Annual General Meeting of Shareholders

Leiden, 16 May 2019

#HumanitiesMatter
This presentation contains forward-looking statements with regard to the financial position and results of BRILL’s activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond BRILL’s ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in customer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of services purchased, interest rate and foreign exchange fluctuations, change in tax rates, changes in law and the actions of government regulators. These and other risk factors are detailed in BRILL’s publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. BRILL does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.
Brill in 2018

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Brill in 2018

• Journals grew 6%
  – Print books down 6.3%
• Gross margin up to 67.8%
  – Operating expenses en personnel costs up
• Smooth launch and migration to Brill.com
  – Delayed by 8 months
• New Mission and strategy update
  – Capacity problems in Finance
New Mission Statement

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New Mission Statement

“We operate from a strong belief that the Humanities, Social Sciences and International Law are areas of scholarship vital for addressing today’s global challenges. This belief motivates us to offer our authors the best possible service and infrastructure to disseminate their research. In order to advance discovery and learning we are keen to support scholars by providing them with access to the finest research tools and reference works in their fields. The relevance and high quality of the works we publish is key to the sustainability of our business.”

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Expand market position
- Build on leading positions
- Expand to adjacencies
- From products to (author) services

Develop market presence
- Expand sales force
- Focus on flagship themes
- Expand regional marketing

Invest in finance & operations
- IT Infrastructure
- Content production
- Product & Data distribution
- Management information

Publishing Excellence

Profit Improvement

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Marketing

- Focus on relevance and new mission
- Promotion of flagship themes and author services
Profit Improvement

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Publishing Excellence

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Sales

• Regional marketing to support sales in China, India, US & EU

• Consortia sales and transformative deals
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Publishing Excellence
#HumanitiesMatter
Discover Together

Welcome to the new Brill website! Take a tour of our new website combining our corporate website, product information, E-Books and E-Journals in one place.

**Simplicity** – Clear, easy to use interface.

**Integrated search** – Content discoverable on one platform.

**Ease of use** – Improved search refinement. Easily accessed on mobile devices.

Browse
Profit Improvement
# 2018 Key Figures

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In EUR m</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>36.0</td>
<td>36.4</td>
</tr>
<tr>
<td>Organic growth</td>
<td>-0.1%</td>
<td>3.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>ROIC</td>
<td>8.8%</td>
<td>11.1%</td>
</tr>
<tr>
<td>EPS</td>
<td>1.23</td>
<td>1.21</td>
</tr>
<tr>
<td>Dividend / share</td>
<td>0.85</td>
<td>1.32 + 3.00</td>
</tr>
</tbody>
</table>

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Revenue development

Revenue by Media Format:
- 2018: 19.0
- 2017: 18.3

Revenue by Publication Type:
- 2018:
  - Books: 24.6
  - Journals: 1.2
  - Other: 1.3
- 2017:
  - Books: 25.6
  - Journals: 10.2
  - Other: 9.5

Revenue by Geography:
- 2018:
  - N. America: 17.7
  - Europe: 12.6
  - RoW: 5.6
- 2017:
  - N. America: 16.7
  - Europe: 13.7
  - RoW: 6.0

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EBITDA development

Double running cost brill.com
Finance interim support & audit fees

2017  Revenue  CoGS  PeCo  OpEx  2018  One Offs  Recurring
4.2   -0.4    1.0  -0.8  -0.4  3.6   0.5    4.1

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Profit Improvement Plan

• Profit improvement plan launched and announced in 2018
• On track to deliver 0.7m in savings in 2019
• Actions include:
  • personnel costs
  • office costs
  • production costs
  • subscriptions
  • software licenses
Dividend development

Dividend per share, in EUR

- Ordinary Dividend
- Extraordinary Dividend

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Publishing Excellence

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**Publishing Excellence**

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Open access, mooi! Maar hoe dan?

Wetenschappelijk publiceren Het plan van de Europese wetenschapsfinanciers om snel open access in te voeren leidt tot onrust.
Publishing Excellence

• Relevance
• Quality
• Partnership
• Service
• Impact
List Development 2018/19

1,200+ books

287 journals

180 databases

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List Development 2018/19

1,200+ books + 6%

287 journals + 11%

180 databases + 8%

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Book program 2019/20

• Smaller reference works and handbooks
• Open access book series

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Journal program 2019/20

- Journal transfers instead of start-ups
- Open access journals

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Online program 2019/20

• Brill’s Digital Book Archive
• Primary source collections & scholarly editions

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Discover Together - Scholarly Editions

Welcome to the new Brill text editions website! Take a tour of our new website combining product information, digital editions, matching translations, commentary and references in one place.

- **Simplicity** – Clear, easy to use interface.
- **Integrated search** – Content discoverable on one platform.
- **Ease of use** – Improved search refinement. Easily accessed on mobile devices.

Browse
Post exploratam aedilitatem exercitus uno pariete ardore imperitabilem principem superari non posse duxit usitato clamore testati. / Iulianus summam se finem imponentium maturius credens, † extracta quieta nocturna iterantur senare litus iubet praestriecti omnibus, quae difficultates aediles belli possebam, candente luce Assyrios fines ingressus celso praetor alias spiritu obsequitam ordinibus aemulatione sui cunctos ad officia fortitudinis incendebat. utque duxor uso et dociliter firmatus metuens, ne per locorum insolentiam insidiis caperetur occulit, aegominibus incedere quadratis exorsus est. excursores quidem quingentes et milla sensim praestriex disposuit, qui caestus gradientes ex utroque latere itidemque a fronte, ne quis repentius iruereat, prospectabant. ipse uero medios pedites regens, / quod ebat totius roboris firmamentum, deserta legiones aliquas cum
Agenda

1. Highlights of the audit process 2018
2. Conclusion of the audit 2018
3. Focus of our audit
4. Risk of fraud
5. Materiality and scope of our audit
6. Key audit matters
7. Directors’ report
# Highlights of the audit process 2018

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Plan</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>October 2018</td>
<td>November 2018</td>
</tr>
<tr>
<td>Update understanding &amp; Internal control testing</td>
<td>December 2018</td>
<td>January 2019</td>
</tr>
<tr>
<td>Final audit</td>
<td>February - March 2019</td>
<td>February - April 2019</td>
</tr>
<tr>
<td>Sign-off</td>
<td>March 2019</td>
<td>4 April 2019</td>
</tr>
</tbody>
</table>
Conclusion of the audit 2018

Unqualified auditor’s report dated 4 April 2019

• Consolidated financial statements in accordance with IFRS and BW2 Title 9

• Company accounts in accordance with BW2 Title 9
Focus of our audit

- Management override of controls (required)
- Several revenue streams with different accounting aspects
- Use of agents abroad
- Valuation of intangible assets, completeness of royalty accrual and valuation of paid royalties
- Adherence to the loan covenants introduced in 2018
- Application of IFRS 15 in 2018 and disclosure requirements in accordance with IFRS 16
Risk of fraud

• Fraud risk assessment

• Involvement of forensic specialists in our planning procedures

• Use of data analytics to select journal entries for testing

• Procedures around agents (risk of bribery & corruption)
Materiality and scope of our audit

Centralized audit approach

Materiality is set at € 151,900

We reported our audit findings > € 7,500
Key audit matters

- Deficiencies in internal control framework
- Significant assumptions in the valuation of intangible assets
- Completeness of third party revenues
Directors’ report

• The report complies with laws and regulations, based on our knowledge it does not contain any material misstatements and it is consistent with the financial statements

• Corporate governance information is in line with the code

• Relevant risks and risk management processes are described