURCHASE AND WITHDRAWAL OF SHARES

Article 8

1. Any acquisition of shares that are not fully paid up by the company in its own capital will be invalid.
2. The company may only acquire fully paid up shares free of charge or if:
 - a. the shareholders' equity, less the acquisition price, is not less than the paid up or called up part of the capital plus the reserves which by law or the Articles of Association must be maintained, and
 - b. the nominal value of the shares to be acquired and the shares in the capital already held or held in pledge by the company and its subsidiaries does not exceed more than half of the issued share capital.
3. The Management Board may acquire shares other than free of charge only with the authorisation of the general meeting of shareholders.
4. Paragraphs 1, 2 and 3 of this Article are not applicable to shares, which the company acquires under universal title.

The authorisation referred to in paragraph 3 of this Article is not required in respect of shares which the company acquires as part of a scheme whereby the shares are transferred to staff employed by the company or a group company. These shares have to appear in the price list of a stock exchange.
5. In this Article, the term shares includes depository receipts for shares.
6. The company will not be able to exercise any of the rights attached to shares it holds in its own capital or in respect of which it has a right of usufruct or right of pledge.

Shares in respect of which no voting rights can be exercised are not counted in the calculation

of a majority or of a quorum.

Shares on which by virtue of the provision laid down in the first sentence of this paragraph no right to dividend can be exercised, are not included in the calculations pertaining to the profit appropriation.

7. Any acquisition of shares which is in contravention of paragraphs 2 and 3 of this Article will be invalid. The Managing Directors will have joint and several liability towards the transferor in good faith, who will suffer damage as a result of the invalidity.
8. Depository receipts for shares acquired by the public limited company in contravention of paragraphs 2 and 3 of this Article, will pass on to the Management Board at the time of acquisition. Each Managing Director is jointly and severally liable for the reimbursement payable to the company in respect of the purchase price and the statutory interest payable on this from this period in time.
9. The company may not, with a view to others subscribing to or acquiring shares in its capital or depository receipts for shares thereof, provide security, guarantee the price or in any other way warrant performance or bind itself jointly or severally for or by third parties. These restrictions also apply to its subsidiaries.
The restrictions described in this paragraph 9 do not apply if the shares or the depository receipts issued for shares are subscribed for or acquired by employees of the company or employees of its subsidiaries.
10. The company or its subsidiaries may provide loans for the purpose of acquiring shares or depository receipts issued for shares with due observance of the applicable provisions of the law.
11. The general meeting of shareholders may decide to reduce the issued capital by withdrawing shares or by reducing the amount of the shares by means of an amendment of the Articles of Association.
12. Any decision to withdraw may concern shares which the company holds itself or in respect of which it holds the depository receipts. Any decision to reduce the capital can only be taken at a meeting with a majority of at least two-thirds of the votes cast if less than half the issued capital is represented at the meeting. The notice convening the meeting should state the aim of the reduction of capital and the method of implementation.

JOINT RIGHTS IN RESPECT OF A SHARE

Article 9

If several persons acquire joint rights in respect of a share, these persons can only exercise these rights by having themselves represented towards the company by one person.

TRANSFER OF SHARES AND RESTRICTED RIGHTS IN RESPECT OF SHARES

Article 10

1. Any transfer of shares or transfer of a restricted right thereon in so far as and as long as shares or depository receipts for shares in the company have not been admitted to the official listing of a regulated stock exchange requires a notarial deed to be executed for that purpose before a civil law notary registered in the Netherlands, to which those involved must be parties.
2. Any transfer of shares or restricted rights thereon in accordance with the provisions laid down in the previous paragraph, will also be legally binding on the company.
Except when the company itself is party to the legal act, the rights attached to the share cannot be exercised until after the company has acknowledged the legal act, the deed has been served on it, or the company has acknowledged the legal act by entering it in the shareholders' register.
3. Except in those cases outlined in paragraph 4 of this Article, the acknowledgement is effected either in the original deed or by submission of a notarial copy or extract thereof, in the latter case the company will add a statement, duly dated, on the document submitted.
The service of the deed will take place by means of a notarial copy or an extract of the deed.
4. The company that has knowledge of the legal act referred to in paragraph 2 of this Article can, as long as it has not been asked to acknowledge this legal act or the deed has not been served on it, acknowledge this legal act of its own accord by registering the acquirer of the share or the restricted right in the shareholders' register.
The company will inform the parties involved in the legal act of this by registered letter

immediately and will ask them to as yet present it with a copy or extract as referred to in paragraph 3 of this Article. Upon receipt of this, the company will, by way of proof of acknowledgement, make a note on the document in the manner prescribed for the acknowledgement referred to in paragraph 3 of this Article; the date of registration will be stated as the date of acknowledgement.

5. In so far and as long as shares or depository receipts for shares in the company have been admitted to the official listing of a regulated stock exchange any transfer of shares or transfer of a restricted right thereon will require a notarial deed intended for this purpose as well as, except when the company itself is a party to the legal act, written acknowledgement by the company of the transfer.

The acknowledgement is effected either in the original deed, or by means of a dated statement pertaining to the acknowledgement on the original deed or on a copy or extract of this deed that has either been notarised or been certified by the transferor. The acknowledgement is tantamount to the service of that deed or a copy or extract on the company. If the transfer concerns partly paid up shares, the acknowledgement can only take place when the deed contains an officially recorded date.

6. A right of pledge can also be established without acknowledgement by or service on the company. In that case Section 3:239 of the Dutch Civil Code will apply by analogy, whereby acknowledgement by or service on the company will take the place of the statement referred to in paragraph 3 of this Article.

RIGHT OF PLEDGE ON SHARES

Article 11

The company may only take own shares or depository receipts thereof in pledge if:

- a. the shares on which the right of pledge is to be established are fully paid up;
- b. the nominal value of the shares to be taken in pledge and the own shares and depository receipts thereof already held or held in pledge collectively do not amount to more than one/tenth of the issued capital, and
- c. the general meeting of shareholders has approved the pledge agreement.

TRUST OFFICES – DEPOSITORY RECEIPTS FOR SHARES

Article 12

1. In these Articles of Association, trust offices are taken to mean trust offices which by virtue of an agreement entered into between such a trust office and the Management Board on behalf of the company, subject to the prior approval of the Supervisory Board, issue exchangeable depository receipts for shares in registered form against shares in its possession.
2. Wherever in these Articles of Association reference is made to a holder of depository receipts for shares this exclusively refers to the holder of a depository receipt for a share in the company - issued by a trust office referred to in the first paragraph of this Article in accordance with the agreement entered into with this trust office - as well as the holder of another depository receipt for shares issued with the company's cooperation and those persons who by virtue of a right of usufruct or a right of pledge established on a share have the rights referred to in paragraphs 7, 8 and 9 of Article 5.
3. The Management Board, subject to the approval of the Supervisory Board, is authorised to cooperate in the issue of depository receipts for shares on behalf of the company.

Article 13 has been deleted.

TRANSFER OF SHARES

Article 14

Shares may be transferred freely without any transfer restrictions being applicable.

MANAGEMENT BOARD

Article 15

1. The company will be managed by a Management Board consisting of one or more Managing Directors. The number of Managing Directors is determined by the general meeting.
2. Managing Directors are appointed by the general meeting.
3. Each Managing Director may be removed by the general meeting.
4. A Managing Director will retire not later than the day on which the annual general meeting of shareholders is held in the fourth calendar year after the calendar year in which such member was last appointed. A Managing Director who retires in accordance with the previous

- provision is immediately eligible for reappointment.
5. Each Managing Director may be suspended or removed by the general meeting at any time. A suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.
 6. The company has a policy on the remuneration of the Management Board. With due observance of the provisions of the law, the policy shall be proposed by the Supervisory Board and adopted by the general meeting of shareholders.
 7. The authority to establish remuneration and other conditions of employment for Managing Directors is vested, with due observance of the policy referred to in paragraph 7, in the Supervisory Board. With respect to arrangements in the form of Shares or rights to subscribe for Shares, the Supervisory Board will submit a proposal to the general meeting of shareholders for approval. The proposal must as a minimum state the number of Shares or rights to subscribe for Shares that can be granted to the Management Board and the conditions for granting or changing thereof.

Article 16

1. The Management Board is entrusted with the management of the company.
2. The Management Board may establish rules regarding its decision-making process and working methods. In this context, the Management Board may also determine the duties for which each Managing Director is particularly responsible. The Supervisory Board may resolve that such rules and allocation of duties must be put in writing and that such rules and allocation of duties will be subject to its approval.
3. Management Board resolutions may at all times be adopted in writing, provided the proposal concerned is submitted to all Managing Directors then in office and none of them objects to this manner of adopting resolutions. Adoption of resolutions in writing is effected by written statements from all Managing Directors then in office.
4. Resolutions of the Management Board entailing a significant change in the identity or character of the company or its business are subject to the approval of the general meeting, including in any case:
 - (a) the transfer of (nearly) the entire business of the company to a third party;
 - (b) entering into or breaking off long-term co-operations of the company or a subsidiary with an other legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the company;
 - (c) acquiring or disposing of participating interests in the capital of a company of at least one third of the sum of the assets of the company as shown on its balance sheet plus explanatory notes or if the company prepares a consolidated balance sheet, its consolidated balance sheet plus explanatory notes according to the last adopted annual accounts of the company, by the company or a subsidiary.
5. Without prejudice to any other applicable provisions of the law or these Articles of Association, Management Board resolutions with respect to any one or more of the following matters are subject to the approval of the Supervisory Board:
 - (a) issue and acquisition of shares and debentures at the expense of the company or of debentures at the expense of a limited partnership or general partnership in respect of which the company is a partner with full liability;
 - (b) cooperation in the issuance of depository receipts for Shares;
 - (c) the application for admission of the securities under a and b above to a trading platform as referred to in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or a comparable trading platform from a state that is not a member state, or, as the case may be, the cancellation of such admission;
 - (d) entering into or termination of a long term cooperation of the company or a dependent company with another legal entity or company or, as a partner with full liability, in a limited partnership or general partnership if such cooperation or termination is of fundamental importance for the company;
 - (e) participation by the company or a dependent company in the capital of another company if the value of such participation is at least one quarter of the amount of the issued capital plus reserves of the company according to its balance sheet and explanatory notes, as well as

- (f) significantly increasing or reducing such participation;
 - (f) investments requiring an amount equal to at least one quarter of the issued capital plus reserves of the company according to its balance sheet and explanatory notes;
 - (g) a proposal to amend these Articles of Association;
 - (h) a proposal to dissolve the company;
 - (i) petition for bankruptcy or a request for suspension of payments (*surséance van betaling*);
 - (j) termination of the employment of a considerable number of employees of the company or of a dependent company simultaneously or within a short period of time;
 - (k) radical change in the employment conditions of a considerable number of the employees of the company or of a dependent company;
 - (l) a proposal to reduce the company's issued capital;
 - (m) the performance of any legal acts, of which the value or the interest exceeds an amount to be set by the Supervisory Board and which they will have informed the Management Board about in writing; the provision laid down in this paragraph cannot be impaired by splitting legal acts;
 - (n) the acquisition, disposal and encumbrance of immovable property;
 - (o) entering into loan agreements and loans for the benefit of and issued by the company, with the exception of withdrawals against an existing loan;
 - (p) the company committing itself as a guarantor or as a joint and several debtor and warranting performance by a third party or the company providing security for a debt of a third party;
 - (q) the institution of legal proceedings, taking measures enforcing a judgement, settling disputes and submitting disputes to arbitrators for settlement, this with the exception of taking of measures that are essential to maintain law and order;
 - (r) exercising the voting right attached to or connected with the possession of shares in such enterprises and companies;
 - (s) the appointment of holders of a power of attorney and the establishment of their power of representation.
6. The Supervisory Board may also require other Management Board resolutions to be subject to its approval. The Management Board must be notified in writing of such resolutions, which must be clearly specified.
7. The absence of approval by the general meeting of shareholders of a resolution as referred to in paragraph 4, or of the Supervisory Board of a resolution as referred to in paragraphs 5 and 6 will not affect the authority of the Management Board or the Managing Directors to represent the company.

Article 17

1. The company will be represented by the Management Board. Each Managing Director will also be authorised to represent the company.
2. The Management Board may appoint officers with general or limited power with the title of assistant managing director to represent the company. Each officer will be competent to represent the company, subject to the restrictions imposed on him.
3. A Managing Director may not participate in deliberating or decision-making within the Management Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the Company and the business connected with it. If, as a result hereof, the Management Board cannot make a decision, the Supervisory Board will resolve the matter.
4. The Managing Director who in connection with a (potential) conflict of interests does not exercise certain duties and powers will insofar be regarded as a Managing Director who is unable to perform his duties (*belet*).
5. In the event of a conflict of interests as referred to in paragraph 4, the provisions of paragraph 1 will continue to apply unimpaired. In addition, the Supervisory Board may, ad hoc or otherwise, appoint one or more persons to represent the Company in matters in which a (potential) conflict of interests exists between the Company and one or more Managing Directors.

Article 18

1. If a seat on the Management Board is vacant (*ontstentenis*) or a Managing Director is unable to perform his duties (*belet*), the remaining Managing Directors or Managing Director will be

temporarily entrusted with the management of the company. For each vacant seat on the Management Board, the Supervisory Board can determine that it will be temporarily occupied by a person (a stand-in) designated by the Supervisory Board. If all seats on the Management Board are vacant or all Managing Directors or the sole Managing Director are unable to perform their duties and no seat is temporarily occupied, the management of the company will be temporarily entrusted to the Supervisory Board, with the authority to temporarily entrust the management of the company to one or more Supervisory Directors and/or one or more other persons.

2. When determining to which extent Managing Directors are present or represented, consent to a manner of adopting resolutions, or vote, stand-ins will be counted-in and no account will be taken of vacant seats for which no stand-in has been designated.
3. For the purpose of this Article 18, the seat of a Managing Director who is unable to perform his duties (*belet*) will be treated as a vacant seat.

SUPERVISORY BOARD

Article 19

1. The company will have a Supervisory Board consisting of at least three Supervisory Directors. The number of Supervisory Directors is determined by the general meeting with due observance of this minimum. If the number of Supervisory Directors is less than three, the Supervisory Board must take measures forthwith to supplement the number of Supervisory Directors.
2. Only individuals may be Supervisory Directors.
3. The Supervisory Board will adopt a profile on its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board will discuss the profile in the general meeting of shareholders and with the Works Council, for the first time at the occasion of adoption and subsequently at each amendment thereof.
4. Notwithstanding the provision of paragraph 9, Supervisory Directors are appointed by the general meeting of shareholders on a nomination of the Supervisory Board. The Supervisory Board must simultaneously inform the general meeting of shareholders and the Works Council of the nomination. The nomination will state the reasons on which it is based.
5. The general meeting of shareholders and the Works Council may recommend candidates to the Supervisory Board to be nominated as Supervisory Director. The Supervisory Board must inform them in time, when and why and in accordance with what profile a vacancy has to be filled in its midst. If the special right of recommendation referred to in paragraph 7 applies, the Supervisory Board will announce that as well.
6. A nomination or a recommendation as referred to in this Article 19 must state the candidate's age, his profession, the number of the Shares he holds in the capital of the company and the positions he holds or has held, in so far as these are relevant for the performance of the duties of a Supervisory Director. Furthermore, the names of the legal entities of which he is already a Supervisory Director must be indicated; if those include legal entities which belong to a group, reference of that group will be sufficient. The recommendation and the nomination for appointment or re-appointment must be motivated. In case of re-appointment, the performance in the past period of the candidate as a Supervisory Director will be taken into account.
7. With regard to one third of the total number of members of the Supervisory Board, the Supervisory Board shall put a person recommended by the Works Council on the nomination, unless the Supervisory Board objects to the recommendation because it suspects that the recommended person shall be unsuitable for the exercise of the duties of a Supervisory Director or that the Supervisory Board shall not be composed properly in case of appointment in accordance with the recommendation. If the number of members of the Supervisory Board cannot be divided by three, the closest lower number that can be divided by three shall be taken into account in order to establish the number of members of the Supervisory Board for which the stronger right of recommendation applies.
8. If the Supervisory Board objects to a recommendation as referred to in paragraph 7, it shall inform the Works Council of its objection stating its reasons. The Supervisory Board shall forthwith enter into consultation with the Works Council in order to reach agreement on the

recommendation. If the Supervisory Board establishes that no agreement can be reached, a representative of the Supervisory Board designated for that purpose shall request the Enterprise Division of the Amsterdam Court of Appeal to declare the objection well-founded. The request shall not be filed before the lapse of four weeks after the consultation with the Works Council started. The Supervisory Board shall put the recommended person on the nomination if the Enterprise Division declares the objection unfounded. If the Enterprise Division declares the objection well-founded, the Works Council can make a new recommendation in accordance with the provisions of paragraph 7.

9. The general meeting of shareholders can reject the nomination by an absolute majority of the votes cast, representing at least one third of the issued capital. If the general meeting of shareholders resolves by an absolute majority of the votes cast to reject the nomination but this majority does not represent at least one third of the issued capital, a new meeting can be convened where the nomination can be rejected by an absolute majority of the votes cast. The Supervisory Board will then prepare a new nomination. Paragraphs 5 through 8 apply. If the general meeting of shareholders does not appoint the person nominated by the Supervisory Board and does not resolve to reject the nomination, the Supervisory Board will appoint the person nominated.
10. The Company must have a policy with respect to the remuneration of the Supervisory Directors. With due observance of the provisions of the law, the policy shall be proposed by the Supervisory Board and adopted by the general meeting of shareholders. The general meeting of shareholders shall establish the remuneration for each Supervisory Director in accordance with the remuneration policy with respect to the Supervisory Board.

Article 20

1. Each Supervisory Director retires not later than the day on which the first general meeting of shareholders is held after four years have elapsed since his appointment.
2. The Supervisory Directors will retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board. A Supervisory Director retiring by rotation is immediately eligible for re-election. Any alteration to the rotation plan cannot require a Supervisory Director to resign against his will before the term of his appointment has lapsed.
3. If all seats on the Supervisory Board are vacant, other than pursuant to paragraph 3 of Article 21, the appointment will be made by the general meeting of shareholders.
4. The Works Council may recommend candidates for appointment to the Supervisory Board. The person convening the general meeting of shareholders, shall notify the Works Council for that purpose in time that the appointment of a Supervisory Director shall form part of the business at the general meeting of shareholders, stating whether the appointment of a Supervisory Director shall take place in accordance with the right of recommendation of the Works Council pursuant to paragraph 7 of Article 19.
5. The provisions of paragraphs 7 and 8 of Article 19 apply *mutatis mutandis*.

Article 21

1. The Enterprise Division of the Amsterdam Court of Appeal may upon a request to that effect remove a Supervisory Director for neglecting his duties, for other important reasons or for a fundamental change of circumstances on the basis of which in all reasonableness the company cannot be required to keep him on as a Supervisory Director. The petition can be submitted by the company, herein represented by the Supervisory Board, as well as by a representative of the general meeting or of the Works Council, designated for that purpose. Section 2:158 subsection 10 of the Dutch Civil Code applies *mutatis mutandis*.
2. A Supervisory Director can be suspended by the Supervisory Board; the suspension will lapse by law, if the company has not submitted a petition as referred to in paragraph 1 to the Enterprise Division within one month after commencement of the suspension.
3. The general meeting of shareholders can, by an absolute majority of the votes cast, representing at least one third of the issued capital, resolve to abandon its trust (*het vertrouwen opzeggen*) in the entire Supervisory Board. The resolution will state the reasons on which it is based. The resolution cannot regard Supervisory Directors appointed by the Enterprise Division of the Amsterdam Court of Appeal in accordance with paragraph 5.
4. A resolution as referred to in paragraph 3 shall not be passed until after the Management Board has notified the Works Council of the proposed resolution and the reasons therefore.

The notification shall be made at least thirty days before the general meeting of shareholders where the proposal is discussed, is held. If the Works Council defines a position on the proposal, the Management Board shall inform the Supervisory Board and the general meeting of shareholders thereof. The Works Council can have its position explained in the general meeting of shareholders.

5. The resolution referred to in paragraph 3 shall result in the immediate resignation of the members of the Supervisory Board. In that case the Management Board shall forthwith request the Enterprise Division of the Amsterdam Court of Appeal to temporarily appoint one or more Supervisory Directors. The Enterprise Division of the Amsterdam Court of Appeal shall determine the consequences of the appointment.
6. The Supervisory Board shall take action to the effect that, within the term stated by the Enterprise Division of the Amsterdam Court of Appeal, a new Supervisory Board is composed in accordance with the provisions of Article 19 paragraphs 4 through 9.

Article 22

1. The Supervisory Board is charged with the supervision on the policy pursued by the Management Board and the day-to-day running of the company and its affiliated company. It gives advice to the Management Board. In the fulfilment of their duties the Supervisory Directors focus on the interest of the company and its affiliated company.
2. The Management Board will provide the Supervisory Board in time with any information necessary for the fulfilment of its duties.
3. At least once a year, the Management Board informs the Supervisory Board in writing of the main aspects of the strategic policy, the general and financial risks and the company's management and auditing systems.
4. The Supervisory Board may request assistance from experts. The costs of such assistance will be for the account of the company.
5. The Supervisory Board may decide that one or more Supervisory Directors and/or experts have access to the office and the other buildings and premises of the company and that such persons are authorised to inspect the books and records of the company.
6. The Supervisory Board may establish rules regarding its decision-making process and working methods, in addition to the relevant provisions of these Articles of Association.
7. The Supervisory Board will appoint one of the Supervisory Directors as chairman of the Supervisory Board, who will have the title of Chairman of the Supervisory Board. The Supervisory Board will also appoint a secretary of the Supervisory Board, from among its members or not, and will make arrangements for their substitution in case of absence.
8. The Supervisory Board meets whenever a Supervisory Director or the Management Board deems necessary.
9. In the meeting of the Supervisory Board, a Supervisory Director can have himself represented by another member of the Supervisory Board by means of a written proxy.
10. The meetings of the Supervisory Board are presided over by its chairperson or his deputy. In their absence, the chairperson of the meeting is appointed by a majority of the votes cast by the Supervisory Directors present at the meeting.
11. The chairperson of the meeting appoints a secretary for the meeting.
12. The secretary of a meeting of the Supervisory Board must keep minutes of the proceedings at the meeting. The minutes must be adopted by the Supervisory Board, in the same meeting or the next. Evidencing their adoption, the minutes must be signed by the chairperson and the secretary of the meeting in which the minutes are adopted.
13. The Supervisory Board meets with the Management Board as often as the Supervisory Board or the Management Board deems necessary.
14. When making Supervisory Board resolutions, each Supervisory Director may cast one vote.
15. All resolutions of the Supervisory Board will be adopted by a majority of the votes cast. If there is a tie in voting, the proposal shall be deemed to have been rejected.
16. At a meeting, the Supervisory Board may only pass valid resolutions if the majority of the Supervisory Directors then in office are present or represented.
17. A Supervisory Director may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the Company and the business connected with it.

- Article 17 paragraph 4 applies by analogy.
18. Supervisory Board resolutions may also be adopted in a manner other than at a meeting, in writing or otherwise, provided the proposal concerned is submitted to all Supervisory Directors then in office, none of them objects to the relevant manner of adopting resolutions and more than half of the number of Supervisory Directors has stated to be in favour of the motion. A report must be prepared by the secretary of the Supervisory Board on a resolution adopted other than at a meeting which is not adopted in writing, and such report must be signed by the chairperson and the secretary of the Supervisory Board. Adoption of resolutions in writing is effected by written statements from all Supervisory Directors then in office.
 19. The Supervisory Board shall forthwith take the necessary measures for the appointment of a new Supervisory Director by the general meeting of shareholders. Pending the appointment of a new Supervisory Director by the general meeting of shareholders, for each vacant seat on the Supervisory Board the Supervisory Board can determine that it will be temporarily occupied by a person (a stand-in) designated by the Supervisory Board, if and insofar the Supervisory Board deems such a temporary designation necessary taking into account the specific circumstances at hand. Persons that can be designated as such include (without limitation) former Supervisory Directors.
 20. The term of a stand-in designated by the Supervisory Board shall end by operation of law after the general meeting of shareholders has appointed the stand-in or another person as new Supervisory Director to permanently occupy the vacant seat. If no appointment of a Supervisory Director is placed on the agenda of the next general meeting of shareholders after a person has been designated as a stand-in, the term of such stand-in shall end by operation of law upon the lapse of six months after the date of such next general meeting of shareholders.
 21. If and as long as all seats on the Supervisory Board are vacant and no seat is temporarily occupied, the Management Board will decide to what extent and in which manner the duties and authorities of the Supervisory Board will temporarily be taken care of. Furthermore, the Management Board shall forthwith take the necessary measures for the appointment of a new Supervisory Director by the general meeting of shareholders.
The provisions of Articles 18 paragraph 1 first sentence, 18 paragraph 2 and 18 paragraph 3 apply by analogy to the Supervisory Board.

Article 23 has been deleted.

INDEMNITY AND INSURANCE

Article 24

1. To the extent permissible by law, the Company will indemnify and hold harmless each member of the Management Board and of the Supervisory Board, both former members and members currently in office (each of them, for the purpose of this Article 24 only, an Indemnified Person), against any and all liabilities, claims, judgments, fines and penalties (Claims) incurred by the Indemnified Person as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a Legal Action), of or initiated by any party other than the Company itself or a group company (*groepsmaatschappij*) thereof, in relation to any acts or omissions in or related to his capacity as an Indemnified Person. Claims will include derivative actions of or initiated by the Company or a group company (*groepsmaatschappij*) thereof against the Indemnified Person and (recourse) claims by the Company itself or a group company (*groepsmaatschappij*) thereof for payments of claims by third parties if the Indemnified Person will be held personally liable therefore.
2. The Indemnified Person will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Indemnified Person has been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).
3. The Company will provide for and bear the cost of adequate insurance covering Claims against sitting and former Management Board members and sitting and former Supervisory Board members (D&O insurance), unless such insurance cannot be obtained at reasonable terms.
4. Any expenses (including reasonable attorneys' fees and litigation costs) (collectively,

Expenses) incurred by the Indemnified Person in connection with any Legal Action will be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such Expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified. Expenses will be deemed to include any tax liability which the Indemnified Person may be subject to as a result of his indemnification.

5. Also in case of a Legal Action against the Indemnified Person by the Company itself or its group companies (*groepsmaatschappijen*), the Company will settle or reimburse to the Indemnified Person his reasonable attorneys' fees and litigation costs, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such fees and costs if a competent court in an irrevocable judgment has resolved the Legal Action in favour of the Company or the relevant group company (*groepsmaatschappij*) rather than the Indemnified Person.
6. The Indemnified Person may not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the Company's prior written authorisation. The Company and the Indemnified Person will use all reasonable endeavours to cooperate with a view to agreeing on the defence of any Claims, but in the event that the Company and the Indemnified Person fail to reach such agreement, the Indemnified Person will comply with all directions given by the Company in its sole discretion, in order to be entitled to the indemnity contemplated by this Article 24.
7. The indemnity contemplated by this Article 24 does not apply to the extent Claims and Expenses are reimbursed by insurers.
8. This Article 24 can be amended without the consent of the Indemnified Persons as such. However, the provisions set forth herein nevertheless continues to apply to Claims and/or Expenses incurred in relation to the acts or omissions by the Indemnified Person during the periods in which this clause was in effect.

THE GENERAL MEETING OF SHAREHOLDERS

Article 25

1. The general meetings of shareholders will be held in Leiden, Amsterdam, The Hague or Rotterdam.
2. Every year at least one general meeting of shareholders will be held within six months of the end of the financial year, during which general meeting of shareholders the annual accounts will be presented for adoption.

In addition a general meeting of shareholders is held within three months after it has become likely to the Management Board that the company's equity has dropped to an amount that is equal to or lower than half of the paid up and called up share capital.
3. The Management Board and the Supervisory Board are equally authorised to convene the general meeting of shareholders.

The Management Board and the Supervisory Board are obliged to convene a general meeting of shareholders, if one or more holders of shares, collectively representing at least one/tenth of the issued capital, have requested this in writing and have presented accurate details of the topics to be discussed.

If in this case neither the Management Board, nor the Supervisory Board has taken such measures to ensure that the general meeting of shareholders can be held within six weeks after the request, the holders of shares collectively representing at least one/tenth of the issued capital will be authorised to convene a general meeting of shareholders after being authorised to do so by the president of the court.

For the application of the provisions laid down in the two previous sentences of this paragraph holders of the depository receipts for shares referred to in Article 12, paragraph 2, are considered equal to holders of shares.

If both the Management Board and the Supervisory Board fail to convene a general meeting of shareholders as prescribed in paragraph 2 of this Article, each shareholder can be granted authority by the president of the court to convene such a meeting themselves.
4. Shareholders and depository receipt holders as referred to in Article 12 paragraph 2, entitled thereto pursuant to law, will have the right to request the Management Board or the Supervisory Board to place items on the agenda of the general meeting of shareholders,

provided the request is received by the Management Board or the chairman of the Supervisory Board in writing at least sixty days before the date of the general meeting of shareholders.

5. The shareholders as well as the holders of depository receipts for shares issued with the company's cooperation will be invited to attend the general meeting of shareholders. Notice of general meetings of shareholders will be given in accordance with the requirements of law and the requirements of regulation applicable to the company pursuant to the listing of its Shares on the stock exchange of Euronext Amsterdam N.V.
6. The Management Board may determine that shareholders and other persons holding Meeting Rights will be given notice of meetings exclusively by announcement on the website of the company and/or through other means of electronic public announcement, to the extent in accordance with paragraph 5.
7. Shareholders and other persons holding Meeting Rights may also be given notice in writing. Barring proof to the contrary, the provision of an electronic mail address by a person holding Meeting Rights to the company will constitute evidence of that shareholder's consent to the sending of notices electronically.
8. The provisions of paragraphs 5 up to and 7 apply by analogy to other announcements, notices and notifications to shareholders and other persons holding Meeting Rights.
9. The notice convening the meeting will state the topics to be discussed or will state that the shareholders, the depository receipt holders as referred to in Article 12 paragraph 2, and other persons entitled to attend meetings can take cognisance of these at the company's offices, without prejudice to the provisions of Article 32 paragraph 2 of these Articles of Association and the provisions of Section 2:99 subsection 7 of the Dutch Civil Code.
10. Notice convening a meeting shall be given no later than on the forty-second day prior to that of the meeting or, at the discretion of the Management Board, a shorter notice period to the extent allowed by law.

Article 26

1. Every shareholder who is entitled to vote and every holder of a right of usufruct or a right of pledge on shares who is entitled to vote, is authorised to attend the general meeting of shareholders, to address this meeting and to exercise his voting right.
Shareholders must notify the Management Board in writing of their intention to attend the meeting. The Management Board must have received this notice no later than the date stated in the notice convening the meeting. The Management Board will send them an admission ticket for the meeting.
2. For each general meeting of shareholders a statutory record date will be applied, in order to determine in which persons voting rights and Meeting Rights are vested. The record date and the manner in which persons holding Meeting Rights can register and exercise their rights will be set out in the notice convening the meeting.
3. The rights to attend and address meetings pursuant to paragraph 1 may be exercised by a person holding a written instrument of proxy provided that the instrument of proxy has been received by the Management Board no later than the date stated in the notice convening the meeting, or in the case of shares held by the trust office, the instrument of proxy is received by the Management Board no later than at the signing of the attendance list prior to the commencement of the general meeting of shareholders.
4. If the voting rights in respect of a share are vested in the usufructuary or the pledgee instead of in the shareholder, the shareholder shall also be entitled to attend the general meeting of shareholders and to address the meeting provided that the Management Board has been notified of the intention to attend the meeting in accordance with paragraph 1. Paragraph 3 shall be applicable by analogy. The aforementioned provisions of this paragraph also apply to a usufructuary or a pledgee of a share of which the voting rights are vested in the shareholder.
5. Each depository receipt holder as referred to in Article 12 paragraph 2, shall be entitled to attend and address the general meeting of shareholders, provided his depository receipts were registered in the name of the depository receipt holder on the record date referred to in paragraph 2.
6. The rights to attend and address meetings pursuant to paragraph 5 may be exercised by a

person holding a written instrument of proxy, provided, notwithstanding the requirements concerning the deposit of the depository receipts, the instrument of proxy is received by the Management Board no later than the date stated in the notice convening the meeting.

7. The Management Board has the power to determine in the notice convening the meeting that for the application of Section 2:117, subsections 1 and 2 and Section 2:117a, subsections 1 and 4 of the Dutch Civil Code for all shares or shares of a certain class, the persons that are entitled to attend and address meetings and to vote are the persons who have those rights on the record date referred to in paragraph 2 and are entered as such in a register (or one or more parts thereof) that has been designated for that purpose by the Management Board, notwithstanding who is entitled to those shares or depository receipts at the time of the meeting.
8. The date stated in the notice convening the meeting as referred to in paragraphs 1, 3, 5 and 6 shall not be earlier than the seventh day before that of the meeting or at some time, so much earlier as will be permitted by law.
9. The Management Board may decide that the right to attend and address the meeting referred to in paragraphs 1 and 5 can be exercised by using an electronic means of communication. To do so, it must always be possible that the person entitled to attend the meeting can be identified through the electronic means of communication, that he must be able to directly follow the discussions at the meeting and that he can exercise his right to vote, if he is entitled to do so. Moreover, the Management Board may also decide that the person entitled to attend the meeting can participate in the discussion via the electronic means of communication.
10. The Management Board may determine further conditions to the use of electronic means of communication as referred to in paragraph 9. Such further conditions will be set out in the notice of the meeting.
11. Each person eligible to vote or his representative shall sign the attendance list. The names of persons who participate in the meeting in accordance with paragraph 9 or who have cast their votes as referred to in Article 28 paragraph 7, shall be added to the attendance list.
12. The members of the Supervisory Board and the Managing Directors may as such attend and have an advisory role in the general meeting of shareholders.
13. The chairman shall decide whether persons other than those who may be admitted in accordance with the above provisions of this Article shall be admitted to the meeting.

Article 27

1. The general meeting of shareholders is chaired by the chairman of the Supervisory Board or in his absence by his replacement. However, the Supervisory Board may also appoint another chairman to preside over the meeting. The chairman of the meeting will have all powers necessary to ensure the proper and orderly functioning of the general meeting of shareholders. If the chairmanship of the meeting is not provided for in accordance with the preceding sentence, the meeting will appoint its own chairman.
2. The announcement made by the chairman at the general meeting of shareholders to the effect that a resolution was passed is decisive. The same applies to the content of a resolution passed, in so far as voting took place on a motion that had not been laid down in writing. However, if immediately following the announcement of the abovementioned opinion the accuracy of this is disputed, a new vote will take place, when the majority of those present at the meeting so desires or if the original vote did not take place by roll call or in writing, a person present entitled to vote so desires. As a result of this new vote the legal consequences of the original vote will be cancelled.
3. Unless a notarial record is drawn up, minutes will be taken by a person to be appointed for this by the chairman, which minutes will be adopted by this person and the chairman and will be signed by them in witness of this adoption.
Every Managing Director and every Supervisory Director, as well as one or more holders of shares, collectively representing at least one/tenth of the issued capital is entitled to have a notarial record drawn up.
The costs of the notarial record will be payable by the company.
For the applicability of the provisions laid down in the second sentence of this paragraph the holders of depository receipts for shares referred to in Article 12 paragraph 2 are considered equal to holders of shares.

Article 28

1. Each share gives the right to cast one vote.
2. Votes on business matters will be decided orally, votes on persons will be cast by secret ballot unless the chairman decides on another method of voting and none of those present at the meeting objects.
3. In so far as the law or these Articles of Association do not prescribe a bigger majority all decisions are taken with an absolute majority of the votes cast.
4. In the event of a tie in a vote on persons, lots will be drawn; in the event of a tie in a vote on other matters, the motion will be rejected.
If nobody obtains an absolute majority in the case of an election involving more than two persons, a new vote will be held between the two persons, who obtained the largest number of votes, if necessary after an interim vote.
5. The company cannot cast a vote in respect of shares it holds itself or in respect of which it has a right of usufruct or a right of pledge. Nor can votes be cast on shares in respect of which the company holds the depository receipts. If the right of usufruct or the right of pledge was established by the company, the holder of a right of usufruct or a right of pledge in respect of a share held by the company cannot cast a vote.
6. When establishing whether a particular part of the capital is represented, or whether a majority of a particular part of the capital is represented, the capital will be reduced by the amount of the shares for which no vote can be cast.
7. In the event that it uses the authority referred to in Article 26, paragraph 6, the Management Board may determine that votes cast by electronic means of communication before the general meeting of shareholders shall be treated the same as votes cast during the meeting. These votes cannot be cast before the record date set out in the notice, as referred to in Article 26 paragraph 6. Without prejudice to the other provisions of Article 26, the notice shall state the manner in which persons that are entitled to participate in meetings and to vote may exercise their rights prior to the meeting.

Article 29 has been deleted.

FINANCIAL YEAR, ANNUAL ACCOUNTS AND PROFIT APPROPRIATION

Article 30

1. The company's financial year coincides with the calendar year.
2. The Management Board will close the company's books as of the last day of the financial year and will draw up the annual accounts on the basis of these within four months.
The annual accounts shall be signed by all Managing Directors and Supervisory Directors. If the signature of one or more of them is missing, this shall be stated and reasons shall be given.
3. The general meeting of shareholders will appoint an auditor, who will audit the annual accounts drawn up by the Management Board, will report on these annual accounts and will issue a statement.
The auditor is entitled to inspect all of the company's books and documents containing information that is necessary for the proper fulfilment of his task.
He will have to be shown the values of the company on request.
4. The auditor will report to the Supervisory Board and the Management Board.
The annual accounts, the annual report, the auditor's report and the auditor's statement, as well as the details to be added to this by law will be available for inspection by the shareholders and holders of depository receipts for shares referred to in Article 12, paragraph 2 at the company's offices, as well as in Amsterdam at the place to be mentioned in the notice convening the meeting from the day on which the annual general meeting of shareholders intended to consider these annual accounts is convened until the end of this meeting. Copies of these will be made available to them free of charge.
If the annual accounts are adopted in an amended form, they can also obtain a copy of the amended annual accounts free of charge.
5. The annual accounts are adopted by the general meeting of shareholders.
6. At the general meeting of shareholders at which it is resolved to adopt the annual accounts, it will be separately proposed that the Management Board members and the Supervisory Board members be released from liability for their respective duties, insofar as the exercise

of such duties is reflected in the annual accounts or otherwise disclosed to the general meeting of shareholders prior to the adoption of the annual accounts.

7. The Management Board is obliged to make a full copy of the annual accounts as well as a copy of the accountants report relating to these annual accounts, a copy of the annual report and the other documents referred to in Section 2:392 of the Dutch Civil Code in the Dutch language available for general inspection at the offices of the trade register within eight days after the annual accounts were adopted.

The Management Board is, however, authorised to exercise the powers vested in them by virtue of Section 2:394, subsection 4, second sentence of the Dutch Civil Code.

8. If the annual accounts are not adopted within six months after the end of the financial year in accordance with the statutory regulations, the Management Board will make the annual accounts that were drawn up public with immediate effect. Mention will be made in these annual accounts of the fact that they have not yet been adopted.
9. The statutory exemptions from the obligation to publish are applicable in so far as the general meeting of shareholders has not decided otherwise within six months after the start of the financial year.

Article 31

1. The profit will be determined according to generally accepted standards.
2. The profits realised during the financial year will be at the disposal of the general meeting of shareholders for payment to the shareholders in proportion to the number of shares held by them.
3. The company may only make payments to the shareholders from the distributable profits in so far as the shareholders' equity is greater than the amount of the paid up and called up part of the capital and the reserves it is required to maintain by law.
4. The Management Board may decide to pay out an interim dividend from the profit of the current financial year if the requirement laid down in the previous paragraph has been met according to an interim statement of assets and liabilities. The decision is subject to the approval of the Supervisory Board.
5. Dividends are only paid out after the annual accounts that show that is permissible to do so have been adopted.
6. The shares which the company holds in its own capital are not included in the calculations relating to the profit appropriations.
7. In the calculations of the profit what will be paid out on each share, only the amount of the compulsory payments in respect of the shares will be taken into account.
8. The general meeting of shareholders can only dispose over reserves subject to prior approval by the Supervisory Board. If any reserves are paid out these will be paid to the shareholders in proportion to the number of shares held by them.
9. Dividends are payable one month after they were approved, unless the general meeting of shareholders decided to extend this term, in the manner and at the place to be determined by the Management Board.
10. A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed after the day of payment.

AMENDMENT OF THE ARTICLES OF ASSOCIATION AND DISSOLUTION

Article 32

1. Any resolutions to amend to Articles of Association or to dissolve the company can only be passed by the general meeting of shareholders on the basis of a motion put forward by the Management Board, subject to the approval of the Supervisory Board.
2. If the general meeting is going to be asked to pass a motion to amend the Articles of Association, this should at all times be stated in the notice convening the general meeting. Those convening such a meeting, must simultaneously submit a copy of this motion, containing the text of the proposed amendment to the offices of the company, as well as in Amsterdam at the place to be mentioned in the notice convening the meeting, for inspection by every shareholder until the end of the meeting and a copy of this will be available to them free of charge.

For the applicability of the provisions laid down in the previous sentences of this paragraph the holders of depository receipts for shares referred to in Article 12 paragraph 2 are

considered equal to shareholders.

LIQUIDATION

Article 33

1. In the event of the dissolution of the company, the liquidation will be carried out by the Management Board, unless determined otherwise by the general meeting of shareholders.
2. The general meeting of shareholders will determine the remuneration of the liquidators.
3. During liquidation these Articles of Association will remain in force to the fullest possible extent.
4. The balance of the capital in the dissolved company that remains after the creditors have been paid will be distributed among the shareholders in proportion to the number of shares held by them.

12.2 Articles of Association following Delisting

ARTICLES OF ASSOCIATION:

CHAPTER 1. DEFINITIONS AND CONSTRUCTION.

Article 1. Definitions and Construction.

1.1 In these Articles of Association, the following terms have the following meanings:

Share means a share in the capital of the Company.

Shareholder means a holder of one or more Shares.

General Meeting or **General Meeting of Shareholders** means the body of the Company consisting of the person or persons holding the voting rights attached to Shares, as a Shareholder or otherwise, or (as the case may be) a meeting of such persons (or their representatives) and other persons holding Meeting Rights.

Management Board means the management board of the Company.

Managing Director means a member of the Management Board.

Works Council means the works council of the Company's business or of the business of a Dependent Company. If there is more than one works council, the powers of the works council under these Articles of Association will be exercised by such works councils severally; however where it concerns a recommendation as referred to in Article 17.4, the powers of the works councils will be exercised by the works councils jointly. If a central works council has been instituted for the business or businesses involved, the powers of the works council under these Articles of Association will accrue to such central works council.

Supervisory Director means a member of the Supervisory Board.

Supervisory Board means the supervisory board of the Company.

Company means the company the internal organisation of which is governed by these Articles of Association.

Meeting Rights means the right to attend General Meetings of Shareholders and to speak at such meetings, as a Shareholder or as a person to whom these rights have been attributed in accordance with Article 9.

1.2 A message in writing means a message transmitted by letter, by telecopier, by e-mail or by any other means of electronic communication provided the relevant message or document is legible and reproducible, and the term written is to be construed accordingly.

1.3 The Management Board, the Supervisory Board and the General Meeting each constitute a distinct body of the Company.

1.4 References to Articles refer to articles which are part of these Articles of Association, except where expressly indicated otherwise.

1.5 Unless the context otherwise requires, words and expressions contained and not otherwise defined in these Articles of Association bear the same meaning as in the Dutch Civil Code. References in these Articles of Association to the law are references to provisions of Dutch law as it reads from time to time.

CHAPTER 2. NAME, OFFICIAL SEAT AND OBJECTS.

Article 2. Name and Official Seat.

2.1 The Company's name is:

Koninklijke Brill B.V.

2.2 The official seat of the Company is in Leiden.

Article 3. Objects.

The objects of the Company are:

- (a) to publish information products and to trade in these products;
- (b) to cooperate with, participate in, take over and/or conduct the management of other companies with a similar or related object;
- (c) to carry out all that is connected to the above or could be beneficial to the above, all in the broadest sense.

CHAPTER 3. CAPITAL AND SHARES.

Article 4. Capital.

4.1 The capital of the Company consists of one or more Shares. Each Share has a nominal value of sixty eurocent (EUR 0.60) each.

4.2 All Shares are registered. No share certificates will be issued.

Article 5. Register of Shareholders.

- 5.1 The Management Board must keep a register of Shareholders in which the names and addresses of all Shareholders are recorded. In the register of Shareholders, the names and addresses of all other persons holding Meeting Rights must also be recorded, as well as the names and addresses of all holders of a right of pledge or usufruct in respect of Shares not holding Meeting Rights.
- 5.2 Section 2:194 of the Dutch Civil Code applies to the register of Shareholders.

Article 6. Issuance of Shares.

- 6.1 Shares may be issued pursuant to a resolution of the General Meeting. The General Meeting may transfer this authority to another body of the Company and may also revoke such transfer.
- 6.2 A resolution to issue Shares must stipulate the issue price and the other conditions of issue.
- 6.3 The issue of a Share furthermore requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the issuance must be parties.
- 6.4 Upon issuance of Shares, each Shareholder will have a right of pre-emption in proportion to the aggregate nominal value of his Shares, subject to the relevant limitations prescribed by law and the provisions of Article 6.5.
- 6.5 Prior to each single issuance of Shares, the right of pre-emption may be limited or excluded by the body of the Company competent to issue such Shares.
- 6.6 The Management Board is authorised to perform legal acts relating to non-cash contributions on Shares and other legal acts mentioned in Section 2:204 of the Dutch Civil Code, without prior approval of the General Meeting.

Article 7. Own Shares; Reduction of the Issued Capital.

- 7.1 The Company and its subsidiaries (*dochtermaatschappijen*) may acquire fully paid-up Shares or depository receipts thereof, with due observance of the relevant statutory provisions.
- 7.2 In the General Meeting, no voting rights may be exercised for any Share held by the Company or a subsidiary (*dochtermaatschappij*) thereof, nor for any Share for which the Company or a subsidiary (*dochtermaatschappij*) thereof holds the depository receipts.
- 7.3 The General Meeting may resolve to reduce the Company's issued capital in accordance with the relevant statutory provisions.

Article 8. Transfer of Shares and Share Transfer Restrictions.

- 8.1 The transfer of a Share requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the transfer must be parties.
- 8.2 Unless the Company itself is party to the transfer, the rights attributable to the Share can only be exercised after the Company has acknowledged said transfer or said deed has been served upon it, in accordance with the relevant provisions of the law.
- 8.3 Shares may be transferred freely without any transfer restrictions within the meaning of Section 2:195 of the Dutch Civil Code being applicable.

Article 9. Pledging of Shares and Usufruct in Shares; Depository Receipts.

- 9.1 The provisions of Articles 8.1 and 8.2 apply by analogy to the pledging of Shares.
- 9.2 The voting rights attached to pledged Shares accrue to the Shareholder. However, pursuant to a written agreement between the Shareholder and the pledgee, the voting rights may accrue to the pledgee. The Meeting Rights accrue to the Shareholder, whether holding voting rights or not, and to the pledgee holding voting rights, but will not accrue to the pledgee not holding voting rights.
- 9.3 The provisions of Articles 8.1 and 8.2 apply by analogy to the creation or transfer of a right of usufruct in Shares. The voting rights attached to Shares encumbered by a right of usufruct accrue to the Shareholder. The Meeting Rights will not accrue to the holder of a right of usufruct.
- 9.4 Meeting Rights are attached to depository receipts issued for Shares.

CHAPTER 4. THE MANAGEMENT BOARD.**Article 10. Managing Directors.**

- 10.1 The Management Board may consist of one or more Managing Directors. Both individuals and legal entities can be Managing Directors.

- 10.2 Managing Directors are appointed by the General Meeting.
- 10.3 A Managing Director may be suspended or removed by the General Meeting at any time. A Managing Director may also be suspended by the Supervisory Board. A suspension by the Supervisory Board may be discontinued at any time by the General Meeting.
- 10.4 The authority to establish remuneration and other conditions of employment for Managing Directors is vested in the General Meeting.

Article 11. Duties, Decision-making Process and Allocation of Duties.

- 11.1 The Management Board is entrusted with the management of the Company. In the exercise of their duties, the Managing Directors must be guided by the interests of the Company and the business connected with it.
- 11.2 The Management Board may establish rules regarding its decision-making process and working methods. In this context, the Management Board may also determine the duties for which each Managing Director is particularly responsible. The Supervisory Board may resolve that such rules and allocation of duties must be put in writing and that such rules and allocation of duties will be subject to its approval.
- 11.3 Management Board resolutions at all times may be adopted in writing, provided the proposal concerned is submitted to all Managing Directors and none of them objects to this manner of adopting resolutions.

Article 12. Representation.

- 12.1 The Company is represented by the Management Board. Each Managing Director is also authorised to represent the Company.
- 12.2 The Management Board may appoint officers with general or limited power to represent the Company. Each officer will be competent to represent the Company, subject to any restrictions imposed on him. The Management Board will determine each officer's title.
- 12.3 Legal acts of the Company vis-à-vis a holder of all of the Shares whereby the Company is represented by such Shareholder, shall be put in writing. With regard to the foregoing sentence, Shares held by the Company or its subsidiaries (*dochtermaatschappijen*) shall not be taken into account. The aforementioned provisions in this Article 12.3 do not apply to legal acts which, under their agreed terms, form part of the normal course of business of the Company.

Article 13. Approval of Management Board Resolutions.

- 13.1 Without prejudice to any other applicable provisions of the law or these Articles of Association, Management Board resolutions with respect to any one or more of the following matters are subject to the approval of the Supervisory Board:
 - (a) issue and acquisition of Shares and debentures at the expense of the Company or of debentures at the expense of a limited partnership or general partnership in respect of which the Company is a partner with full liability;
 - (b) granting of Meeting Rights to holders of depository receipts issued for Shares;
 - (c) the application for admission of the securities under (a) and (b) above to trading on a trading venue (*handelsplatform*) as referred to in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or a trading facility system that is comparable with a trading venue from a state that is not a member state, or, as the case may be, the cancellation of such admission;
 - (d) entering into or termination of a long term cooperation of the Company or a Dependent Company with another legal entity or company or, as a partner with full liability, in a limited partnership or general partnership if such cooperation or termination is of fundamental importance for the Company;
 - (e) participation by the Company or a Dependent Company in the capital of another company if the value of such participation is at least one quarter of the amount of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes, as well as significantly increasing or reducing such participation;
 - (f) investments requiring an amount equal to at least one quarter of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes;
 - (g) proposal to amend these Articles of Association;
 - (h) proposal to dissolve the Company;
 - (i) petition for bankruptcy or a request for suspension of payments (*surséance van betaling*);

- (j) termination of the employment of a considerable number of employees of the Company or of a Dependent Company simultaneously or within a short period of time;
 - (k) radical change in the employment conditions of a considerable number of the employees of the Company or of a Dependent Company; and
 - (l) proposal to reduce the Company's issued capital.
- 13.2 The Supervisory Board may also require other Management Board resolutions to be subject to its approval. The Management Board must be notified in writing of such resolutions, which must be clearly specified.
- 13.3 The absence of approval of the Supervisory Board of a resolution as referred to in this Article 13 will not affect the authority of the Management Board or the Managing Directors to represent the Company.

Article 14. Conflicts of Interests.

- 14.1 A Managing Director having a conflict of interests as referred to in Article 14.2 or an interest which may have the appearance of such a conflict of interests (both a (potential) conflict of interests) must declare the nature and extent of that interest to the other Managing Directors and the Supervisory Board.
- 14.2 A Managing Director may not participate in deliberating or decision-making within the Management Board, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it.
- 14.3 A conflict of interests as referred to in Article 14.2 only exists if in the situation at hand the Managing Director must be deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity. If a transaction is proposed in which apart from the Company also an affiliate of the Company has an interest, then the mere fact that a Managing Director holds any office or other function with the affiliate concerned or another affiliate, whether or not it is remunerated, does not mean that a conflict of interests as referred to in Article 14.2 exists.
- 14.4 The Managing Director who in connection with a (potential) conflict of interests does not exercise certain duties and powers will insofar be regarded as a Managing Director who is unable to perform his duties (*belet*).
- 14.5 A (potential) conflict of interests does not affect the authority concerning representation of the Company set forth in Article 12.1. The Supervisory Board may determine that, in addition, one or more persons will be authorized pursuant to this Article 14.5 to represent the Company in matters in which a (potential) conflict of interests exists between the Company and one or more Managing Directors.

Article 15. Vacancy or Inability to Act.

- 15.1 If a seat on the Management Board is vacant (*ontstentenis*) or a Managing Director is unable to perform his duties (*belet*), the remaining Managing Directors or Managing Director will be temporarily entrusted with the management of the Company.
- 15.2 If all seats on the Management Board are vacant or all Managing Directors or the sole Managing Director, as the case may be, are unable to perform their duties, the management of the Company will be temporarily entrusted to the Supervisory Board, with the authority to temporarily entrust the management of the Company to one or more Supervisory Directors and/or one or more other persons.
- 15.3 When determining to which extent Managing Directors are present or represented, consent to a manner of adopting resolutions, or vote, no account will be taken of vacant board seats and Managing Directors who are unable to perform their duties.

CHAPTER 5. THE SUPERVISORY BOARD.

Article 16. Supervisory Directors.

- 16.1 The Company will have a Supervisory Board consisting of at least three Supervisory Directors. The number of Supervisory Directors is determined by the General Meeting with due observance of this minimum. If the number of Supervisory Directors is less than three, the Supervisory Board must take measures forthwith to supplement the number of Supervisory Directors.
- 16.2 Only individuals may be Supervisory Directors.
- 16.3 The Supervisory Board will adopt a profile on its size and composition, taking into account

the character of the business, its activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board will discuss the profile in the General Meeting of Shareholders and with the Works Council, for the first time at the occasion of adoption and subsequently at each amendment thereof.

16.4 Supervisory Directors cannot be:

- (a) persons in the service of the Company;
- (b) persons in the service of a Dependent Company;
- (c) officials or persons in the service of a trade union which is usually involved in determining the terms of employment of the persons referred to under (a) and (b).

16.5 The General Meeting may award a remuneration to the Supervisory Directors.

Article 17. Appointment of Supervisory Directors.

17.1 Notwithstanding the provision of Article 17.5, Supervisory Directors are appointed by the General Meeting on a nomination of the Supervisory Board. The Supervisory Board must simultaneously inform the General Meeting and the Works Council of the nomination. The nomination will state the reasons on which it is based.

17.2 The General Meeting and the Works Council may recommend candidates to the Supervisory Board to be nominated as Supervisory Director. The Supervisory Board must inform them in time, when and why and in accordance with what profile a vacancy has to be filled in its midst. If the special right of recommendation referred to in Article 17.4 applies, the Supervisory Board will announce that as well.

17.3 A nomination or a recommendation as referred to in this 17.4 must state the candidate's age, his profession, the number of the Shares he holds and the positions he holds or has held, in so far as these are relevant for the performance of the duties of a Supervisory Director. Furthermore, the names of the legal entities of which he is already a Supervisory Director must be indicated; if those include legal entities which belong to a group, reference of that group will be sufficient. The recommendation and the nomination for appointment or re-appointment must be accounted for by giving reasons for it. In case of re-appointment, the performance in the past period of the candidate as a Supervisory Director will be taken into account.

17.4 With regard to one third of the total number of Supervisory Directors, the Supervisory Board will put a person recommended by the Works Council on the nomination, unless the Supervisory Board objects to the recommendation; taken into account Section 2:268 subsection 6 and 7 of the Dutch Civil Code.

17.5 The General Meeting can reject the nomination by an absolute majority of the votes cast, representing at least one third of the issued capital. If the General Meeting resolves by an absolute majority of the votes cast to reject the nomination but this majority does not represent at least one third of the issued capital, a new meeting can be convened where the nomination can be rejected by an absolute majority of the votes cast. The Supervisory Board will then prepare a new nomination. Articles 17.2 through 17.4 apply. If the General Meeting does not appoint the person nominated by the Supervisory Board and does not resolve to reject the nomination, the Supervisory Board will appoint the person nominated.

17.6 The making of a recommendation as referred to in Article 17.2 as well as the resolution to appoint or object, can be discussed in one and the same General Meeting of Shareholders. The notice of that meeting therefor states the vacancy and the opportunity for the General Meeting to make a recommendation and, for the situation in which no recommendation is made by the General Meeting, the name of the person nominated by the Supervisory Board. If the General Meeting does not make a recommendation, the person nominated can be appointed by the General Meeting.

17.7 Notice of the meeting convened as referred to in Article 17.6 may not be given unless it is certain:

- (a) that the Works Council has either made a recommendation as referred to in Article 17.2, or – if applicable – Article 17.4, or has given notice that it does not wish to do so, or that a reasonable period of time, to be determined by the Supervisory Board, has lapsed in which to make a recommendation; and
- (b) if the Works Council has made a recommendation as referred to in Article 17.4, the Supervisory Board nominated the person recommended.

- 17.8 If all seats on the Supervisory Board are vacant, other than pursuant to Article 18.5, the appointment will be made by the General Meeting in accordance with Section 2:269 Dutch Civil Code.

Article 18. Retirement, suspension and removal.

- 18.1 A Supervisory Director must retire not later than the day on which the first General Meeting of Shareholders is held after four years have elapsed since his appointment.
- 18.2 The Supervisory Directors will retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board. Any alteration to the rotation plan cannot require a Supervisory Director to resign against his will before the term of his appointment has lapsed.
- 18.3 A Supervisory Director can be suspended by the Supervisory Board; the suspension will lapse by law, if the Company has not submitted a petition as referred to in Article 18.4 to the Commercial Division within one month after commencement of the suspension.
- 18.4 The Commercial Division of the Amsterdam Court of Appeal may upon a request to that effect remove a Supervisory Director for neglecting his duties, for other important reasons or for a fundamental change of circumstances on the basis of which in all reasonableness the Company cannot be required to keep him on as a Supervisory Director. Section 2:271 subsection 2 of the Dutch Civil Code is applicable to such request.
- 18.5 The General Meeting can, by an absolute majority of the votes cast, representing at least one third of the issued capital, resolve to abandon its trust (*het vertrouwen opzeggen*) in the entire Supervisory Board. Section 2:271a of the Dutch Civil Code is applicable to such abandon of trust.

Article 19. Duties and Powers.

- 19.1 It is the duty of the Supervisory Board to supervise the management of the Management Board and the general course of affairs of the Company and the business connected with it. The Supervisory Board will assist the Management Board by giving advice. In the exercise of their duties, the Supervisory Directors must be guided by the interests of the Company and the business connected with it.
- 19.2 The Management Board must supply the Supervisory Board in due time with the information required for the exercise of its duties.
- 19.3 At least once a year, the Management Board must inform the Supervisory Board in writing of the main aspects of the strategic policy, the general and financial risks and the Company's management and auditing systems.
- 19.4 The Supervisory Board may request assistance from experts. The costs of such assistance will be for the account of the Company.
- 19.5 The Supervisory Board may decide that one or more Supervisory Directors and/or experts have access to the office and the other buildings and premises of the Company and that such persons are authorised to inspect the books and records of the Company.
- 19.6 The Supervisory Board may establish rules regarding its decision-making process and working methods, in addition to the relevant provisions of these Articles of Association.

Article 20. Chairperson and Secretary.

- 20.1 The General Meeting may appoint one of the Supervisory Directors as chairperson of the Supervisory Board. If the General Meeting has not appointed a chairperson, the Supervisory Board will appoint a chairperson itself from among its members. The Supervisory Board may also appoint a deputy chairperson from among its members, who must take over the duties and powers of the chairperson in the latter's absence.
- 20.2 The Supervisory Board will also appoint a secretary of the Supervisory Board, from among its members or not, and make arrangements for his substitution in case of absence.
- 20.3 The foregoing provisions of this Article 20 need not be complied with if only one Supervisory Director is in office.

Article 21. Meetings.

- 21.1 The Supervisory Board meets whenever a Supervisory Director or the Management Board deems necessary.
- 21.2 A Supervisory Director may be represented at a meeting by another Supervisory Director authorised in writing.
- 21.3 The meetings of the Supervisory Board are presided over by its chairperson or his deputy. In their absence, the chairperson of the meeting is appointed by a majority of the votes cast by

- the Supervisory Directors present at the meeting.
- 21.4 The chairperson of the meeting appoints a secretary for the meeting.
- 21.5 The secretary of a meeting of the Supervisory Board must keep minutes of the proceedings at the meeting. The minutes must be adopted by the Supervisory Board, in the same meeting or the next. Evidencing their adoption, the minutes must be signed by the chairperson and the secretary of the meeting in which the minutes are adopted.
- 21.6 The Supervisory Board meets with the Management Board as often as the Supervisory Board or the Management Board deems necessary.

Article 22. Decision-making Process.

- 22.1 When making Supervisory Board resolutions, each Supervisory Director may cast one vote.
- 22.2 All resolutions of the Supervisory Board will be adopted by a majority of the votes cast.
- 22.3 At a meeting, the Supervisory Board may only pass valid resolutions if the majority of the Supervisory Directors are present or represented.
- 22.4 Supervisory Board resolutions may also be adopted in a manner other than at a meeting, in writing or otherwise, provided the proposal concerned is submitted to all Supervisory Directors and none of them objects to the relevant manner of adopting resolutions. A report must be prepared by the secretary of the Supervisory Board on a resolution adopted other than at a meeting which is not adopted in writing, and such report must be signed by the chairperson and the secretary of the Supervisory Board. Adoption of resolutions in writing is effected by written statements from all Supervisory Directors.
- 22.5 A Supervisory Director having a (potential) conflict of interests must declare the nature and extent of that interest to the Management Board and the other Supervisory Directors. If the (potential) conflict of interests concerns all Supervisory Directors, this declaration must be made to the General Meeting as well. Otherwise, the provisions of Articles 14.1 through 14.4 apply by analogy.

Article 23. Vacancy or Inability to Act.

- 23.1 If a seat on the Supervisory Board is vacant or a Supervisory Director is unable to perform his duties, the remaining Supervisory Directors or Supervisory Director will be temporarily entrusted with the duties and powers of the Supervisory Board.
- 23.2 If all Seats on the Supervisory Board are vacant or all Supervisory Directors are unable to perform their duties, The General Meeting will determine to what extent and in which manner the duties and powers of the Supervisory Board are to be taken over temporarily.
- 23.3 The provision of Article 15.3 applies by analogy.

Article 24. Indemnity and Insurance.

- 24.1 To the extent permissible by law, the Company will indemnify and hold harmless each member of the Management Board and of the Supervisory Board, both former members and members currently in office (each of them, for the purpose of this Article 24 only, an Indemnified Person), against any and all liabilities, claims, judgments, fines and penalties (Claims) incurred by the Indemnified Person as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a Legal Action), of or initiated by any party other than the Company itself or a group company (*groepsmaatschappij*) thereof, in relation to any acts or omissions in or related to his capacity as an Indemnified Person. Claims will include derivative actions of or initiated by the Company or a group company (*groepsmaatschappij*) thereof against the Indemnified Person and (recourse) claims by the Company itself or a group company (*groepsmaatschappij*) thereof for payments of claims by third parties if the Indemnified Person will be held personally liable therefore.
- 24.2 The Indemnified Person will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Indemnified Person has been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).
- 24.3 The Company will provide for and bear the cost of adequate insurance covering Claims against sitting and former Management Board members and sitting and former Supervisory Board members (D&O insurance), unless such insurance cannot be obtained at reasonable terms.
- 24.4 Any expenses (including reasonable attorneys' fees and litigation costs) (collectively,

Expenses) incurred by the Indemnified Person in connection with any Legal Action will be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such Expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified. Expenses will be deemed to include any tax liability which the Indemnified Person may be subject to as a result of his indemnification.

- 24.5 Also in case of a Legal Action against the Indemnified Person by the Company itself or its group companies (*groepsmaatschappijen*), the Company will settle or reimburse to the Indemnified Person his reasonable attorneys' fees and litigation costs, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such fees and costs if a competent court in an irrevocable judgment has resolved the Legal Action in favour of the Company or the relevant group company (*groepsmaatschappij*) rather than the Indemnified Person.
- 24.6 The Indemnified Person may not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the Company's prior written authorisation. The Company and the Indemnified Person will use all reasonable endeavours to cooperate with a view to agreeing on the defence of any Claims, but in the event that the Company and the Indemnified Person fail to reach such agreement, the Indemnified Person will comply with all directions given by the Company in its sole discretion, in order to be entitled to the indemnity contemplated by this Article 24.
- 24.7 The indemnity contemplated by this Article 24 does not apply to the extent Claims and Expenses are reimbursed by insurers.
- 24.8 This Article 24 can be amended without the consent of the Indemnified Persons as such. However, the provisions set forth herein nevertheless continues to apply to Claims and/or Expenses incurred in relation to the acts or omissions by the Indemnified Person during the periods in which this clause was in effect.

CHAPTER 6. ANNUAL ACCOUNTS AND DISTRIBUTIONS.

Article 25. Financial Year and Annual Accounts.

- 25.1 The Company's financial year is the calendar year.
- 25.2 Annually, not later than five months after the end of the financial year, save where this period is extended by the General Meeting by not more than five months by reason of special circumstances, the Management Board must prepare annual accounts, and must deposit the same for inspection by the Shareholders and other persons holding Meeting Rights at the Company's office. The Management Board must send the annual accounts to the Works Council as well.
- 25.3 Within the same period, the Management Board must also deposit the report of the Management Board for inspection by the Shareholders and other persons holding Meeting Rights, unless the Company is not obliged thereto pursuant to Section 2:396 or Section 2:403 of the Dutch Civil Code.
- 25.4 The annual accounts must be signed by the Managing Directors and the Supervisory Directors. If the signature of one or more of them is missing, this must be stated and reasons for this omission must be given.
- 25.5 Annually, the Supervisory Board will prepare a report, which will be enclosed with the annual accounts and the report of the Management Board. The provisions of Article 25.3 apply by analogy.
- 25.6 The Company may, and if the law so requires must, appoint an accountant to audit the annual accounts. Such appointment must be made by the General Meeting.
- 25.7 The annual accounts must be submitted to the General Meeting for adoption.
- 25.8 At the General Meeting of Shareholders at which it is resolved to adopt the annual accounts, it will be separately proposed that the Managing Directors on the one hand and the Supervisory Directors on the other be released from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts or otherwise disclosed to the General Meeting prior to the adoption of the annual accounts.

Article 26. Profits and Distributions.

- 26.1 The authority to decide over the allocation of profits determined by the adoption of the annual accounts and to make distributions is vested in the General Meeting, with due observance of

- the limitations prescribed by law.
- 26.2 The authority of the General Meeting to make distributions applies to both distributions at the expense of non-appropriated profits and distributions at the expense of any reserves, and to both distributions on the occasion of the adoption of the annual accounts and interim distributions.
- 26.3 A resolution to make a distribution will not be effective until approved by the Management Board. The Management Board may only refuse to grant such approval if it knows or reasonably should foresee that after the distribution the Company would not be able to continue to pay its debts as they fall due.

CHAPTER 7. GENERAL MEETING OF SHAREHOLDERS.

Article 27. General Meetings of Shareholders.

- 27.1 During each financial year at least one General Meeting shall be held or a resolution shall be adopted at least once in accordance with Section 2:210(5) of the Dutch Civil Code or Article 34.
- 27.2 Other General Meetings of Shareholders will be held as often as the Management Board, the Supervisory Board or a Shareholder holding Shares representing at least eighty percent (80%) of the Company's issued share capital deems necessary.
- 27.3 Shareholders and/or other persons holding Meeting Rights representing in the aggregate at least one per cent of the Company's issued capital may request the Management Board or the Supervisory Board to convene a General Meeting of Shareholders, stating specifically the business to be discussed. The Management Board and the Supervisory Board take the necessary measures to ensure that the General Meeting can be held within four (4) weeks after receipt of the request, unless a compelling interest of the Company opposes this. If the Management Board and the Supervisory Board do not comply with the request, the person making the request as referred to in the first sentence may be authorized by the provisional relief judge of the court to convene the General Meeting on their request.

Article 28. Notice, Agenda and Venue of Meetings.

- 28.1 Notice of General Meetings of Shareholders will be given by the Management Board, the Supervisory Board or a Shareholder holding Shares at least eighty percent (80%) of the Company's issued share capital, without prejudice to the provisions of Article 27.3.
- 28.2 Notice of the meeting must be given no later than on the eighth day prior to the day of the meeting, without prejudice to the provision of Article 32.4. The notice is given in accordance with Article 35.1.
- 28.3 The notice convening the meeting must specify the place, date and starting time of the meeting, as well as the business to be discussed. Other business not specified in such notice may be announced at a later date, with due observance of the term referred to in Article 28.2.
- 28.4 Items for which a written request has been submitted by one or more Shareholders and/or other persons holding Meeting Rights, alone or jointly representing at least one per cent of the issued capital, must be included in the notice or announced in the same manner, provided that the Company received the request no later than on the eighth day before the abovementioned latest date the notice convening the meeting can be given.
- 28.5 General Meetings of Shareholders are held in the municipality in which, according to these Articles of Association, the Company has its official seat or at any other place in the Netherlands. With respect to meetings held outside the Netherlands, the provision of Article 32.4 applies.

Article 29. Admittance and Rights at Meetings.

- 29.1 Each Shareholder, and any other person holding Meeting Rights, is entitled to attend the General Meetings of Shareholders, to address the meeting and, to the extent this right has accrued to him, to exercise his voting rights. They may be represented in a meeting by a proxy authorised in writing.
- 29.2 A Shareholder or his proxy will only be admitted to the meeting if he has notified the Company of his intention to attend the meeting in writing, such at the address in accordance with and by the date specified in the notice of meeting.
- 29.3 The Meeting Rights and voting rights may be exercised using any appropriate means of electronic communication, if that possibility is expressly provided for in the notice of the meeting or accepted by the chairperson of the meeting. The means of electronic

communication used must be such that the persons holding Meeting Rights or their representatives can be identified through it to the satisfaction of the chairperson of the meeting. The notice of the meeting may contain further details and the chairperson of the meeting may give further requirements with respect to the permitted means of electronic communication and its use.

- 29.4 The chairperson of the meeting may determine that each person with voting rights present at a meeting must sign the attendance list. The chairperson of the meeting may also decide that the attendance list must be signed by other persons present at the meeting as well.
- 29.5 The Managing Directors and the Supervisory Directors have the right to give advice in the General Meetings of Shareholders.
- 29.6 The chairperson of the meeting decides on the admittance of other persons to the meeting.

Article 30. Chairperson and Secretary of the Meeting.

- 30.1 The General Meetings of Shareholders are presided over by the chairperson of the Supervisory Board. In his absence, the Supervisory Directors present at the meeting will appoint a chairperson for the meeting from among their midst. The Supervisory Board may appoint a different chairperson for a General Meeting of Shareholders.
- 30.2 If the chairpersonship of a meeting is not provided in accordance with Article 30.1, the chairperson of the meeting will be appointed by a majority of the votes cast by the persons with voting rights present at the meeting. The provision of Article 32.1 applies.
- 30.3 The chairperson of the meeting must appoint a secretary for the meeting.

Article 31. Minutes; Recording of Shareholders' Resolutions.

- 31.1 The secretary of a General Meeting of Shareholders must keep minutes of the proceedings at the meeting. The minutes must be adopted by the chairperson and the secretary of the meeting and as evidence thereof must be signed by them.
- 31.2 The Management Board must keep a record of all resolutions adopted by the General Meeting. If the Management Board is not represented at a meeting, the chairperson of the meeting must ensure that the Management Board is provided with a transcript of the resolutions adopted, as soon as possible after the meeting. The records must be deposited at the Company's office for inspection by the Shareholders. On application, each of them must be provided with a copy of or an extract from the records.

Article 32. Adoption of Resolutions in a Meeting.

- 32.1 Each Share confers the right to cast one vote.
- 32.2 To the extent that the law or these Articles of Association do not provide otherwise, all resolutions of the General Meeting will be adopted by a simple majority of the votes cast, without a quorum being required.
- 32.3 If there is a tie in voting, the proposal will thus be rejected.
- 32.4 If the formalities for convening and holding of General Meetings of Shareholders, as prescribed by law or these Articles of Association, have not been complied with, valid resolutions of the General Meeting may only be adopted in a meeting, if all Shareholders and all other persons holding Meeting Rights have consented therewith and, prior to the resolution-making, the Managing Directors and Supervisory Directors have been given the opportunity to give advice.
- 32.5 When determining how many votes are cast by Shareholders, how many Shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of Shares for which no vote can be cast pursuant to the law.

Article 33. Voting.

- 33.1 All voting must take place orally. The chairperson is, however, entitled to decide that votes be cast by a secret ballot. If it concerns the holding of a vote on persons, anyone present at the meeting with voting rights may demand a vote by a secret ballot. Votes by secret ballot must be cast by means of secret, unsigned ballot papers.
- 33.2 Blank and invalid votes will not be counted as votes.
- 33.3 Resolutions may be adopted by acclamation if none of the persons with voting rights present at the meeting objects.
- 33.4 The chairperson's decision at the meeting on the result of a vote will be final and conclusive. The same applies to the contents of an adopted resolution if a vote is taken on an unwritten proposal. However, if the correctness of such decision is challenged immediately after it is

pronounced, a new vote must be taken if either the majority of the persons with voting rights present at the meeting or, where the original vote was not taken by roll call or in writing, any person with voting rights present at the meeting, so demands. The legal consequences of the original vote will be made null and void by the new vote.

Article 34. Adoption of Resolutions without holding Meetings.

- 34.1 Resolutions of the General Meeting can be adopted without holding a meeting, provided all persons with Meeting Rights have consented with such manner of resolution-making in writing. For adoption of a resolution outside a meeting it is required that all votes are cast in writing or that the resolution is recorded in writing mentioning how the votes were cast. Prior to the resolution-making, the Managing Directors and Supervisory Directors must be given the opportunity to give advice. The provisions of Articles 32.1, 32.2, 32.3 and 32.5 apply by analogy.
- 34.2 Those having adopted a resolution outside a meeting must ensure that the Management Board is informed of the resolution thus adopted as soon as possible in writing. The Management Board must keep a record of the resolution adopted and it must add such records to those referred to in Article 28.2.

Article 35. Notices and Announcements.

- 35.1 The notice of a General Meeting must be in writing and sent to the addresses of the Shareholders and all the other persons holding Meeting Rights as shown in the register of Shareholders. However, if a Shareholder or another person holding Meeting Rights has provided the Company with another address for the purpose of receiving such notice, the notice may alternatively be sent to such other address.
- 35.2 The provisions of Article 35.1 apply by analogy to notifications which pursuant to the law or these Articles of Association must be made to the General Meeting, as well as to other announcements, notices and notifications to Shareholders and other persons holding Meeting Rights.

CHAPTER 8. AMENDMENT OF THE ARTICLES OF ASSOCIATION, DISSOLUTION AND LIQUIDATION.

Article 36. Amendment of the Articles of Association.

The General Meeting may resolve to amend these Articles of Association. When a proposal to amend these Articles of Association is to be made to the General Meeting, the notice convening the General Meeting must state so and a copy of the proposal, including the verbatim text thereof, must be deposited and kept available at the Company's office for inspection by the Shareholders and other persons holding Meeting Rights, until the conclusion of the meeting.

Article 37. Dissolution and Liquidation.

- 37.1 The Company may be dissolved pursuant to a resolution to that effect by the General Meeting. When a proposal to dissolve the Company is to be made to the General Meeting, this must be stated in the notice convening the General Meeting.
- 37.2 If the Company is dissolved pursuant to a resolution of the General Meeting, the Managing Directors become the liquidators of the dissolved Company's property, unless the General Meeting resolves to appoint one or more other persons as liquidator.
- 37.3 During liquidation, the provisions of these Articles of Association remain in force to the extent possible.
- 37.4 The balance remaining after payment of the debts of the dissolved Company must be transferred to the Shareholders in proportion to the aggregate nominal value of the Shares held by each.
- 37.5 In addition, the liquidation is subject to the relevant provisions of Book 2, Title 1, of the Dutch Civil Code.

13. ADVISERS

13.1 Advisers to the Offeror

Legal adviser

Stibbe N.V.
Beethovenplein 10
1077 WM Amsterdam
The Netherlands

Financial adviser

Park 56 B.V.
Wilhelminapark 56
3581 NN Utrecht
The Netherlands

Debt adviser

Silver Fox Advisory B.V.
Prins Clauslaan 7
3818 ZC Amersfoort
The Netherlands

13.2 Advisers to Brill

Legal adviser

Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

Financial adviser

AXECO Corporate Finance B.V.
De Boelelaan 411
1082 RJ Amsterdam
The Netherlands

Communication adviser

CFF Communications B.V.
James Wattstraat 100
1097 DM Amsterdam
The Netherlands

Financial adviser to the Supervisory Board

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

14. FINANCIAL INFORMATION OF BRILL

14.1 Basis for preparation

The selected consolidated financial information of Brill included in Section 14.2 (*Selected consolidated financial information*), comprises summaries of the consolidated statement of financial positions as at 31 December 2022, 31 December 2021 and 31 December 2020 and summaries of the consolidated statements of profit or loss and other comprehensive income and consolidated cash flow statements for the financial years then ended. This selected consolidated financial information has been derived from:

- the consolidated financial statements for the financial year ended 31 December 2022 as audited by PwC, who issued an independent auditor's report thereon, without qualification, on 12 April 2023;
- the consolidated financial statements for the financial year ended 31 December 2021 as audited by PwC, who issued an independent auditor's report thereon, without qualification, on 11 April 2022; and
- the consolidated financial statements for the financial year ended 31 December 2020 as audited by PwC, who issued an independent auditor's report thereon, without qualification, on 7 April 2021.

The consolidated financial statements from which the selected consolidated financial information has been derived were prepared in accordance with IFRS as adopted by the European Union and Part 9 of Book 2 DCC.

Reading the selected consolidated financial information is not a substitute for reading the audited consolidated financial statements of Brill for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020.

Reference is made to the notes to the consolidated financial statements for the financial year ended 31 December 2022 included in Section 14.4 (*Annual Report 2022 including independent auditor's report of PwC*) for a summary of the significant accounting policies of Brill.

For 2020 "Other comprehensive (expense) income - items that might be reclassified to future profit or loss statement", Brill used the comparative amounts reported in the consolidated financial statements for the financial year ended 31 December 2021. These do not materially differ from the amounts reported in the consolidated financial statements for the financial year ended 31 December 2020.

The selected consolidated financial information set out in Section 14.2 (*Selected consolidated financial information*) is excluding related note disclosures and a description of significant accounting policies. For a better understanding of Brill's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the audited consolidated financial statements for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020, which are available on the website of Brill at <https://brill.com/page/InvestorRelations/investor-relations> and the AFM register of financial reporting.

The financial information included in Section 0 (*Annual Report 2022 including independent auditor's report of PwC*) includes the financial statements for the financial year 2022, including the independent auditor's report of PwC, Brill's independent auditor for the financial year 2022, as published by Brill on 12 April 2023 at <https://brill.com/page/InvestorRelations/investor-relations>. The financial information included in Section 14.5 (*Unaudited condensed consolidated interim financial information for the six month period ended 30 June 2023*) includes the Interim Consolidated Financial Information derived from the Half Year Report 2023 – Unaudited (Revised). The independent auditor's review report thereon of PwC, Brill's independent auditor for the financial year 2023, is included in Section

14.6 (*Independent auditor's review report of PwC on the condensed consolidated interim financial information for the six-month period ended 30 June 2023*). Brill concluded that the unaudited condensed consolidated interim financial information of Brill for the six (6) month period ended 30 June 2023 as published on the website of Brill at <https://brill.com/page/InvestorRelations/investor-relations> on 29 August 2023 overstated the following two balance sheet items: (i) trade and other receivables were reported at EUR 8.4 million but should instead have been reported at EUR 7.6 million and (ii) deferred income was reported at EUR 11.6 million but should instead have been reported at EUR 10.8 million. The overstatements related to two matters. First, Brill processed unpaid renewal notices by recognising accounts receivable against deferred income. Second, Brill recognised subscription revenue by increasing accounts receivable instead of reducing deferred income. By making the aforementioned adjustments Brill has ensured that (i) only paid renewal notices are recognised as deferred income and (ii) subscription revenue is recognised against deferred income. The Interim Consolidated Financial Information included in Section 14.5 (*Unaudited condensed consolidated interim financial information for the six month period ended 30 June 2023*) reflect the aforementioned adjustments.

14.2 Selected consolidated financial information

14.2.1 Comparative overview of consolidated statements of financial position as at 31 December 2022, 2021 and 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

In thousands of euros

	31-12-2022	31-12-2021	31-12-2020
ASSETS			
Non - current assets			
Property, plant and equipment	1,144	273	223
Right of use assets	5,470	1,322	1,458
Intangible assets	37,025	36,163	32,562
Financial assets	283	283	112
Deferred tax assets	370	81	38
	<u>44,292</u>	<u>38,122</u>	<u>34,393</u>
Current assets			
Inventories	4,569	4,815	3,069
Trade and other receivables	8,535	11,373	10,073
Income tax (1)	412	185	49
Derivative financial instruments	54	0	158
Cash and cash equivalents	3,701	5,439	5,899
	<u>17,271</u>	<u>21,812</u>	<u>19,247</u>
Total assets	<u>61,563</u>	<u>59,934</u>	<u>53,640</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of Koninklijke Brill NV			
Share capital	1,125	1,125	1,125
Share premium	343	343	343
Retained earnings	18,471	23,622	22,929
Other reserves	-226	-307	-479
	<u>19,713</u>	<u>24,783</u>	<u>23,918</u>
Non-current liabilities			
Interest bearing loans	5,193	4,566	3,500
Lease liabilities	4,962	612	1,106
Deferred tax liabilities	4,495	5,160	4,226
	<u>14,650</u>	<u>10,338</u>	<u>8,832</u>
Current liabilities			
Interest bearing loans	1,588	1,588	1,083
Trade and other payables	14,046	13,159	9,459
Deferred income	10,484	9,030	8,967
Lease liabilities	588	928	728
Provisions	495	0	0
Derivative financial instruments	0	6	21
Income tax (2)	0	102	632
	<u>27,200</u>	<u>24,813</u>	<u>20,889</u>
Total equity and liabilities	<u>61,563</u>	<u>59,934</u>	<u>53,640</u>

(1) This line item was called Income tax to be received in the 2020 financial statements.

(2) This line item was called Tax to be paid in the 2020 financial statements.

14.2.2 Comparative overview of consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2022, 2021 and 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

In thousands of euros

	2022	2021	2020
Revenue	48,048	46,865	37,859
Cost of goods sold	-13,780	-13,027	-11,487
Gross Profit	34,268	33,838	26,372
Expenses			
Selling and distribution expenses	-9,094	-7,306	-6,766
General and administrative expenses	-28,080	-22,079	-15,104
Net impairment on goodwill and intangible assets	-1607	0	0
Operating Profit	-4,513	4,453	4,502
Finance income	108	72	112
Finance expenses	-293	-208	-187
Profit before income tax	-4,698	4,317	4,427
Income tax	1,234	-1,281	-1,531
Profit for the period attributable to shareholders of Koninklijke Brill N.V.	-3,465	3,036	2,896
Other comprehensive (expense) income – items that might be reclassified to future profit or loss statements (1)			
Exchange differences in translation of foreign operations	36	160	-170
Net gain or loss on cash flow hedges	60	16	-25
	96	176	-195
Income tax relating to these items	-15	-4	5
Other comprehensive income for the period attributable to shareholders of Koninklijke Brill N.V.	81	172	-190
Total comprehensive income for the period attributable to shareholders of Koninklijke Brill N.V.	-3,384	3,208	2,706
Earnings per share (in euros)			
Basic and diluted earnings per share attributable to shareholders of Koninklijke Brill N.V.	-1.85	1.62	1.54

14.2.3 Comparative overview of consolidated statements of cash flows for the years ended 31 December 2022, 2021 and 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December

In thousands of euros

	2022	2021	2020
Cash flows from operating activities			
Profit before income tax	-4,698	4,317	4,427
<i>Adjustments for</i>			
Amortization and Depreciation fixed assets	3,839	2,047	1,790
Amortization Content	3,156	3,067	2,856
Finance income and expense – net	186	137	133
Differences in FX rates	-176	0	0
<i>Change in operating assets and liabilities</i>			
Change in working capital	5,931	1,533	-1,366
Cash generated from operations	8,238	11,101	7,840
Interest paid(-)/received	-266	-185	-133
Income tax paid(-)/received	124	-936	1077
Net cash flows from operating activities	8,096	9,980	8,784
Cash flows from investing activities			
Investment in property, plant and equipment (1)	-1,088	-104	-46
Investment in intangible assets (non-content)	-1,439	-1,414	-448
Investment in content	-2,899	-3,552	-2,845
Investments in non-current financial assets	0	0	-100
Payments for acquisitions, net of cash acquired	-2,190	-3,671	-120
Net cash flow used in(-) investing activities	-7,616	-8,741	-3,559
Cash flows from financing activities			
Dividend paid to company shareholders	-1,687	-2,343	0
Interest bearing loan	2,200	2,900	0
Redemption Interest bearing loans	-1,588	-1,334	-270
Redemption lease liabilities	-1,143	-922	-843
Net cash flows from/used in(-) financing activities	-2,218	-1,699	-1,113
Net cash flow	-1,738	-460	4,111
Cash and cash equivalents as per 1 January	5,439	5,899	1,788
Net cash flow	-1,738	-460	4,111
Cash and cash equivalents as per 31 December	3,701	5,439	5,899

(1) This line item was called Investment in tangible fixed assets in the 2020 financial statements.

14.3 Independent auditor's report of PwC on the selected consolidated financial information for 2022, 2021 and 2020



Independent auditor's report

To: the general meeting and the supervisory board of Koninklijke Brill N.V.

Report on the selected consolidated financial information for 2022, 2021 and 2020

Our opinion

In our opinion, the accompanying selected consolidated financial information for the years ended 31 December 2022, 2021 and 2020 of Koninklijke Brill N.V., Leiden (hereafter, the selected consolidated financial information) as included in Section 14.2 of this offer memorandum, are consistent, in all material respects, with the audited consolidated financial statements of Koninklijke Brill N.V. for the years ended 31 December 2022, 2021, 2020, in accordance with the basis described in Section 14.1 'Basis for preparation' of this offer memorandum.

The selected consolidated financial information

The selected consolidated financial information, derived from the audited consolidated financial statements for 2022, 2021 and 2020 of Koninklijke Brill N.V., comprise:

- the comparative overview of consolidated statements of financial position as at 31 December 2022, 2021 and 2020;
- the comparative overview of consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2022, 2021, and 2020;
- the comparative overview of consolidated statements of cash flows for the years ended 31 December 2022, 2021, and 2020.

The selected consolidated financial information does not contain all the disclosures required by International Financial Reporting Standards, as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information, therefore, is not a substitute for reading the audited financial statements of Koninklijke Brill N.V. and the auditor's report thereon.

The selected consolidated financial information and the audited consolidated financial statements does not reflect the events that occurred subsequent to the date of our reports on the audited consolidated financial statements.

NLE00029321.1.1

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'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.



The audited financial statements and our auditor's reports thereon

We expressed an unqualified audit opinion on the audited consolidated financial statements for the years 2022 and 2021 in our reports dated 12 April 2023 and 11 April 2022, respectively. These reports also include:

- the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the audited financial statements of the current period;
- sections communicating the materiality and scope of the group audit;
- a section 'Audit approach (on) fraud risks';
- a section 'Audit approach (on) going concern'.

We expressed an unqualified audit opinion on the audited consolidated financial statements for the year 2020 in our report dated 7 April 2021. This report also includes:

- the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the audited financial statements of the current period;
- sections communicating the materiality and scope of the group audit.

Responsibilities of the management board for the selected consolidated financial information

The management board is responsible for the preparation of the selected consolidated financial information on the basis as described in Section 14.1 'Basis for preparation' of this offer memorandum.

The supervisory board is responsible for overseeing the company's financial reporting process.

Auditor's responsibility

Our responsibility is to express an opinion on whether the selected consolidated financial information is consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard on Auditing 810, 'Engagements to report on selected financial statements'.

Utrecht, 21 December 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by W.F.J. Vermeulen RA

14.4 Annual Report 2022 including independent auditor's report of PwC



BRILL

ANNUAL REPORT 2022

Supervisory Board

Members

Robin Hoytema van Konijnenburg (Chairman)

Anneke Blok

Theo van der Raadt (Vice Chairman)

Jeanine van der Vlist

Jan Niessen

Management Board

Members

Peter Hendriks (Chief Executive Officer)

Jasmin Lange (Chief Publishing Officer)

Wim Dikstaal (Chief Financial Officer)

KONINKLIJKE BRILL N.V.

Plantijnstraat 2

2321 JC Leiden

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This copy of the annual report of Koninklijke Brill N.V. for the year 2022 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package can be found on our website brill.com.

CONTENTS

4	Management Board's Report for the Year 2022
4	Introduction by the Management Board
6	Company Profile
8	Key Figures
9	Data per Share
10	Shareholder Information
13	Mission, Vision, Core Values, and Corporate Strategy
16	Value Creation Process at Brill
17	Publishing Program
19	Financial Report
23	Human Resources
26	Risk Management
34	Corporate Social Responsibility
37	Responsibility Statement
38	Corporate Governance
42	Supervisory Board's Report for the Year 2022
47	Remuneration Policy and Report for the Year 2022
53	Financial Statements for the Year 2022
54	Consolidated Financial Statements
101	Company Financial Statements
116	Other Information
117	Independent Auditor's Report
133	Report of Stichting Administratiekantoor Koninklijke Brill (Brill's trust office)
136	Report of Stichting Luchtmans
137	About this Annual Report

Management Board's Report for the Year 2022

Introduction by the Management Board

The year 2022 was heavily impacted by the insolvency of our UK based distribution partner in October. With the exception of the DACH region, our print book sales came to a full stop and the journal renewal process was interrupted. On 30th August Brill had announced a transition to new partners for its worldwide distribution of books and journals during 2023, a project which had to be accelerated and led to extra costs in 2022. Additionally we incurred one-off expenses for legal fees, writing off receivables and extra staff to cover the additional workload and an impairment on goodwill and publishing rights (Refer to the financial report for details).

The underlying global publishing program was not impacted and proved very robust, confirming Brills historically strong position in the author community. Total revenue grew by 2.5%, primarily due to acquisitions and the positive effect of the US dollar exchange rate development in 2022, but declined by 4.2% organically due to the insolvency of our main distributor and declining print book sales in the DACH region. This revenue development combined with one-off costs resulted in a negative net profit in the financial year 2022.

Based on the 2022 financial results, we will propose to not pay dividend over 2022 at the Annual General Meeting (AGM) of Shareholders.

Strategic Progress in 2022

In April, Brill acquired all shares of Wageningen Academic Publishers, a publisher active primarily in the fields of Animal Science, Food and Health Science, Agriculture, Environment and Agribusiness. The acquisition strengthened Brill's high quality Biology program, creating a springboard to further develop this fast growing and well-funded segment of the academic market.

Brill's Open Access program continued to grow above industry average. The number of national and institutional Open Access journal agreements, so called transformative agreements, doubled in 2022, and the backlist of Open Access books grew to more than 1,200. The first tranche of the Brill Book Archive (BBA) was completed and successfully sold to customers in North America, Australia, and Europe. The second part of BBA, containing twice the number of titles part one, was prepared and part of the collection was launched at the end of the year.

Operational Progress in 2022

The improvement of our IT infrastructure and enterprise applications continued at high speed. This included the move from on-premise solutions to SaaS and Cloud solutions, and an upgrade of our ERP system. A data warehouse was implemented to improve business intelligence, and in the second half of the year we introduced a new global HR software.

The integration of V&R continued but was impacted by the insolvency of our main distribution partner, as focus shifted to the transition to new distribution partners in order to resume print book sales. While various integration streams progressed as planned, the ERP integration, which is the central project, had to be postponed.

People and Society

Brill's new logo, showing Pallas Athena, the Greek goddess of wisdom and her owl, was presented in October at Frankfurt Book Fair. Pallas has adorned our logo for decades and she has now been given a modern look that fits Brill's mission: looking forward while learning from the past.

Brill is a proud member of the United Nations Global Compact and the SDG Publishers Compact. As we are actively expanding our publications of SDG-focused research, we are also undertaking efforts to disseminate this research widely, through our regular channels as well as through our Humanities Matter blog and podcasts. Topics of the podcast in 2022 included quality of education, populism, racism, food security, war and peace.

In 2022, we prioritized the reduction of our CO2 emissions. We began measuring our carbon footprint by teaming up with [Greencast](#), and based on this analysis, will monitor and evaluate our progress going forward.

Brill is thankful to Peter Coebergh whose term as CEO ended in May. Peter led Brill's sales team for three years before becoming CEO in 2018. In September, John Martin took over as interim CEO and was appointed statutory director in December. We regret John's decision to leave Brill in March 2023, and are thankful for the contributions made during his tenure. With Peter Hendriks, who joined in March 2023, Brill has appointed an experienced, industry seasoned interim CEO.

Future developments

In 2023 we will finalize the setup of our new global distribution processes and continue to focus on modernizing and consolidating Brill. The year 2022 was challenging for Brill, and we are thankful to authors, institutions and partners for their patience and loyalty during difficult times. We are immensely grateful to our members of staff for working incredibly hard and going the extra mile.

Leiden, 12 April, 2023

The Management Board

Peter Hendriks (Chief Executive Officer)

Jasmin Lange (Chief Publishing Officer)

Wim Dikstaal (Chief Financial Officer)

COMPANY PROFILE

Overview

Brill, founded in 1683 and publicly listed since 1896, is a leading international scholarly publisher with a rich portfolio. We mainly publish in the fields of the humanities (history, the arts, languages and literature, philosophy), social sciences, and international law. Currently, Brill uses the following imprints: Brill, Brill | Fink, Brill | Hotei, Brill | mentis, Brill | Nijhoff, Brill | Schöningh, Böhlau Vandenhoeck & Ruprecht and V&R unipress.

Books are the leading publication format in the portfolio with journals as a strong second pillar. Brill also supplies primary source material, such as scans of historic archives and collections of documents, which are primarily sold online. Digital is the prevailing format across books, journals, and primary sources. Brill has also ventured into the digital humanities arena where innovative uses of technology in both research and publication methods enable new and dynamic publication offerings.

Due to the long-term value of scholarly information in the humanities, the lifespan of and demand for our products is generally long. All book titles published after the year 2000 are available in eBook format and several of our much older and long-running book series have been digitized and offered to the market as collections. This initiative, together with the emergence of print on demand (POD) technology, has extended our product lifecycles even further. In this way, too, we assure our authors that books from Brill will remain permanently available.

Publishing Rights and Distribution

Brill uses standardized author contracts to establish a reasonable and legally sound basis for controlled distribution of the research by authors themselves or by their institutions. This legal basis is achieved by a transfer of copyright or by a licensing agreement that includes Open Access options.

International Authors and Customers

Brill has been an international player from the earliest days. More than 95% of Brill's revenue is generated outside of the Netherlands, which is comparable to the proportion of Brill's authors who reside abroad. Most customers are in Europe and North America, with Asia becoming increasingly important each year. Brill maintains relationships with all leading global academic research centres while cherishing its traditionally strong link with the University of Leiden, due in part to Brill's leading position in several areas in which the University specializes, such as Islamic studies, languages, archaeology, and Sinology.

Marketing and Sales

Brill's marketing and sales strategy is focused on achieving the widest possible distribution of its products within the academic market and beyond. Cooperation with companies such as Google, Scopus, and other platforms increases the online discoverability of Brill's publications. Digital marketing through email campaigns and on social media makes it possible to target our key audiences.

The company distributes the e-version of its products directly on Brill.com and through third-party platforms. Brill's direct sales force visits university libraries, (print) book wholesalers, and library suppliers. Sales agents represent Brill where we do not have our own salespeople on the ground.

Purchases by libraries are also often made through third parties: journal agents act as intermediaries for subscriptions and traditional library suppliers provide book distribution.

Organization

Brill is a centrally managed company with several corporate and delegated functions and with its headquarters in Leiden, the Netherlands. Furthermore, Brill has offices in Boston (US), Paderborn, Göttingen and Cologne (Germany), Vienna (Austria), Singapore, and Beijing (China).

KEY FIGURES

All amounts in EUR 1,000

	2022	2021	2020	2019	2018
Results					
Revenue	48,048	46,865	37,859	37,128	35,951
Gross profit	34,268	33,838	26,372	25,922	24,383
EBITDA ^[1]	-30	7,203	6,600	5,183	3,623
Operating profit	-4,513	4,453	4,502	3,291	2,360
Profit for the year	-3,465	3,036	2,896	2,162	2,304
Free cash flow ^[2]	1,831	3,402	4,515	2,164	817
Average invested capital ^[3]	26,846	25,093	24,539	24,390	23,394
Growth compared to previous year					
Revenue	2.5%	23.8%	2.0%	3.3%	-1.2%
Gross profit	1.3%	28.3%	1.7%	6.3%	2.3%
EBITDA ^[1]	-100.4%	9.1%	27.3%	43.0%	-12.8%
Operating profit	-201.3%	-1.1%	36.8%	39.5%	-28.8%
Profit from continued operations	-214.1%	4.9%	34.0%	-6.2%	1.9%
Profitability					
Gross profit as % of revenue	71.3%	72.2%	69.7%	69.8%	67.8%
EBITDA ^[1] as % of revenue	-0.1%	15.4%	17.4%	14.0%	10.1%
Operating profit as % of revenue	-9.4%	9.5%	11.9%	8.9%	6.6%
Revenue/average invested capital	1.8	1.9	1.5	1.5	1.5
NOPLAT ^[4] as % of revenue	-7.0%	7.1%	8.9%	6.6%	5.0%
ROIC ^[5]	-12.5%	13.3%	13.8%	10.1%	7.6%
Balance sheet ratios					
Shareholders' equity/total assets	32.0%	41.4%	44.6%	40.9%	42.5%
Current assets/current liabilities	0.63	0.88	0.92	0.75	0.75
Personnel					
Average number of employees (FTE)	250	227	161	165	167

^[1] EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization, the operating income before the amortization of intangible fixed assets and the depreciation of tangible fixed assets, and excluding exceptional costs. See note 18.

^[2] Free cash flow = net cash flow adjusted for cash flow from financing activities. See note 12.

^[3] (Average) invested capital = (average of) fixed assets minus deferred tax liabilities related to acquired intangibles + working capital less cash and net tax receivables and financial instruments. See note 17.

^[4] Net operating profit less adjusted tax. See note 17.

^[5] Return on Invested Capital = NOPLAT divided by invested capital. See note 17.

DATA PER SHARE

In euros, based on weighted average number of outstanding shares

	2022	2021	2020	2019	2018
Weighted average number of outstanding shares	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444
Shareholders' equity per share	10.52	13.22	12.76	11.32	11.09
Increase/(decrease) in %	-20.4%	3.6%	12.7%	2.0%	-24.2%
EBITDA per share	-0.02	3.84	3.52	2.76	1.93
Increase/(decrease) in %	-100.5%	9.1%	27.5%	43.0%	-12.9%
Earnings per share	-1.85	1.62	1.54	1.15	1.23
Increase/(decrease) in %	-214.2%	5.2%	33.9%	-6.2%	1.6%
Free cash flow per share	0.98	1.81	2.41	1.16	0.44
Increase/(decrease) in %	-45.9%	-24.9%	107.8%	163.6%	2,001.0%
Dividend per share (for 2022 proposed)	0.00	0.90	1.25	0.00	0.85
Increase/(decrease) in %	-100.0%	-28.0%	n.a.	-100.0%	-35.6%
Payout ratio	N.A.	55.6%	81.2%	0.0%	70.0%

SHAREHOLDER INFORMATION

The Share Listing

Koninklijke Brill N.V. has been listed on Euronext Amsterdam since July 1997. The number of shares outstanding with a nominal value of 0.60 was 1,874,444 on 31 December 2022 (on 31 December, 2021, it was 1,874,444). Of the total number of shares outstanding as of 31 December 2022 1,834,463 registered depository receipts were issued and 39,981 registered shares were recorded in the share register. The registered depository receipts were issued in denominations of 1X 0.60, 10X 0.60, 100X 0.60 and 1,000X 0.60 nominal. Only registered depository receipts are listed on Euronext Amsterdam.

The register of shareholders of Koninklijke Brill N.V. is managed by:

IQ EQ Netherlands N.V.

Hoogoorddreef 15

1101 BA Amsterdam

T + 31 20 522 25 55

E registers@iqeq.com

www.iqeq.com

IQ EQ also acts as administrator of the Stichting Administratiekantoor Koninklijke Brill N.V.

The Brill Share

	2022	2021	2020	2019	2018
Number of outstanding shares at year end	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444
Highest share price during the year	25.20	26.00	23.00	24.60	41.20
Lowest share price during the year	16.50	17.60	13.20	18.20	17.20
Share price at year end	17.80	24.80	18.30	20.40	17.80

Of the receipts, 65% are held in tranches of 3% or more. In the context of the Financial Supervision Act, the following holders of registered depository receipts, on 31 December 2022, have reported an interest of 3% or more to the Dutch Authority Financial Markets:

Filings	Size	Declaration date
Mont Cervin Sàrl	22%	22 June 2012
Teslin Participaties Coöperatief U.A.	19%	18 September 2020
Lazard Frères Gestion SAS	5%	30 September 2022
J.P. van Slooten	5%	11 April 2017
Stichting Administratiekantoor Arkelhave Capital	5%	16 December 2016
Stichting John en Marine Van Vlissingen Foundation	5%	11 August 2015
P.C. van Leeuwen	4%	5 April 2022

Dividend Policy

Brill aims to achieve an attractive return to investors, while seeking opportunities for investment in the long-term success of the business. Furthermore, we aim for a solvency level of between 40% and 60% and to observe the covenants agreed upon with our main bank.

Financial Agenda 2023

Announcements of Results 2022

6 April 2023 after stock market close

Publication Annual Report 2022 on Corporate Website (Brill.com)

12 April 2023

Trading Update First Quarter 2023

4 May 2023 after stock market close

Annual General Meeting of Shareholders

24 May 2023 (at Brill premises)

Publication of Results First Half Year 2023

29 August 2023 after stock market close

Trading Update Third Quarter 2023

26 October 2023 after stock market close

Investor Relations

Brill will be happy to provide (potential) shareholders and other stakeholders with relevant information to the best of its ability. Copies of (semi-) annual reports can be found at brill.com, under: <https://brill.com/page/InvestorRelations/investor-relations>.

In addition, information may be requested via the following address:

KONINKLIJKE BRILL N.V.
Investor Relations
P.O. Box 9000
2300 PA Leiden
The Netherlands

T + 31 71 53 53 500
E Esther.Smit@brill.com
[Brill.com](https://brill.com)

Mission, Vision, Core Values, and Corporate Strategy

Mission

"We operate from a strong belief that the Humanities, Social Sciences, International Law and Biology are areas of scholarship vital for addressing today's global challenges. This belief motivates us to offer authors and editors the best possible service and infrastructure to disseminate research. The relevance and high quality of the works we publish are key to the sustainability of our business."

Vision

By 2025, Brill aims to be a digitally-driven academic publishing house that offers researchers a top service and user experience. The ambition is to generate annual revenue of more than 60 million and an EBITDA margin of at least 17% in a socially responsible and economically sustainable way.

Core Values

In addition to our mission, Brill employees share a set of core values: quality service to the scholarly community, integrity, and respect for people. We also firmly believe in the fundamental importance of trust, diversity and inclusion, teamwork, professionalism, and taking pride in what we do. We are committed to the sustainable development of our company.

Value Creation

We are proud of Brill's legacy and are committed to an equally illustrious future. This requires balancing short- and long-term interests and integrating business, environmental, and social considerations into our decision-making. At Brill, we believe that creating sustainable value for all stakeholders is essential to ensuring the long-term viability of the company. The company's ability to create value hinges on achieving a balance between serving the scholarly community and business considerations. To achieve this balance, we define value in terms of value created for our stakeholders. This value creation and Brill's standing with each of these stakeholder groups is the condition for our company to remain relevant within a changing media landscape.

Strategy

Based on our mission and core values, Brill's corporate strategy centres on four long-term goals of which the first two are key focus points in our three year rolling strategic plan:

- *Expand scale*
We build on our leading position as the publisher of choice for many academic researchers in the humanities, social sciences, international law and selected fields of science. Additionally, we aim to enter adjacent segments where Brill's key assets (reputation, service, distribution, infrastructure) can be leveraged. Expanding our position can be achieved organically or through acquisition, such as our recent acquisitions of Vandenhoeck & Ruprecht in Germany and Wageningen Academic Publishers in the Netherlands. Brill actively explores acquisition opportunities based on clearly established priorities for areas where social, natural, and life sciences converge on subjects in which we are traditionally strong, such as language, philosophy and ethics, religion, history and biology. Furthermore, we are expanding our publishing formats for our library customers and are more actively managing and developing our traditional subscription-based business models towards new Open Access and evidence-based models. For our authors, we are developing additional services to help guide the publishing process.
- *Become a digitally driven publishing house*

We continue to invest in Brill's digital business capabilities to facilitate value creation. Strategy-driven roadmaps for investment are in place for key business applications, for our content management process, and for our online publishing platforms. We aim to produce our content in such a way that it can be published and used in any format, unit, and on any device. Product and data distribution will be further improved to shorten our time to market. Findability and (mobile) usability are key and have been improved by our new Brill.com platform and through our collaboration with third-party platforms. We support our operations with standard software applications that are widely used in the industry and which are provided by reputable partners, such as Klopotek, RSuite, and PubFactory. IT operations are structured to minimize risk and optimize efficiency through a combination of on-premise and cloud systems. With the appointment of a VP Technology in 2021 we introduced key digital and IT knowledge in our senior management. Creating a more balanced and efficient digital infrastructure will help us achieve the long-term goals set in our mission and corporate strategy. The implementation of a completely digital and cybersecure workplace to support this change began in 2021.

- *Publishing excellence*

A reputation for publishing excellence is key to the sustainability of our business. Brill's publishing strategy is to continually seek differentiation and competitive advantage by building on key strengths:

- **Highly relevant content:** We aim to publish relevant research in the humanities, social sciences, and international law. The focus is on high-quality studies at a faculty level from upcoming as well as established authors. We communicate the relevance of our books and journals by highlighting not only the quality but also the societal impact of the research we publish.
- **Strict quality control:** To remain relevant we must maintain and improve the quality of our peer review. This includes guidelines for the selection of editorial board members, training and recognition of peer reviewers, and investment in peer review systems (e.g. submission systems and anti-plagiarism software).
- **Community building:** We work closely and collaboratively with the entire research community: authors, readers, editors, peer reviewers, librarians, institutional partners, funding bodies, societies, and new players such as research collaboration platforms.
- **Best-in-class author service:** Brill's editorial department offers the best possible service to book authors, series editors, and journal editors. Having a stable editorial team with a combination of experienced and new in-house editors is key to offering such service. Editors must be well-trained and supported by efficient workflows to focus on relationship management and publishing services.
- **Improved access:** The research we publish has an impact only if it is accessible. Apart from selling our content to specialized libraries around the globe, we believe that financially sustainable Open Access models are the best way to improve access to our authors' research.

- *Develop market presence*

We invest in our marketing and sales execution capabilities and operate from numerous offices around the world to be close to our clients, to adapt our global marketing to local needs, and to achieve improved market coverage. Doing so entails enhancing our communications to raise awareness of the depth and breadth of our portfolio. Communication and sales efforts will be further concentrated around publications that define Brill's reputation in core areas of excellence. Digital marketing and social media are increasingly employed to improve the efficiency and effectiveness of our marketing operation. Our mission statement, author services, and the Brill platforms will be actively promoted as well.

VALUE CREATION PROCESS AT BRILL

Stakeholder	Indicators of value created	Progress in 2022
Authors	– Number and reputation of authors publishing with Brill – Publishing experience at Brill – Quality of publications – Extent of distribution offered – Publication format range offered	– Brill (all imprints, incl. full year Wageningen Academic): 1,936 book titles published versus 2,067 in 2021. – Brill (all imprints, incl. full year Wageningen Academic): 1,063 journal issues published versus 1,071 in 2021.
Librarians and funders	– Flexible, attractive purchasing options – Online platforms combining easy search, ease of access, usability, usage monitoring – Efficient ordering processes – Flexible publishing options: Open Access, user pays, subsidizing specific publications	– Start with Brill Book Archive, part 2. At the end of 2022 approx. 3,500 titles were already available online. – First transformative agreement in US, and further increase of Evidence Based Acquisition deals.
Readers	– Quality of publications, print and online – Ease of search, ease of access, usability – Platform usage – Quick availability of print publications	– In 2022 E-Book usage on brill.com was 3.258.305 full text downloads, an increase of 18% compared to previous year. At V&R E-Book usage increased by 21%.
Investors	– Growth – Margin – ROIC	– Revenue growth 2.5% – EBITDA margin -0.1% – ROIC % -12.5%
Staff	– Inclusivity – Turnover	– Female vs male 66%/34% – Offboarded 41 FTE, onboarded 47 FTE (including 7 from Wageningen acquisition)
Global community	– Active support for the global cause of humanities – Corporate initiatives tied to core capabilities – Overall corporate citizenship	– Humanities Matter campaign via blogs and podcasts – Continued sponsorships for local museums and initiatives – Embedded UN Global Compact strategy, see paragraph on CSR

PUBLISHING PROGRAM

In 2022 the scholarly community returned to an active conference schedule, helping Brill Acquisition Editors to reinvigorate and expand their networks in vital face-to-face meetings. The pandemic continued to have an impact on the development of our program as authors were engaged with return to classrooms and post-lockdown life. Peer review and turnover of manuscripts was slower than in 2020 and 2021, leading to a decrease in the number of new book titles published. Internal capacity issues and selected pruning further contributed to the slightly lower number of titles compared with the previous year. In the meantime, only minor delays were experienced in the journal program which developed according to plan.

In April the imprint Wageningen Academic joined Brill, strengthening our program in the Life Sciences and Open Access. The Wageningen-based press publishes journals, books and conference proceedings in Animal Sciences, Food and Health Sciences, Agriculture, Environment and Agribusiness. The integration is expected to be completed during the course of 2023. The integration of the German imprints V&R and Böhlau progressed largely according to plan but decelerated during September while operational teams prioritized the consequences of the administration of Turpin. The integration work will be reinforced in early 2023 with the aim to complete the integration at the end of the year.

Journals

Brill continues to grow its journal program by acquiring diamond or full OA titles as well as established subscription journals. New journals are being launched in fast-evolving research areas. In 2022 the following journals were added to the program: *Unio cum Christo – International Journal of Reformed Theology and Life (OA)*; *Journal of Eastern Christian Studies*; *Studies in Early Poetics*; *Darah*; *DABIR: Digital Archive of Brief Notes & Iran Review*; *Al-Karmil: Studies in Arabic Language and Literature*; *Journal of Digital Islamicate Research*; *Majallat al-Lughawiyyāt al-Taṭbīqiyya (Journal of Applied Linguistics, OA)*; *Majallat al-Dirāsāt al-Islāmiyya (Journal of Islamic Studies, OA)*; *Majallat al-Dirāsāt al-Falsafiyya (Journal of Philosophical Studies, OA)*; *Vienna Journal of East Asian Studies*; *Innovation and Education (OA)*; *Journal of Science of Learning and Innovations*; *Zeitschrift für medizinische Ethik*; and *Engagement. Zeitschrift für Erziehung und Schule*.

Books

In 2022 Brill completed the first part of the Brill Book Archive (BBA) and successfully sold the product as full and sub-collections to customers in North America, Australia and Europe. The launch of the second part of BBA, which will contain twice the number of titles of part one, was prepared and part of the collection published at the end of the year. The planning is to complete the digitization of titles for BBA by 2024.

To further grow our book list and e-book collections, we added more than 40 new book series to the program such as *Papyri Graecae Herculanenses*; *Eastern Christian Studies*; *Islamicate and Ibero-American World Connections*; *Modern Intellectual Trends: The Middle East*; *Africa and Asia*; *Iran and the Caucasus Monographs*; *Africa Multiple (OA)*; *Radical Geography*; *Comparative and International Education: The Hispanic Americas*; *Endangered Languages Yearbook*; *Eastern and Central European Voices in Theology and Religion*; *Warschauer Schriften zu römischem Recht und europäischer Rechtstradition*; *New Benjamin Studies*; and *Philosophical Marx Studies*.

Reference Works and Primary Sources

New titles include the *Comparative Dictionary of Ancient Greek Dialects*; *Encyclopedia of Jews in Latin America*; *Encyclopedia of Global Pentecostalism Biographic Dictionary*; *Encyclopedia of Saudi*

Literature; Brill's Encyclopedia of Critical Understanding in Education; The Plantin Press Online (OA), as well as several handbooks in various subject fields. New primary source collections were contracted in History and Theology, and a subsidy of a German library consortium was granted for the digitizing of more than 3.7 million pages of the IDC microform collection *The History of Religiosity in Latin America*.

Open Access

Brill's Open Access program continues to grow with double digits (30%), exceeding the market average of 11.5%. The number of national and institutional Open Access journal agreements, so called "transformative agreements," doubled compared to 2021 with eight such agreements in place with a total value of over 1.5 million, including the first deal in the US.

In 2022 we saw further growth of the Open Access book program, especially in the DACH region where Open Access book revenue has doubled compared to previous year. The German market for Open Access is a growth market, which Brill GmbH is able to successfully tap into. As a result, we concluded, among others, an agreement with the Max Planck Digital Library. Moreover, Brill was awarded a prestigious grant from the Austrian research council FWF. The ongoing drive for Open Access and developments in funder policy means that new budgets continue to become available and Open Access will be a growth market in the years to come. The focus of Brill's Open Access strategy is to achieve growth at scale. Strategic development of business models is at the forefront, and we will continue to focus on maximizing efficiency by further improving processes and workflows to deliver Open Access content.

Publication Ethics

Brill continues to build upon the progress made in previous years since our publication ethics policies and procedures were first overhauled in 2019. Thanks to ongoing collaboration between Brill and representatives of the academic community, handling of publication ethics incidence is transparent, consistent and efficient. In 2022, Brill has continued to refine policies and the procedural framework, always bearing in mind industry best practices and the core principles and evolving guidance of the Committee on Publication Ethics (COPE).

We continuously monitor developments in the market and will be required to invest in the robustness of our policies and workflows. The publication ethics landscape is becoming increasingly complex as publishers are confronted with nefarious actors, e.g., paper mills and disruptive technologies, artificial intelligence being an important example. Therefore, the driving principle of publication ethics at Brill in 2023 and the longer term will be "to lead by example." Brill is well positioned to translate and scale the publication ethics initiatives of STM and the larger publishers in meaningful and sustainable ways that can be feasibly adopted by our mid-size industry counterparts as well as smaller enterprises. Publication ethics will remain a strategic priority of great importance in the coming years and provides an opportunity for Brill to develop an authoritative voice and to influence the conversations taking place in the STM community and among larger publishers.

FINANCIAL REPORT

Key Figures

in thousands of euros	2022	2021	Change
Revenue	48,048	46,865	2.5%
EBITDA	-30	7,203	-100.4%
Operating profit	-4,513	4,453	-201.3%
Free cash flow	1,831	3,402	-46.2 %
Result, attributable to shareholders of Koninklijke Brill N.V.	-3,465	3,036	-214.1%
Earnings per share	-1.85	1.62	-214.1%
Underlying profit	-286	3,764	-107.6%
Underlying profit per share in euro	-0.15	2.01	-107.6%
Dividend (proposed 2022) in euro	0.00	0.90	
Key Financial Performance Indicators			
Organic revenue growth	-4.2%	2.1 %	
ROIC	-12.5%	13.3 %	
EBITDA margin	-0.1%	15.4 %	

Revenue

Despite the insolvency of our main distributor Turpin, Brill's revenue increased by 2.5% in 2022, mainly driven by the acquisition effect of Vandenhoeck&Ruprecht (V&R) and Wageningen Academic Publishers (WAP) and the effect of exchange rates (mainly the US dollar). Excluding those effects revenue declined organically by 4.2%.

(In thousands of euro)	2022	2021	Organic growth	Growth
Print books	14,937	16,865	-20.0%	-11.4%
eBooks	18,271	16,278	7.1%	12.2%
Journals	13,251	12,322	1.1%	7.5%
Primary sources	1,589	1,400	8.1%	13.5%
Total	48,048	46,865	-4.2%	2.5%

The decline in print book sales was mainly caused by the the insolvency of our main distributor Turpin. We estimated the loss of print book revenue in Q4 2022 to be 2.4 million. The revenue from eBooks grew organically by 7.1%, mainly due to sales of eBook collections, Evidence Based Agreements (EBA's) and the Brill Book Archive.

Revenues of primary source products are driven mainly by larger, non-subscription based deals. In 2022 Brill again managed to increase the number of such deals.

(In thousands of euro)		% of total growth	Organic growth
Revenue 2021	46,865		
Print books	-3,365	-7.2%	-20.0%
eBooks	1,148	2.4%	7.1%
Journals	189	0.4 %	1.1%
Primary sources	113	0.2 %	8.1%
Organic revenue 2022	44,950	-4.2 %	-4.2%
Acquisitions	2,087	4.5%	
Currency	1,011	2.2%	
Total revenue 2022	48,048	2.5%	

Our 2022 revenue was positively impacted by the movement in the exchange rate of the US dollar, causing a 2.2% increase of revenue.

Revenue generated in 2022 through digital products was 27.9 million or 58% of total, versus EUR 25.7 million or 55% of total in 2021.

Cost of Goods Sold and Operating Expenses, EBITDA

Gross margin decreased to 71.3% to from 72.2% due to an additional write off of stock related to the insolvency of our main distributor. Depreciation of our stock is done based on sales patterns; as we have not been able to fulfil print orders during the last quarter, the value of our stock decreased. Additionally, a considerable number of titles still in stock at Turpin can now be printed on demand. It therefore makes more economic sense to destroy inventory relative to the cost of shipping to the warehouse(s) of our new distribution partners.

Personnel costs increased by approximately 2.3 million, caused by the effect of the V&R and Wageningen acquisitions, the CEO change, hiring of additional staff to manage the transition to Air Business for global distribution, and costs for temporary external staff to fill vacancies that proved difficult to fill with permanent staff due to the overheated job market.

Other operating expenses increased by approximately 5.0 million, including the following one-off items: a 1.0 million write-off on receivables due to the Turpin insolvency, 0.6 million for the move to Air Business, an 0.5 million provision for improving our existing order-to-cash processes.

The 1.0 million write-off on receivables due to the Turpin insolvency consist of two parts:

- a 0.2 million write-off on debtors that were invoiced via Turpin, for uncollectible debt due to issues with deliveries or returns effective with the cessation of Turpin's operations
- a 0.8 million write-off on a receivable of 1.1 million that consists of payments made by Brill customers to Turpin bank accounts, primarily via credit card, that Turpin failed to transfer to Brill. We have filed a claim to the administrators of Turpin and have assessed that under the current assumptions we might receive 0.3 million from the monies available for repaying Turpin creditors

Included in our trade payables is an amount of 0.4 million due to Turpin for services provided by them during the period before their insolvency. This amount could be off set against our claim on Turpin, however at the publication date of our financial statements there is insufficient clarity to release the amount.

The 0.5 million for improving our order-to-cash processes relates to the calculation and declaration of indirect taxes in several tax jurisdictions. Immediately upon becoming aware during Q4 of 2022 of shortcomings in this area, an improvement project was started which is expected to be finalized by the end of 2023.

In 2022, costs of 0.6 million were recorded related to the integration of V&R and 0.1 million for restructuring costs. These two exceptional cost items are reported outside our EBITDA.

Other than the above there are no special events that should be taken into account for the financial statements.

Depreciation and Amortization, and Financing Income and Costs

Depreciation and amortization, other than as recognized in cost of goods sold, developed in line with expectations. We were required to take an impairment of 1.6 million on goodwill and publishing rights, mainly due to an increase in the discount rate used for impairment testing (refer to note 6 of the consolidated financial statements).

Profit and Profit per Share

In summary, operating profit and profit before tax decreased significantly due to the revenue decline and operating expense items discussed above, resulting in a net loss of -3.5 million for the financial year 2022 (2021: reported profit of 3.2 million).

Underlying net profit, excluding one-off expenses related to the insolvency of Turpin and the move to new distribution partners, impairment of intangible assets, integration and restructuring costs and a provision for OTC improvements, amounted to -0.3 million, compared to 3.9 million in 2021. This translates into an underlying earnings per share of -0.15 for 2022.

In thousands of euro)	2022	2021
Profit before tax	-4,698	4,317
Impairment intangible assets	1,607	0
Turpin related write-off on receivables	1,000	0
Move to new distribution partner Air Business	568	0
OTC improvements	495	0
Costs for the integration of V&R	563	993
Restructuring costs	80	-124
Underlying profit before tax	-386	5,186
Tax, at the statutory rate	100	-1,255
Underlying net profit	-286	3,931
Non-benchmark items, after tax	-3,200	-525
Change in deferred tax liability and other	21	-202
Profit attributable to shareholders of Koninklijke Brill N.V.	-3,465	3,204
Underlying earnings per share in EUR	-0.15	2.01
Earnings per share in EUR	-1.85	1.62

Operating Working Capital and Cash Flow

Despite the negative profit before tax of -4.7 million, we managed to limit the net cash out flow to -1.7 million as a result of measures taken to reduce costs and investments. Operating working capital increased by 6.0 million, mainly due higher deferred income and accruals.

Return on Invested Capital

Return on Invested Capital (ROIC) over 2022 was minus 12.5%, compared to 13.3% in 2021.

Solvency and Liquidity

Total assets (61.6 million) increased versus 2021 (59.9 million), mainly due to the increase of Right of use Assets caused by the new lease agreements for the offices in Leiden and Göttingen, and the acquisition of Wageningen Academic Publishers. Solvency (Shareholders' equity divided by total assets) declined in 2022 to 32.0% (2021: 41.4%; target range of 40–60%). Our expectation is that this ratio will improve towards the middle of the range in the next three years.

Dividend

Given the financial result, we will propose at the Annual General Meeting of Shareholders, to be held on 24 May 2023, to not pay a dividend over the financial year. For the long term, we will adhere to our corporate solvency policy of 40–60% and to the covenants agreed upon with our main bank. Also, Brill will continue to pursue its capital management policy whereby strategic investments and add-on acquisitions must be funded within free cash flow.

Future developments

In 2023 we will finalize the move to our new distribution partner. Besides that, we continue to focus on the execution of our long-term strategy to be a digitally driven publishing house, with a market average organic revenue growth and an EBITDA margin of more than 17%, with a return on invested capital showing material headroom to our weighted average cost of capital. This will require ongoing investments in people and tools that will make Brill even further future proof. Brill does not expect any extraordinary investments in IT, other than mentioned above, or changes in personnel.

HUMAN RESOURCES

Organization

Brill is centrally managed with several corporate and delegated functions. The three statutory directors (CEO, CFO, CPO) form the Management Board.

The primary business activities rest with the publishing units, which focus on the key subject areas in which Brill operates. The acquisitions editors within the publishing units are responsible for publication development and contact with editors and authors. Our sales teams are responsible for relationship building with academic libraries and trade partners. Marketing promotes our publications and services to authors and customers. They are all supported by four departments: Finance, Operations, Technology and HR. The Management Team consists of the VP Sales, VP Technology, the VP Marketing and the VP HR. The VP's have global responsibilities.

During the integration process of V&R, the Management Team was extended to include the two German statutory directors. In November we returned to the core Management Team. The Management team meets at least once a month. Our local legal entities in Boston, Singapore, Paderborn(including Göttingen and Köln) and Vienna are managed by local statutory directors who meet regularly individually with the CEO. In April we acquired Wageningen Academic Publishers with even FTE's and the two founders of the company as external staff with a management fee agreement.

The key internal factor determining the success of the company is its personnel. It is therefore important to recruit, develop, and retain skilled and motivated professionals. Brill's policy, which seeks to achieve this goal by offering a pleasant and motivating working environment, professional development and controlling the costs of personnel, is closely monitored by the Management Board and the Supervisory Board.

Key Figures

Average FTEs during the year 2022 was 249.9 versus 226.9 in 2021.

The split of FTE as per year end was as follows:

FTEs	Year end 2022	Year end 2021
Publishing	105.4 [41.7%]	102.3 [41,4%]
Operations & Technology	76.2 [30.13]	75.7 [30,7%]
Sales & Marketing	48.8 [19.31%]	45.4 [18,4%]
Finance, HR, Other	22.5 [8.89%]	23.5 [9.5%]
Total	252.9 [100%]	246.9 [100%]

The split of FTE by country was as follows:

FTEs	Year end 2022	Year end 2021
The Netherlands	125.2	126.5
Germany	95.2	86.9
United States	17.9	19.9
Austria	9.6	9.6
Singapore	1.0	1.0
China	2.0	1.0
Other	2.0	2.0
Total	252.9	246.9
International workforce	127.7	120.4

Workforce split by gender on headcount:

	2022	2021
Male	34.0%	35.3%
Female	66.0%	64.7%

The share of part-time workers decreased to 28.0 % (2021: 30.1%) of the workforce.

Workforce split by full-time/part-time:

	2022	2021
Part-time	28.2% [77]	30.1% [81]
Full-time	71.8% [196]	69.9% [188]
headcount	100% [273]	100% [269]

The age structure of the workforce was as follows:

AGE	2022	2021
20 - 29 years	12.1%	14.0%
30 - 39 years	25.0%	25.0%
40 - 49 years	24.9%	24.0%
50 - 59 years	21.2%	23.0%
Older than 60 years	16.8%	14.0%
Total	100.0%	100.0%

The average age was 45.04 years old at the end of 2022 (2021: 44.4).

The inflow and outflow of FTE's were as follows:

FTEs outflow	2022	2021	FTEs inflow	2022	2021
Retirement + passing away	2.2	3.4	Acquisitions/divestment	7.0	72.0
Brill initiative			Temporary contracts	0.9	3.5
Temporary contracts	14.0	3.0	Permanent contracts	6.1	68.5
Other	6.0	3.0	Other	39.9	37.7
			Temporary contracts	32.4	30.7
Own initiative			Permanent contracts	7.5	7.0
Employment 0–2 years	11.4	5.7	Total FTE inflow	46.9	109.7
Employment 2–5 years	2.0	4.0	Total inflow in %	18.5%	40.8%
Employment 5–10 years	2.5	1.0			
Employment 10–15 years	0.7	1.0			
Employment 15–20 years	2.0	0.0			
Employment >20 years	0.0	0.0			
Total FTE outflow	40.8	21.1			
Total outflow in %	16.1%	9.3%			

RISK MANAGEMENT

Risk Management Policy

The risks and mitigations described below refer to the regular strategic risks present in Brill's business.

For details on financial risk management, please refer to note 17 of the Consolidated Financial Statements.

Brill's risk management policy is updated in the context of the corporate strategy. The company adopted an approach consistent with its scale, ambitions, and organizational structure.

Risks classified as having strategic impact are discussed with the Supervisory Board annually to enable the Board to accurately evaluate Brill's results and prospects. Furthermore, the Board evaluates the entire risk-management framework on an ongoing basis. Brill's policy aims for mitigating measures commensurate to the level of impact and the risk appetite that Brill defines regarding each risk category.

Risk Classification

To assign risk management accountability within the organization, Brill classifies risks as follows:

- A. Level of impact of the risk on the business of Brill
 - Operational
 - Tactical
 - Strategic
- B. Nature of the risk
 - Market: the risk relates to a change in market circumstances that impacts market participants' propensity to purchase Brill's product, to use Brill as their publisher, or to supply goods and services required by Brill at economically viable rates.
 - Operations: the risk relates to an event or trend that impacts Brill's operational capacity to execute its strategy successfully and manage its business as a going concern. This category explicitly includes IT, outsourcing, fraud, corruption, and cybersecurity risks.
 - Financing: the risk relates to an event or trend that impairs Brill's ability to attract sufficient funds to finance working capital or long-term investments and therefore its ability to operate as an ongoing concern and execute its business strategy.
 - Regulatory: the risk relates to changes in legislation or governance with effects on Brill's current business arrangements, on Brill's stakeholders, and on their capacity or propensity to transact business with Brill (in short, impact on Brill's 'license to operate').
 - Financial Reporting: the risk impacts Brill's transparency in its results and financial position both internally for management purposes as well as to its stakeholders.
 - Compliance: the risk impacts Brill's compliance with applicable law and regulations or it impacts Brill's business or financial reporting through transgressions of applicable law or regulations.

Consequently, Brill's risk-management analysis and tooling framework can be summarized as follows:



Risk Management Toolbox

Management of risk at Brill is generally executed through three categories of risk-management tools:

Organization, Culture and Governance – The organizational structure and culture of Brill must support the identification and avoidance of risk by making well-informed decisions in a timely manner. This requires delegation of authority. Governance must ensure an adequate framework of accountability.

Internal Control Framework – The framework of internal controls must provide reasonable assurance that:

- Business processes are carried out effectively and efficiently;
- Financial statements adequately reflect the business' financial position and development;
- Assets are safeguarded;
- Brill is compliant with laws and regulations.

Business Policies – The framework of business policies must ensure that Brill can:

- Seize business opportunities;
- Avoid undue risk of losses to company assets;
- Execute its strategy.

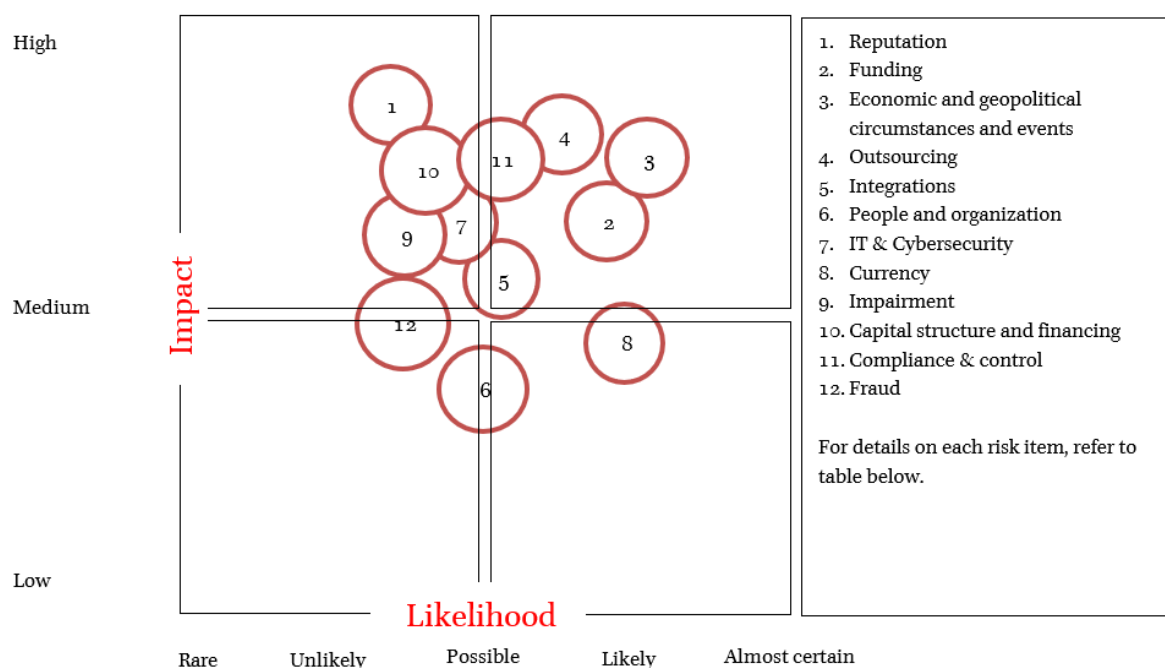
Risk management is in the hands of the Management Board. Day-to-day supervision lies with the CFO, and execution is delegated as follows: design, implementation and execution of financial control measures are carried out by the Group controller; whereas the design, implementation, and execution of IT-related controls are overseen by the VP Technology. The implementation of specific measures and improvements is driven by a combination of the Management Board's assessment of current risk profiles and the annual management letter supplied by the external independent auditor. Brill's Supervisory Board reviews all reporting by the external independent auditor. Although internal controls are not fully formalized and documented, management is of the opinion that the framework of internal control provides sufficient assurance that the financial reporting does not contain any material inaccuracies.

Due to the small scale of operations and the centralized accounting function, Brill does not have an internal auditor. The decision to abstain from appointing an internal auditor is reviewed annually by the Supervisory Board and in 2022 the decision has been taken to implement a separate internal audit function during 2023, to introduce an additional "line of defense" in the internal control system of the company.

Discussion of Specific Risks with Impact at the Strategic Level

The risks set out in this overview have been classified as strategic. They are linked to the objectives pursued in Brill's strategy, the company's applicable risk appetite, and the mitigation strategies in place.

The following depicts a visual classification of specific gross or inherent risks at the strategic-impact level to illustrate an assessment of our risk profile and the level of risk that the company is willing to take:



The risk appetite ratings below should be interpreted as ranking measures rather than as an absolute, proportional measure of the net risk after mitigating actions. Risk appetite per category is based on an annual management assessment and discussed with the Supervisory Board.

Nature of the risk	Description of the risk	Objective threatened	Risk appetite (1=low & 5=high)	(Type of) mitigation
Market	1. <i>Reputation</i> : Various events may impact the company's reputation in the eyes of its stakeholders which is the cornerstone of Brill's ability to run and develop its business.	Expand in current and adjacent subject fields; growth	1	<i>Organizational</i> : Organizational structure that enables the company to react and adapt flexibly to changing market circumstances. <i>Business policies</i> : Editorial policies including diligent peer review and checks on violation of publication ethics; communication policy; investor relations policy; code of conduct (mandatory).
	2. <i>Funding environment and funding mandates</i> : Our customers and authors depend on governments' and societies' willingness to fund research in the humanities and social sciences incl. purchases at Brill and collaboration with Brill. Changing Open Access policies of major funding bodies like the ERC, UKRI, DFG, NWO.	Expand in current and adjacent subject fields	2	<i>Business policies</i> : Increased focus on repeatable business, expansion into adjacent market segments, tap alternative funding sources, and support authors to procure funding for Open Access publication. Active participation in Open Access discussions with relevant actors within the global science community.

	<i>3. Economic and geopolitical circumstances and events: high inflation, supply chain shocks, economic recession</i>	Growth and profitability	3	Highly diversified geographic sourcing of content and realization of sales, which diversifies local economic and geopolitical risks and some supply chain risks. Steadily increasing digital penetration in the product mix, lowering risks of shocks to the physical supply chain. We can adjust prices of our products to mitigate inflationary pressure on our costs to a certain extent. The the move to digital reduces our exposure to print and shipping costs.
Operations	<i>4. Outsourcing:</i> Failed outsourcing may impact business continuity or quality and the pricing of services used leading to reduced competitiveness.	Enhance operating capacity	2	<i>Organizational:</i> Quality of Brill staff. <i>Control measures:</i> SLAs, vendor selection process, enhanced monitoring of SLA compliance. <i>Business policies:</i> Insurance, contingency, and back-up measures.
	<i>5. Integrations:</i> Limited capacity and capability to integrate acquisitions.	Realizing benefits of new acquisitions	2	Dedicated and experienced teams follow a detailed integration plan. Project execution is monitored by senior management. Operational infrastructure is updated to facilitate future integrations.
	<i>6. People and organization:</i> We may not be able to attract and retain the desired personnel.	Achievement of corporate strategy	2	<i>Business policy:</i> Develop Brill's employer reputation and culture to attract and retain employees.

	<i>7. IT and Cybersecurity:</i> Deficiencies in our IT general controls may lead to reduced efficiency, reduced business continuity, and increased risk of fraud or exposure to cybersecurity risks. Our competitiveness may be negatively impacted by legacy systems	Enhance operating capacity	2	<i>Control measures:</i> IT general controls such as (software-enforced) segregation of duties and IT user and access management policies. <i>Business policies:</i> Contingency and back-up measures, security measures, communication on IT and cybersecurity risks. Invest in new technologies.
Financing and other	<i>8. Currency:</i> Significant swings in the USD/ exchange rate may impact our results	Improve financial performance	3	<i>Business policies:</i> Hedging policy (refer to financial statements).
	<i>9. Impairment:</i> The company carries substantial intangible assets and stock on its consolidated statement of financial position. Deteriorating business performance may lead to impairments which could cause substantial erosion of equity.	Improve financial performance	2	<i>Controls:</i> Review of material investments including acquisitions according to Chart of Authorization. <i>Business policies:</i> Conservative valuation calculations for acquisitions, reduction of assets required to run the business, regular review of asset value in impairment tests and stock evaluations. Reduce stock by move to Print on Demand
	<i>10. Capital structure and financing :</i> Investors may not be willing to fund Brill's corporate strategy including M&A activities. Covenants are part of the loan agreement with RABO bank. Significantly lower results may lead to breaching the covenants.	Expand in current and adjacent subject fields and markets. Financial stability	2	<i>Business policies:</i> Investor relations policy, dividend policy, focus on financial performance improvement. Managing debt and equity, following financing policies, and monitoring ratios. <i>Internal Controls:</i> Framework of controls aimed at financial reporting reliability.

Regulatory	<i>11. Compliance and control:</i> Business risks due to lack of control High audit costs due to increased IFRS and other regulations for listed companies.	Improve financial performance	1	<i>Business policies:</i> Further training of staff and automation of processes in Finance. Increase efficiency in accounting and implement more auditable workflows.
	<i>12. Fraud:</i> Brill's expanding business in certain countries might raise the risk of fraud or corruption by third-party intermediaries for which Brill can be held liable.	Financial stability, reputation	1	<i>Business policies:</i> Further training of staff and automation of processes in Finance. Increase efficiency in accounting and implement more auditable workflows.

Fraud risk

The Management Board has the primary responsibility for the prevention and detection of fraud, including designing and implementing appropriate processes and controls to identify, assess and mitigate inherent fraud risks and the creation of proper awareness and attitude towards fraud incentives and corresponding fraud risks.

In the annual assessment and discussion with the Supervisory Board, special attention is given to the risk of fraud. First we identify circumstances or events that are a fraud risk factor. Second, we assessed these factors based on among other things the significance and the likelihood to conclude whether or not there is a fraud risk. Based on this assessment no specific fraud risks were noted, apart from the standard risk of management override of controls and the presumed risk of fraud in revenue recognition, as discussed with our independent auditor.

Brill faces three main types of fraud:

- Asset misappropriation.
- Bribery and corruption.
- Financial statement deception.

Asset misappropriation: Management identified several fraud risk factors, but assessed these to be low risk. Our products in general are not sensitive to theft, there is proper asset management in place regarding physical items such as laptop computers and smartphones and there is very little cash on hand in offices. Controls within our procure-to-pay processes limited the risk of fraud by removing the opportunity factor to a great extent. There were no reported thefts in 2021 within the Group.

Bribery and corruption: We identified the use of agents as a fraud risk factor and assessed this as low risk. Brill does business in certain countries with a higher risk of bribery and corruption and we do use sales agents, but risk is limited by not providing advance payments to agents. When contracting new agents, a background check is performed by the VP Global Sales that is reviewed and approved by the CFO. Agent contracts include anti-bribery stipulations and Brill has a company code of conduct relating to fraud. Exceptional transactions that have a higher fraud risk profile, such

as sponsorship and donations are reviewed and approved by the Management Board. There were no reports on bribery or corruption in 2021 within the Group.

Financial statement deception: Management identified several fraud risk factors, but assessed these to be low to medium risk. The Management Board and certain other employees do have financial targets in their bonus schemes, and there is a certain level of performance pressure related to being a publicly listed company. Brill also needs to comply with covenants agreed with our main bank related to interest bearing loans (see note 12 of the financial statements).

In addition to setting realistic targets and the overall company culture, the risk of manipulating results is mitigated by appropriate oversight by the Supervisory Board and doing business performance reviews.

Brill does not do aggressive tax planning so management does not identify any risk factors related to tax.

The Management Board recognizes that the assessment of and reporting on fraud risk is still relatively informal and will address this further in 2023.

Corporate Social Responsibility

As a mission-driven company, Brill operates from a strong belief that the humanities, social sciences and international law are areas of scholarship vital for addressing today's global challenges. The authors and editors with whom we work dedicate their academic life to asking critical questions on globalization, the rise and fall of societies, migration, the functioning of our democracies, the history of conflicts and international relations, inequality, water security or climate change, to name just a few. These challenges can be found in the 17 Sustainable Development Goals (SDGs) as defined by the United Nations in 2016. They form the core of today's global questions. We are committed to contributing to their solutions through the research we publish, but also through the way we do business.

Here, we outline our Corporate Social Responsibility (CSR) strategy. We are happy to report on our progress so far and future goals to make an impact.

Our Approach

To change the world, we need to work together. We need to listen, learn and be open to a diversity of voices that have a stake in the themes that are most relevant to us in becoming a more socially responsible company.

Brill is a proud member of the United Nations Global Compact and -the SDG Publishers Compact. Some of the SDGs form the core themes of the research that we publish and, as such, are an integral part of our publication program.

Our research on the SDGs is especially geared towards SDG 16: Peace, Justice and Strong Institutions. In light of this, we are proud of our cooperation with The Hague Academy Of International Law for which we publish The Hague Academy Collected Courses. As we are actively expanding our publication of SDG-focused research, we undertake efforts to disseminate this research widely, through our regular channels as well as through our Humanities Matter blog and [podcasts](#). Topics of the podcasts in 2022 included quality of education, populism, racism, food security, war and peace.

In 2022, Brill published 1,578 publications (source: Dimensions, a Digital Science product) that could be connected to one of the 17 Sustainable Development Goals. Most of those (796) were related to SDG 16: Peace, Justice and Strong Institutions, followed by SDG 3: Good Health and Well-being (211), SDG 4: Quality Education (146), SDG 5: Gender Equality (100), SDG 15: Life on Land (91), SDG 2: Zero Hunger (74), SDG 14: Life Below Water (63), SDG 10: Reduced Inequalities (52), SDG 13: Climate Action (51), SDG 8: Decent Work and Economic Growth (39), SDG 11: Sustainable Cities and Communities (30), SDG 12: Responsible Consumption and Production (16), SDG 7: Affordable and Clean Energy (5), SDG 9: Industry, Innovation and Infrastructure (3) and SDG 1: No Poverty (2).

At Brill, we have an Environmental, Social and Governance (ESG) Steering Committee; a CSR Officer, Advisory Group to engage staff, and a Working Group with people responsible for the implementation of CSR-strategy per sub-theme; and a Publication Ethics Committee.

Environmental Responsibility

In 2022, we prioritized the reduction of our CO₂ emissions. Brill follows the goals of the [Paris Agreement](#): CO₂ emissions need to be reduced by 45% by 2030, and reach net zero by 2050.

We started measuring our carbon footprint by teaming up with [Greencast](#). Based on this initial analysis, going forward we can reliably monitor and evaluate our progress to hold ourselves accountable. We have charted Scope 1 (direct company emissions) and 2 (indirect emission). We have analysed climate risks and took measures by reducing our warehouse stock and moving to new warehouse partners. We moved our digital infrastructure to the cloud and are more conscious of using less printed materials. Our office improvement plan is in progress, dealing with further CO2 emissions reductions, biodiversity, health and well being. Energy reduction will be a priority for all office locations, for example through measures like LED lighting. In addition, Brill needs to convert from grey to green energy, which may impact our costs for energy. In the second half of 2023, we will start analysing Scope 3 of our supply chain hotspots and set up an action plan for further reductions.

In addition to actively reducing Green House Gas emissions, we offset CO2 emissions of our marketing materials print runs and business travel via a collaboration with Regreener's Planet Positive Workforce programme. On our behalf, Regreener supports projects worldwide positively impacting efforts towards reforestation, renewable energy and the protection of the rainforest.

Women of the Rio Napo

One of the projects Brill supports through Regreener is Women of the Rio Napo. Along the Rio Napo in the Ecuadorian Amazon, over 100 women in five Kichwa communities are leading projects that generate income and build economic opportunity for themselves, their families, and their communities. The project builds new, sustainable, and reliable sources of income and financial independence; expands access to basic services like clean water, solar energy, internet, education, and food security, supporting the well-being of over 1,450 people; strengthens communities' resistance to external threats to their lands and livelihoods, including pressure from oil and mining companies; and protects 149,500+ acres of community-owned land in this extremely biodiverse region of the Western Amazon.

Social Responsibility

As an employer, we are committed to supporting our staff's health and well-being. Employees have suffered due to a high workload related to a lack of permanent staff with the right skills. We are dedicated to supporting our staff, which is our most valuable asset, by hiring more in-house, permanent staff, especially in the finance and technology departments. Specifics on the composition of our staff can be found under the Human Resources heading.

Education is at the core of Brill's mission. We aim to advance discovery and learning in the humanities and social sciences, and we are keen to support scholars by providing them with access to the finest research tools and reference works in their fields. To support widespread dissemination of our published works, we invest in Open Access. We also have a Publication Ethics Committee that oversees policies ensuring integrity and quality education. Brill is actively working towards ensuring diversity and inclusion across all stages of the publication process. Brill also adopts best practices for website accessibility and strives to adhere to guidelines and recommendations to improve accessibility. To advance accessibility and distribution, Brill offers discounts on its Open Access fees to academics and scientists in developing countries as part of the Brill Open Program. To stimulate a more open and inclusive publishing environment, we updated our name changes policy. In case an author's name has changed after their work has been published, it used to be very challenging to have this change processed. The update to our name changes policies alleviates the burden. Brill has an Adopt-a-Library program in place through which it annually donates collections of books to libraries and universities in developing countries. These

donations are supported by workshops for academics and librarians that focus on how faculty can increase the impact of their research by publishing nationally and internationally and how to make the best use of limited resources. Such workshops are given throughout the year by Brill publishers as part of research capacity building.

Responsible Governance

Brill is fully dedicated to fair practices pertaining to social conditions (such as exclusion of child labour and corruption) and materials. We comply with applicable laws and regulations of the countries in which we operate, with the exception of indirect tax regulations in several tax jurisdictions. Immediately upon becoming aware of shortcomings in this area during Q4 of 2022, an improvement project was started and we expect to finalize this by the end of 2023.

In our publication program, we pay special attention to working conditions and modern forms of slavery in production and manufacturing.

Brill is committed to partnerships supporting research communities. Brill actively participates in existing education programs and takes initiatives in cooperation with professional publishers and international organizations, e.g., Research4Life, INASP, Association of Commonwealth Universities, and Publishers for Development. Actively contributing to these initiatives supports the future development of the global scholarly community. Ethics (committee) (via Jason). Policy for research integrity; censorship, piracy.

With regards to information technology security, we have taken many steps to protect our systems, data and assets. We moved to cloud-based systems and set up multi-factor authentication for all users in all locations. We have increased security with Microsoft E5 licenses, which includes Advanced Threat Protection, set up endpoint management, and enforced encryption of data carriers within the company. An external Data Protection Officer has been assigned, who has reviewed our General Data Protection Regulation (GDPR) policy and has provided training to all departments. Data processing in all locations has been aligned.

POLICIES

To create a coherent framework for the conduct of business within the Brill Group, Brill has the following policies in place:

1. Corporate Governance statement
2. Brill Code of Conduct
3. Vendor Policy
4. Remuneration Policy
5. Risk Management Policy
6. Whistleblower Policy
7. Code of Conduct on Insider Trading
8. Guidelines on publication ethics for editors, authors, and reviewers

For documents listed above which are not included in this report, please refer to Brill.com.

The Management Board monitors the effects of the above-mentioned policies on a regular basis by discussing them with the HR manager, the appointed trusted persons, and the Works Council.

RESPONSIBILITY STATEMENT

The Management Board of Koninklijke Brill N.V. is responsible for the preparation of the financial statements in accordance with IFRS as adopted by the European Union and the provisions of Part 9 Book 2 of the Dutch Civil Code (DCC). In addition, the Management Board is responsible for the preparation of the Management Board's Report, which is included in the Annual Report.

In the Annual Report, the Management Board presents a true and fair view of the financial position of the Group as per 31 December 2022 and the development of the Group during 2022. In the section Risk Management, the Management Board identified the main risks currently known that could affect the achievement of Brill's strategic objectives or that could lead to misstatements in the financial statements, as well as the measures implemented to manage these risks. These measures can provide reasonable but not absolute security against material losses or material errors.

As required by the provisions of 1.4.3 of the Corporate Governance Code and section 5.25c par 2c of the Dutch Act on Financial Supervision, the Management Board confirms that to its knowledge:

(Statement according to the Corporate Governance Code)

- the Annual Report provides sufficient insights into any failings in the effectiveness of the internal risk management and internal control framework
- although internal controls are not fully formalized and documented, management is of the opinion that the framework of internal control provides sufficient assurance that the financial reporting does not contain any material inaccuracies
- based on the current state of affairs, it is justified that the financial reporting is prepared on an ongoing concern basis, and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

(Statement according to 5.25c par 2c)

- the 2022 financial statements give a true and fair view of the assets and liabilities, the financial position, and the result of Brill and the companies jointly included in the consolidation, and
- the 2022 Annual Report likewise gives a true and fair view of Brill's position and the position of its affiliated companies on the consolidated statement of financial position date, as well as of the course of events during the financial year under review
- furthermore, the Annual Report describes the principal risks that Brill faces.

Leiden, 12 April, 2023

Management Board

CORPORATE GOVERNANCE

Koninklijke Brill N.V. ('Brill'), a public limited company under Dutch law, with its registered office at Plantijnstraat 2, 2321 JC Leiden, is the parent company of the Brill Group. The corporate governance structure of the company is based on the company's Articles of Association (for the 'Articles', refer to Brill.com), the Dutch Civil Code ('DCC'), the Dutch Corporate Governance Code ('the Code'), and further applicable laws and regulations. The Management Board and the Supervisory Board are responsible for the corporate governance structure. Four out of five Supervisory Board members are independent in the sense of the Corporate Governance Code; Jan Niessen, who joined the Supervisory Board on December 14 2022, is a non-independent Board Member (art. 2.1.8 of the Corporate Governance Code) as he indirectly holds an interest of more than 20% in Brill via Mont Cervin.

The share capital of the company is divided into ordinary shares and cumulative preference shares. There are currently no cumulative preference shares issued. Of the issued ordinary shares, approximately 99% are certified and administered by the Stichting Administratiekantoor Koninklijke Brill N.V. (the Trust Office). Only registered depository receipts are listed on Euronext Amsterdam. Of the receipts 65% are held in tranches of 3% or more. In the context of the Financial Supervision Act, the following holders of registered depository receipts, on 31 December 2022, have reported an interest of 3% or more to the Dutch Authority Financial Markets:

Filings	Size	Declaration date
Mont Cervin Sàrl	22%	22 June 2012
Teslin Participaties Coöperatief U.A.	19%	18 September 2020
Lazard Frères Gestion SAS	5%	30 September 2022
J.P. van Slooten	5%	11 April 2017
Stichting Administratiekantoor Arkelhave Capital	5%	16 December 2016
Stichting John en Marine Van Vlissingen Foundation	5%	11 August 2015
P.C. van Leeuwen	4%	5 April 2022

Holdings Members of the Supervisory Board and Management Board

Name	Number of registered depository receipts
Jan Niessen	462,875
Jasmin Lange	500

In 2018, the members of the Management Board acquired registered depository receipts in Brill via their own banks and at their own risk, with the consent of the Supervisory Board. No further transactions were recorded since. These shares are not related to any remuneration schemes.

Brill is a statutory two-tier company (operating under the Dutch 'structuurregime'). The Articles of Association regulate inter alia the appointment and dismissal of Supervisory Board and Management Board members, the rights allocated to the Annual General Meeting of Shareholders and the amendment of the Articles. Brill's corporate governance is established in line with its business objectives and with the Code except where noted otherwise below. In addition to the Code, Brill has implemented its Core Values and Business Principles.

The proceedings of the Annual General Meeting of Shareholders follow the stipulations of the DCC and are detailed in the Articles of Association. Brill's most notable deviation from the Code is the policy regarding use of certification as a possible method of protection. Brill is a relatively small, profitable publisher, active in an industry that is in consolidation. Also, the sensitive nature of Brill's relationships with its stakeholders—including authors, librarians, and scholars whose continued trust is the cornerstone of our business' value—requires careful weighing of each major strategic change. Therefore, the Management Board deems protection against uninvited external influence necessary. Accordingly, the company has implemented defensive structures.

Firstly, the company has cooperated with the issuance of registered depository receipts that can be seen as a defensive measure in that the Stichting Administratiekantoor Koninklijke Brill N.V. (Trust Office) reserves the right in the event of situations as referred to in Art. 2:118a.2 DCC not to issue voting proxies nor to accept binding voting instructions. Registered depository receipts will be maintained as long as they contribute to the objective to ensure sufficient protection and balanced decision-making on the future of the company.

In line with the Code, the Board of the Trust Office consists of independent members. The Board of the Trust Office shares the opinion of the Management Board and Supervisory Board on the use of registered depository receipts as a defensive instrument.

Secondly, Brill has the possibility to issue preference shares. When this occurs, the preference shares will be placed with Stichting Luchtmans, which has the right to acquire preference shares to a maximum of 100% of the ordinary issued share capital. See note 11.3 to the financial statements.

Pursuant to the Articles of Association, conversion of registered depository receipts is possible up to 1%. In addition, shareholding is limited to individuals, the company itself, the Trust Office, and legal entities that were shareholders before 29 July 1997.

At the Annual General Meeting of Shareholders of May 25, 2022, the authorization to acquire shares in the company was granted to the Management Board for a period of 18 months. the authorization is limited to a maximum of 10% of the issued capital on the date of the meeting and is subject to approval by the Supervisory Board.

At the Annual General Meeting of Shareholders of May 25, 2022, the authorization to issue shares in the company was granted to the Management Board for a period of 18 months. the authorization is limited to a maximum of 10% of the issued capital on the date of the meeting, and an additional 10% if the share issue is related to a merger or acquisition, and is subject to approval by the Supervisory Board.

Several responsibilities have been allocated to the Combined Meeting (the joint meeting of the Supervisory Board and the Management Board). The rights of the Combined Meeting include the determination of the number of members of the Management Board and the Supervisory Board, authority on profit distribution proposals, the making of proposals to amend the Articles, dissolution and legal merger / demerger of the company.

Management Board members are appointed by the Supervisory Board. The Supervisory Board must notice the general meeting of an intended appointment of a Management Board member. Any Management Board member may be removed by the Supervisory Board. The Supervisory Board

may not remove a Management Board member until the general meeting has been consulted on the intended removal.

Supervisory Board members are appointed by the general meeting of shareholders upon nomination by the Supervisory Board. The Supervisory Board must simultaneously inform the general meeting of shareholders and the Works Council of the nomination. The nomination will state the reasons on which it is based.

Diversity and inclusiveness are important aspects of the corporate management culture, as expressed in Brill's Core Values. Consequently, it is Brill's objective to achieve a balanced composition of all its governance bodies: our goal is to have at least 1/3 male, at least 1/3 female and 1/3 free choice in our Supervisory Board (SB), our Management Board (MB) and our Management Team (MT). As in 2021, we meet this goal in all three bodies in 2022.

As of May 2019, the company's management body, the Management Board, consists of two male statutory directors with Dutch nationality and one female statutory director with German nationality.

As of November 2022, the Management Team consists of four members (VP HR, VP Marketing, VP Sales and VP Technology), two of which are female and four with Dutch nationality.

The company has a Supervisory Board consisting of five persons, of whom two are female with Dutch nationality, and three are male with Dutch nationality.

Regarding transparency between the Management Board and the Supervisory Board, and between Supervisory Board members themselves, clear agreements are in place. The employment agreements for statutory directors are drawn up in accordance with the best practice provisions of the Code.

The Supervisory Board and the Management Board meet annually to discuss the implementation of best practices in corporate governance and compliance with current legal requirements. They currently hold that the governance of the company complies with the principles expressed in the Code, except for the use of depository receipts as a defensive mechanism.

The Supervisory Board and the Management Board are aware that protection of the company is generally only temporary in nature. Therefore, the company's strategy must be made clear to all stakeholders and especially to investors, and what valuable elements from past, present, and future are incorporated therein. The aim is to make the company an attractive investment for investors who prefer a strategy focused on long-term sustainable value creation. Sustainable value creation is, in turn, largely dependent on Brill's standing among customers and authors. Our investor-relations activities aim to communicate this message. Retaining the trust and support of investors is a basic element of the corporate governance policy.

Regarding aspects of best practice provisions not relevant to protection, the Management Board and the Supervisory Board remain of the opinion that these support the existing corporate governance structure. We are of the opinion that Brill's current governance supports strategies that create long-term value.

Our main business policies are outlined in the list below:

1. Brill Core Values and Business Principles
2. Corporate Governance (refer to separate chapter)
3. Brill Code of Conduct (mandatory for Brill employees)
4. Vendor Policy
5. Remuneration Policy (refer to separate chapter)
6. Corporate Social Responsibility (refer to separate chapter)
7. Risk Management Policy (refer to separate chapter)
8. Whistleblower Policy
9. Code of Conduct on Insider Trading

For documents listed above which are not included in this report, please refer to Brill.com. For the Corporate Governance Code visit mccg.nl.

The Management Board monitors the effects of the above-mentioned policies on a regular basis by discussing them with the HR manager, the appointed trusted persons, and the Works Council.

Over 2022 there have been no cases of no-compliance with the Brill code of Conduct or any of the other policies mentioned above.

Supervisory Board
Management Board

SUPERVISORY BOARD'S REPORT FOR THE YEAR 2022

ANNUAL FINANCIAL STATEMENTS

Based on the ongoing appointment by the AGM of PricewaterhouseCoopers Accountants N.V. as the company's independent auditor, the Supervisory Board instructed PricewaterhouseCoopers Accountants N.V. to audit the financial statements of Koninklijke Brill N.V. for the 2022 financial year. For the 2022 financial statements, an unqualified independent auditor's report was issued. We therefore recommend that shareholders approve these annual financial statements. On basis of this, and in line with our dividend policy, no dividend is proposed.

PRINCIPAL ACTIVITIES

During 2022, seven regular Supervisory Board meetings were held, of which six at Brill's headquarters in Leiden. At all meetings, the entire Board was present. In addition a significant number of informal meetings took place by electronic means.

On 10 February 2022, the announcement was made that Peter Coebergh would leave Brill as CEO and his term of office came to an end at the AGM on 25 May 2022. Brill is grateful to him for successfully leading the company during his tenure. Under his leadership, Brill has further prepared itself for a continued positive development as a leading publisher in the field of humanities.

Much time and effort was spent on establishing the profile, the search process and the selection for a new CEO, with involvement of the Management Board and the Works Council. This led to the appointment of John Martin as Chief Executive Officer, announced on July 18 and effective September 1, and his subsequent appointment as statutory director following the EGM on 14 December.

More generally, the Supervisory Board met with the Management Board during all Supervisory Board meetings to discuss or approve topics including distribution, internal systems, risk management, staffing developments and succession, management development, cost development and management, possible acquisitions, the progress and development of publishing platforms, liquidity planning, credit facilities, investor relations, corporate governance issues and various investments.

During the meetings with the Management Board attention was also paid to the corporate long-term strategy, which is updated annually and presented by the Management Board. An update of the corporate strategy was discussed and approved. The building blocks of the updated strategy have been on the agenda of most of the regular meetings. The need for, and gradual implementation of an upgrade and harmonization of ICT systems remains a key topic.

Effort and time were dedicated to the planning of the transition to new partners for Brill's worldwide distribution of books and journals. Unfortunately, due to the demise of our international distribution partner based in the UK, this process had to be accelerated from September. A huge effort was made to mitigate business disruption and accelerating the transition to new fulfilment capabilities. This project is ongoing and additional improvement opportunities in the order-to-cash process were identified.

The integration process of the 2021 acquisition of the German publishing house Vandenhoeck & Ruprecht was regularly discussed.

The Supervisory Board has discussed the risk of fraud with the Management Board, including observations and recommendations made by the external independent auditor.

In the regular meetings with the Works Council, issues such as corporate culture, work pressure, and the tone in the company have been discussed without the presence of the Management Board.

There were numerous informal consultations between members of the Supervisory Board and members of the Management Board during the year. The Supervisory Board continued the practice of beginning each meeting without the presence of the Management Board, with the aim of discussing the agenda for the meeting and allowing each member to express particular points of attention for the meeting itself. This included the functioning of the Supervisory Board, its individual members, and of the Management Board and their teams. The Supervisory Board met with a selection of senior staff invited to its meetings, among others the HR Manager. New management team members made their appearance in the meeting. This enabled the Board to observe internal relationships as well as the tone in the company and the corporate culture in practice.

A recurring item on our annual corporate calendar is the remuneration of the statutory directors. The directors' objectives in the context of the variable remuneration scheme were also determined and evaluated. Where possible, Brill's corporate strategy was anchored in targets, both in the short-term as well as in the long-term variable remuneration. The Remuneration Report provides more details.

Reports from the external independent auditor are received and discussed on a regular basis. Two meetings with the external independent auditor and Management Board were held to discuss the management letter resulting from the interim audit and the final reports. The discussions were followed by the customary annual discussions between the Supervisory Board and the independent auditor, without the presence of the Management Board. Risk assessment and measures to mitigate risks are always discussed in the context of the annually updated management letter. The decision has been taken to implement a separate internal audit function during 2023, to introduce an additional "line of defense" in the internal control system of the company.

PROFILE OF BOARD MEMBERS

During 2022 the Supervisory Board held two dedicated informal meetings to evaluate its functioning, profile, size and composition and conclude inter alia that a strengthening was appropriate. This allows a wider and deeper expertise that will benefit Brill. This led to a new profile that was discussed at the EGM, bringing the number of Supervisory Members to five.

Recognizing the increasing importance of leveraging different points of view from amongst its members, the Supervisory Board aims for a diverse composition in areas that are relevant for the Company, such as experience, background, gender and age.

To ensure proper performance of the tasks of the Supervisory Board in an ever-changing environment, the availability of certain expertise and experience – spread among various members – will be aimed for.

Every Supervisory Board member to be appointed or reappointed shall possess the following qualities: (a) social experience and with such understanding of business life that he or she can practically function on the Supervisory Board; (b) capability, also in terms of available time, to timely and adequately check and stimulate the Management Board's policy as well as the general

course of affairs at the company, and to assist the Management Board with advice in the preparation and implementation of the policy; (c) capability to operate critically and independently from the other Supervisory Board and Management Board members.

One third of the members (meaning one in case of 3 to 5 members) should be qualified and experienced to be the trusted contact point for the Workers Council.

The members of the Supervisory Board need to have sufficient time to perform their duties; in particular this applies to the chairperson of the Supervisory Board. The Supervisory Board and its chairperson met this requirement. As of 14 December 2022 (after closing of the EGM), the Supervisory Board consists of five persons. The gender balance is now 60% male versus 40% female. Four of the members of the Supervisory Board, including the chairperson, are independent within the context of the Dutch Corporate Governance Code.

COMMITTEES

Following the revised profile and the subsequent expansion of the Supervisory Board on 14 December 2022 from three to five, an Audit Committee was created and it started its activities. The Audit Committee is chaired by Theo van der Raadt and also includes Robin Hoytema van Konijnenburg and Jeanine van der Vlist.

Simultaneously, also in line with the new profile a Remuneration & Nomination Committee was created and commenced its work. This committee is chaired by Anneke Blok and also includes Robin Hoytema van Konijnenburg.

CORPORATE GOVERNANCE

The annual report describes how the company dealt with the implementation of the Dutch Corporate Governance Code that was in force during 2022. The Supervisory Board annually evaluates its instruments and processes in relation to the Code. There were no transactions with conflicting interests relating to the Supervisory Board and the three statutory directors.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On May 25, 2022 the Annual General Meeting of Shareholders was held. All resolutions presented were approved. Being at the end of his term, Mr. Peter Coebergh stepped down effective the close of the meeting. Brill is grateful to Peter Coebergh for successfully leading the company during his term. Under his leadership, Brill further prepared itself for a continued positive development as a leading publisher in the field of humanities.

An Extraordinary Meeting of Shareholders was held on 14 December 2022 during which the appointment of Mr. John Martin as statutory director was presented and discussed. His earlier appointment as CEO on 1 September was supported by the Brill Works Council.

Furthermore the EGM accepted and approved the strengthening of the Supervisory Board with the appointment of two new members, Jeanine van der Vlist and Jan Niessen.

Jeanine van der Vlist has extensive experience and expertise in the field of IT and change management.

Jan Niessen has a long career in investment and financing; he is a non-independent Board Member (art. 2.1.8 of the Corporate Governance Code).

Their backgrounds and experiences will undoubtedly contribute to the further healthy development of the Company.

The Supervisory Board would like to thank the Management Board and all staff for their ongoing dedication and contributions in 2022. Throughout the year, staff kept a strong focus on developing the publishing program and serving our authors, librarians and other stakeholders.

Leiden, 12 April, 2023

Supervisory Board

Robin Hoytema van Konijnenburg (Chairman)

Anneke Blok

Theo van der Raadt (Vice-Chairman)

Jeanine van der Vlist

Jan Niessen

SUPERVISORY BOARD

Robin Hoytema van Konijnenburg, 1957, Dutch (male), Chairman of the Supervisory Board

Mr. Hoytema van Konijnenburg was appointed to the Board in 2015. His current term runs until 2023.

Other positions:

- Board member Stichting Administratiekantoer Roeminck Insurance
- Board member Vereniging Effectenuitgevende Ondernemingen (VEUO) (until March 2023)
- Board member of European Issuers (until June 2022)

Anneke Blok, 1971, Dutch (female), Member of the Supervisory Board

Mrs. Blok was appointed to the Board in 2021. Her current term runs until 2025.

Other positions:

- Managing Director of Noordhoff
- Chairperson Edu-K

Theo van der Raadt, 1953, Dutch (male), Vice-Chairman of the Supervisory Board

Mr. Van der Raadt was appointed to the Board in 2019. His current term runs until 2023.

Other positions:

- Chairman of the Supervisory Board, ICT Group BV
- Vice Chairman Supervisory Board/Chairman audit committee/Chairman remuneration committee, BDR Thermea Group (until 26-4-2022)
- Board member Veen Bosch en Keuning Publishers BV

Jeanine van der Vlist, 1964, Dutch (female), Member of the Supervisory Board

Mrs. Van der Vlist was appointed to the Board in December 2022. Her current term runs until 2027.

Other positions:

- (Non-executive) Director DPG Media N.V. (DPG Media Group)
- Board member Remeha Group B.V. (BDR Thermea Group)
- Board member Alfen N.V.

Jan Niessen, 1963, Dutch (male), Member of the Supervisory Board

Mr. Niessen was appointed to the Board in December 2022. His current term runs until 2027.

Other positions:

- Managing Director Mont Cervin S.à.r.l.
- Board member African Parks Foundation Switzerland
- Non-executive Director ACOMO N.V.

REMUNERATION POLICY AND REPORT FOR THE YEAR 2022

This remuneration report combines both the requirements for the Supervisory Board to prepare a remuneration report in line with the Dutch Corporate Governance Code, as well as the requirements for the Management Board to prepare a remuneration report in line with Book 2 of the Dutch Civil Code.

As per 1 December 2019, the new EU shareholder rights directive (SRD) was recorded into legislation in the Netherlands (art 2:135 Dutch Civil Code). Pursuant to this legislation, Brill's remuneration policy will henceforth be a voting point in Brill's Annual General Meeting. Prior to the AGM, the Works Council of Brill will be requested to prepare its position on the remuneration policy. In setting the remuneration policy for 2022, the content of the discussion and the voting at the AGM will be considered. This remuneration policy will be posted on Brill.com in accordance with the provisions of art 2:135 (DCC).

Brill's remuneration policy is unchanged versus the prior year and there were no deviations from the policy in 2022. The remuneration policy will be reviewed in early 2023 and presented to the AGM of May 2023.

Remuneration Policy, Supervisory Board

The remuneration of the chairman and the members of the Supervisory Board is set at a fixed annual amount and does not include variable elements. The members receive neither performance-related remuneration nor shares, nor do they accrue pension rights with the company. They receive no severance pay when they exit the Board. The remuneration of the Supervisory Board is regularly evaluated, with the advice of an external expert if necessary. Brill established guidelines governing the holding of and transactions in securities, other than those issued by Brill, by Supervisory Board members.

Remuneration Policy, Management Board

The remuneration of the Management Board is determined by the Supervisory Board based on the remuneration policy, in line with the best practice provisions of the Dutch Corporate Governance Code ('the Code'). The policy with respect to the remuneration of the Management Board seeks to enable Brill to attract, develop, and retain qualified and expert persons. Additionally, the remuneration must be proportional to the salary conditions for all Brill staff and should be aligned with the strategic planning scenarios and our corporate culture and be reasonable from the perspective of our key stakeholders in order to support Brill's mission. The Supervisory Board, if necessary, with the aid of an external expert, conducts regular reviews to establish whether the Management Board's remuneration is in line with market development. The Supervisory Board evaluates the fixed salary levels of the statutory directors annually in accordance with their responsibilities and performance.

The applicable notice period is four months and is in line with standard practice. Members of the Management Board are appointed for a period of four years and can be reappointed by the Supervisory Board following each term. The contracts include a severance pay of one year fixed annual remuneration.

The company does not grant loans, advances, guarantees, or rights for the acquisition of options or shares to the members of the Management Board. In order to avoid conflicts of interest, the

Supervisory Board has made an agreement with the Management Board about ownership of and transactions in securities other than those issued by Brill.

Variable Income, Link to Long-term Value Creation

The Supervisory Board sees variable remuneration as a meaningful part of the Management Board's remuneration package, because the targets against which performance is measured reflect the drivers for growth and value creation in the short- and long-term and are assistive to achieving Brill's mission. The Supervisory Board assesses that the financial targets in the long-term plan are the most relevant contributors to the creation of long-term financial value. The non-financial targets in the long-term compensation plan are derived from Brill's Corporate Strategy as it is in force at the time of agreeing upon the objectives. Annually, short-term targets are determined by the Supervisory Board which largely reflect objectives for the key figures on which the company reports in its annual results. These key figures are important measures of the success of the execution of the company's strategy aimed at long-term value creation and as such, both the short-term and the long-term variable remuneration are directly linked to the company's long-term value creation.

The variable component of remuneration related to short-term targets is a maximum of 40% for the CEO and 35% for the CFO and CPO, and for the three-year, long-term objective, again a maximum of 40% or 35%, respectively, of the base salary in the year that the objective was agreed upon. Consequently, the percentage of the maximal total payout that is variable or at risk is 44% for the CEO (80%/180%) and 41% (70%/170%) for the CFO and the CPO.

REMUNERATION REPORT ON THE YEAR 2022

Supervisory Board

The members of the Supervisory Board received a fixed annual remuneration. They did not receive cash or other deferred incentive payments, such as stock options or shares, nor did they accumulate pension entitlements with Brill. The remuneration for the members of the Supervisory Board was not adjusted in 2022.

Remuneration of the Supervisory Board (in thousands of euros)	2022	2021
Robin Hoytema van Konijnenburg	35	35
Anneke Blok*)	28	18
Theo van der Raadt	28	28
Jeanine van der Vlist*)	0	0
Jan Niessen*)	0	0
Catherine Lucet*)	0	9
Total remuneration	91	90

*) Remuneration proportional to period served

Management Board

The remuneration for the members of the Management Board in 2022 had a fixed portion and two performance-related variable components, the first of which is for the current year and the second of which is for a three-year period.

Remuneration payout to the members of the Management Board was as follows:

Paid remuneration of the Management Board (in thousands of euros)

	Fixed Short-term employee benefits	Variable compensation Short-term incentive plan	Long-term incentive plan	Fixed Post- employment benefits	Fixed Interim fee	Total	Proportion fixed : variable
2022							
John Martin	97	0	0	6	17	120	100:00
Peter Coebergh	415	82	96	10	0	603	70:30
Jasmin Lange	194	46	23	13	0	276	75:25
Wim Dikstaal	204	19	4	13	0	240	90:10
Total	910	147	123	42	17	1,239	78:22
2021							
Peter Coebergh	279	73	78	14	0	444	66:34
Olivier de Vlam	115	54	85	4	0	258	46:54
Jasmin Lange	188	38	40	14	0	280	72:28
Wim Dikstaal	34	0	0	2	215	251	100:00
Total	616	165	203	34	215	1,233	70:30

Peter Coebergh left Brill as CEO when his term of office had come to an end after the annual general meeting of shareholders on the 25th of May, 2022. His remuneration was in line with the Dutch Corporate Governance Code.

In the 2022 accounts, the following accruals for variable remuneration were recognized for future payout:

Target achievement of the members of the Management Board (in % of annual base salary)						
	Short-term Financial	Short-term Non-financial	Long-term 2020–2022	Long-term 2021–2023	Long-term 2022–2024	Annual Total
John Martin						
Maximum	20%	20%	40%	40%	40%	80.0%
Achievement	0.0%	16.0%	15.0%	n.a.	n.a.	31.0%
Wim Dikstaal						
Maximum	17.5%	17.5%	35.0%	35.0%	35.0%	70.0%
Achievement	0.0%	13.2%	13.1%	n.a.	n.a.	26.3%
Jasmin Lange						
Maximum	17.5%	17.5%	35.0%	35.0%	35.0%	70.0%
Achievement	0.0%	16.5%	13.1%	n.a.	n.a.	29.6%
Accrued in 2022 for	0	67	40	30	38	175
Accrued in 2021 for	48	72	-14	37	42	185
All payouts are proportional to period served and subject to final approval from the Supervisory Board						

The short-term variable income awarded to the Management Board is based on three financial targets that in 2022 included increase of revenue, increase of EBITDA, and increase of return on invested capital (ROIC).

The long-term (3-year) variable income to the Management Board will be granted according to performance criteria which are linked to long-term value creation:

- The criteria in the 2020–2022 plan focus on new-business creation, EBITDA margin, and TSR.
- The criteria in the 2021–2023 plan focus on acquisitions, EBITDA margin, and TSR.
- The criteria in the 2022–2024 plan focus on acquisitions, EBITDA margin, and TSR.

Since the target achievement of the long-term plans can only be ascertained at the end of each plan, Brill accrues provisional amounts for future payout.

For 2023, the Supervisory Board intends to set targets for variable income that meets the current priorities of 2023. The full list will be published as an annex to the AGM materials that are posted on Brill.com.

Remuneration Expenses

As a consequence, expenses recorded in the statement of profit or loss for executive remuneration are as follows:

Total paid executive remuneration (in thousands of euros)	2022	2021
Supervisory Board	91	90
Management Board	1,239	1,233
Total paid remuneration (amounts per person as per above)	1,330	1,323
Variable payout accrued in the prior year	-185	-368
Variable component accrued in the current year	175	204
Net expense for executive remuneration	1,320	1,159

The Management Board members received no additional compensation for their role as statutory director at Brill's subsidiaries. The Group has not claimed back any of the variable remuneration paid out in the past.

As part of its remuneration policy, Brill monitors and reports on the company's pay ratio. This indicator compares the remuneration of the Management Board (fixed + variable components) against the average salary of all employees (minus the Management Board). In 2022, the pay ratio was 5.9 (2021: 5.2). This increase was caused by variable elements paid to three Management Board members in early 2022 whilst full year average the Management Board FTE was 2.7 versus 3.3 in 2021. Brill deems the level of the payout ratio to be appropriate given the size and profile of the company.

Over the last five years, Management Board remuneration, in comparison to all Brill staff, was as follows:

	2022	2021	2020	2019	2018
Total salary expense, excluding subsidies received (in thousands of euros)	20,170	17,488	13,391	13,049	13,205
Management Board remuneration (in thousands of euros)	1,239	1,233	838	732	819
Staff salary expense (in thousands of euros)	18,931	16,255	12,553	12,317	12,386
Average FTE	249.9	226.9	160.6	165.1	166.7
Management Board average FTE	2.7	3.3	3.0	3.0	2.4
Staff average FTE	247.2	223.6	157.6	162.1	164.3
Staff salary expense / average FTE (in thousands of euros)	76.6	72.7	79.7	76.0	75.4
Pay ratio	5.9	5.2	3.5	3.2	4.5

Information on performance of the Group in the comparable period:

Revenue (in thousands of euros)	48,048	46,865	37,859	37,128	35,950
EBITDA Margin	-0.1%	15.4%	17.4%	14.0%	10.1%
Return on invested capital	-12.5%	13.3%	13.8%	10.1%	7.6%

Leiden, 12 April, 2023

Supervisory Board

Robin Hoytema van Konijnenburg (Chairman)

Anneke Blok

Theo van der Raadt (Vice-Chairman)

Jeanine van der Vlist

Jan Niessen

Management Board

Jasmin Lange

Wim Dikstaal

Financial Statements for the Year 2022

Consolidated Financial Statements

CONTENTS

54	Consolidated statement of financial position as at 31 December
56	Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December
57	Consolidated statement of cash flows for the year ended 31 December
58	Consolidated statement of changes in equity for the year ended 31 December
59	Notes to the consolidated financial statements
59	1. General
59	2. Basis of preparation of the financial statements
72	3. Business combinations
75	4. Property, plant and equipment
76	5. Leases
78	6. Intangible assets
81	7. Income tax
82	8. Inventories
83	9. Trade and other receivables
84	10. Cash and cash equivalents
84	11. Equity
86	12. Interest bearing loans
89	13. Trade and other payables
89	14. Deferred income
89	15. Provisions
89	16. Commitments
90	17. Financial risk management
94	18. Segment information
96	19. Expenses
98	20. Finance income and expense
98	21. Earnings per share
99	22. Related parties
100	23. Events after balance sheet date

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

In thousands of euros

	31-12-2022	31-12-2021	
ASSETS			
Non - current assets			
Property, plant and equipment [4]	1,144	273	
Right of use assets [5]	5,470	1,322	
Intangible assets [6]	37,025	36,163	
Financial assets	283	283	
Deferred tax assets [7]	370	81	
	<u>44,292</u>	<u>38,122</u>	
Current assets			
Inventories [8]	4,569	4,815	
Trade and other receivables [9]	8,535	11,373	
Income tax	412	185	
Derivative financial instruments [17]	54	0	
Cash and cash equivalents [10]	3,701	5,439	
	<u>17,271</u>	<u>21,812</u>	
Total assets	<u>61,563</u>	<u>59,934</u>	
EQUITY AND LIABILITIES			
Equity attributable to owners of Koninklijke Brill NV [11]			
Share capital	1,125	1,125	
Share premium	343	343	
Retained earnings	18,471	23,622	
Other reserves	-226	-307	
	<u>19,713</u>	<u>24,783</u>	
Non-current liabilities			
Interest bearing loans [12]	5,193	4,566	
Lease liabilities [5]	4,962	612	
Deferred tax liabilities [7]	4,495	5,160	
	<u>14,650</u>	<u>10,338</u>	
Current liabilities			
Interest bearing loans [12]	1,588	1,588	
Trade and other payables [13]	14,046	13,159	
Deferred income [14]	10,484	9,030	
Lease liabilities [5]	588	928	
Provisions [15]	495	0	
Derivative financial instruments [17]	0	6	
Income tax	0	102	
	<u>27,200</u>	<u>24,813</u>	
Total equity and liabilities	<u>61,563</u>	<u>59,934</u>	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

In thousands of euros

	2022	2021
Revenue [18]	48,048	46,865
Cost of goods sold [19]	-13,780	-13,027
Gross Profit	34,268	33,838
Expenses [19]		
Selling and distribution expenses	-9,094	-7,306
General and administrative expenses	-28,080	-22,079
Net impairment on goodwill and intangible assets	-1,607	0
Operating Profit	-4,513	4,453
Finance income [20]	108	72
Finance expenses [20]	-293	-208
Profit before income tax	-4,698	4,317
Income tax [7]	1,234	-1,281
Profit for the period attributable to shareholders of Koninklijke Brill N.V.	-3,465	3,036
Other comprehensive (expense) income – items that might be reclassified to future profit or loss statements		
Exchange differences in translation of foreign operations [11]	36	160
Net gain or loss on cash flow hedges [11]	60	16
	96	176
Income tax relating to these items [11]	-15	-4
Other comprehensive income for the period attributable to shareholders of Koninklijke Brill N.V.	81	172
Total comprehensive income for the period attributable to shareholders of Koninklijke Brill N.V.	-3,384	3,208
Earnings per share (in euros) [21]		
Basic and diluted earnings per share attributable to shareholders of Koninklijke Brill N.V.	-1.85	1.62

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December

In thousands of euros

	2022	2021	
Cash flows from operating activities			
Profit before income tax	-4,698	4,317	
<i>Adjustments for</i>			
Amortization and Depreciation fixed assets [4, 5, 6]	3,839	2,047	
Amortization Content [6]	3,156	3,067	
Finance income and expense – net	186	137	
Differences in FX rates	-176	0	
<i>Change in operating assets and liabilities</i>			
Change in working capital	5,931	1,533	
Cash generated from operations	8,238	11,101	
Interest paid(-)/received	-266	-185	
Income tax paid(-)/received	124	-936	
Net cash flows from operating activities	8,096	9,980	
Cash flows from investing activities			
Investment in property, plant and equipment [4]	-1,088	-104	
Investment in intangible assets (non-content) [6]	-1,439	-1,414	
Investment in content [6]	-2,899	-3,552	
Payments for acquisitions, net of cash acquired [3]	-2,190	-3,671	
Net cash flow used in(-) investing activities	-7,616	-8,741	
Cash flows from financing activities			
Dividend paid to company shareholders [11]	-1,687	-2,343	
Interest bearing loan [12]	2,200	2,900	
Redemption Interest bearing loans [12]	-1,588	-1,334	
Redemption lease liabilities [5]	-1,143	-922	
Net cash flows from/used in(-) financing activities	-2,218	-1,699	
Net cash flow	-1,738	-460	
Cash and cash equivalents as per 1 January	5,439	5,899	
Net cash flow	-1,738	-460	
Cash and cash equivalents as per 31 December [10]	3,701	5,439	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

In thousands of euros

	Share capital [11]	Share premium [11]	Retained earnings [11]	Currency translation reserve [11]	Cash flow hedge reserve [11]	Total equity
Balance as at 1 January, 2022	1,125	343	23,622	-303	-4	24,783
Total comprehensive income for the year						
Profit for the year	0	0	-3,465	0	0	-3,465
Other comprehensive income	0	0		36	45	81
Total comprehensive income for the period	0	0	-3,465	36	45	-3,385
Transactions with owners of the company						
Dividends paid over 2021	0	0	-1,687	0	0	-1,687
Total transactions with owners of the company	0	0	-1,687	0	0	-1,687
Balance as per 31 December, 2022	1,125	343	18,471	-267	41	19,713
Balance as per 1 January, 2021	1,125	343	22,929	-463	-16	23,918
Total comprehensive income for the period						
Profit for the year	0	0	3,036	0	0	3,036
Other comprehensive expense	0	0	0	160	12	172
Total comprehensive income for the period	0	0	3,036	160	12	3,208
Transactions with owners of the company						
Dividends paid over 2020	0	0	-2,343	0	0	-2,343
Total transactions with owners of the company	0	0	-2,343	0	0	-2,343
Balance as per 31 December, 2021	1,125	343	23,622	-303	-4	24,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

Koninklijke Brill N.V. (together with its subsidiaries referred to as 'Brill' or the 'Group') is established as a Public Limited Company incorporated in the Netherlands (Naamloze Vennootschap), based at Plantijnstraat 2 in Leiden, the Netherlands and registered at the chamber of commerce under number 28000012. Its registered depository receipts are traded publicly at Euronext in Amsterdam. Brill's main activities are publishing of academic books, journals and primary sources with a focus on humanities and social sciences, international law and other selected areas in sciences. These financial statements were authorized for issue by decision made on 12 April, 2023, by Brill's Management Board and Supervisory Board.

2. Basis of preparation of the Financial Statements

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements. The consolidated financial statements comply with IFRS as endorsed by the European Union.

2.1 Going concern

The accounting principles applied to the measurement of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Group.

The Management Board has assessed the going concern assumption, as part of the preparation of the consolidated financial statements, and believes that no events or conditions give rise to doubt about the ability of the group to continue in operation at least 12 months from the publication date of these financial statements.

This conclusion is based on knowledge of the group, the estimated economic outlook and related identified risks and uncertainties. Furthermore, the conclusion is based on a review of the three-year strategic plan and the 2023 budget, including expected development in liquidity and capital, which includes the evaluation of current credit facilities, loan covenants and expected maturities of financial liabilities.

2.2 Basis of consolidation

The consolidated financial statements contain the financial statements of Brill and its subsidiaries per 31 December, 2022. The financial statements of Brill's subsidiaries have been prepared for the same period as Brill's, using consistent standards of accounting. Note 22 to the consolidated financial statements contains information on Brill's subsidiaries.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management Board to exercise judgement in the process of applying the company's and the group's accounting policies.

All balances, transactions, cost and income within the Group and all profits and losses originating from intra group transactions are eliminated. Subsidiaries are consolidated as of the date of acquisition meaning the date at which Brill obtained control over the acquired business. The Group controls an entity when it (i) has power over the entity, (ii) is exposed to, or has rights to, variable

returns from its involvement with the entity and (iii) can affect those returns through its power over the entity. Subsidiaries continue to be consolidated until the moment Brill loses control when this exposure or rights cease to exist, generally when shareholding becomes less than 50%.

2.3 Business combinations

Business combinations are identified when the Group obtains control over an integrated set of activities and assets that is capable of being conducted and managed for providing economic benefits to the Group. In general, before qualifying as business combinations, the acquired business will need to meet the test of incorporating demonstrable inputs (for example intellectual property rights, customer groups, author networks), processes (such as editorial activities or marketing and selling activities) and outputs (in most cases, revenue).

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. When a business combination is achieved in stages, the Group's previously-held equity interest in the acquired entity is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in financing results.

The Group measures goodwill at the acquisition date as the sum of the fair value of the consideration transferred and the recognized amount of any non-controlling interests in the acquired business, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed (including any publishing rights that have been identified). When the sum as defined above is negative, a bargain purchase is recognized immediately in profit or loss. If the business is acquired in stages, the fair value of the existing equity interest in the acquired business is also included in the determination of goodwill.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Cost related to business combinations, other than those associated with the cost of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable (like earn-out arrangements) is recognized as a liability at fair value at the acquisition date.

2.4 Basis of measurement and currencies used

The Consolidated financial statements are prepared in euro, being the reporting currency of the Group. All amounts have been reported in thousands euro's, except where noted differently.

Transactions in foreign currency are recorded at the exchange rate of the functional currency as per the transaction date. Monetary financial assets and liabilities in foreign currency are converted at the exchange rate of the functional currency at balance date. Any differences are recognized in the consolidated statement of profit or loss and other comprehensive income. Non-financial items in foreign currency valued at historic cost in foreign currency are converted at the exchange rate prevailing at the date of the original transaction.

At balance date, the assets and liabilities of subsidiaries with a functional currency other than euro are converted to the euro at the exchange rate per balance date and the consolidated statement of profit or loss and other comprehensive income is converted at the weighted average exchange rate for the year. The exchange rate differences that originate from the conversion are recorded in the Comprehensive income statement and in the currency translation reserve in equity. When divesting

a foreign subsidiary, the cumulative balance of exchange rate differences recorded in equity related to this subsidiary is transferred to the Consolidated statement of profit or loss and other comprehensive income.

2.5 Current and non-current classification

Brill presents assets and liabilities in the balance sheet based on current or non-current classification. An asset is current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Brill classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Changes in the basis of preparation of the Financial statements adopted on 1 January, 2022

The following standards have become effective as per 1 January, 2022 but do not have an impact on Brill's operations or financial reporting:

- Annual Improvements to IFRS Standards 2018 – 2020 contain the following amendments to the IFRSs:
 - Subsidiary as a first-time adopter in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, these amendments permit a subsidiary (or an associate or joint venture) to measure its cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment is not applicable to the Group.
 - *IFRS 9 Financial Instruments*: "Fees in the '10 per cent' test for derecognition of financial liabilities". The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is not applicable for the Group.
 - Illustrative Examples accompanying IFRS 16 *Leases*: The amendment enhances the illustrative examples of IFRS 16 by removing potential confusion regarding the treatment of lease incentives. These amendments are not relevant for the Group.
 - IAS 41 *Agriculture*, this standard is not applicable for the Group.
- Amendments to IFRS 3 *Business Combinations*: "Reference to the Conceptual Framework". The amendments are applied prospectively. A reference is replaced to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly

changing its requirements. Also, an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. Furthermore, clarifications are made to existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments do not have a material impact for the Group.

- IAS 16 *Property, Plant and Equipment*: "Proceeds before Intended Use – Amendments to IAS 16". These amendments must be applied retrospectively. These amendments require that during the period asset is brought to the location and/or in the condition necessary for it to be capable of operating in the manner intended by management, proceeds from sales are recognised in the profit or loss. These amendments are not applicable for the Group.
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*: "Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets". The amendments will be applied to contracts for which not, yet all obligations are fulfilled. These amendments specify which costs need to be included when assessing whether a contract is onerous or loss-making. The amendments are not expected to have a material impact on the Group.
- IFRS 16 *Leases*, "COVID-19-Related Rent Concessions beyond 30 June 2021", is applicable from 30 June 2021 with retrospective application if Amendments to IFRS 16 Leases "COVID 19 - Related Rent Concessions, these amendments are effective on or after 1 April 2020" is applied. The relief is previous not applied.
- Insurance activities are not applicable for the Group and therefore "Amendments to IFRS 4 Insurance Contracts" - deferral of IFRS 9 "Financial Instruments" and IFRS 17 "Insurance contracts" are not applicable (also "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information").

2.7 Future changes in the basis of preparation of the Financial Statements

At present, the standards issued with future effectivity that may affect the basis of preparation of Brill's Financial Statements.

- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*: "Disclosure of Accounting policies", effective as from 1 January 2023. The amendments require to disclose material accounting policy information and clarify that accounting policy information is material if users need this to understand the financial statements. These amendments will only affect the disclosures of the Consolidated Financial Statements.
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*: "Definition of Accounting Estimates", effective as from 1 January 2023. In these amendments the definition of a change in accounting estimates is changed to monetary amounts in financial statements that are subject to measurement uncertainty. The amendments clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error and changes in inputs or a measurement technique are changes in accounting estimates. No material impact of these amendments is expected.

- Amendments to IAS 12 *Income Taxes*: “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”, effective from 1 January 2023. These amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. No material impact of these amendments is expected.

2.8 Significant accounting estimates, judgments and assumptions

Business combination

Publishing rights, trade names and goodwill are recognized at historic cost from an acquisitions' purchase price allocation. Establishing fair value of these and other assets involves significant management estimates and judgments regarding the valuation method applied, remaining useful life of intangible assets, cash flow estimates and an estimated discount rate. See note 3.

Impairment testing

Where intangible assets have indefinite lifetimes, they are tested for impairment annually. This requires an estimation of the business value of the cash generating units to which publishing rights and goodwill have been allocated. The procedure entails preparation of a cash flow forecast for each cash generating unit, determining a discount rate and calculating the discounted value of the estimated cash flows, see note 6.

Amortization of intangible assets and valuation of inventory

The useful lives of assets are estimated in line with common market practice. The group reviews the remaining useful lives of its assets annually. The amortization method is determined at initial recognition of the intangible assets and may change only when the expected pattern of consumption of future economic benefits change. The Group applies the straight-line and diminishing balance amortisation method.

The amortization pattern of capitalized content is based on the expected pattern of consumption of the expected future economic benefits embodied in the asset. Brill uses the historic sales pattern as input in estimating the expected pattern of consumption. This results in a decreasing charge over the useful life of the asset. Inherent to this policy the actual consumption of the economic benefits in the year can differ from the estimated consumption. In the financial year the consumption was in line with the estimated consumption, see note 6.

Significant judgement in determining the lease term of contracts with renewal options

Brill applies judgement in evaluating the term of lifetime of a lease. Judgement has to be made whether it is reasonably certain to exercise an option to renew or terminate a lease. Based on these judgements the non-cancellable term of the lease is determined. Brill determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

Brill considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the renewal or termination option of a lease contract, see note 5.

Write-off of other receivables

During the year, Brill's main distributor, Turpin, went into an administration procedure. Brill has measured its remaining receivable in the share of the claimed amounts related to the expected remaining segregated assets as noted by the administrators. On 31 December 2022, the carrying amount of this receivable amounts to some 0.2 million.

2.9 Property, plant and equipment

Property, plant and equipment are recorded at historic cost, less cumulative depreciation and cumulative impairments, if any. Property, plant and equipment are depreciated on a straight-line basis over their useful life and taking in consideration any residual value. The carrying amount of property, plant and equipment is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be realizable, see the Group's policy on impairment of non-financial assets. The residual value and the useful life are reviewed annually and revised if necessary. An item of property, plant and equipment is derecognized in case of divestment or if no future economic benefit is expected from either continued use or divestment. Any income or loss, resulting from the derecognition of the asset from the Consolidated statement of financial position, is recognized in the Consolidated statement of profit or loss and other comprehensive income at derecognition.

2.10 Leases

Right of use assets

Right of use assets are measured at cost less accumulated depreciation and impairments, if any. The Group recognizes right of use assets at the commencement date of the lease. The right of use assets are measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease term, and any lease payments made in advance of the lease commencement date (net of any incentives received). Starting at the commencement date of the lease, the right of use assets are depreciated on a straight-line basis over the lease term. Brill assesses the right-of-use asset for impairment when indicators exist that the asset might be impaired. See the Group's policy on impairment of non-financial assets.

Lease liabilities

At the commencement date, Brill measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Brill's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the assessment to purchase the underlying asset.

Low value leases, below EUR 5,000 per underlying asset are not recognized in the right of use assets and lease liabilities. Lease payments for leases of low-value assets are recognized as expensed on a straight-line basis over the lease term and recognized as general and administrative expenses in the statement of profit or loss.

2.11 Intangible assets

Intangible assets are recognized at cost, less accumulated amortization for intangible assets with a finite useful life and less accumulated impairment losses, if any.

(a) Goodwill

Goodwill resulting from business combinations and is measured at the acquisition date as the sum of the fair value of the consideration transferred and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. If the business is acquired in stages, the fair value of the existing equity interest in the acquiree is also included in the determination of goodwill. Any contingent consideration payable (such as earn-out arrangements) is recognized at fair value at the acquisition date and subsequently remeasured to fair value with changes in fair value recognized in profit or loss. Costs related to acquisitions which the group incurs in a business combination, are expensed as incurred. See "Impairment of non-financial assets" for a further elaboration of impairment test procedures.

(b) Publishing rights

Intangible assets resulting from acquisitions are capitalized at historic cost. The acquisitions were selected to have strong components of long-lasting economic value that mutually reinforce each other such as brands or imprints, reputation, a product portfolio consisting of subscription or serial publications, or a backlist generating substantial revenue. In some cases the Group determines, in the purchase price allocation process, that the publishing list requires significant continued development investment and that the titles purchased have a limited foreseeable economic useful life.

(c) Capitalized Content

Content costs of internally developed publications that contain pre-publication expenditure such as typesetting, illustrations, editing and translations. Sometimes, development of a publication takes several years. The amortization method used is selected based on the expected pattern of consumption of the expected future economic benefits embodied in the asset and is applied consistently from period to period. The method results in a decreasing charge over the useful life of content assets (i.e. diminishing balance method). Amortization is presented as part of the cost of goods sold in the Consolidate statement of profit or loss and other comprehensive income.

(d) Information systems and other intangibles

Trademarks, imprints, information systems and licenses are amortized on a straight-line basis over the estimated useful life of the asset. Amortization is presented as part of the general and administrative expenses in the Consolidate statement of profit or loss and other comprehensive income.

2.12 Impairment of non-financial property plant and equipment and intangible assets

Goodwill and intangible assets with an indefinite useful life (publishing rights) are allocated to the Group's publishing units in accordance with their match to the respective publishing programs. The Group considers its publishing units to be its lowest possible reportable level of cash generating units, since they form the principal managerial units within the Group, matching the key market segments in which the Group is active. Each publishing unit has a separate management and is managed as a strategic business unit. The publishing programs contained within these units have been selected for their potential to mutually reinforce each other's development.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at the level of the cash generating unit annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever an indication exists that an asset may be impaired.

For an impairment test, the Group estimates the recoverable amount of the asset or the cash generating unit. The recoverable amount is the higher of the fair value of the asset less cost of disposal. If the carrying amount is higher than the recoverable amount, an impairment loss for the asset or cash flow generating unit is recognised to measure the asset at its recoverable amount. The impairment loss is recognised in profit or loss.

In determining the value in use, the estimated future cash flows related to the asset are discounted using a discount rate that considers current market evaluations of the time value of money and specific risks relating to Brill's business and financing structure. The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared per cash generating unit. These budgets and forecasts generally cover a period of ten years, a long-term growth rate is applied after this period.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated statement of profit or loss.

2.13 Inventory

The inventory of finished products and publications in the editing stage are measured at the lower of cost and net realizable value. Cost comprises direct materials and expenses such as printing and binding and expenses for related services, less applicable grants received (see grants hereafter).

The cost related to specific product formats (mostly printing and binding) are divided by the number of units produced and form the unit cost which is recorded in the Consolidated statement of financial position in finished goods and charged to cost of goods Sold when a unit is sold.

2.14 Trade and other receivables

Trade and other receivables are financial instruments classified as measured at amortized cost. Trade receivables are recognized initially at their transaction price of the books, journals and database access sold. Other receivables are initially measured at their fair value less transaction costs, if applicable. Trade and other receivables are subsequently measured at amortized cost using the effective interest method, less a credit loss allowance.

The Group measures the expected credit losses allowance for its trade receivables for the whole lifetime of the receivables (applying the simplified approach). To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, in case these differences are substantial, the days past due and security when applicable. The expected loss rates are based on the historical payment profiles of sales of the last five years and the

corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information when these would affect the ability of the customers to settle the receivables. Management assesses forward looking information in relation to the specific market in which it operates. Bad debts are written off entirely once the inability to collect has been established with certainty. Indicators that there is no reasonable expectation of recovery that considered as a default include, amongst others, the failure to make the contractual payments for a period longer than the local applicable payment term or a trade debtor has financial difficulties or is unable to engage in a repayment plan with the group. Default situations are defined according to industry practices and occur when the Groups payment terms and conditions are not met. The Group considers counterparties for cash and cash equivalents to have low credit risk when these counterparties have a prime credit rating.

2.15 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position (and the Consolidated statement of cash flows) consists of bank, cash and short-term deposits with a duration of three months or less. Cash and cash equivalents are financial instruments classified as measured at amortized cost. Cash and cash equivalents have a low credit risk, see Trade and other receivables for the Group's policy on credit losses.

2.16 Equity

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects. See respectively the sections Foreign exchange conversion and Financial instruments and hedging in these Basis of preparation of the financial statements for Other reserves relates to the currency translation and hedge reserve.

2.17 Interest bearing debt, accounts payable and other short-term liabilities

Brill initially recognizes interest bearing debt, trade payables and other liabilities at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost, using the effective interest method. The effective interest is presented as interest expenses in the Consolidated statement of profit or loss and other comprehensive income.

2.18 Provisions

A provision is recognized when (i) Brill has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of economic resources will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. In case a (part of) the liability will be reimbursed, the reimbursement is recorded as a separate asset, only when it is virtually certain that the amount will be received.

2.19 Employee benefits

Pensions and other post – employment arrangements

The Group operates defined contributions plans. The Group recognizes the expenses of the defined contribution plans in the period the employees rendered their services, except for the part that is included in capitalized content in intangible assets. Unpaid expenses are recognized as current liabilities.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed when the related service is provided.

2.20 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for transferring for sales of books, journals and database access to its customers, the Group's performance obligations. The performance obligations have fixed considerations and for books a variable consideration is included for the refund rights. For refund rights only revenue is recognized for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur, which is based on recent returns statistics and sale volumes. The Group recognizes revenue when it transfers control of a product or service (or performance obligation) to a customer. For printed books this is after shipping and handling activities. Sales of books are invoiced at shipping and journals and database access are paid in advance. All contract conditions are fulfilled at transfer of control. In case incremental costs occur to obtain contracts with customers, the contract duration is usually one year or less, these costs are expensed when incurred. Due to the short contract term for sales of books, journals and database access, no remaining performance obligations after year end are disclosed. In general, Brill applies a payment term of 30 days after invoice date.

(a) Sales of books

Sales of books are basically one-time sales one-time sales and are recognized after physical shipping or after making the product accessible to the customer online. These sales are performance obligation satisfied at a point in time.

Brill also compiles book collections and sells these to its customers. Customers are able to purchase collections that have not yet been completed, these collections are completed within a planned period and the book titles are already known. For these collections, Brill recognises revenue for the part that has been made available and subsequently the remaining revenue equal to any additional part that is made available to the customers.

(b) Sales of journal subscriptions

The journal issues contained within a publication year (the "Volume") are transferred to the customers as they become available during the lifetime of the subscription period. The journal issues are made available in printed or digital form. Journals are performance obligations that are satisfied at a point in time. The advances received for journals subscription are initially recorded as deferred income (contract liabilities), revenue is recognized when (the control of) the journal is transferred to the customer.

(c) Database access subscriptions

Database access or primary sources revenue is recognized over the period of the subscription contract. Database access is a performance obligation that is satisfied over time. The progress of time of the access period is relevant in the transfer of the services, the revenue is recognized on a straight-line basis during the subscription period (transfer of control) as the customer has the right to use the database during this period. The advances received for database access are initially recorded as deferred income (contract liabilities).

(d) Principal versus agent considerations

The Group has a few contracts with business partners to provide sales, marketing and fulfilment services for the publication made and owned by these partners. The Group does not own the rights or the inventory of these publications. The Group does not control the goods before they are transferred to customers, and hence, is an agent in these contracts. The Group recognizes only the agent fee as revenue (as a performance obligation satisfied over time).

(e) Subscription payments – deferred income

Advances for subscription payments are received and result in the obligation of the Group to transfer books, journals or digital content to its customers. These liabilities are part of the contracts with customers and classify as contract liabilities and presented as deferred income. Subscriptions are prepaid for one year or less and do not result in significant finance components.

(f) Right to return

For sales of print books the customers have a right to return for which a refund liability is recognized and measured at the net amount of revenue in the statement of financial position within Trade and other payables. This liability to the customer relates only to the consideration of the contract and not to future performance obligations of the Group. The Group also recognizes an asset for the right to recover the books sold as part of its other receivables and accruals. The return rates are based on the average returns of the last 3 years.

2.21 Cost of Goods Sold

At delivery, unit costs of inventory are charged to the Cost of Goods Sold. When a journal issue is delivered, its costs are recorded directly in the cost of goods sold. Cost for a journal issue contains direct production expenses, preparation of content, royalties and shipping costs.

Cost of capitalized content are amortized over the expected useful life of the asset; amortization is recognized under Cost of Goods Sold.

2.22 Interest Income

Income is recognized when the interest accrues according to the effective interest method, using the effective interest method.

2.23 Grants

Grants relating to publishing projects are at the launch of the publication included in the Inventory, as the net amount of development costs and grants and are expensed accordingly. Grants relating to costs are deferred and recognised in the Statement of profit or loss when is complied with the conditions of the grant over the period necessary to match them with the costs that they are intended to compensate.

Brill, also through its German grants, frequently receives project, program or generic grants from private or public funding bodies. These funding bodies generally aim to support scholarly communication, often in the form of a print cost grant or a general cost grant. A grant is fully allocated to the publishing project for which the grant was granted and included in (offset against) the development cost capitalized for the project. The excess of grants over development cost is presented under other payables, since these represent a potential obligation until the moment of publication.

2.24 Income tax

Current income tax

Current income tax assets or liabilities relates to current and previous periods and are measured according to the amount that is estimated to be paid to or received from the tax authorities. The taxation is measured according to the prevailing legal rates and legislation.

Deferred taxation

A deferred tax asset or liability is recognized for temporary differences as at balance date between the tax base of assets and liabilities and their carrying amounts. Deferred tax assets are recorded for all temporary differences in so far as it is likely that there will be a taxable income against which the temporary difference can be offset. Deferred tax assets and liabilities are recorded for all taxable temporary differences except when:

- the deferred tax asset or liability results from an initial recognition of a claim or liability in a transaction which is not a business combination and which, at the moment of the transaction, has no impact on the profit before tax or the taxable income, and / or;
- the deferred tax asset or liability results from an initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and which, at the moment of the transaction, has no impact on the profit before tax or the taxable income, and;
- in relation to temporary differences relating to investments in subsidiaries and joint venture interests, when the timing of settlement can be determined individually and when it is likely that the temporary difference will not be settled in the near future.

Deferred tax assets and liabilities are measured at the tax rates which are expected to prevail during the period in which the claim is materialized, or the liability is settled, based on legally determined rates and applicable tax law. Deferred tax assets and liabilities are netted if there is a legal right to net claims and liabilities, and if the deferred tax relates to the same taxable entity, the same tax authority and the same period.

2.25 Financial instruments and hedging

Recognition and de-recognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument (at trade date). Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is made at a financial asset level based on the business model to collect the contractual cash flows. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets of the Group, like some non-current financial assets, trade and other receivables and cash and cash equivalents, are classified as financial assets measured at amortized cost. Financial liabilities, like interest bearing loans and trade and other payables, are classified as

financial liabilities measured at amortised cost. Financial assets that classify as fair value through profit or loss (like share interest in other companies) and derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss.

All income and expenses relating to financial instruments measured at amortized cost that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Derivatives and hedge accounting

Brill uses financial derivative instruments such as futures and swaps to manage risks related to foreign currencies and interest. Derivatives are initially recognized at fair value and are subsequently remeasured to their fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives to cash flow hedges based on a particular risk associated with the cash flows of highly probable forecast transactions.

At inception of the hedge relationship, the Group documents the economic relationship between the derivatives (hedging instruments) and forecast transaction (hedged item) including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity (hedge reserve). The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within finance costs.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecasted transaction occurs this amount is removed from equity and included in (i) the measurement of the recognition of the related non-financial asset or liability, such as an inventory, or (ii) in profit or loss as a reclassification adjustment in the same period or periods during which the hedge expected future cash flow affects profit or loss. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

2.26 Fair value and fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described hereafter:

Level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of

observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Measurement methods are, among others, the discounted cash flow method using discount rates and relevant forward rates as at the end of the reporting period.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

2.27 Cash flow statement

Cash flow from operating activities

Cash flows from operating activities are calculated by the indirect method by adjusting the profit from operating activities for non-cash flows and changes in consolidated working capital. Operating cash flow also includes the costs for financing of operating activities and income tax paid on all activities.

Cash flow from investment activities

Cash flows from investing activities are those arising from net capital expenditure and from acquisition and sale of business or publication rights. Cash and cash equivalent available at the time of acquisition or sale are deducted from the related payments or proceeds.

Cash flows from financing activities

Cash flows from financing activities comprise the cash receipts and repayments of debt and equity instruments (including dividend payments) and repayments of lease liabilities.

3. Business combinations

On 15 April, 2022, Brill acquired all shares and obtained control of Wageningen Academic Publishers (hereafter "WAP"). WAP is a cutting-edge, international academic publisher in the fields of Animal Science, Food and Health Science, Agriculture, Environment and Agribusiness. It publishes scientific journals, books and conference proceedings, many of which in Open Access. The total revenue of WAP amounted to approx. 1 million in 2021 and the number of FTE is 6.8.

The fair value of the identifiable acquired assets and liabilities from WAP is summarised hereafter.

In thousands of euro	Fair value as at 15 April, 2022
Intangible assets (other than goodwill)	527
Property, plant and equipment	11
Right of use assets	55
Inventories	27
Trade and other receivables	63
Cash and cash equivalents	510
Trade and other payables	-225
Deferred taxes	-130
Lease liabilities	-56
Net identifiable assets acquired	782
Goodwill	1,718
Net assets acquired (consideration transferred)	2,500

Acquisition price

The acquisition price of Wageningen Academic Publishers B.V. was 2.5 million euro and was paid in cash. There is no contingent consideration.

Goodwill

The total goodwill is primarily related to the growth expectations, enhancement of the combination of the operating companies in their substantial publishing skills, expertise and knowledge of the workforce, resulting in profit growth of the Group. The goodwill is not tax-deductible.

Other information

The total consideration transferred was paid in cash. Since the acquisition date, the revenue of the business acquired was 699 thousand and the net result was 147 thousand. In case the activities were included in the Group figures for the whole year, the Group's revenue would have been approximately 49.037 thousand and loss for the period approximately -3,289 thousand.

Measurement and assumptions of the assets and liabilities acquired

Intangible assets

Publishing rights are valued based on the multi-period excess earnings method. The multi-period excess earnings method is a generally accepted method to determine the fair value of such assets. This fair value is based on level 3 of the fair value hierarchy. The useful lives for publications is estimated at 10 years. The average attrition rate for books ranges between 27% to 1%, the growth rate used is nil. The discount rate applied is 11.7%.

The brand "Wageningen Academic Publishers" acquired was valued based on the relief from royalty method, which considers a royalty rate and growth of revenues coming from existing and new customers. The relief from royalty method is a generally accepted method to determine the fair value of such an asset. This fair value is based on level 3 of the fair value hierarchy. To determine the fair value of the brand name, a royalty rate of 1.0% is used, growth rates of 1.0% and a discount rate of 11.7%.

Property plant and equipment

The property, plant and equipment acquired have been valued at their fair value upon acquisition.

Leases

At acquisition date, lease liabilities are measured in accordance with the Group's accounting policy for new lease agreements (see note 2.10). The right of use assets are measured at the same amount of the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms, if applicable. See note 5.

Working capital

The fair value of the material assets identified and liabilities assumed of working capital, including unbilled and deferred revenue, trade and other receivables, and trade and other payables, is based on the market value at which the assets or liabilities are or can be settled with contractual parties (fair value hierarchy level 3).

4. Property, plant and equipment

2022

As at 1 January

	Leasehold improvements	Furniture & Fixtures	IT Hardware	Total
Cost	910	650	758	2,318
Accumulated depreciation	-871	-620	-574	-2,065
Carrying amount as at 1 January	39	30	184	253

Changes in the year

Acquired through business combination				0
Investment	0	798	290	1,088
Transfer at cost	0	39	2	41
Transfer accumulated depreciation	0	-39	-2	-41
Disposal at cost	0	0	-8	-8
Disposal accumulated depreciation	0	-1	7	6
Depreciation	-27	-70	-99	-196
Exchange rate differences	0	0	0	0
Carrying amount as per 31 December	12	756	376	1,144

As at 31 December

Cost	910	1,487	1,043	3,439
Accumulated depreciation	-898	-731	-667	-2,295
Carrying amount as at 31 December	12	756	376	1,144

Useful life in years	10	5 - 10	3	
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2021	Leasehold improvements	Furniture & Fixtures	IT Hardware	Total
As at 1 January				
Cost	907	619	599	2,125
Accumulated depreciation	-831	-584	-488	-1,903
Carrying amount as at 1 January	76	35	111	222
Changes in the year				
Acquired through business combination	3	0	37	40
Investment	0	1	97	98
Transfer at cost	0	10	24	34
Transfer accumulated depreciation	0	4	-4	0
Depreciation	-40	-37	-81	-158
Exchange rate differences	0	17	0	17
Carrying amount as per 31 December	39	30	184	253
As at 31 December				
Cost	910	650	758	2,318
Accumulated depreciation	-871	-620	-574	-2,065
Carrying amount as at 31 December	39	30	184	253

Depreciation is presented of the general and administrative expenses in the consolidated statement of profit or loss and other comprehensive income (refer to note 19). See note 12 for the amount of the pledged property, plant and equipment.

5. Leases

Brill has entered into lease agreements for offices and company cars.

Right of use assets	Offices	Company cars	Total
2022			
Carrying amount as at 1 January	1,210	113	1,323
Acquired through business combination	55	0	55
Additions	4,929	86	5,015
Depreciations	-843	-80	-923
Carrying amount as at 31 December	5,351	119	5,470
Lease term in years (current and previous year)	0 - 10	0 - 4	
2021			
Carrying amount as at 1 January	1,345	113	1,458
Acquired through business combination	447	8	455
Additions	119	54	173
Depreciations	-701	-62	-763
Carrying amount as at 31 December	1,210	113	1,323

Additions to right of use assets include the lease for the new office in Göttingen and the extended lease of the office in Leiden.

Lease liabilities	2022	2021
Carrying amount as at 1 January	1,540	1,834
Acquired through business combination (note 3)	55	455
Additions	5,015	121
Interest accretion (note 20)	83	52
Redemption of lease liabilities (Cash flows from financing activities)	-1,060	-870
Interest payments (Cash flows from operating activities)	-83	-52
Carrying amount as at 31 December	5,550	1,540
Non-current lease liabilities	4,962	612
Current lease liabilities	588	928
	5,550	1,540

The redemption of lease liabilities is presented in the Consolidated statement of cash flows as part of the cash flows of finance activities. In the year, the Group expensed 192 thousand for low value leases (2021: 130 thousand). Total cash outflow of leases was 1,143 thousand (2021: 976 thousand).

6. Intangible assets

	Publishing rights	Goodwill	Capitalized Content	Information Systems	Other	Assets under construc- tion	Total
2022							
As at 1 January							
Cost	17,889	4,003	52,736	7,191	842	1,082	83,743
Accumulated amortization and impairment	-558	0	-40,869	-5,860	-294	0	-47,580
Carrying amount as at 1 January	17,331	4,003	11,868	1,331	549	1,082	36,163
Changes in the year							
Acquired through business combination	491	1,718	0	0	36	0	2,245
Investment	200	0	2,899	0	7	1,432	4,538
Transfer Asset Category	0	0	0	1,005	0	-1,005	0
Transfer at cost	56	0	0	2,028	118	0	2,201
Transfer accumulated amortization	-56	0	0	-2,028	-118	0	-2,201
Disposals at cost	0	0	0	-341	0	0	-341
Disposals at acc. amortization	0	0	0	323	0	0	323
Impairment	-578	-1,029	0	0	0	0	-1,607
Amortization	-211	0	-3,156	-844	-85	0	-4,296
Total changes	-98	689	-257	144	-41	426	862
As at 31 December							
Cost	18,636	5,721	55,635	9,883	1,004	1,508	92,387
Accumulated amortization and impairment	-1,403	-1,029	-44,025	-8,408	-496	0	-55,362
Carrying amount as at 31 December	17,233	4,692	11,610	1,475	507	1,508	37,025
Useful life in years	Indefinite / 9 - 20	Indefinite	10	3 - 5	5		

	Publishing rights	Goodwill	Capitalized Content	Information Systems	Other	Assets under constructi on	Total
2021							
As at 1 January							
Cost	16,259	3,389	49,185	6,396	404	309	75,940
Accumulated amortization and impairment	-370	0	-37,802	-4,967	-211	0	-43,349
Carrying amount as at 1 January	15,890	3,389	11,383	1,429	194	309	32,591

Changes in the year

Acquired through business combination	1,373	614	0	379	440	0	2,806
Investment	57	0	3,552	35	123	1,404	5,171
Transfer asset group	200	0		431		-631	0
Reclass and Disposals – at cost	0	0		-50		0	-50
accumulated depreciation	0	0		0		0	0
Amortization	-188	0	-3,067	-893	-207	0	-4,355
Total changes	1,443	614	485	-98	356	773	3,572

As at 31 December

Cost	17,889	4,003	52,736	7,191	967	1,082	83,868
Accumulated amortization and impairment	-558	0	-40,869	-5,860	-418	0	-47,705
Carrying amount as at 31 December	17,331	4,003	11,868	1,331	549	1,082	36,163

See note 3 for the assets acquired through business combination. Other intangible assets contains licenses and trade names.

The amortization schedule for capitalized content is as follows:

Year	1	2	3	4	5	6	7	8	9	10
	39%	17%	8%	6%	5%	5%	5%	5%	5%	5%

See note 12 for the amount of pledged intangible assets.

Impairment testing of goodwill and other intangible assets

At the end of each reporting period, the Group reviews any indication whether the cash generating units (hereafter "CGU") that contain goodwill and intangible assets may be impaired. In addition, the Group carries out annual impairment tests by comparing the carrying amount of each CGU to the recoverable amount. The acquired goodwill and intangible assets from Wageningen Academic Publishers are added to the Biology portfolio that is part of CGU HIS.

The recoverable amount is determined by calculation of the CGU's value-in-use. The value-in-use is determined by discounting the CGU's future cash flows. The cash flow projections are based on actual operating results, and the budget and strategic plans in force at the time of making the analysis. Furthermore, the three-year projections in the strategic plans are extended to 10 years.

The Management Board believes that this is a term in which relevant market trends (most importantly scholarly publication output) can be reliably forecasted.

The key assumptions for the impairment test are (i) long-term growth rate of revenue, gross margin and EBITDA is 1.0% (2021: 0.5%) and (ii) discount rate (WACC) of 10.13% (2021: 6.28%), which reflects current market assessments of the time value of money and the risks specific to the assets.

Key assumptions applied to the net present value calculations relate to growth of revenue and development of the cost of goods sold. These assumptions are based on management estimates as included in the most current business plans. Revenue growth assumptions are based on an expected continuous growth in output of and demand for scholarly research whereas cost estimates assume a shift from variable expense to fixed expense, increasing slower than revenue.

The annual impairment test showed that the recoverable amount for intangible assets and goodwill for three segments were lower than their carrying amounts, resulting in impairments of 659 thousand for HIS and 370 thousand for LAW (both decreasing the value of goodwill) and 578 thousand for LLA (decreasing the value of publishing rights). The impairments are mainly due to a significant increase of the discount rate (from 6.28% in 2021 to 10.13% in 2022), higher expectations for future costs increases and an increase of the assets (mainly as a results of IFRS 16 related right of use assets for the offices in Leiden and Göttingen). The recoverable amount (value in use) for the three segments/CGU's are HIS 6.9 million, LAW 11.8 million and LLA 3.3 million.

The Group also assessed whether a change in a key assumption would cause the carrying amount to (further) exceed the recoverable amount.

CGU's (see note 18)	Applied terminal growth rate of cash flows (g)	Decrease in growth rate which would trigger an (additional) impairment	Increase in discount rate which would trigger an (additional) impairment
ARC	1.0%	>1.0 percent point	>5 percent point
HIS	1.0%	>0.0 percent point	>0 percent point
LAW	1.0%	>0.0 percent point	>0 percent point
MIA	1.0%	>0.5 percent point	>5 percent point
LLA	1.0%	>0.0 percent point	>0 percent point
DACH	1.0%	>2.0 percent point	>5 percent point

Sensitivity tests applied to the valuations show that the valuations for the three segments for which there is no impairment in 2022 are robust against material (negative) variances in the applied terminal growth rate.

Carrying amounts by segment as per 31 December (refer to note 18 for details on segmentation and developments in 2022) of intangibles and goodwill with an indefinite life are summarized hereafter.

Segment As at 31 December	Publishing rights and brand names		Goodwill		Total	
	2022	2021	2022	2021	2022	2021
ARC	837	837	404	404	1,241	1,241
HIS	1,349	1,349	2,638	1,578	3,987	2,927
LAW	10,560	10,560	418	788	10,978	11,348
MIA	532	532	343	343	875	875
LLA	1,728	2,306	0	0	1,728	2,306
DACH	0	0	890	890	890	890
Total	15,006	15,584	4,693	4,003	19,699	19,587

At year-end, the the Group had no material outstanding commitments for the purchase or development of intangible assets (year-end 2021: no material outstanding commitments).

7. Income tax

Income tax expenses

This note provides an analysis of Brill's income tax expense and Brill's deferred tax position.

	2022	2021
- Current	149	-393
- Deferred tax	1,085	-888
Income tax expense	1,234	1,281

Of the current tax charge, 6 thousand (2021: 180 thousand) is due in other jurisdictions than the Netherlands. The table below reconciles the effective tax rate and the calculation of tax according to local nominal Dutch tax rates for the year ended 31 December, 2022 and 2021.

	2022	2021
Income before tax	-4,698	4,317
Statutory Dutch income tax rate		20% - 25.0%
Tax, at the nominal rate	1,212	-1,055
- Effect of different tax rates outside the Netherlands	-4	-59
- Permanent differences	34	-12
- Release from deferred tax liability	-21	0
- Changes in nominal tax rate	0	-160
- Miscellaneous	13	5
Tax recognized in the consolidated income statement	1,234	-1,281
Effective tax rate	26.3%	29.7%

Deferred taxes

Deferred taxation is itemized as follows with regards to deferred tax liability:

	Intangible assets	Plant and equipment	Trade & other accrued expenses	Hedge contracts	Total
2022					
As at 1 January	-5,230	32	44	-6	-5,160
Acquired through business combinations	-131				-131
Recognized in profit and loss	-91	-11	898		796
Recognized in other comprehensive income					0
Effect of movement in foreign exchange rates					0
Carrying amount as at 31 December	-5,452	21	942	-6	-4,495
	Intangible assets	Plant and equipment	Trade & other accrued expenses	Hedge contracts	Total
2021					
As at 1 January	-4,324	55	44	0	-4,225
Acquired through business combinations	0	0	0	0	0
Recognized in profit and loss	-906	-23	0	0	-929
Recognized in other comprehensive income	0	0	0	-6	-6
Effect of movement in foreign exchange rates	0	0	0	0	0
Carrying amount as at 31 December	-5,230	32	44	-6	-5,160

Deferred taxation is itemized as follows with regards to deferred tax asset:

	Intangible assets	Plant and equipment	Trade & other accrued expenses	Hedge contracts	Total
2022					
As at 1 January	30	0	51	0	81
Acquired through business combinations	0	0	0	0	0
Recognized in profit and loss	-2	55	236	0	289
Recognized in other comprehensive income	0	0	0	0	0
Effect of movement in foreign exchange rates	0	0	0	0	0
Carrying amount as at 31 December	28	55	287	0	370
	Intangible assets	Plant and equipment	Trade & other accrued expenses	Hedge contracts	Total
2021					
As at 1 January	0	0	38	0	38
Acquired through business combinations	0	0	0	0	0
Recognized in profit and loss	30	0	11	0	41
Recognized in other comprehensive income	0	0	0	0	0
Effect of movement in foreign exchange rates	0	0	2	0	2
Carrying amount as at 31 December	30	0	51	0	81

8. Inventories

	2022	2021
As at 31 December		
Publications in development	399	369
Finished goods	4,076	4,352
Book return asset	94	94
	4,569	4,815

The inventory of finished goods includes a provision for obsolescence of 6,973 thousand (2021: 6,663 thousand). During the year, the provision was increased by 310 thousand mainly due to additional write-off related to the insolvency of our main distributor and the move to our new distribution partners (2021: decrease of 410 thousand). Depreciation of our stock is done based on sales patterns; as we have not been able to fulfil orders since Turpin went into insolvency, the value of our stock decreased. Additionally, numerous titles still in stock at Turpin can now be printed on demand; it therefore makes more economic sense to destroy the inventory compared with the cost of transferring stock to the warehouse(s) of our new distribution partners.

This amount was charged to the Cost of goods sold in the Consolidated Statement of profit or loss and other comprehensive income. See note 12 for the amount of pledged inventory.

9. Trade and other receivables

As at 31 December	2022	2021
Trade receivables	6,963	8,745
Other receivables	1,572	2,628
	8,535	11,373

Trade debts are non-interest bearing and have average payment terms of thirty to ninety days, depending of the country of residence of the customers. Note 17 contains a risk analysis. For some trade receivables, Brill may obtain security in the form of insurance against default of the debtor. See note 12 for the amount of pledged trade receivable to lenders of the Group.

The ageing of the receivables is shown hereafter.

As at 31 December, 2022

	Gross amount	Credit loss allowance	Net amount	Loss allowance
Payments not due	4,877	-7	4,871	0% - 0.1%
Payments due:				
0-30 days	986	-1	985	0.1%
30-60 days	249	0	249	0.0%
60-90 days	194	0	194	0.0%
> 90 days	1,922	-1,258	664	65.0%
Total trade receivables	8,228	-1,265	6,963	

As at 31 December, 2021

	Gross amount	Credit loss allowance	Net amount	Loss allowance
Payments not due	7,686	-10	7,676	0% - 0.1%
Payments due:				
0-30 days	841	-1	840	0.1%
30-60 days	0	0	0	0.1%
60-90 days	91	0	91	0.1%
> 90 days	365	-227	138	62.0%
Total trade receivables	8,983	-238	8,745	

The changes in the credit loss allowance in the year are:

	2022	2021
1 January	238	347
Add to the allowance during the year	1,181	35
Receivables written off during the year as uncollectible	-154	-144
31 December	1,265	238

10. Cash and cash equivalents

Cash and cash equivalents as at year-end 2022 were 3,701 thousand (year-end 2021: 5,439 thousand). Included in this amount is 107 thousand restricted cash that serves as a guarantee for the lease contract of the Leiden office, 83 thousand restricted cash that serves as a guarantee for the lease contract of the new Göttingen office and 130 thousand cash held by a subsidiary that is not directly freely remissible.

11. Equity

11.1 Capital and reserves

The share capital of the company is divided into ordinary shares and cumulative preference shares. There are currently no cumulative preference shares issued. The number of ordinary shares with par value of 0.60 per share, issued and paid, was 1,874,444 in 2022 (2021: 1,874,444). The number of authorized shares was 2,500,000 in 2022 (2021: 2,500,000). In 2022, share capital was 1,125 thousand (2021: 1,125 thousand).

Other reserves consist of a currency translation reserve (including foreign currency exchange rate differences from foreign subsidiaries) and a cash flow hedge reserve (including the share in the increase or decrease of the cash flow hedge for which it has been established that it is effective).

The breakdown and changes in the other reserves, the currency translation and cash flow hedge reserve, are as follows:

	Currency translation reserve	Cash flow hedge reserve	Total other reserves
2022			
As at 1 January	-303	-4	-307
Exchange differences on subsidiaries	36	0	36
Net gain or loss(-) on cash flow hedges	0	55	55
Reclassification to profit and loss	0	5	5
Changes before tax effect	36	60	96
Tax effect	0	-15	-15
Recognized in other comprehensive income	36	45	81
As at 31 December	-267	41	-226
2021			
As at 1 January	-463	-16	-479
Exchange differences on subsidiaries	160	0	160
Net gain or loss(-) on cash flow hedges	0	7	7
Reclassification to profit and loss	0	9	9
Changes before tax effect	160	16	176
Tax effect	0	-4	-4
Recognized in other comprehensive income	160	12	172
As at 31 December	-303	-4	-307

11.2 Appropriation of result and dividend

The Group proposes to charge the loss of -3,465 thousand for the year to the retained earnings (in 2021, 1,349 thousand was added to retained earnings and 1,687 thousand or 0.90 per share dividend was distributed to shareholders).

11.3 Call option Stichting Luchtman

Stichting Luchtman was granted a call option that gives it the right, in the event of hostile action or imminent hostile action against the company, to purchase a number of cumulative preference shares equal to, at most, 100% of the shares and depository receipts issued at the time at which the option is exercised less one share. When the option is exercised, only 25% of the total nominal amount must be paid. The exercise price is equal to the nominal value. Stichting Luchtman and the company have agreed that the option may be exercised up to 100% of the issued capital if and as long as shares and depository receipts are listed on the Euronext Amsterdam N.V. exchange.

12. Interest bearing loans

In December 2022, the Group entered into an amended financing agreement with its lender to address the temporary cash flow decrease due to the insolvency of our main distributor, Turpin.

Under the amended agreement, the following conditions apply:

- The 5.0 million facility was temporarily increased to 8.8 million until December 31, 2023. The interest consists of the average 1-month EURIBOR rate as determined during a month plus a surcharge which is currently 1.95%-point
- The 2.2 million withdrawal from the acquisition facility (used for the acquisition of Wageningen Academic Publishers) was converted into a long-term bank loan, of which 2.2 million was outstanding at balance date. The Group will pay a quarterly redemption starting Q3 2024 until the loan is fully paid back end of Q3 2027. Interest consists of EURIBOR for a period of 3 months (the "roll-over period") and a surcharge which is currently 2.95%-point
- The remaining 2.8 million acquisition facility was put on hold until December 31, 2023
- The lender provided Brill a waiver for the year 2022 for the covenants Senior net debt/ EBITDA ratio and the Debt Service Coverage Ratio
- For 2023 Brill must comply with quarterly minimum liquidity levels
- From January 1 2024 the conditions as agreed in August 2021 apply again.

In August 2021, the Group entered into a new financing agreement with its lender, including converting a withdrawal from the acquisition facility of 2.9 million into a long-term bank loan, of which 2.2 million was outstanding at balance date. The Group pays a quarterly redemption until the loan is fully paid back mid-2027. The interest is fixed at 2.45%.

In May 2018, the Group took a long-term bank loan of 6.5 million, of which at balance date 2.4 million was outstanding. The Group pays a quarterly redemption until the loan is fully paid back mid-2024. Brill entered into an interest rate swap contract in July, 2019 to mitigate the risk of increases in interest during the remainder of the duration of the loan (mid-2024). Brill's interest payments are now fixed at 1.5% of the remaining outstanding debt for the duration of the loan.

As a results of the above, on 31 December, 2022 unused credit facilities of 8.8 million were available (2021: 10 million). As a security for these bank loans the Group has pledged assets. The pledged assets with a total carrying amount of 33.1 million (2021: 34.6 million) consist of publishing rights (17.8 million, 2021: 17.1 million), receivables (9.9 million, 2021: 12.4 million), inventories (4.3 million, 2021: 4.8 million) and property, plant and equipment (1.1 million, 2021: 0.3 million).

The movement of the interest-bearing loans is as follows:

	2022	2021
Carrying amount as at 1 January	6,154	4,583
Changes in the year		
New interest bearing loan	2,200	2,900
Debt redemption	-1,588	-1,334
Changes in financing cash flows	612	1,566
Transaction costs loan expensed over loan term	15	5
Carrying amount as at 31 December	6,781	6,154
Non-current	5,193	4,566
Current	1,588	1,588
Carrying amount as at 31 December	6,781	6,154

The debt redemption and new interest bearing loan are presented in the Consolidated statement of cash flows as part of the cash flows of finance activities.

The main non-financial covenant is the non-distribution clause that prohibits the Group to distribute to its shareholders more than 100% of the sum of Profit before tax plus amortization and depreciation (non-product).

The sums involved were:

	2022	2021
Non distribution covenant		
Profit before tax	-4,691	4,317
Amortization and depreciation (non-product, non IFRS 16)	1,336	1,282
Maximum distribution	-3,355	5,599

In addition, the covenants include two financial ratios. As stated above, the bank provided Brill with a waiver for the year 2022 for the covenants Senior net debt/EBITDA ratio and the Debt Service Coverage Ratio:

	2022	2021
Net debt/EBITDA ratio		
Cash and cash equivalents	-3,701	-5,439
Interest bearing loans	6,781	6,154
Net debt	3,080	715
EBITDA [see note 18]	-30	7,203
Net debt/EBITDA ratio (must be less than 3.0)	-102.67	0.10

Debt service coverage ratio	2022	2021
EBITDA [18]	-30	7,203
Income tax paid(-)/received	124	-936
Replacement investments: property, plant and equipment	-1,088	-104
Replacement investments: intangible assets (non-product, non-acquisition)	-1,439	-1,163
Total	-2,433	5,000
Interest paid	294	185
Redemption loan	1,588	1,334
Total	1,882	1,519
Debt service coverage ratio (must be higher than 1.1)	-1.3	3.3

	Cash and cash equivalents	Interest bearing loan – short-term	Interest bearing loan – long-term	Total
Net debt movements				
Net debt 1 January 2022	5,439	-1,588	-4,566	-715
Cash flows	-1,738	0	-627	-2,365
Net debt 31 December 2022	3,701	-1,588	-5,193	-3,080

Free cash flow

Free cash flow is often used to evaluate the cash available to the company's lenders and investors.

Free cash flow	2022	2021
Net cash flow	-1,738	-460
Dividend paid to shareholders	1,687	2,343
Interest and debt redemption	1,882	1,519
	1,831	3,402

13. Trade and other payables

As at 31 December	2022	2021
Trade creditors	6,110	2,592
Other taxes and social securities	783	671
Refund liability	634	608
Accruals	3,537	4,286
Pension liability	200	99
Other payables	2,783	4,903
	14,046	13,159

Trade creditors are non-interest bearing and normally have a payment due date of less than 30 days. Taxes, social securities and other payables are settled during the year.

14. Deferred income

Deferred income relates to the advances received for journal and database access subscriptions. From deferred income recorded on the consolidated statement of financial position as at 31 December, 2021, 9,189 thousand was recognized in the revenue of the year 2022 (in the revenue of 2021: 8,967 thousand).

15. Provisions

	Other provisions
Carrying amount as at 1 January	0
Additions	495
Carrying amount as at 31 December	495
Current provisions	495
Carrying amount as at 31 December	495

The other provisions relate to uncertain indirect tax payments for which Brill is in discussion with the relevant tax authorities and that will be settled within one year. The amount is an estimation and depends on the amount of revenue, type of client and the relevant tax percentage.

16. Commitments

A new bank guarantee of 83 thousand was issued during 2022 in support of the rental agreement of the office located Robert-Bosch-Breite 10 in Göttingen (ending in October 2027).

A bank guarantee of 107 thousand (2021: 107 thousand) was issued in support of the rental agreement of the office located Plantijnstraat 2 in Leiden (ending in September 2023). At year end, there were no major commitments for investments. The liabilities for low-value leases will average yearly at 120 thousand.

17. Financial risk management

17.1 Market risk

Foreign currency exchange risk

Brill's reporting currency is the euro. The US dollar is the main other currency relevant to Brill's business. In 2022, around 26% (2021: 23%) of revenues was invoiced in USD. Brill's objective related to currency exchange risk is to improve its financial performance by mitigating significant swings in the US dollar exchange rate. For this objective, Brill may enter into foreign currency forward contracts. Normally, prices in US dollar are announced at the beginning of the year and are adjusted annually. In determining prices in US dollar, current exchange rate circumstances are considered. Since most expenses are in euro, Brill is net long in US dollar. Brill's policy is to hedge around 80% of the expected net incoming cash flow in US dollar for the next twelve months by using currency forwards. In addition, Brill attempts to limit currency risk by means of natural hedging, meaning entering in liabilities in US dollar to compensate receivables in US dollar.

The below table shows the impact of a change in exchange rate of the US dollar versus the euro on Brill's financial results:

Impact of a 5% increase of the US dollar value versus the euro	2022	2021	Impact of a 5% decrease of the US dollar value versus the euro	2022	2021
Net revenue	109	108	Net revenue	-120	-119
Gross profit	100	97	Gross profit	-111	-107
Net profit	233	225	Net profit	-258	-248
Equity	91	94	Equity	-100	-104

In determining the impact, Brill takes the current hedging contracts into account and used estimations, based on historical information and forecasts, of outstanding US dollar amounts for sales, expenses, receivables, liabilities and subsidiaries. The impact on Net profit is mainly caused by the change in valuation of assets and liabilities in US dollar. The impact on equity is mainly caused by changes in the valuation of the investment in the US subsidiary and the valuation of the cash flow hedge.

Interest rate risk

As per ultimo 2022, a long-term loan with variable rate (3 months EURIBOR plus 1.8%) was in place (see note 12). Brill's objective related to interest risk is to improve financial performance by mitigating risk on interest rate increases, for example by use of interest rate swaps or comparable instruments. Brill entered into an interest rate swap contract in July, 2019 to mitigate the risk of increases in interest during the remainder of the duration of the long-term loan (mid-2024). Brill's interest payments are now fixed at 1.5% of the remaining outstanding debt for the duration of the loan.

The below table shows the impact of a change in interest rate on Brill's financial results, assuming that additional facilities are nil and the interest bearing loans are fully hedged with the interest rate swap.

Impact of a 1% increase of 3 months EURIBOR	2022	2021	Impact of a 1% decrease of 3 months EURIBOR	2022	2021
Profit after tax	0	0	Profit after tax	0	0
Equity	0	0	Equity	0	0

17.2 Credit risk

The business of the Group is concentrated in Western Europe, the United States and Asia. The Group's objective related to credit risk is to improve financial performance by mitigating defaults on outstanding receivables. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Concentration of credit risks arises when the Group is exposed to significant outstanding past due amounts of a counterparty (like a trade debtor) or group of counterparties. Brill has no significant concentration of credit risk, whether through exposure to individual customers and/or regions. Currently, a consolidation is ongoing in the trade market. Although the risk of insolvency of a trade customer is unchanged, this concentration does increase the potential impact of an insolvency. However, this process does not result in a significant credit risk for the Group. For ongoing sales activity, the Group has access to relevant credit information. In addition, the Group's credit policy includes payment terms, credit limits and dunning policies. Cash flow is impacted by the payment behaviour of our customers; therefore, compliance with payment terms is monitored closely. The Group's maximum exposure is limited to the carrying amount of non-current financial assets, trade and other receivables, derivative financial instruments (assets) and cash and cash equivalents in the statement of financial position at year end.

In the journals business the Group runs almost no credit risk, because journal deliveries are made after receipt of payment by subscribers. It is in the interest of the publisher to deliver new issues to subscribers without interruption and for that reason, the publisher may, on an exception basis, deliver issues before payment has been received. A limited risk exists with regard to subscription fees paid by the customer to the subscription agent but not transferred yet to the publisher. Very limited credit risk exists in the sale of online products because Brill can terminate access to the product at any time.

The Group operates in different jurisdictions where different payment terms apply, changes in credit quality is determined according to the different payment terms in these jurisdictions. The Group considers an event of default for internal credit risk management purposes if there is information indicating the debtor is unlikely to pay its liabilities in full or a breach of financial covenants by the debtor.

17.3 Liquidity risk

The Group prepares quarterly evaluations of its liquidity position using a seasonal cash flow pattern in combination with expected major changes in expenditure and income. The Group's approach to managing liquidity is aimed at ensuring that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by the Management Board.

The table below shows the maturities of the Group's financial liabilities. The cash flows are contractual and undiscounted.

As per 31 December, 2022	Carrying amount	Maturity				Total
		< 3 months	3–12 months	1–5 year	> 5 year	
Trade and other payables	14,046	9,647	4,399	0	0	14,046
Interest bearing loans	6,781	397	1,191	5,193	0	6,781
Lease liabilities	5,550	147	441	2,495	2,467	5,550
	26,377	10,191	6,031	7,688	2,467	26,377
As per 31 December, 2021						
Trade and other payables	13,159	7,697	5,462	0	0	13,159
Interest bearing loans	6,154	397	1,191	4,566	0	6,154
Derivatives financial instruments	6	2	2	2	0	6
Lease liabilities	1,540	232	969	339	0	1,540
	20,859	8,328	7,624	4,907	0	20,859

17.4 Financial instruments

Classification of financial instruments

The classification of the financial instruments of the Group are set out hereafter.

As at 31 December	2022	2021
Financial assets		
Financial assets measured at amortized cost	12,236	16,812
Financial assets measured at fair value through profit or loss	337	283
	12,573	17,095
Financial liabilities other than lease liabilities		
Financial liabilities measured at amortized cost	13,674	9,417
Financial liabilities measured at fair value through profit or loss	0	6
	13,674	9,423

Hedge accounting

To mitigate the effect of changes in market interest rates on our financial results, Brill entered into an interest rate swap covering the floating interest rate of the interest bearing loans. This instrument effectively changes the variable interest rate from the loan agreement into a fixed rate.

At the end of the reporting period the hedge accounting position of the interest rate swap was:

Year	Notional amount	Carrying amount	Contract rate	Change in hedging instrument	Change in hedged item	Ineffectiveness
2022	1,896	54	-0.27%	60	-60	0.00
2021	2,979	-6	-0.26%	-6	6	0.00

See note 11 for the changes in cash flow hedge reserve.

Netting

The Group does not offset recognized financial instruments and is not subject to enforceable master netting arrangements or other similar agreements.

Fair value hierarchy

During the year there have been no (2021: no) movements between fair value levels.

As per 31 December	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
	2022	2022	2022	2021	2021	2021
Financial assets						
Interest rate swap	54	54	2	0	0	0
Financial liabilities						
Interest bearing loans	6,781	6,781	2	6,154	6,154	2
Interest rate swap	0	0	0	6	6	2

The carrying amounts of the other current financial assets (like trade and other receivables and cash and cash equivalents) and financial liabilities (like trade and other payables) are a reasonable approximation of the fair value of these financial assets.

17.5 Capital management

The key components of capital managed by Brill are working capital and property, plant and equipment and intangible assets (collectively referred to as Invested Capital, see hereafter). Brill's financial policy aims to finance Brill's growth objectives, while free cash flow should cover any applicable interest and redemption of long-term borrowing as well as cash dividends. Funding originates from either internal or external sources. Internal funding arises specifically from containing the growth of Invested Capital by attracting more subscription-based business and reducing stock levels through printing on demand as well as pursuing policies that reduce fixed asset investment requirements, e.g. by using cloud versus on premise solutions. External funding originates from our standing credit facilities and maintaining access to capital markets through our investor relations policy. The policy assumes solvability of between 40 and 60% and adherence to the covenants relating to our credit facilities (refer to note 12).

Return on invested capital (ROIC)

Koninklijke Brill N.V. uses ROIC to evaluate the performance of the Group related to its return on capital. The ROIC shows both our ability to generate profitable revenue as well as our ability to control the consolidated statement of financial position. Return on investment is calculated by dividing net operating profit less adjusted tax by average Invested capital.

	2022	2021
Reconciliation assets		
Non-current assets	44,292	38,122
Deferred tax liabilities	-4,125	-5,160
Current assets	17,271	21,812
Current liabilities	-27,200	-24,812
Net working capital	-9,929	-3,000
Short-term portion interest bearing loan included in current liabilities	1,588	1,588
Net tax	-412	-84
Net derivative financial instruments	-54	6
Cash and cash equivalents	-3,701	-5,439
Invested Capital	27,659	26,033

Return on invested capital	2022		2021	
Operating profit	-4,513		4,454	
Effective tax (adjusted for exceptional non-cash tax result)	1,164	-25.8%	-1,114	-25.0%
Net operating profit less adjusted tax (NOPLAT)	-3,348		3,340	
Invested capital	27,659		26,033	
Average invested capital	26,846		25,093	
Return On Invested Capital	-12.5%		13.3 %	
Asset turnover (revenue / average invested capital)	1.8		1.9	
NOPLAT margin (NOPLAT / revenue)	-7.0%		7.1 %	

18. Segment information

18.1 Segment reporting

The Group's Management Board evaluates the Group's performance from a business segment perspective, a product portfolio perspective as well as from a geographical perspective. Business segments (Business Units or BU's) are evaluated based on revenue, income and net assets in use. Certain asset and liability classes are considered Corporate and are not allocated to business segments. Product types are evaluated based on revenue. Geographical areas are evaluated based on revenue.

The Group's Management Board primarily uses Revenue and EBITDA to assess the performance of the business segments. EBITDA per Business Unit is calculated based on direct EBITDA contribution minus allocated group services and overhead costs. Brill has three Business Units:

- LRS: Law, Regional Studies & Linguistics (including former PUs LAW, LLA and MIA);
- RHB: Religion, History & Biology (including former PUs HIS and ARC and Wageningen Academic Publishers);
- DACH: the business operations contained under Brill Deutschland GmbH and Brill Österreich GmbH, notably the imprints Ferdinand Schöningh, Wilhelm Fink, mentis, Vandenhoeck&Ruprecht and Bohlau.

EBITDA per Publishing Unit is calculated based on direct EBITDA contribution minus allocated group services and overhead costs.

Business Unit	LRS	RHB	DACH	Group	Total
Revenue 2022	16,092	19,192	12,764	0	48,048
Revenue 2021	15,961	18,890	12,014	0	46,865
EBITDA contribution 2022	8,753	10,409	-532	-18,660	-30
EBITDA contribution 2021	9,165	11,103	991	-14,056	7,203

The ownership of all intangible assets and most property, plant and equipment lies in the Netherlands except for the assets of German and Austrian activities.

18.2 Revenue by product type and region

Product revenue segmentation is as follows:

Revenue by product type	2022	2021
Print books	14,937	16,865
eBooks	18,271	16,278
Journals	13,251	12,322
Primary Sources	1,589	1,400
Total	48,048	46,865

In 2022, as in 2021, there was no customer that accounted for more than 10% of consolidated revenues. Books represent the majority of the revenue, realized across all segments.

Brill measures revenue by region in accordance with its priorities and managerial structure in the marketing and sales organization. Geographical spread of revenue (according to the location of the customer) is:

Revenue by region	2022	2021
Western Europe	26,110	25,341
North America	16,938	15,574
Asia Pacific	3,642	3,999
Other	1,358	1,951
Total	48,048	46,865

Within these regions, two individual countries attribute to more than 10% of total revenue: USA with revenues of 15,876 thousand or 33.3% of total revenue (2021: 14,563 thousand or 31.1%) and Germany with revenues of 15,807 thousand or 33.3% (2021: 13,158 thousand or 28.1%).

18.3 EBITDA

The Group uses EBITDA to evaluate the performance of the total company and the operating segments. Hereafter, the reconciliation of the relevant items in the Consolidated statement of profit or loss and other comprehensive income to operating profit is provided.

Reconciliation of Revenue and profit before tax	2022	2021
Revenue	48,048	46,865
Cost of goods sold	-13,780	-13,027
Selling and distribution costs	-9,094	-7,306
General and administrative expenses	-25,204	-19,329
EBITDA	-30	7,203
Depreciation and Amortization	-3,839	-2,047
Exceptional items including acquisition and integration costs	-644	-701
Operating profit	-4,513	4,455

19. Expenses

19.1 Cost of goods sold

Cost of goods sold contains the following cost types: technical production and shipping cost, cost of online products and platforms, amortization of intangible assets, and royalties. Operational costs contain office related costs, services, communications and professional services.

	2022	2021
Cost of goods sold		
Technical production costs	9,137	8,209
Amortization of capitalized content costs [6]	3,156	3,067
Royalties	1,487	1,751
Total cost of goods sold	13,780	13,027

Reconciliation Selling, General and administrative with personnel cost and operating expenses

	2022	2021
Selling and distribution expenses	9,094	7,306
General and administrative expenses	29,687	22,079
Total operating expenses	38,781	29,385

Personnel cost	19,056	16,349
Operational expenses	15,885	10,991
Amortization of intangible assets (non-product related) [6]	1,115	1,137
Impairment of goodwill [6]	1,029	0
Impairment of intangible assets [6]	578	0
Depreciation of property, plan and equipment [4]	196	144
Depreciation right of use assets [5]	922	764
Total operating expenses	38,781	29,385

19.2 Employee benefits

Breakdown of personnel costs is as follows:

Personnel costs	2022	2021
Salaries	15,914	13,964
Social security payments	2,232	2,209
Defined contribution pension arrangement	1,306	1,339
Severance payments	718	-24
	20,170	17,488
Capitalized in content in intangible assets	-1,114	-1,139
Total personnel costs	19,056	16,349

See note 22 Information concerning related parties for the remuneration of the board.

Employees and short-term employee benefits

Personnel costs booked to work in progress relates mostly to the internal desk editing team. Desk editing assigns time to products, which is then capitalized or expensed. In addition to internal staff, Brill uses vendor services for most of the editing and typesetting activities for its publications.

The number of FTE at year end, divided by function was as follows:

FTEs	Year end 2022	Year end 2021
Publishing	105.4 [41.7%]	102.3 [41,4%]
Operations & Technology	76.2 [30.1%]	75.7 [30,7%]
Sales & Marketing	48.8 [19.3%]	45.4 [18,4%]
Finance, HR, Other	22.5 [8.9%]	23.5 [9.5%]
Total	252.9 [100%]	246.9 [100%]

The average workforce amounted to an average of 249.9 FTEs (2021: 226.9 FTEs). The total workforce engaged on a full-time basis at year end showed an increase of 6.0 FTEs from 246.9 to 252.9 FTEs, mainly due to the acquisition of Wageningen Academic Publishers. At the end of 2022, 127.7 FTEs (2021: 120.4 FTEs) were working outside the Netherlands (from Brill's offices in Boston, Göttingen, Paderborn, Cologne, Vienna, Singapore and Beijing, as well as from home offices in the United Kingdom, Canada, Germany and Switzerland).

Post employee benefits

The Dutch employees participate in the pension plan of Stichting Pensioenfonds PGB. This pension plan qualifies as a defined contribution plan. The annual premium contribution is based on the actuarial cost of purchasing pension rights of the plan. The Group has no obligation to cover any plan deficits, after payment of the annual premium, no obligations remain to pay for additional contributions or higher future premiums in the event of a shortfall of the plan, nor if the plan is terminated. Indexation of the pension rights depends on the financial position of the pension fund.

Employees outside the Netherlands operate in local defined contribution plans.

19.3 Audit fees

	2022	2021
Audit of annual financial statements	472	381
Other audit procedures	0	0
Tax services	0	0
Other non – audit assurance engagement	0	0
	472	381

The fees listed above relate to the procedures applied to the company and its consolidated group entities by the external independent auditor (PricewaterhouseCoopers Accountants N.V and its PricewaterhouseCoopers network) as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties Wta') as well as by Dutch and foreign based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the 2022 financial statements, regardless of whether the work was performed during the financial year.

20. Finance income and expense

The interest rate received on our current account balance was 0% (2021: 0%).

Finance income	2022	2021
Interest received of financial assets measured at amortized cost	28	23
Remeasurement of non-current financial assets measured at fair value through profit or loss	0	0
Foreign exchange rate differences	80	49
Total finance income	108	72

Finance expense	2022	2021
Interest expenses on credit facilities measured at amortized cost	-87	-63
Interest expenses on interest bearing loans measured at amortized cost	-124	-93
Interest expenses on lease liabilities	-82	-52
Foreign exchange rate differences	0	0
Total finance expense	-293	-208

21. Earnings per share

Earnings per share was calculated by dividing net income attributable to shareholders by the weighted average number of outstanding ordinary shares. At balance date, no stock options, redeemable preferred shares or other convertible instruments were outstanding that might lead to future dilution of earnings per share. After balance date, no share transactions took place.

Earnings per share	2022	2021
Net income	-3,465	3,036
Weighted average number of shares issued	1,874,444	1,874,444
Earnings per share attributable to shareholders of Koninklijke Brill N.V. (in euros)	-1.85	1.62

22. Related parties

The Group's related parties include its key management and its subsidiaries. Transactions with related parties are based on arm's length transactions between third parties. During the year, the related party transactions were remuneration of key management.

22.1 Remuneration of the Supervisory Board and Management Board

The members of the Management Board and Supervisory Board are the key management of the Group.

Total paid executive remuneration (in thousands of euros)	2022	2021
Supervisory Board	91	90
Management Board	1,239	1,233
Total paid remuneration	1,330	1,323
Variable payout accrued in the prior year	-185	-368
Variable component accrued in the current year	175	204
Net expense for executive remuneration	1,320	1,159

See the remuneration report for more information.

22.2 Subsidiaries

The subsidiaries of Koninklijke Brill N.V. are summarized below.

	City	Country	Share in company	
			31-12-2022	31-12-2021
Brill USA, Inc.	Boston	USA	100 %	100 %
Brill Asia Pte Ltd	Singapore	Singapore	100 %	100 %
Brill Consulting Beijing Ltd	Beijing	China	100 %	100 %
Brill Deutschland GmbH	Paderborn	Germany	100 %	100 %
Brill Österreich GmbH	Vienna	Austria	100 %	100 %
Wageningen Academic Publishers B.V.	Wageningen	Netherlands	100 %	0 %

Brill Deutschland GmbH makes use of disclosure exemptions pursuant to section 264, paragraph 3 of the German Commercial Code (HGB).

23. Events after balance sheet date

See note 11 Equity for the proposed dividend for the year.

On February 13 our CEO John Martin resigned, at the date of publication Peter Hendriks is serving as interim CEO and the search for a new CEO is ongoing.

COMPANY FINANCIAL STATEMENTS

CONTENTS

101	COMPANY FINANCIAL STATEMENTS
102	Company statement of financial position as at 31 December 2022
103	Company statement of profit or loss for the year ended 31 December 2022
104	Notes to the company financial statements
104	1. Information regarding the Company
104	2. Basis of preparation for the company financial statements
105	3. Intangible assets
107	4. Property, plant and equipment
108	5. Non-current financial assets
109	6. Trade and other receivables
109	7. Cash and cash equivalents
109	8. Equity
111	9. Provisions
112	10. Non-current liabilities
113	11. Current liabilities
114	12. Commitments
114	13. Financial instruments
114	14. Expenses
115	15. Financial income and expenses
115	16. Events after balance sheet date

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

In thousands of euros (before appropriation of profit)

	31-12-2022	31-12-2021	
ASSETS			
Non-current assets			
Intangible assets [3]	33,836	33,200	
Property, plant and equipment [4]	4,174	877	
Non-current financial assets [5]	9,261	7,682	
	<u>47,271</u>	<u>41,759</u>	
Current assets			
Inventories	1,868	2,139	
Trade and other receivables [6]	8,329	9,341	
Cash and cash equivalents [7]	1,470	3,153	
	<u>11,667</u>	<u>14,633</u>	
Total assets	<u>58,938</u>	<u>56,392</u>	
EQUITY AND LIABILITIES			
Equity [8]			
Share capital	1,125	1,125	
Share premium	343	343	
Legal reserves	11,575	11,868	
Retained earnings	10,135	8,411	
Profit for the year	-3,465	3,036	
	<u>19,713</u>	<u>24,783</u>	
Provisions [9]	4,859	5,161	
Non-current liabilities [10]	8,897	4,937	
Current liabilities [11]	25,470	21,511	
Total Liabilities and Equity	<u>58,938</u>	<u>56,392</u>	

COMPANY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER

In thousands of euros

	2022	2021
Revenue	34,625	31,608
Cost of Goods Sold	-10,874	-8,547
Gross profit	23,751	23,061
Expenses [14]		
Selling and distribution expenses	-7,485	-4,765
General and administrative expenses	-18,408	-14,443
Net impairment on goodwill and intangible assets	-1,607	
Total expenses	-27,500	-19,208
Operating profit	-3,749	3,853
Finance income [15]	97	136
Finance expenses [15]	-241	-152
Profit before income tax	-3,894	3,837
Income tax expense	983	-1,102
Results from subsidiaries, net of tax [5]	-555	301
Profit after tax	-3,465	3,036

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Information regarding the Company

Koninklijke Brill N.V. (together with its subsidiaries referred to as 'Brill' or the 'Group') is established as a Public Limited Company incorporated in the Netherlands (Naamloze Vennootschap), based at Plantijnstraat 2 in Leiden, the Netherlands and registered at the chamber of commerce under number 28000012. Its registered depository receipts are traded publicly at Euronext in Amsterdam. The main activities are academic publications with a focus on the humanities and social sciences, international law and selected areas in the Sciences (see also note 1 of the Consolidated Financial Statements).

2. Basis of preparation for the company financial statements

The Company Financial Statements have been prepared using the same accounting principles for recognition and measurement assets, liabilities, income and expenses, as applied in the Consolidated Financial Statements in accordance with section 362.8, Title 9, Book 2 of the DCC, except for investments in group companies. The accounting policies are included in note 2 *Basis of preparation of the financial statements* in the Consolidated Financial Statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

For assets, liabilities, income or expenses that are not disclosed in these Company financial statements reference is made to the respective notes in the Consolidated financial statements. Provisions relate to note 7 Income tax in the Consolidated financial statements.

All amounts have been reported in thousands of euro, except where noted differently.

2.1 Goodwill

Goodwill relating to investments in consolidated subsidiaries is initially measured as the excess of the aggregate of the consideration transferred over the net fair value of the net identifiable assets acquired and liabilities and contingent liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Presentation of goodwill is dependent on the structuring of the acquisition. Goodwill is presented separately in the company financial statements if this relates to an acquisition performed by the company itself. Goodwill is subsumed in the carrying amount of the net asset value if an investment in a subsidiary is acquired through the company's intermediate subsidiary.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

2.2 Investments in Group companies

Investments in group companies are measured using the net asset value-method. The carrying amounts are based on the measurement of assets and liabilities and the determination of profit or loss based on the accounting policies applied in the Consolidated Financial Statements. Group companies with a negative equity are measured at nil, unless the Company has an obligation for liabilities of or a receivable on the group company. In case a receivable (or loan) is provided to the group company, the loan provided is decreased with the negative amount of the equity value. A provision is recognised, when subsequently a liability remains for the Company.

2.3 Loans due from and amounts due from or to Group Companies

Loans due from, amounts due from or to group companies are stated initially at fair value and subsequently at amortised cost, using the effective interest rate, less impairments, if any. Each group company is considered as a combination of assets and liabilities rather than an indivisible asset, and therefore expected credit losses are eliminated.

3. Intangible assets

	Publishing rights	Information systems and other	Capitalized content	Goodwill	Assets under constructi on	Total
2022						
As at 1 January						
Cost	16,268	7,134	52,736	3,113	1,082	80,333
Accumulated impairment	0	0	0	0	0	0
Accumulated amortization	-388	-5,876	-40,869	0	0	-47,133
Carrying amount as at 1 January	15,880	1,258	11,867	3,113	1,082	33,200
Changes in the year						
Acquisition	200	0	0	1,718	0	1,918
Investment	0	0	2,899	0	1,432	4,331
Transfer	0	1,005	0	0	-1,005	0
Reclass and Disposals – at cost	0	-18	0	0	0	-18
Impairment	-578	0	0	-1,029	0	-1,607
Amortization	-95	-737	-3,156	0	0	-3,988
Total changes	-473	251	-258	689	426	635
As at 31 December						
Cost	16,468	8,121	55,635	4,830	1,508	86,563
Accumulated impairment	-578	0	0	-1,029	0	-1,607
Accumulated amortization	-483	-6,612	-44,025	0	0	-51,121
Carrying amount as at 31 December	15,407	1,509	11,610	3,801	1,508	33,836

	Publishing rights	Information systems and other	Capitalized content	Goodwill	Assets under construction	Total
2021						
As at 1 January						
Cost	16,068	6,703	49,185	3,113	309	75,378
Accumulated amortization	-289	-5,100	-37,803	0		-43,193
Carrying amount as at 1 January	15,779	1,602	11,382	3,113	309	32,185
Changes in the year						
Acquisition	0	0	0	0	0	0
Investment	0	0	3,551	0	1,404	4,955
Transfer	200	431	0	0	-631	0
Reclass and Disposals – at cost	0	0	0	0	0	0
Amortization	-99	-776	-3,066	0	0	-3,941
Total changes	101	-345	485	0	773	1,014
As at 31 December						
Cost	16,268	7,134	52,736	3,113	1,082	80,333
Accumulated amortization	-388	-5,876	-40,869	0	0	-47,133
Carrying amount as at 31 December	15,880	1,258	11,868	3,113	1,082	33,200

For an overview of amortization rates and methods for each asset class, refer to note 6 of the Consolidated financial statements.

4. Property, plant and equipment

	Leasehold improve- ments	Furniture & fixtures	IT- hardware	Right-of- use assets	Total
2022					
As at 1 January					
Investment	890	428	650	1,734	3,702
Depreciation	-857	-425	-493	-1,050	-2,826
Carrying amount as at 1 January	33	2	157	684	877
Changes in the year					
Investment	0	0	224	3,535	3,759
Reclass and Disposal	0	0	0	0	0
Depreciation	-24	-2	-83	-352	-462
Total changes	-24	-2	140	3,184	3,297
As at 31 December					
Cost	890	428	874	5,269	7,461
Accumulated depreciation	-882	-428	-576	-1,402	-3,288
Carrying amount as at 31 December	9	0	297	3,868	4,174
Useful life in years	10	5 - 10	3	0 - 10	
2021					
As at 1 January					
Investment	890	428	533	1,616	3,467
Depreciation	-819	-419	-436	-679	-2,353
Carrying amount as at 1 January	72	9	97	936	1,114
Changes in the year					
Investment	0	0	117	118	236
Depreciation	-38	-7	-57	-371	-472
Total changes	-38	-7	61	-253	-237
As at 31 December					
Cost	890	428	650	1,734	3,702
Accumulated depreciation	-857	-425	-493	-1,050	-2,826
Carrying amount as at 31 December	33	2	157	684	877

The right-of-use assets consist of offices for 242 thousand (2021: 597 thousand) and company cars for 64 thousand (2021: 87 thousand).

5. Non-current financial assets

	Investments in group companies	Loans to group companies	Other investments	Total
2022				
Carrying amount as at 1 January	2,963	4,448	271	7,682
Acquired	783	0	0	783
Capital contribution	750	-400	0	350
New loans/repayments	0	965	0	965
Result for the year	-555	0	0	-555
Revaluations		0	0	0
Foreign currency differences	36	0	0	36
Carrying amount as at 31 December	3,977	5,013	271	9,261
2021				
Carrying amount as at 1 January	2,450	890	100	3,440
Acquired	0	3,558	0	3,558
Capital contribution	50	0	0	50
Result for the year	301	0	168	469
Revaluations	160	0	3	163
Foreign currency differences	2	0	0	2
Carrying amount as at 31 December	2,963	4,448	271	7,682

See note 22.2 of the Consolidated Financial Statements for details of the group companies.

Investments in group companies

On 15 April, 2022, the Company has acquired Wageningen Academic Publishers B.V., see note 3 of the Consolidated Financial Statements.

Loans to group companies

The Company has provided loans nominated in euro to its subsidiaries. The interest rates of these loans varies between 1.9% and 5.1% (2021: between 1.9% and 2.3%), the duration of the loans varies between 5 and 7 years (2021: between 5 and 7 years), the loans are subordinated to other obligations of the group companies (2021: subordinated). The carrying amount is a reasonable approximation of fair value of the loans.

On 22 December, 2022, the Company converted an amount of 400 thousand from the loans provided to Brill Deutschland GmbH into capital, to strengthen the equity of Brill Deutschland GmbH. The Expected Credit Loss (ECL) on Loans to group companies is not significant.

Other investments

Other investments are minority investments in other publishing companies.

6. Trade and other receivables

As at 31 December	2022	2021
Trade receivables	4,166	6,359
Amounts due from group companies	2,560	739
Income tax receivable	194	130
Derivative financial instruments	54	0
Other receivables	1,355	2,113
	8,330	9,341

The trade and other receivables fall due within one year (2021: one year). Amounts due from group companies bear no interest and no securities have been provided (2021: no interest and no securities). The Expected Credit Loss (ECL) on amounts due from group companies is not significant. See note 9 Trade and other receivables of the Consolidated financial statements for more details.

7. Cash and cash equivalents

As at year-end 2022, cash and cash equivalents were 1,470 thousand (year-end 2021: 3,153 thousand). Included in this amount is 107 thousand restricted cash that serves as a guarantee for the lease contract of the Leiden office (2021: 107 thousand).

8. Equity

The share capital of the Company is divided into ordinary shares and cumulative preference shares. There are currently no cumulative preference shares issued. The number of ordinary shares with par value of EUR 0.60 per share, issued and paid, was 1,874,444 in 2022 (2021: 1,874,444). The number of authorized shares was 2,500,000 in 2022 (2021: 2,500,000). In 2022, share capital was 1,125 thousand (2021: 1,125 thousand).

The Company proposes to charge the loss of -3,465 thousand for the year to the retained earnings (in 2021 1,349 thousand was added to retained earnings and 1,687 thousand or 0.90 per share dividend was distributed to shareholders).

The currency translation reserve (including foreign currency exchange rate differences resulting from foreign subsidiaries) and the cash flow hedge reserve (including the share in the increase or decrease of the cash flow hedges for which it has been established that it is effective) are legal reserves according to the DCC. A legal reserve is constituted for the capitalized content on the statement of financial position equal to the carrying amount of the capitalized content and the legal reserve group companies separates the share in profit of group companies since the first valuation where these are subject to distribution restrictions.

	As at 1 January	Profit for the year	Dividends paid	Exchange rate and hedge differences	Appro- priation of result	Changes legal reserve	As at 31 December
2022							
Share Capital	1,125	0	0	0	0	0	1,125
Share premium	343	0	0	0	0	0	343
Currency translation reserve	-303	0	0	36	0	0	-267
Cash flow hedge reserve	-4	0	0	45	0	0	41
Legal reserve capitalized content	11,868	0	0	0	0	-293	11,575
Legal reserve group companies	0	0	0	0	0	130	130
Retained earnings	8,718	0	-1,687	0	3,036	163	10,231
Profit for the year	3,036	-3,465	0	0	-3,036	0	-3,465
	<u>24,783</u>	<u>-3,465</u>	<u>-1,687</u>	<u>81</u>	<u>0</u>	<u>0</u>	<u>19,713</u>
2021							
Share Capital	1,125	0	0	0	0	0	1,125
Share premium	343	0	0	0	0	0	343
Currency translation reserve	-463	0	0	160	0	0	-303
Cash flow hedge reserve	-16	0	0	12	0	0	-4
Legal reserve capitalized content	11,383	0	0	0	0	485	11,868
Legal reserve group companies							0
Retained earnings	8,650	0	-2,343	0	2,896	-485	8,718
Profit for the year	2,896	3,036	0	0	-2,896	0	3,036
	<u>23,918</u>	<u>3,036</u>	<u>-2,343</u>	<u>172</u>	<u>0</u>	<u>0</u>	<u>24,783</u>

Stichting Luchtmans was granted a call option that gives it the right, in the event of hostile action or imminent hostile action against the company, to purchase a number of cumulative preference shares equal to, at most, 100% of the shares and depository receipts issued at the time at which the option is exercised less one share. When the option is exercised, only 25% of the total nominal amount must be paid. The exercise price is equal to the nominal value. Stichting Luchtmans and the Company have agreed that the option may be exercised up to 100% of the issued capital if and as long as shares and depository receipts are listed on the Euronext Amsterdam N.V. exchange. As at 31 December 2022, no preference shares were issued (as per 31 December 2021: no preference shares were issued).

The legal reserve group companies relates to the interest in the subsidiary in China for which we can not realize an equity distribution without limitations.

9. Provisions

	Deferred tax liabilities	Other provisions	Total
Carrying amount as at 1 January 2022	5,161	0	5,161
Changes in the year			
Additions	0	495	495
Charged/credited (-) to profit or loss	(797)	0	(797)
Carrying amount as per 31 December 2022	4,364	495	4,859
	Deferred tax liabilities	Other provisions	Total
Carrying amount as at 1 January 2021	4,226	0	4,226
Changes in the year			
Additions	6	0	6
Charged/credited (-) to profit or loss	929	0	929
Carrying amount as per 31 December 2021	5,161	0	5,161

See note 7 Income tax of the Consolidated financial statements for further disclosure for the deferred tax liabilities and note 15 Provisions of the Consolidated financial statements for the Other provisions.

10. Non-current liabilities

	Interest-bearing loans	Lease liabilities	Total
Carrying amount as at 1 January 2022	6,154	371	6,525
Changes in the year			
Additions	2,200	3,688	5,888
Redemptions	(1,588)	(178)	(1,766)
Transaction costs loan expensed	15	0	15
Carrying amount as per 31 December 2022	6,781	3,881	10,662
Remaining lifetime			
Within 1 year	1,588	178	1,766
Between 1 and 5 years	5,193	1,851	7,044
After 5 years	0	1,852	1,852
	6,781	3,881	10,662
	Interest-bearing loans	Lease liabilities	Total
Carrying amount as at 1 January 2021	4,583	371	4,954
Changes in the year			
Additions	2,900		2,900
Redemptions	(1,334)		(1,334)
Transaction costs loan expensed	5		5
Carrying amount as per 31 December 2021	6,154	371	6,525
Remaining lifetime			
Within 1 year	1,588	178	1,766
Between 1 and 5 years	4,566	193	4,759
	6,154	371	6,525

See note 5 Leases, note 12 Interest bearing loans and note 17 Financial risk management in the Consolidated financial statements for additional disclosures.

11. Current liabilities

	31-12-2022	31-12-2021
Interest bearing loans	1,588	1,588
Trade payables	4,786	1,760
Amounts due to group companies	4,508	2,339
Income tax	0	0
Pension liabilities	197	99
Other liabilities	2,401	4,268
Lease liabilities	178	372
Accruals	2,079	2,592
Deferred income	9,733	8,493
	<u>25,470</u>	<u>21,511</u>

The amounts of amounts are payable within one year (2021: one year). Amounts due to group companies are payable within twelve months, bear no interest and no securities have been provided (2021: no interest and no securities). See note 5 Leases, note 12 Interest bearing loans, 13 Trade creditors and other payables, note 14 Deferred income in the Consolidated financial statements.

12. Commitments

A bank guarantee of 107 thousand was issued in support of the rental agreement of the Leiden office (ending in September 2023). As in prior years, we estimate the expenditures on low value leases to remain around 100 thousand a year.

13. Financial instruments

Pursuant to its use of financial instruments, the Company is exposed to credit risk, liquidity risk and market risk. The notes to the consolidated financial statements provide information on the Group's exposure to each of these risks, its objectives, principles and procedures for managing and measuring these risks, as well as Group capital management. These risks, objectives, principles and procedures for managing and measuring these risks as well as capital management apply mutatis mutandis to these Company Financial Statements (see note 17 Financial risk management of the Consolidated Financial Statements).

Fair value

The carrying amounts of the other current financial assets (such as trade and other receivables and cash and cash equivalents) and financial liabilities (like trade and other payables) are a reasonable approximation of the fair value of these financial assets.

14. Expenses

Personnel expenses

The personnel expenses included in the expenses are specified below.

Personnel costs	2022	2021
Salaries	8,827	8,038
Severance payments	593	-124
Social security payments	1,003	1,071
Defined contribution pension arrangement	1,197	1,185
	11,619	10,170
Capitalized in content in intangible assets	-1,113	-1,139
	10,506	9,031

The number of FTE at year end, divided by department (instead of function) was as follows:

FTEs	Year end 2022	Year end 2021
Publishing	55.1 [42,8%]	53.5 [41,6%]
Operations & Technology	39.7 [30.9%]	40.9 [31.8%]
Sales & Marketing	21.9 [17.0%]	19.7 [15.3%]
Finance, HR, Other	12.0 [9.3%]	14.5 [11.3%]
Total	128.7 [100%]	128.6 [100%]

2.0 FTEs worked outside of the Netherlands in 2022 (2021: 2.0 FTEs), namely in the UK and in Switzerland.

The general and administrative expenses included the expenses disclosed in note 19 of the Consolidated financial statements, see that note also for the information of the pension scheme in the Netherlands. The remuneration of the Management Board and the Supervisory Board is disclosed in note 22 Information concerning related parties of the Consolidated financial statements, see the remuneration report for more information.

Depreciation and amortization

The depreciation and amortization are summarized below.

	2022	2021
Amortization	5,595	3,969
Depreciation	462	535
	6,057	4,504

15. Finance income and expenses

The financial income includes interest amount of EUR 24 thousand of group companies (2021: 93 thousand). The financial expenses include an interest amount of 55 thousand of group companies (2021: 38 thousand).

16. Events after balance sheet date

See note 23 of the Consolidated Financial Statements.

Leiden, 12 April, 2023

Supervisory Board

Robin Hoytema van Konijnenburg (Chairman)

Anneke Blok

Theo van der Raadt (Vice-Chairman)

Jeanine van der Vlist

Jan Niessen

Management Board

Jasmin Lange

Wim Dikstaal

OTHER INFORMATION

Appropriation of Profit for the Year

Bylaws regarding profit appropriation

Profit appropriation takes place pursuant to article 30 of the Articles of Association which stipulates that profit shall be distributed as follows:

- A. Payment of a dividend on the amount paid up in respect of the cumulative preference shares in accordance with Article 25.2 of the Articles of association;
- B. The Combined Meeting determines the amount, after deduction of the payout as established under A. that is to be added to Retained earnings to satisfy the Group's solvability objectives;
- C. The Supervisory Board determines the variable remuneration of the Management Board;
- D. The Supervisory Board, consulting with the Management Board, establishes the variable remuneration of the other staff;
- E. The amount remaining after pay-out of the cumulative preference shares, retained earnings, and variable remuneration is at the disposal of the Annual General Meeting of shareholders for payout to holders of registered shares and registered depository receipts.

Holdings Members of the Supervisory Board and Management Board

Name	Number of registered depository receipts
Jan Niessen	462,875
Jasmin Lange	500

Jan Niessen, who joined the Supervisory Board on December 14 2022, is a non-independent Board Member (art. 2.1.8 of the Corporate Governance Code) as he indirectly holds an interest of more than 20% in Brill, via Mont Cervin. See note 11 of the consolidated financial statements

In 2018, the members of the Management Board acquired registered depository receipts in Brill via their own banks and at their own risk, with the consent of the Supervisory Board. No further transactions were recorded since. These shares are not related to any remuneration scheme.



Independent auditor's report

To: the general meeting and the supervisory board of Koninklijke Brill N.V.

Report on the financial statements 2022

Our opinion

In our opinion:

- the consolidated financial statements of Koninklijke Brill N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2022, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Koninklijke Brill N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2022 of Koninklijke Brill N.V., Leiden. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022;
- the consolidated statement of cash flows for the year ended 31 December 2022;
- the consolidated statement of changes in equity for the year ended 31 December 2022; and
- the notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 December 2022;
- the company statement of profit or loss for the year ended 31 December 2022; and
- the notes to the company financial statements, comprising the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

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The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Koninklijke Brill N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach on fraud risks and the audit approach on going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Overview and context

Koninklijke Brill N.V. (hereafter also referred to as 'Brill') is a public limited liability company (N.V.) listed at Euronext in Amsterdam and its principal activity is international publishing. The Company's main activities are academic publications with a focus on the humanities and social sciences, international law and other selected areas in the sciences. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As disclosed in the management board's report for the year 2022, the developments at Brill's main UK-based distributor heavily impacted the financial year 2022. On 28 September 2022 Brill's main distributor filed a notice of intent to appoint an administrator. On 7 October 2022, an administrator was appointed, and the distributor ceased operations on the same day. The distributor provided fulfilment services to part of Brill's journal and book portfolio. Brill accelerated the already-planned move to another service organisation for its global distribution. The developments had a significant impact on the Company's performance and our audit approach as described in the section 'Key audit matters' of this report.

On 15 April 2022, the Company acquired all shares and obtained control of Wageningen Academic Publishers ('WAP'), as disclosed in note 3 to the consolidated financial statements. The business combination is a significant transaction for Brill and had an impact on our audit. Given the complexity of accounting for business combinations, we consider this as a key audit matter as set out in the section 'Key audit matters' of this report.

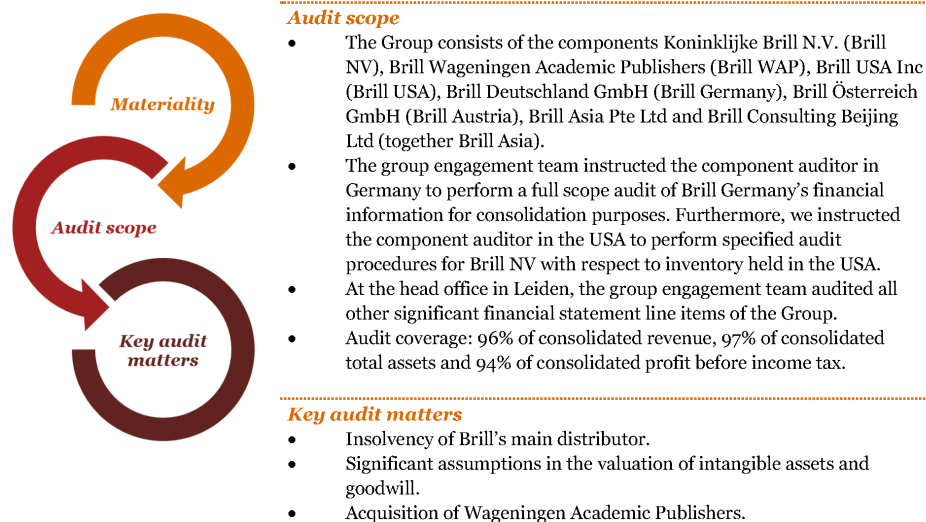


As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition climate-related risks. In note 2 to the consolidated financial statements the areas of judgement in applying accounting policies and the key sources of estimation uncertainty are described. Given the estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of intangible assets and goodwill, we considered 'Significant assumptions in the valuation of intangible assets and goodwill' to be a key audit matter as set out in the section 'Key audit matters' of this report.

Brill assessed the possible effects of climate change on its financial position, refer to the section 'Corporate Social Responsibility'. We discussed Brill's assessment and governance thereof with management and evaluated the potential impact on the financial position including underlying assumptions and estimates. The effect of climate change is not considered to impact the key audit matters.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of an internationally operating publisher. In our audit we made use of experts in the areas of valuation of intangible assets and tax.

The outline of our audit approach was as follows:





Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€405,000 (2021: €420,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.9% of revenue rounded to €405,000.
Rationale for benchmark applied	We used revenue as the primary benchmark, based on our analysis of the common information needs of users of the financial statements. The primary focus of the stakeholders and the Company is the long-term horizon and its growth of revenue. As a result, we believe that total revenue is an important metric for the financial performance of the Company.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €150,000 and €400,000.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €40,000 (2021: €41,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Koninklijke Brill N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Koninklijke Brill N.V.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

The group audit focused on the significant components Brill NV and Brill Germany. For Brill NV, we performed an audit of the full set of financial information. In addition, we issued instructions to our network firm's local component auditor of Brill Germany to perform a full scope audit of Brill Germany's financial information. Furthermore, we performed specific audit procedures on the relevant financial statement line items of the components Brill USA, Brill Austria, Brill Asia and Brill WAP in order to achieve appropriate coverage on the consolidated financial statements as a whole.



Furthermore, we instructed the component auditor in the USA to perform specified audit procedures for Brill NV with respect to inventory held in the USA.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	96%
Total assets	97%
Profit before tax	94%

For the remaining financial statement line items not covered by audit procedures, we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those financial statement line items.

The group engagement team performed the audit work for group entities Brill USA, Brill Austria, Brill Asia and Brill WAP. For component Brill Germany, we instructed our network firm's local component auditor, who is familiar with the local laws and regulations, to perform the work.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included amongst others our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual calls with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance for the consolidated financial statements.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of more complex items at the head office.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach on fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Koninklijke Brill N.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to 'Fraud risk' under the section 'Risk Management' of the management board's report for management's fraud risk assessment and section 'Principal Activities' of the supervisory board's report in which the supervisory board discusses the fraud risk assessment.



We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistle-blower procedures. We evaluated the design and determined the implementation of controls designed to mitigate fraud risks.

We asked members of the management board and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present. We identified the following fraud risks and performed the following specific procedures:

<i>Identified fraud risks</i>	<i>Our audit work and observations</i>
<i>Risk of management override of controls</i> In all our audits, we pay attention to the risk of management override of controls, including risks of potential misstatements due to fraud based on an analysis of potential interests of the management board. In this context, we paid particular attention to: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Significant transactions and judgements applied outside the normal course of business, such as the purchase price allocation of WAP. • Significant estimates.	We evaluated the design and determined the implementation of the relevant internal control measures in the processes of journal entries, significant estimates and revenue. We also paid attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We have identified significant deficiencies in the internal control system and reported our findings in writing to the management board and the supervisory board. We identified these internal control deficiencies as opportunities for fraud but these did not lead to specific fraud risks based on our fraud risk assessment. We performed our audit procedures primarily substantive based. We selected journal entries based on risk criteria, such as unusual account combinations and unexpected users and conducted specific audit procedures for these entries. Where we identified high-risk journal entries through our data analytics, we performed additional procedures, e.g. inspection of the entries to source documentation. Furthermore, we performed substantive audit procedures on significant transactions outside the normal course of business, refer to key audit matter 'Acquisition of Wageningen Academic Publishers'. We also performed specific audit procedures related to important assumptions and estimates of management, e.g. in the impairment assessment, the purchase price allocation for the acquisition of WAP and the valuation of receivables. Please refer to the section 'Key audit matters' for more details. We specifically paid attention to potential management bias. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.



Risk of fraudulent financial reporting due to overstating online revenue

As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated for which types of revenue there are fraud risks.

We distinguish between online revenue and all other revenue, where the latter mainly consists of sales of print books.

For online revenue we conclude that management is likely to feel incentive or pressure to overstate online revenue (i.e. eBooks and online journals), because of the strategic importance of this revenue stream. Overstating online revenue could be achieved by recognising fictitious revenue transactions, affecting the assertion existence/occurrence, and intentional premature recognition of online (subscription) revenues, affecting the cut-off assertion.

For all other revenue (mainly print books) we concluded that it is appropriate to rebut the risk of fraud in revenue recognition, because incentive or pressure for fraud is not likely considering the developments with respect to the administration of the Company's main distributor and the Company's press releases in which the financial outlook for 2022 was withdrawn.

In our fraud-risk assessment we also considered management's bonus targets and the bank covenants with respect to the Company's external debt.

We evaluated the design and determined the implementation of relevant internal controls in the revenue process. We examined whether changes were made to the internal controls during the financial year.

Using data analysis, we identified potential notable revenue entries in the financial year and performed substantive audit procedures on these entries by determining whether these entries are based on deliveries/publications that took place and/or access that was granted in the financial year.

We performed substantive audit procedures related to the existence/occurrence of revenue transactions in the financial year. For our work on the existence/occurrence of revenue transactions we leveraged upon the related work performed for trade receivables, such as the work on confirmations obtained from debtors. Also, we performed audit procedures to determine whether credit invoices (reversing revenue) were booked in the next financial year that could indicate that revenue was incorrectly recognised.

In addition, we performed specific audit procedures related to the cut-off of online (subscription) revenue to address the risk of premature recognition of online (subscription) revenue. We performed substantive analytical procedures where we compared actual revenue to our expectation at a sufficiently disaggregated level. In addition, for a sample of online titles we determined the publication date before balance sheet date.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence/occurrence and the cut-off of online revenue.



We incorporated an element of unpredictability in our audit. That is, we assessed expense reimbursements of leavers that held certain positions within the Company. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures. This did not lead to indications of fraud potentially resulting in material misstatements.

Audit approach on going concern

As disclosed in section 'Going concern' in note 2 to the consolidated financial statements, management prepared the financial statements on the assumption that the entity is a going concern and that it will continue its operations for the foreseeable future.

The management board performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks). Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether the management board's going-concern assessment includes all relevant information of which we are aware as a result of our audit and inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment;
- evaluating the management board's current budget including cash flows for at least twelve months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we are aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with bank covenants;
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment.

We concluded that the management board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters 'Significant assumptions in the valuation of intangible assets and goodwill' and 'Acquisition of Wageningen Academic Publishers' are similar in nature to key audit matters we reported in 2021. The risks related to the 2021 key audit matter 'Reliance on third-party service organisation' have materialised during 2022 which resulted in key audit matter 'Insolvency of Brill's main distributor'.



Key audit matter

Insolvency of Brill's main distributor

Refer to the section 'Financial Report' in the management board's report. Also refer to 'Significant accounting estimates, judgements and assumptions' (note 2), 'Inventories' (note 8) and 'Trade and other receivables' (note 9) in the financial statements.

In prior years, Brill engaged an external UK-based service organisation, that globally provided significant services for the Group including invoicing, account handling, credit control, warehousing & stock control and reporting.

On 28 September 2022, Brill's main distributor filed a notice of intent to appoint an administrator. On 7 October 2022, an administrator was appointed, and the service organisation ceased operations on the same day. The developments with respect to this third-party service organisation had a significant impact on the business and our audit approach. The following areas were impacted:

Revenue

In prior years the Company relied on the controls operating at the third-party service organisation related to the revenue and receivables cycle for print books.

Inventories

Brill has stored material inventories (print books) in the warehouse of the third party's service organisation in the UK and its subservice organisation in the US. Brill decided to partly transfer the books from the warehouse in the UK to the warehouse of another third-party service organisation. However, it was also decided to destroy a part of the books.

Receivables

Brill has written off a part of its receivable on the third-party service organization in the profit and loss statement. On 31 December 2022, the carrying amount of the related receivable amounts to approx. €200 thousand.

Our audit work and observations

The below audit procedures have been performed in relation to the significantly impacted areas. Based on the procedures performed we obtained sufficient and appropriate audit evidence to mitigate the risk of material misstatement to an acceptably low level.

Revenues

Since we were not able to rely on the ISAE 3402 type 2 report from the third-party service provider, we adjusted our initial audit approach. We performed a fully substantive-based audit with respect to the revenue and receivables cycle for print books. Our audit procedures included test of details on revenue transactions and substantive analytical procedures on the revenue based on our audit work on goods movements in inventory (including obtaining supplier confirmations of print book purchases).

Inventory

We performed a year-end stock count at the warehouse of the distributor in the UK. For a sample of ISBNs we performed counts from list-to-floor as well as from floor-to-list. For several ISBNs differences were noted, mainly because we were not able to find them.

Similarly, we instructed the local component auditor to perform a year-end stock count at the warehouse of the (former) (sub)service organisation in the US. For a sample of ISBNs counts were performed from list-to-floor as well as from floor-to-list.

Furthermore, we obtained inventory confirmations from the third-party to which books were transferred from the UK-based distributor.

Finally, we assessed the valuation of the inventory and paid attention to the additional write-off of print Books that Brill decided to destroy.

Receivables

We obtained Brill's position paper and examined underlying contracts as well as communications with the administrator of the UK-based distributor and Brill's legal advisors. We challenged management's assumptions with respect to the collectability of receivables and found these to be reasonable based on discussions with management and supporting documentation. Finally, we verified the adequacy of the disclosures in the financial statements.



Key audit matter

Significant assumptions in the valuation of intangible assets and goodwill

Refer to 'Significant accounting estimates, judgements and assumptions' (note 2) and 'Intangible assets' (note 6) in the financial statements.

As of 31 December 2022, the intangible assets include goodwill (€5,721 thousand) and publishing rights (€17,812 thousand), among other balances. Given the balances are highly material and the valuation is based on significant assumptions and is therefore subject to significant risk of misstatement, we consider this area to be a key audit matter.

Our audit work and observations

We gained understanding of and evaluated Brill's process of valuation of intangibles and obtained the impairment tests prepared by the Company. We challenged and questioned the assumptions and estimates used in the impairment tests, including the determination of CGUs and the allocation of assets to CGUs. In challenging and questioning management board's judgements and assumptions, we evaluated whether there are biases that could represent a risk of material misstatement due to fraud.

We reconciled growth percentages used to the management board's strategic plan and compared these to historical growth percentages. We compared the current year actual results with prior year forecasts of 2022 figures. We considered whether these prior year forecasts contained assumptions that, with hindsight, were too optimistic. With the assistance of our valuation experts, we assessed the determination of the discount rate and terminal growth rate and assessed whether these rates used are reasonable and supportable. We also performed sensitivity analyses of value-in-use for different discount rates and different terminal growth rates.

As part of enhanced 'stand back' requirements, we evaluated the audit evidence obtained, including both corroborative as well as contradictory evidence. Based on the results of the impairment assessment performed as at 31 December 2022, an impairment charge of €1,6 million was recognised in relation to goodwill and/or intangible assets within the CGUs HIS, LLA and LAW.

Based on the procedures performed we assessed the valuation of intangible assets and goodwill to be supported with available evidence.



Acquisition of Wageningen Academic Publishers

Refer to the 'Introduction by the Management Board' in the management board's report and 'Business combinations' (note 3) in the financial statements.

On 15 April 2022, Brill acquired all shares of WAP and obtained control on that date. As disclosed in note 3 to the consolidated financial statements, the acquisition is accounted for as a business combination, which required significant and more complex judgements from management, including but not limited to determination of the fair values of assets acquired and liabilities assumed at the acquisition date (i.e., an allocation of the purchase price of €2,500 thousand in accordance with IFRS 3). The company completed the purchase price allocation for WAP with the assistance of external experts.

The recognition, measurement, and disclosure of this acquisition in the 2022 financial statements was considered a key audit matter due to its significance, accounting complexity and level of judgement required in choosing appropriate assumptions, for example in the valuation of intangible assets and goodwill.

As part of our audit procedures, we assessed the process that management has undertaken to determine the allocation of the purchase price including but not limited to understanding the scope of work and assessing the qualification and competence of the valuation expert engaged by the group.

We audited in close cooperation with our valuation experts the purchase price allocation and the fair value calculations of the intangible assets identified. We challenged assumptions made by the management by using external benchmarks.

Our valuation experts assessed management's calculation of the discount rate and whether the discount rate used is consistent with observable market data. We found that the discount rate used by management was within an acceptable range. We reconciled growth percentages used to the budget of the management and compared these to historical growth percentages and sector information.

Finally, we assessed the adequacy of the disclosures for the business combinations in the notes to the financial statements.

Based on the audit procedures performed, we found management's estimates and judgement used in the fair value calculations to be supported by available evidence.



Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The management board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Koninklijke Brill N.V. on 13 May 2015 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 13 May 2015. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of eight years.

European Single Electronic Format (ESEF)

Koninklijke Brill N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partially) marked-up consolidated financial statements, as included in the reporting package by Koninklijke Brill N.V., complies in all material respects with the RTS on ESEF.

The management board is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the management board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Koninklijke Brill N.V. - CZ4VCFN7DWER-1580171013-46

Page 12 of 16



We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

We have not provided any services in addition to the audit to the Company and its controlled entities, for the period to which our statutory audit relates.

Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.



Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Utrecht, 12 April 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by W.F.J. Vermeulen RA



Appendix to our auditor's report on the financial statements 2022 of Koninklijke Brill N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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 the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.



We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

REPORT OF STICHTING ADMINISTRATIEKANTOOR KONINKLIJKE BRILL (BRILL'S TRUST OFFICE)

General

Of the total number of outstanding shares as of 31 December 2022 (nominal value of 0.60), 1,834,463 registered depository receipts were issued and 39,981 registered shares were included in the shareholders' register. The registered depository receipts have been registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Nederland). The work associated with the administration of the shares is performed by IQ EQ Netherlands N.V. (Hoogoorddreef 15, 1101 BA Amsterdam), the trust office's administrator. The costs of administration amounted to 43 thousand in 2022 (53 thousand in 2021). The trust office's chairman receives a remuneration of 9 thousand on an annual basis and the other two board members each receive a remuneration of 7.5 thousand on an annual basis.

Activities

The Board met in person on 14 April 2022. During this meeting, the 2021 Annual Report and financial statements, the company's strategy and its implementation, the general course of events within the company and the succession of the CEO were discussed. Given the desire for continuity in the Board, the Board unanimously resolved to re-appoint Mr. Kuiper as a Board member, for a term of two years. In addition, the agenda for the General Meeting of Shareholders was discussed. The decision was made to refrain from voting in relation to all motions tabled, such in accordance with the trust office's voting policy as set out in the following section. Prior to this Board meeting, the Board had meetings with the management board of the company and the chairman of the Supervisory Board jointly, as well as with each of them separately. During these meetings, the company's management board and the chairman of the Supervisory Board gave an explanation about Brill's strategy and operational and financial performance and the succession of the CEO.

In the company's General Meeting of Shareholders, which took place on 25 May 2022, 97.8% of the company's issued capital was represented. The trust office granted authorization to holders of 63.3% of all depository receipts to vote independently on the shares for which they held the depository receipts. The trust office refrained from exercising the right to vote on the shares for which no voting instruction was issued, in accordance with its earlier decision. For the depository receipts of shares for which the trust office received a voting instruction, the trust office has cast a vote in the meeting.

Further, the chairman of the Board had an introductory meeting with the CEO to be appointed. Separately, the Board had various telephone and email discussions on inter alia the (consequences of the) administration of Brill's main distributor, Turpin.

In advance of the company's extraordinary General Meeting of Shareholders, which took place on 14 December 2022, the Board had various (telephone) discussions on the composition of the company's Supervisory Board. The Board decided to refrain from voting in relation to all motions tabled, such in accordance with the trust office's voting policy.

In the company's extraordinary General Meeting of Shareholders, 97.9% of the company's issued capital was represented. The trust office granted authorization to holders of 55.8% of all depository receipts to vote independently on the shares for which they held the depository receipts. The trust office refrained from exercising the right to vote on the shares for which no voting instruction was issued, in accordance with its earlier decision. For the depository receipts of shares for which the trust office received a voting instruction, the trust office has cast a vote in the meeting.

Board Composition

On 31 December 2022, the composition of the trust office's Board was as follows:

Name	Appointed	In office until	Position
Marco P. Nieuwe Weme, Prof. LL.M.	2020	2024	Chairman
Joost C. Kuiper, LL.M.	2018	2022	Member
Leni M.T. Boeren, MSc	2020	2024	Member

Corporate Governance; Voting Policy

The trust office's Board does not adhere to the principle of the current Dutch Corporate Governance Code regarding the protective nature of the depository receipts. The trust office's Board adopts this stance, because it believes proper protection against any hostility is of vital importance to a company like Brill, which is a relatively small and profitable publisher active in an industry that is in consolidation.

The trust office will always issue voting proxies to depository receipt holders or accept binding voting instructions from them for meetings of shareholders, except in the situations referred to in Section 118a, subsection 2, of Book 2 of the Dutch Civil Code. The same procedure will apply to any revocation of a proxy that has already been issued. In accordance with its voting policy, the trust office refrains from voting, unless explicitly mandated to do so by holders of depository receipts of shares. This policy applies to ordinary voting situations and may be adapted in the case of special situations.

The Board is prepared to give depository receipt holders the opportunity to make recommendations in the event of board vacancies. The Board will take such recommendations into account when making decisions, unless, if, in the opinion of the Board, a nominated candidate does not believe in the importance of the protective function of the depository receipts as described above. Further, the Board will use the most practical working procedure possible with respect to any recommendations. This means that, each year, the trust office's report will give notice of any vacancy that will arise in the subsequent year so that depository receipt holders can make any recommendations known outside meetings.

The Board observes the current Dutch Corporate Governance Code with the exception, however, of the way in which it exercises its right to vote. Contrary to the Dutch Corporate Governance Code, the following provision is observed: 'The trust office shall exercise the rights attached to the shares in such a manner as to ensure that the interests of the company and its business and all parties involved are safeguarded to the greatest extent possible.' The Board believes that its position with respect to maintaining the protective nature of the depository receipts for shares means that the interest of depository receipt holders cannot be the sole or dominant interest when votes are cast. In normal circumstances, the Board is of course always prepared to listen to depository receipt holders and take the opinions that they have expressed into account. This also means that the Board will attend the company's shareholders' meetings and, if required and applicable, make a statement regarding intended voting behaviour. Except in the event of special circumstances, the Board does not intend to convene meetings of depository receipt holders.

Declaration of Independence

The Board of Stichting Administratiekantoor Koninklijke Brill hereby declares that, in its opinion, the requirements that apply to the independence of the trust office as referred to in Section 5:71, subsection 1 under d, of the Financial Supervision Act have been met.

Leiden, 12 April, 2023

Stichting Administratiekantoor Koninklijke Brill
The Board

REPORT OF STICHTING LUCHTMANS

The purpose of Stichting Luchtmans, a foundation named after the founder of the Company, is to serve the interests of the company, the businesses it maintains, as well as affiliated companies, and the businesses they maintain all within a group (together referred to as the ‘Company’), in such a way as to ensure that their interests, including the interests of all related parties, are safeguarded against circumstances that could adversely affect the independence and/or the continuity and/or the identity of the Company. Stichting Luchtmans endeavours to achieve its objectives by acquiring and managing cumulative preference shares in the capital of the company and by exercising the rights attached to those shares, in particular the voting rights.

In the event of hostile action or imminent hostile action against the company, Stichting Luchtmans can exercise the call option granted to it, to take a number of cumulative preference shares equal to, at most, 100% of the shares and depository receipts issued at the time at which the option is exercised less one share. When the option is exercised, only 25% of the total nominal amount has to be paid up. The exercise price is equal to the nominal value. Stichting Luchtmans and the company have agreed that the option may be exercised up to 100% of the issued capital if and as long as shares and depository receipts are listed on the Euronext Amsterdam N.V. exchange.

At the end of 2022, the composition of the foundation’s Board was composed as follows:

Name	Appointed	Current term until	Position
Hélène Vletter-van Dort, Prof. LL.M	2018	2024	Chair
Herman A. Pabbruwe, Drs.	2022	2025	Member
Tanja Bender, Prof. LL.M	2017	2023	Member
Nico Schrijver, Prof. LL.M	2020	2023	Member

The Board of the foundation aims to meet at least once a year, and did so on 21 April 2022. At this meeting, the following topics were discussed: the company’s 2021 results, the implementation of the strategy, financing, acquisitions, market developments, and the general course of business. Also, recent developments in the management of the company were discussed.

At the end of the meeting Drs. Ing. Herman Spruijt stepped down as member and vice-chair of the Board after having served since May 2001. The Board would like to thank Herman for his invaluable and constructive contribution during all those years. Herman’s profound knowledge of and insights in the publishing industry have been hugely beneficial to the Board.

The Board was very pleased that Herman Pabbruwe was willing to be appointed as Herman Spruijt’s successor. Herman has made his career in the publishing world and has served as CEO of Brill from 2004 – 2018. The Board appointed Mr. Pabbruwe for a first term of three years.

Declaration of Independence

The Board of Stichting Luchtmans hereby declares that, in its opinion, the requirements applicable to the independence of the directors of Stichting Luchtmans as referred to in Section 5:71, subsection 1 under c, of the Financial Supervision Act, have been met.

Leiden, 12 April, 2023

Stichting Luchtmans,
The Board

ABOUT THIS ANNUAL REPORT

This annual report is available under
<https://brill.com/page/InvestorRelations/investor-relations>.



14.5 Unaudited condensed consolidated interim financial information for the six month period ended 30 June 2023



Koninklijke Brill N.V.

**Half Year Report 2023 –
Unaudited (Revised)**

21 December, 2023

Brill reports solid operational results in HY 2023 after successfully rebuilding its global distribution

Key Figures (in thousands of euros)	2023 H1	2022 H1	Change
Revenue	24,408	23,893	2.2%
Gross profit	17,756	17,120	3.7%
EBITDA	2,398	2,588	-7.3%
Acquisition, integration and restructuring costs	307	434	-29.3%
Operating profit	232	1,084	-78.6%
Profit attributable to shareholders of Koninklijke Brill NV	-133	906	-114.7%
Earnings per share (EPS)	-0.07	0.48	-114.7%
Key Performance Indicators			
Organic growth (excluding acquisition and currency effects)	0.1%	11.9%	
EBITDA margin	9.8%	10.8%	

NOTE: The information in this report is based on unaudited interim financial statements.

Highlights

- Revenue up 2.2% compared to strong HY 2022, including acquisitions and currency effect
- Organic revenue growth flat due to decline in print book revenue
- Strong growth in journal revenue due to improved renewal rates
- Global distribution fully operational since mid-June
- Integration of Wageningen Academic and V&R on schedule
- Net profit includes V&R acquisition integration costs of 307 thousand
- Net loss due to increased amortization on Publishing Rights

Peter Hendriks, CEO commented:

“The first half of the year Brill realized 2.2% sales growth compared to 2022. Autonomous growth was still affected by the aftermath of migrating to a new distribution partner. To further improve the accessibility of content for a global academic audience, Brill keeps on focusing on direct selling eBooks packages and the transition to Open Access offerings. With distribution back on track, supported by robust title and article output, the outlook for this year is positive, at the same time much will depend on the developments in the final quarter.”

Developments in the first half year

Digital transformation

Brill keeps on making more high quality content available for a broader academic audience by offering a second book archive and further growing a successful open access program for journals as well as books.

Brill continues its program of digital transformation by finalizing infrastructure improvements and moving towards a FinOps organized IT organization to maximize business value of our cloud environment. Brill closely follows the market around Artificial Intelligence and started to experiment with language models for various projects, for example author services.

Distribution update

Since mid-June Brill's global distribution channels have been fully operational again. After the insolvency of its previous distributor in October 2022, Brill rebuilt its global distribution of books and journals with new partners: Air Business in the UK, Baker & Taylor Publisher Services in the US, and Centraal Boekhuis in the Netherlands. All books and journals are available to order. The backlog in delivery of print books and print journals is expected to be resolved during Q3.

Integrations

The integration of Wageningen Academic, which was acquired in April 2022, has been going as planned and is almost completed. The integration of V&R and Böhlau has been progressing as scheduled and will be finalized in 2024 as expected, resulting in structural cost savings.

Financial review

Revenue development

Revenue growth by publication format was as follows:

Revenue growth by publication format (in thousands of euros)	Revenue H1	% of Total growth	Organic Growth
Total revenue 2022	23,893		
Print books	-549	-2.3%	-5.6%
eBooks	-263	-1.1%	-3.9%
Journals	485	2.0%	8.4%
Primary sources	356	1.5%	38.4%
Organic revenue 2023	23,923	0.1%	0.1%
Acquisitions	357	1.5%	
Currency	128	0.5%	
Total revenue 2023	24,408	2.2%	

In H1 2023 print book revenue declined organically by -2.3%, partly related to the distribution situation after the insolvency of Brill's previous distributor last year, but also due to lower-than-expected output of book titles in the first half year. We anticipate closing a large part of this gap in H2.

eBook revenue shows a modest organic decline in revenue versus H1 2022, however, the result is above our expectations. Last year H1 was exceptionally strong, and we assume full-year growth to be in line with budget. The journal renewals improved compared to 2022 resulting in an organic growth of 2.2%. Revenue from the sale of primary source collections increased, driven by new products and customer interest. Total organic revenue was flat versus H1 2022 but in line with management expectations.

On April 15, 2022 Brill acquired all shares of Wageningen Academic Publishers BV. In Brill's H1 2023 revenue the months January – April 2023 from the Wageningen acquisition are still reported as an acquisition effect as V&R revenue was included for May-June in H1 2022. The currency effect mainly relates to USD transactions.

Revenue by region was as follows:

Revenue growth by region (thousands of euros)	Revenue H1	% of Total growth	Organic Growth
Total revenue 2022	23,893		
Western Europe	-342	-1.4%	-2.8%
North America	389	1.6%	4.2%
Asia Pacific	34	0.1%	1.9%
Other	-52	-0.2%	-8.9%
Organic revenue 2023	23,923	0.1%	0.1%
Acquisitions	357	1.5%	
Currency	128	0.5%	
Total revenue 2023	24,408	2.2%	

Revenues in Western Europe show a decline due to lower print book sales in mainly the DACH countries. North America revenues are up as a result of eBook sales and Primary Sources deals with US based universities. Digital revenue as a percentage of overall revenue increased to 61% from 59% in HY 2022.

Cost of goods sold

The gross margin improved to 72.7% from 71.7% last year, due to the product mix of Brill's H1 2023 revenue together with ongoing focus on efficiencies and cost savings.

Selling, general and administrative expenses

Underlying (excluding the effect of acquisitions and exceptional items) sales, general and administrative expenses increased compared to 2022 in line with management expectations.

Balance sheet – Publishing Rights

After the 2022 impairment of Goodwill and Publishing Rights, Brill did an assessment on the Publishing Rights that had a indefinite lifetime at year end 2022 (total value of approximately 15 million). The conclusion of this assessment is that Brill has changed the lifetime expectations to 10-20 years. This change leads to a 0.7 million additional amortization in H1 2023 including 0.2million one-off, and another 0.5 million in H2. Total additional amortization in future years will be approximately 1.0 million.

Balance sheet – Working Capital

The H1 movement in working capital -1.8 million was mainly caused by a decrease in accounts payable and accruals made at year-end in relation to the insolvency of our main distributor in Q4 2022. Now that distribution is operational again, working capital is also back to historic patterns.

Risk management

No significant changes occurred in the company's assessment of relevant risks since the publication of the annual report 2022.

Outlook

With distribution back on track, supported by robust title and article output, the outlook for this year is positive, at the same time much will depend on the developments in the final quarter.

Responsibility statement

The Half Year Report 2023 is an accurate account of assets and liabilities, the financial position and the profit of Koninklijke Brill N.V. and the entities which are included in the consolidation. Also the Half Year Report is an accurate account of the situation on the balance date, the state of affairs during the first half of the fiscal Koninklijke Brill N.V., Half Year Report 2023 - Unaudited (Revised)

year of Koninklijke Brill N.V. and that of the entities whose data are included in the Half Year Report. Special attention is paid to investments and to the circumstances on which revenues and profitability depend. Please note that the figures per 30 June, 2023 have not been reviewed nor audited by our auditors.

Leiden, 29 August, 2023

The Management Board

Peter Hendriks, CEO

Jasmin Lange, CPO

Wim Dikstaal, CFO

Contact: Peter Hendriks, Chief Executive Officer (Peter.Hendriks@brill.com)

About Brill

The contents of this press release may contain inside information as defined in article 7 of the EU Market Abuse Regulation 596/2014. Founded in 1683 in Leiden, the Netherlands, Brill is a leading international academic publisher in the Humanities, Social Sciences, International Law, and Biology. With offices in the Netherlands, Germany, Austria, the USA and Asia, Brill today publishes more than 360 journals and 2,000 new books and reference works each year as well as a large number of databases and primary source research collections. Commitment to Open Access and the latest publishing technologies are at the core of Brill's mission to make academic research available for the scholarly community worldwide. The company's key customers are academic and research institutions, libraries, and scholars. Brill is a publicly traded company and is listed on Euronext Amsterdam NV. For further information, please visit brill.com.

Consolidated statement of financial position

In thousands of euro's

	30-06-2023 (Unaudited, Revised)	31-12-2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment [6]	1,051	1,144
Right of use assets	5,913	5,470
Intangible assets [6]	36,365	37,025
Financial assets	283	283
Deferred tax assets	373	370
	<u>43,985</u>	<u>44,292</u>
Current assets		
Inventories [7]	4,250	4,569
Trade and other receivables	7,603	8,535
Income tax	437	412
Derivative financial instruments [8]	54	54
Cash and cash equivalents	1,656	3,701
	<u>13,997</u>	<u>17,271</u>
TOTAL ASSETS	<u><u>57,985</u></u>	<u><u>61,563</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of Koninklijke Brill N.V.		
Share capital	1,125	1,125
Share premium	343	343
Retained earnings	18,338	18,471
Other reserves [8]	-262	-226
Total equity	<u><u>19,543</u></u>	<u><u>19,713</u></u>
Non-current liabilities		
Interest bearing loans	4,399	5,193
Lease liabilities	5,102	4,962
Deferred tax liabilities	4,495	4,495
	<u>13,997</u>	<u>14,650</u>
Current liabilities		
Interest bearing loans	1,588	1,588
Trade and other payables	10,654	14,046
Deferred income	10,841	10,484
Lease liabilities	868	588
Provisions	495	495
Derivative financial instruments [8]	-	-
Income tax	-	-
	<u>24,445</u>	<u>27,200</u>
Total liabilities	<u><u>38,442</u></u>	<u><u>41,851</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>57,985</u></u>	<u><u>61,563</u></u>

Consolidated statement of profit or loss and other comprehensive income for the six months end June 30 2023

In thousands of euro's

	2023 H1 (Unaudited)	2022 H1 (Unaudited)
Revenue [9]	24,408	23,893
Cost of goods sold	-6,651	-6,774
Gross profit	17,756	17,120
Expenses		
Selling and distribution expenses	-3,600	-3,763
General and administrative expenses	-13,923	-12,273
Operating profit	232	1,084
Finance income	6	242
Finance expenses	-416	-132
Profit before income tax	-177	1,193
Income tax [10]	44	-287
Profit for the period attributable to shareholders of Koninklijke Brill N.V.	-133	906
Other comprehensive (expense) income - items that might be reclassified to future profit or loss statements		
Exchange rate differences in translation of foreign operations	-36	20
Net gain or loss on cash flow hedges	-	32
	-36	52
Income tax relating to these items	-	-8
Other comprehensive income for the period attributable to shareholders of Koninklijke Brill N.V.	-36	44
Total comprehensive income for the period attributable to shareholders of Koninklijke Brill N.V.	-169	950
Earnings per share (in euros)		
Basic and diluted earnings per share attributable to shareholders of Koninklijke Brill N.V.	-0.07	0.48



Consolidated statement of cash flows for the six months

ended June 30, 2023

In thousands of euros

	30-06-2023 (Unaudited)	30-06-2022 (Unaudited)
Cash flow from operating activities		
Profit before income tax	-177	1,193
<i>Adjustments for</i>		
Amortization and depreciation fixed assets	1,933	1,071
Amortization content	1,648	1,947
Finance income and expense – net	410	-109
Differences in FX rates	-158	-
<i>Change in operating assets and liabilities</i>		
Change in operating working capital	-1,773	2,183
Cash generated from operations	1,883	6,285
Interest paid(-)/received	-288	-127
Income tax paid(-)/received	-35	-94
Net cash flow from operating activities	1,560	6,064
Cash flows from investing activities		
Investment in property, plant and equipment	-73	-303
Investment in intangible assets (non-content)	-757	-539
Investment in Content	-1,513	-1,826
Investment in financial fixed assets	-	-25
Payments for acquisitions, net of cash acquired	-	-1,991
Net cash flows used in(-) investing activities	-2,343	-4,683
Cash flows from financing activities		
Dividend paid to company shareholders [12]	-	-1,687
Interest bearing loans	-	-
Redemption Interest bearing loans	-794	-794
Redemption lease liabilities	-469	-528
Net cash flow from/used in(-) financing activities	-1,263	-3,009
Net cash flow	-2,045	-1,628
Cash and cash equivalents as per 1 January	3,701	5,439
Net cash flow	-2,045	-1,628
Cash and cash equivalents as per 30 June	1,656	3,811

Consolidated statement of changes in total equity as
of June 30, 2023
In thousands of euros

	Share capital	Share Premium	Retained Earnings	Currency Translation reserve	Cash flow hedge reserve	Total equity
Balance as per January 1, 2023	1,125	343	18,471	-267	41	19,713
Total comprehensive income for the period						
Profit for the period	-	-	-133	-	-	-133
Other comprehensive income	-	-	-	-36	-	-36
Total comprehensive income for the period	-	-	-133	-36	-	-169
Dividend paid over prior year	-	-	-	-	-	-
Total contribution by and distribution to owners	-	-	-	-	-	-
Balance as per June 30, 2023 (unaudited)	1,125	343	18,338	-303	41	19,543
Balance as per January 1, 2022	1,125	343	23,623	-303	-4	24,783
Total comprehensive income for the period						
Profit for the period	-	-	906	-	-	906
Other comprehensive income	-	-	-	20	24	44
Total comprehensive income for the period	-	-	906	20	24	950
Dividend paid over prior year	-	-	-1,687	-	-	-1,687
Total contribution by and distribution to owners	-	-	-1,687	-	-	-1,687
Balance as per June 30, 2022 (unaudited)	1,125	343	22,842	-283	20	24,047

Notes to the Unaudited Condensed Consolidated interim financial statements

1. Reporting entity

The condensed consolidated interim financial statements were authorized for issue by the Supervisory Board and Management Board on 29 August, 2023. Koninklijke Brill N.V. is incorporated in the Netherlands and has its headquarters in the Netherlands. Its registered depository receipts are publicly traded at Euronext in Amsterdam.

2. Accounting policies and estimates

This report has been prepared in accordance with IAS34 as adopted by the European Union. There are no relevant changes in the basis of preparation of Brill's financial statements. A number of amended standards became applicable for the current reporting period. These amended standards did not impact the Group's equity and result.

3. No audit or review applied

The condensed consolidated interim financial statements for the six months ended June 30, 2023 have not been audited nor reviewed by an independent financial auditor.

4. Seasonality

In general, most revenue is recorded in the second half of the year. In general the costs develop more equally throughout the year which generally results in a favorable development of the profit in H2.

5. Fixed Assets

In the first half of the year, investments are made in property, plant and equipment assets for EUR 73 thousand (2022 EUR 303 thousand) and an amount of EUR 757 thousand (2022: EUR 539 thousand) was invested in information systems (intangible assets). EUR 1,513 thousand (2022: EUR 1,826 thousand) has been invested in Capitalized content.

After the 2022 impairment of Goodwill and Publishing Rights, Brill did an assessment on the Publishing Rights that had a indefinite lifetime at year end 2022 (total value of approximately EUR 15 million). The conclusion of this assessment is that Brill has changed the lifetime expectations to 10-20 years. This change leads to an additional amortization in H1 2023 of approximately EUR 700 thousand (including approximately EUR 200 thousand one-off) and another approximately EUR 500 thousand in H2. Total additional amortization in future years will be approximately EUR 1,000 thousand per year.

Goodwill has developed as follows:

Goodwill (in thousands of euros)	30-06-23
Carrying amount as at 1 January 2023	4,692
Acquired through business combinations	-
Carrying amount as at 30 June 2023	4,692

6. Inventories

Inventories includes physical stock and Work in Progress.

The value of the inventories includes an adjustment for obsolete inventory. In the first six months of the year this provision increased by EUR 142 thousand (2022 H1: EUR 1 thousand).

7. Financial instruments

Fair Value (in thousands of euros)	30-06-23 (Unaudited)	30-06-22 (Unaudited)
Financial assets		
Currency forward agreements	-	-
Interest rate swap	54	26
Total	54	26

Hedging

The interest rate risk on part of Brill's long-term loans is eliminated by using an interest rate swap which covers the full amount to maturity of the loan.

8. Segment information and revenue

Revenue per product type is as follows:

Revenue by product type (in thousands of euros)		
	2023 H1	2022 H1
Print books	7,801	8,121
eBooks	8,900	9,081
Journals	6,417	5,766
Primary sources	1,290	926
Total	24,408	23,893

Revenue per region is as follows:

Revenue by region (in thousands of euros)		
	2023 H1	2022 H1
Western Europe	11,760	12,220
North America	10,329	9,260
Asia Pacific	1,799	1,827
Other	520	586
Total	24,408	23,893

The publishing activities of Brill are divided into 3 business units which management considers to be reportable business segments. The segments are:

- LRSL: Law, Regional Studies & Linguistics (including former PUs LAW, LLA and MIA);
- RHB: Religion, History & Biology (including former PUs HIS and ARC);
- DACH: the business operations contained under Brill Deutschland GmbH and Brill Österreich GmbH, notably the imprints Ferdinand Schöningh, Wilhelm Fink, mentis, VandenHoeck&Ruprecht and Böhlau.

EBITDA per Business Unit is calculated based on direct EBITDA contribution minus allocated group services and overhead costs.

Segment revenue and results (in thousands of euros)					
Business unit	LRL	RHB	DACH	Group	Total
Revenue					
Six months ended 30 June, 2023	8,124	10,109	5,464	711	24,408
Six months ended 30 June, 2022	8,248	10,044	5,602	-	23,893
EBITDA Contribution					
Six months ended 30 June, 2023	4,938	6,024	2,315	-10,879	2,398
Six months ended 30 June, 2022	4,806	6,185	2,458	-10,861	2,588

9. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

10. Earnings per share

Earnings per share	2023 H1 (Unaudited)	2022 H1 (Unaudited)
Profit for the period ended 30 June	-133	906
Weighted average number of ordinary shares for basic earnings	1,874,444	1,874,444
Basic/Diluted profit per share for the period ended 30 June attributable to ordinary shareholders of Koninklijke Brill NV	-0.07	0.48

11. Dividends paid

Dividend declared and paid during the period ended 30 June, 2023	2023 H1 (Unaudited)	2022 H1 (Audited)
Dividend on ordinary shares for 2022: 90 cents per share (for 2021: 100 cents per share)	-	1,687

12. Reconciliation of non-GAAP information

Brill management is of the opinion that an understanding of the company's performance is enhanced by using the Non-GAAP measure EBITDA. EBITDA makes the underlying performance of the businesses more transparent by excluding the depreciation of tangible assets and the amortization and impairments on intangible assets, and extra-ordinary costs for (the integration of) acquisitions restructuring costs. In this note, EBITDA is reconciled to Operating profit.



Reconciliation of Revenue and profit before tax (in thousands of eu)	2023 H1 (Unaudited)	2022 H1 (Unaudited)
Revenue	24,408	23,893
Cost of goods sold	6,651	6,774
Selling & distribution costs	3,600	3,763
General & administrative costs *)	11,758	10,768
EBITDA	2,398	2,588
Acquisition, integration and restructuring costs	307	434
Depreciation and Amortization	1,859	1,070
Operating profit	232	1,084

*) excl. depreciation, amortization and cost related to acquisitions,, integration and restructuring.

13. Events after Balance Sheet date

No material events took place after balance sheet date.

14.6 Independent auditor's review report of PwC on the condensed consolidated interim financial information for the six-month period ended 30 June 2023



Review report

To: the general meeting and the supervisory board of Koninklijke Brill N.V.

Introduction

We have reviewed the accompanying unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2023 of Koninklijke Brill N.V. (also referred to as 'the Half Year Report 2023 - Unaudited (Revised)'), Leiden, which comprises:

- the consolidated statement of financial position as of 30 June 2023;
- the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2023.
- the consolidated statement of changes in total equity as of 30 June 2023;
- the consolidated statement of cash flows for the six months ended 30 June 2023;
- the selected explanatory notes to the unaudited condensed consolidated interim financial statements.

The management board is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this unaudited condensed interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2023, is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

NLE00029321.1.1

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Corresponding figures not audited or reviewed

The unaudited condensed interim consolidated financial information for the six-month period ended 30 June 2022 ('Half Year Report 2022 - Unaudited') are not audited or reviewed. Consequently, we have not audited or reviewed the corresponding figures included in the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in total equity, the consolidated statement of cash flows and the selected explanatory notes to the unaudited condensed consolidated interim financial statements.

Utrecht, 21 December 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by W.F.J. Vermeulen RA