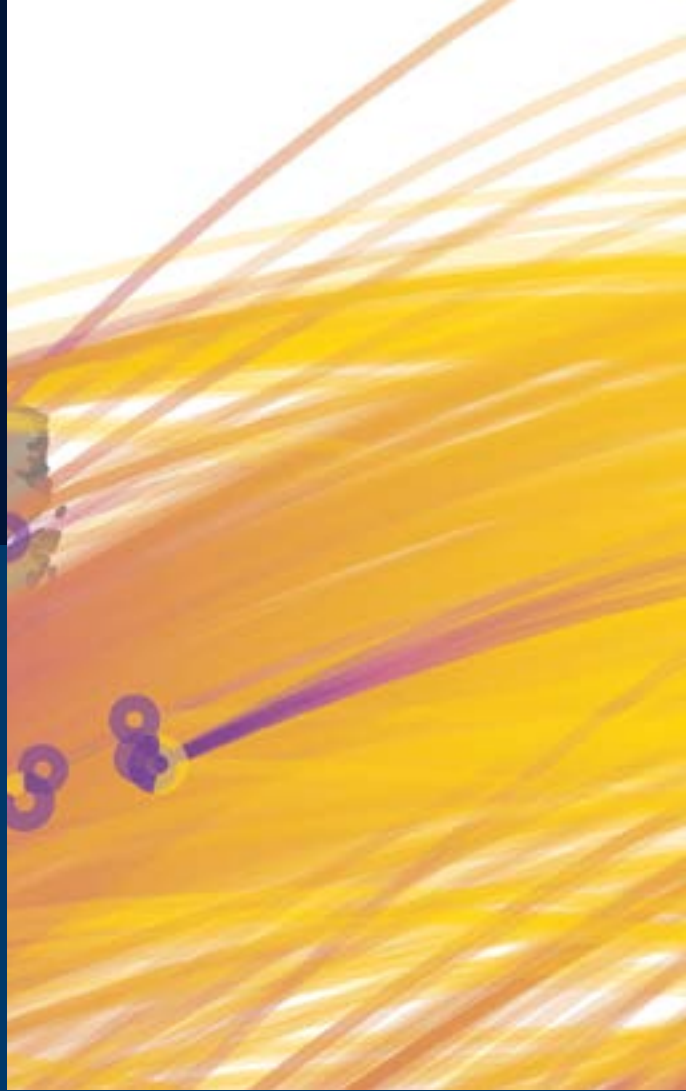
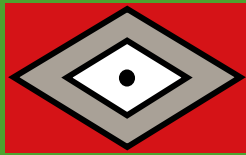


BRILL IN 2017



BRILL



Supervisory Board

Members

Steven Perrick

Catherine Lucet

Robin Hoytema van Konijnenburg

Managing Director

Herman A. Pabbruwe

KONINKLIJKE BRILL NV

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This annual report is available as PDF
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In 2017, Brill made good progress on its strategy. We expanded our market positions, increased market presence and completed our major investments. Succession planning was completed timely. Financially, 2017 was a year with mixed results. We showed healthy revenue growth, but the profit level was disappointing due to a variety of one – off effects.

We started the year with our first major acquisition in the German speaking countries; Schöningh & Fink. In August, our Asian presence was expanded by opening a representative office in Beijing to support our sales activities in China. By acquiring Sense Publishers as of 1 July, we entered a new market segment: Educational Sciences. With this acquisition we can further strengthen our presence in the field of Social Sciences.

Moreover, as part of our 'build on' strategy in the German market, we acquired mentis Verlag, effective January 1st 2018. Mentis is a small but well-known German publisher in the field of Philosophy. The program will be added to Schöningh & Fink. During the year we made good progress on the integration of Schöningh & Fink and Sense Publishing, which both contributed to 2017 profits.

Our online book sales grew with double digits in our core markets, most notably in the Americas. Our underlying global print book business was resilient, especially thanks to growth in Asia. In the US, a key print books client over-ordered for a sustained period in 2016 and 2017 due to an EDI (electronic ordering) issue, leading to high returns in 2017. The issue was uncovered in 2017 and consequently an amount of EUR 0.2 million was credited in 2017 relating to 2016. Also, the relatively fast migration in the US from print to eBooks, led to a relatively stronger decline in print book sales in that market.

Underlying we could largely maintain the overall organic growth pace of last year. In 2017, sales deals over EUR 0.1 million came in mostly in the second half of the year, rather than spread out during the year as in 2016. A positive fact is that most of these deals have renewal potential for the next few years.

The two strategic technology projects R-Suite, an editorial workflow program, and the replacement and integration of our online platforms Brill.com and Brillonline.com progressed despite a few set-backs and delays. Once fully implemented in 2018, we expect to vastly improve our on-line service and create significant value out of these investments through efficiencies in the production and e-business processes in the years to come.

EBITDA ended at EUR 4.2 million (2016: EUR 4.5 million). During 2017, we faced non-recurring items related to returns, royalty accruals and audit and acquisition related expenses. At year end we saw additional adverse developments. Costs of Goods Sold was impacted by higher product support costs towards the end of the year. Also, CoGS were impacted by changes in accounting estimates. We adjusted the pattern of amortization of our capitalized content, in line with market driven changes in the timing of benefits expected from these assets. Moreover, an increased materiality level for capitalizing content development costs added to CoGS. Both steps lead to more reasonable and balanced valuations. Going forward, we expect the growth of content amortization to abate due to significant cash savings in typesetting costs which started to materialize in 2017 thanks to our investments in content management systems. Personnel costs increased reflecting acquisitions as well as organic developments. Adjusting for the non-recurring items described above, we see positive underlying trends which help support our positive outlook for 2018 and beyond.

Despite significant capital investment, acquisition spending and lower EBITDA, year-end liquidity exceeded our expectations and amounted to EUR 3.8 million. This is the result of further improvements in working capital of EUR 0.6 million (2016: EUR 1.6 million). Excluding the effect of acquisitions, stock reduced further reflecting the integral use of Printing on Demand. Also, before acquisition effects, we saw lower receivables.

Given our cash position and the strong underlying indicators for our business we confidently propose a dividend of EUR 1.32, underlining our commitment to a stable or growing dividend. After having reviewed the capitalization and financial structure of the company, we decided to increase the leverage of the company and take bank credit. We wish to maintain access to financial resources for investments and fitting acquisitions, but our balance sheet will allow us to propose an extraordinary dividend of EUR 3.00.

Since 2015, the Management Team works on a coherent agenda, based on a strategic plan which is developed in active consultation with the Supervisory Board. The plan is primarily based on organic development and offers solid, attractive opportunities for sustainable value creation through three focus areas:

- Expand our market position
- Increase Marketing and Sales presence
- Invest in Operations

Following the scheduled handover of management in May 2018, the Management Board will consist of two statutory directors: Peter Coebergh as CEO and Olivier de Vlam as CFO and COO. Also, Jasmin Lange has been appointed Chief Publishing Officer. Together, this new Executive Committee remains committed to building on this chosen strategy. In 2018, we will focus on monetizing the investments made in 2017 and realizing the value embedded in these activities, but also on enhancing our publishing policy and Brill's internal organization.

As a publishing house, Brill has always wanted to be a mirror of its time and although changes in academic publishing are mostly gradual and evolutionary, paradigm shifts are always possible. Business models may alter over time and for instance the role of subscribing libraries may give way to sponsoring institutions in the field of Open Science and Open Access. Brill is always willing to serve its authors and users with new services and business models.

One of the possible "game changers" in academic publishing may be found in the impact of new digital research strategies. Machine reading, data mining and large scale computing are entering the Humanities and Social Sciences and open new opportunities in what is called the Digital Humanities (DH). The result of such new research is often published as an essay or an article, or even a book, but more often than not, such publications come with raw data, work files and images. All of these must be made available for verification and further research. Hence in all likelihood, new research methods will lead to new publication formats and models. Digital will become the primary format. Also, formal academic review and indeed career paths will see some change as a result.

Brill has chosen to be an early mover in this new field and decided early on to join DH projects to prepare for this new development. In our Brochure Brill in 2013 we included an article on the subject https://brill.com/fileasset/downloads_static/static_investorrelations_brill_in_2013.pdf and now, five years later, we found it appropriate to report on progress made. For the DH these are still early days, but Brill has taken steps to be perceived as a pro-active publisher by the scholarly communities we serve.

In 2017 one of our publishing directors, Marti Huetink, was appointed program director DH (part-time) with the task to spearhead and coordinate Brill's exploratory activities in the DH. I owe Marti a debt of gratitude for

his contributions and for writing a progress report for this brochure. The cover of this brochure and that of our traditional notebooks refer to applications we are developing in the area of geographical information systems, one of the key technologies which will have a serious impact on the work we do.

In 2017 we further developed our policies on Corporate Sustainability. We are proud to have committed to the UN's Global Compact Agenda and will work hard to live up to its demands in the area of sustainable business management.

A vital element of who we are is our position as a listed company and the compliance with the applicable rules and regulations. However, we also strongly feel about our values and business principles which have been explicitly laid out in this report for the first time. Perhaps the leading concept is maintaining harmony between our patrons; Pallas Athena and Hermes. Striking a balance in serving both Scholarship and Commerce is key to the long-term success and long-term value creation for all stakeholders.

Brill is fortunate to have stakeholders who are actively involved and who contribute to our vibrant business outlook. We all care for this special publishing house which will celebrate its 335th anniversary in May 2018.

It has been an honor and privilege to serve this company for the last fourteen years.

Leiden, April 4, 2018

Herman A. Pabbruwe
Managing Director of Koninklijke Brill nv



Visualization of historical shipping routes, based on a sample of the Prize Papers dataset (map by Yuhang Gu (University of Twente), data prepared by Jelle van Lottum (Huygens ING)).

The British fought many naval wars, during which many enemy ships were seized. Documents pertaining to tens of thousands of these appropriated ships ("prizes") have been preserved. Every ship's file contains at least one document in English: the interrogations by the Prize Courts of the captain and a number of other crew members of ships taken as lawful prizes. Providing a wealth of information about ships and their crews, the interrogations give unprecedented insight in the workings of the maritime sector during the Age of Sail. Over the last years, a vast amount of these interrogations has been digitized and published by Brill as *Prize Papers Online*.

KEY FIGURES

All amounts: x EUR 1,000

	2017	2016	2015	2014*	2013	
Results						
^[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. See note 23	Revenue	36,394	32,177	30,809	29,601	29,284
	Gross profit	23,843	21,019	20,412	19,987	19,848
	EBITDA ^[1]	4,156	4,496	3,794	3,680	4,504
	Operating profit	3,315	3,712	3,015	2,675	3,478
	Profit for the year	2,260	2,797	2,332	2,153	2,461
	Adjusted Profit ^[2]	2,342	2,797	2,332	2,153	2,461
	Free cash flow ^[3]	-43	2,329	3,201	822	2,634
^[2] Adjusted Profit is Profit adjusted for amortization of acquired intangible assets as of 2017	Net cash flow from investment activities excluding Content	-3,996	-2,131	-962	-2,765	-1,185
	Average invested capital ^[4]	22,008	20,973	21,224	21,001	20,505
Growth compared to previous year						
^[3] Free Cash Flow = Net Cash Flow adjusted for cash flow from financing activities See note 23	Revenue	13.1%	4.4%	4.1%	1.1%	6.4%
	Gross profit	13.4%	3.0%	2.1%	0.7%	5.0%
	EBITDA ^[1]	-7.6%	18.5%	3.1%	-18.3%	6.4%
	Operating profit	-10.7%	23.1%	12.7%	-23.1%	7.4%
^[4] (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 23.	Profit from continued operations	-19.2%	20.0%	8.3%	-12.5%	6.2%
Profitability						
	Gross profit as % of revenue	65.5%	65.3%	66.3%	67.5%	67.8%
	EBITDA as % of revenue	11.4%	14.0%	12.3%	12.4%	15.4%
	Operating profit as % of revenue	9.1%	11.5%	9.8%	9.0%	11.9%
	Profit for the year as % of revenue	6.2%	8.7%	7.6%	7.3%	8.4%
^[5] 2017 and 2016 impacted by reclass of content to fixed assets	Revenue/average invested capital	1.7	1.5	1.4	1.4	1.4
	NOPLAT as percentage of revenue	6.7%	8.5%	7.2%	6.7%	8.9%
	ROIC	11.1%	13.0%	10.1%	9.3%	12.6%
Balance sheet ratios						
	Shareholders' equity / total assets	56.0%	58.6%	58.1%	59.1%	61.4%
	Current assets / current liabilities ^[5]	0.95	1.11	1.73	1.83	2.01
Personnel						
	Average number of employees (FTE)	161	132	132	132	123
	Revenue per employee	226	244	233	224	238
	EBITDA per employee	26	34	29	28	37
* Restated figures, refer annual report 2015.	Average personnel costs per employee (FTE)	67	71	68	63	65

DATA PER SHARE

In thousands of euros, based on weighted average number of outstanding shares

	2017	2016	2015	2014*	2013
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	14.62	14.69	14.49	14.32	14.51
Increase in %	-0.5%	1.4%	1.2%	-1.4%	2.0%
EBITDA per share	2.22	2.40	2.02	1.96	2.40
Increase in %	-7.6%	18.8%	3.1%	-18.3%	6.2%
Earnings per share	1.21	1.49	1.24	1.15	1.31
Increase in %	-19.1%	20.2%	7.8%	-12.5%	-57.1%
Free cash flow per share	-0.02	1.24	1.71	0.44	1.40
Increase in %	-101.9%	-27.5%	289.3%	-68.6%	-53.0%
Dividend per share	1.32	1.32	1.24	1.15	1.12
Increase in %	0%	6.5%	7.8%	2.7%	3.7%
Pay-out ratio	109.1 %	88.4%	100%	100%	85%
Extraordinary dividend per share	3.00				
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	37.36	28.00	27.95	25.83	22.90
Lowest share price during the year	27.29	20.95	22.70	21.95	19.25
Share price at year end	35.50	27.73	23.36	25.73	22.14

* Restated figures, refer annual report 2015.

Annual Financial Statements

Based on the ongoing appointment by the AGM of PricewaterhouseCoopers Accountants N.V. (PwC) as the company's independent auditor, the Supervisory Board instructed PwC to audit the financial statements of Koninklijke Brill NV for the 2017 financial year. For the 2017 financial statements an unqualified independent auditor's report was issued. We therefore recommend that shareholders approve these annual financial statements. We propose distributing an ordinary dividend of EUR 1.32 per share certificate for 2017. Also, based on our assessment of the capitalization and the financial structure of the company which was announced in the AGM of 2017, we propose to the AGM to pay an additional extraordinary dividend of EUR 3.00 per share. This special dividend will be paid from reserves and will lead to a responsible increase of the leverage of the company. The necessary cash resources are provided through newly agreed bank facilities; we consider the term sheet of the loan appropriate and justified. We expect the loan to be paid back in full after 6 years.

Activities

In addition to the usual detailed quarterly reports, the Board received interim reports in certain areas in preparation for meetings. During the year under review, the Supervisory Board met with the Managing Director and the Management Team to discuss or approve issues including: risk management, staffing developments, management development, long-term company strategy, cost development and management, the progress and development of publishing platforms, liquidity planning, credit facilities, investor relations, corporate governance issues and various investments. In 2017 special attention was given to individual presentations by each publishing unit concerning their market position and strategy, enabling the Board to better interpret the 2017 update of Brill's strategic plan. In considering the plan to expand in China, the Board weighed risks and opportunities before approving the decision.

The subject of business development opportunities and acquisitions is on the agenda for every meeting and progress reports are discussed as well as thoroughly prepared lists of possible partnerships in various countries. Reports from the external independent auditor are received and discussed on a regular basis. Progress reports on issues from the management letter issued by the external independent auditor receive special attention. Risk assessment and measures to mitigate risks are always discussed in the context of the annually updated management letter. In the bi-annual meetings with the Works Council, issues such as corporate culture and the tone in the company have been discussed without the presence of management and staff.

Seven meetings of our Board were held in Leiden and two telephone conferences took place. At all meetings, the entire Board was present. A recurring item on our annual corporate calendar is the remuneration of the Managing Director. We have decided to increase his salary with 2% for 2017. The objectives in the context of the variable remuneration scheme of the Managing Director and staff were determined and evaluated. The longstanding strategy of quality of the profits earned from core business, growth through product development, exploitation of electronic publications, and the acquisition of large projects has been fully maintained and where possible anchored in targets.

There were informal consultations between members of the Supervisory Board and the Managing Director and his team during this year. The Supervisory Board also continued to begin each meeting without the presence of the Managing Director, with the aim of discussing the functioning of the Supervisory Board, its individual members, and of the Managing Director and his team. The Board met with the Management Team and a broad selection of staff as they are invited to our meetings to present their strategic plans, major programs or investments. This gives the Board a chance

to observe internal and hierarchical relationships as well as the tone in the company and the corporate culture in practice.

The evaluation of the Board itself took place in 2017, without help from external consultancy, but based on a structured list of questions and assessment which each member had filled out and which was jointly discussed afterwards. This evaluation, together with the Board's evaluation of the role, responsibilities and functioning of the Managing Director in view of the increased complexity of the business has led, inter alia, to an adapted design of the Management Board and Executive Committee following the upcoming succession of the current Managing Director.

The annual meetings with the external independent auditor to discuss the management letter resulting from the interim audit and the final reports took place in the presence of the Managing Director and staff. When discussing the management letter, this was followed by the customary annual discussion between the Supervisory Board and the independent auditor, without the presence of the Managing Director and staff.

During 2017 the Board has taken notice of the increased size and complexity of the business, and the increased requirements posed to the Company's system of internal control. After balancing increased cost against growing external and internal requirements the Board requested an investment in Brill's internal controls. This program commenced in 2017 and will be further enhanced in 2018. Notwithstanding the above, in 2017 the Board concluded that the company has no need to appoint a separate internal auditor. In the light of the international expansion and increasing complexity of the organization, the Board is following this matter closely.

The Board has furthermore spent considerable time on continuing the dialogue with investors regarding our Corporate Governance structure. We are happy that the change in voting policy announced by Brill's Trust Office has met with agreement within our investor community and that relations have been normalized. As part of the new government structure, the option agreement with Stichting Luchtman was adjusted and renewed by the company and the Stichting Luchtman, following the authorization granted in the AGM.

In anticipation of the retirement of the current Managing Director in May 2018, the Board spent considerable time on the issue of succession. Based on interviews with internal and external stakeholders, the Board has decided that the increased complexity of the company can be best handled by a Management Board of two. Possible profiles and organizational models have been considered and a survey of internal and external candidates has been discussed by the Board. The Board is pleased to have found two well prepared internal candidates who have convinced the Board that they have the right level of experience and the right ideas to take the company into the future. The Works Council has concurred with this conclusion and in early October 2017 Peter Coebergh, currently EVP Sales & Marketing, and Olivier de Vlam, currently EVP Finance & Operations, have been announced as the new CEO respectively CFO/COO from 18 May 2018 onwards. Their contracts will follow the Corporate Governance Code.

In close consultation with the current Managing Director and the Board, the new team has invited Ms. Jasmin Lange to become Chief Publishing Officer, effective 1 January 2018. Together the three new executives will form the Executive Committee of the company. During the process, attention was paid to the aspect of diversity in the top management of the company.

Profile

The Supervisory Board should be composed in such a way that each member of the Board – and the Board as a whole – can fulfill its role, which includes overseeing management policies and the general business of the company and its affiliates, as well as adequately advising the Managing Director. Given the global nature of the company's activities and those of its affiliates, it is imperative for all members of the Board to possess international experience. Moreover, there must be at least one member who is especially familiar with the operations of a publishing house and has experience as a publisher. Additionally, one member of the Board must have financial expertise, meaning that he or she will have acquired relevant knowledge and experience of financial administration and accounting within listed companies and other larger legal entities.

The Board, collectively, serves as audit committee. Also in 2017, the Board decided that separate commissions are not called for. The members of the Board need to have sufficient time at their disposal to perform their duties; in particular this applies to the Chairman of the Supervisory Board, and the Board met this requirement. The Supervisory Board consists of three persons. The members of the Board are independent within the context of the Dutch Corporate Governance Code.

We consider the composition balanced with two male members and one female member, all offering their individual but complementary expertise.

Corporate Governance

The Annual Report describes how the company has dealt with the implementation of the Dutch Corporate Governance Code that was in force during 2017.

The new draft Code has been discussed in the Board and the prevailing concept of long-term value creation has been welcomed. The Supervisory Board annually evaluates its instruments and processes in relation to the Code, and in 2017 maintained the policy to depart

from the Code regarding use of certification as a possible method of protection. There were no transactions with conflicting interests relating to the Supervisory Board and Managing Director.

Annual General Meeting of shareholders

On May 16, 2017, the Annual General Meeting of shareholders took place at the company's office in Leiden. All resolutions presented were approved, including the proposed dividend of EUR 1.32 per share.

Conclusions

The Board would like to express its gratitude to all involved in further improving the dialogue with Brill's investors. We consider having a stable base of investors supportive of Brill's strategy key to its successful execution. In 2017, Brill made significant progress in all areas of its strategy. Although non-recurring items and changes in accounting estimates dampened the reported results, we see an impressive number of projects, investments and innovative activities that will lead to a promising future. Amidst this high level of activity, the company has managed to further improve operational processes and grow the business, and we consider that a major achievement.

The Board would like to thank all staff for their contribution in 2017.

Leiden, April 4, 2018

Supervisory Board

Steven Perrick

Catherine Lucet

Robin Hoytema van Konijnenburg

SUPERVISORY BOARD

Steven Perrick, 1949, Dutch (male)

Chairman of the Supervisory Board of Koninklijke Brill NV since August 24, 2016, term runs to 2020

Attorney at Spinath + Wakkie, Amsterdam

Professor emeritus in Civil Law at Amsterdam University

Chairman Stichting Ammodo

Board member Stichting Continuïteit NN Group

Board member Stichting Preferred Shares Mylan

Board member of Stichting Preferente Aandelen ASML

Board member of Stichting tot het houden van Preferente aandelen Wereldhave N.V.

Deputy Judge at the Court of Appeal in Arnhem

Editor and advisor of law publications

Catherine Lucet, 1959, French (female)

Member of the Supervisory Board of Koninklijke Brill NV since 2013, current term runs to the AGM in May, 2021

(appointed with special support from Works Council Brill)

Managing Director of Editis Education & Référence

Vice President of Cap Digital

Independent Board member and member of the Audit Committee Casino

Robin Hoytema van Konijnenburg, 1957, Dutch (male)

Member of the Supervisory Board of Koninklijke Brill NV since 2015, term runs to 2019

Senior Director Pensions Governance of Heineken International B.V.

Board member Vereniging Effectenuitgevende Ondernemingen (VEUO)

Board member American Chamber of Commerce in the Netherlands

Chairman of Stichting Heineken Pensioenfond

Chairman of the Scottish & Newcastle Pension Scheme

Board member of the Heineken Afrika Foundation

Chairman of the Supervisory Board, Roeminck Insurance NV

Koninklijke Brill nv, 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 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 nv. Only share certificates are listed on Euronext Amsterdam. Most certificates are held by Dutch investors. Over 60% of the certificates are held in tranches of 3% or more. Koninklijke Brill nv is a statutory two-tier company (operating under the Dutch 'structuurregime'). The articles of association, available on the company's website, regulate inter alia the appointment and dismissal of Supervisory Board and Management Board members, the rights allocated to the Annual General Meeting and the amendment of the articles of association.

Brill's Corporate Governance is set up in line with its business objectives and aligns with the Dutch Corporate Governance code except where noted otherwise below. In addition to the Code, Brill has implemented its Core Values and Business Principles which is available, together with Brill's other policies, at brill.com.

The functioning of the Annual General Meeting of Shareholders follows the stipulations of the Dutch Civil Code and is detailed in Brill's articles of association (available at brill.com). 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, highly specialized and profitable publisher, active in the same areas as several very large publishing companies in an industry which is in consolidation. To pursue Brill's mission, continuity and independence are required. Therefore, management deems protection against hostile takeovers to be necessary.

Accordingly, the company has implemented defensive structures. Firstly the company has cooperated with the issuance of certificates of shares and these can be seen as a defensive measure in that the Stichting Administratiekantoor Brill (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. During 2017, the Trust Office changed its voting policy, please refer to the Trust Office Board report.

Secondly, Brill has the possibility of issuing preference shares. In the event of such an issue, the preference shares would be placed with Stichting Luchtmans, which has the right to acquire preference shares to a maximum of 100% of the ordinary issued share capital.

Pursuant to a provision in the articles of association, the conversion of share certificates is possible to a limited extent (1%). In addition, shareholding is limited to individuals, the company itself, the Trust Office, and companies that were shareholders in the past (before July 29, 1997).

Share certificates will be maintained as long as they contribute to the set of measures that aim to ensure maximum protection and the enabling of a balanced decision making on the future of the company.

In line with the Code, the Board of the Trust Office consists of three independent members. The Board of the Trust Office shares the opinion of the Managing Director and Supervisory Board relating to the use of share certificates as a defensive mechanism.

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 Supervisory Board, authority on profit distribution proposals, the making of proposals to amend the

articles of association, dissolution and legal merger / demerger of the company. The Supervisory Board has not formed separate committees and currently does not intend to do so.

Diversity is an important aspect of the corporate management culture, as expressed in Brill's Core Values, where Brill states the importance of diversity and inclusiveness. Consequently, it is Brill's objective to achieve a balanced composition of all its governance bodies. In 2017, the company's Management Board consisted of one person (male), therefore the question of balance in the Management Board was not applicable. In designing the new management structure following the succession of the current Managing Director, Brill's objective regarding diversity was considered.

Consequently, per January 1st, 2018 a female executive was appointed Chief Publishing Officer and as of May 2018, the Management Board will consist of two statutory directors, both male, working with the CPO in the company's key management body, the Executive Committee. The company has a Supervisory Board, since many years consisting of three persons of which one is currently female. Given the current composition of the management layers below the Executive Committee, Brill believes that maintaining this balanced distribution will be feasible in the future.

Regarding transparency between the Managing Director and the Supervisory Board, and between Supervisory Board members, clear agreements were made. The Managing Director's employment agreement is drawn up in line with the best practice provisions of the code. The company's existing rules of conduct, including regulations on insider trading, sexual intimidation, fraud and corruption and rules for misconduct reporting were further enhanced in 2017 by implementing the Brill General Business Principles (available at brill.com). The Principles were implemented at the end of 2017. However, management believes that the Principles documents values and behavior that is generally in existence at Brill.

During 2017, on one occasion, Brill had to take action against an employee whose behavior was not in line with our Core Values, resulting in termination of the employee.

The Supervisory Board and the Management Board meet annually to discuss implementation of best practice guidelines and compliance with current legal requirements. They currently hold that the corporate governance structure of the company is broadly in line with the principles expressed in the Dutch Corporate Governance Code, except for the use of share certificates as a defensive mechanism.

Authors in closely defined market niches provide the foundation for future growth through their involvement in series, journals, manuals, and encyclopedias. In their capacity as researcher, they provide the purchase stimulus, often via their libraries and institutes. The librarians, in turn, only subscribe to series when they trust in the quality and pricing of future publications. The value of these subtle relationships with key stakeholders is and will remain the reason that the Supervisory Board and Managing Director believe the company deserves maximum protection.

The Supervisory Board and the Management Board are aware that protection of the company is generally only temporary in nature and primarily aims to create room to carefully weigh the strategic alternatives for the company and, if necessary, evaluate the situation with the key stakeholders. Therefore, it must be made clear to all stakeholders and especially to shareholders and holders of certificates of shares, what the company's strategy is, and what valuable elements from past, present and future are incorporated therein. The aim is to make the company an attractive investment for shareholders 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.

An active investor relations' agenda is in place to communicate this coherent message, and 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 are further supplementing the existing corporate governance structure. The experience the company has gained with the introduction of provisions in respect to corporate governance has been favorable. The release of the updated Dutch Corporate Governance code in 2017 was followed with great interest by the Management Board and the Supervisory Board. During the year its benefits and implications were reviewed but this has not led to fundamental changes to the Corporate Governance structure in place. We are of the opinion that Brill's current governance supports strategies that help create long-term value.

Brill believes that a listed company of modest size should be able to afford the cost and effort involved in proper compliance with the code, and continues to strive for further improvements in its governance structure. The Supervisory Board and the Management Board believe the proposed revised rules and the extended duty of compliance clearly contribute to improvement in managing the company.

Supervisory Board
Managing Director

Introduction

Brill's Core Values and General Business Principles apply to all Brill companies and their subsidiaries that together make up the Brill Group. These govern how Brill and all its entities operate and conduct business. Hereafter 'Brill' refers to the Brill Group and all its underlying entities.

LIVING BY OUR PRINCIPLES

Brill's mission is to be a leading international academic publisher in the humanities and social sciences, international law, biology and natural history. Brill meets a need for multimedia information amongst specialist academic target groups and markets. To achieve its mission, the company must add value and grow consistently, mainly by increasing its market share in the fields in which it is active as well as in adjacent niches. The overriding objective is to maximize Brill's long-term value creation benefitting all stakeholders, including the global community that provides Brill its license to operate.

Our shared core values of quality service to the scholarly community, integrity and respect for people underpin all the work we do and are the foundation of our General Business Principles. The General Business Principles apply to all transactions, large or small, and drive the behavior expected of every employee in every Brill company in the conduct of its business at all times. We are judged by our actions; therefore, our reputation will be upheld if we act in accordance with our Core Values, these Business Principles and the law. We encourage our business partners to live by them or by similar principles. It is the responsibility of management to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit as well as with the letter of this statement. Employees know that acting in line with the Principles is not optional and non-compliance can have consequences.

The application of these principles is underpinned by communication procedures, which are designed to ensure that our employees understand the principles. As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of non-compliance. In turn, it is the responsibility of Brill employees to report suspected breaches of the Business Principles to Brill.

OUR VALUES

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, teamwork and professionalism, and taking pride in what we do.

RESPONSIBILITIES AND SUSTAINABLE VALUE CREATION

As part of the General Business Principles, we commit to sustainable development of our company. We are aware of Brill's legacy and are committed to an equally illustrious future. This requires balancing short- and long-term interests, integrating business, environmental and social considerations into our decision-making.

At Brill, we believe that creating sustainable value for all stakeholders is essential to ensure 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. We recognize the following stakeholders and areas of value creation:

- Authors – Publishing Service Value
- Librarians and funders – Account Service Value
- Readers – Content and Usability Value

- Investors - Economic Value
- Staff – Development Value
- Global Community – Community Value

The Principles

Principle 1 ECONOMIC PERFORMANCE

Long-term profitability is essential to achieving our business goals and to our continued growth. It is a measure both of efficiency and of the value that customers place on Brill products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce future publications to meet customer needs. Without profits and a strong financial foundation, it would not be possible to fulfil our responsibilities. Criteria for investment and divestment decisions include sustainable development considerations (economic, social and environmental) and an appraisal of the risks of the investment. Risk management is a key element of our management process of sustainable value creation.

Principle 2 QUALITY SCHOLARLY SERVICE

Brill companies aim to provide the scholarly community with the highest level of quality and service. To this end, Brill invests not only in developing its network of scholarly authors and editors but also in offering them sound processes of peer review, continuous availability of their publication, editorial tools and standards that meet up to date requirements for digital dissemination, competitive production quality and a reliable distribution channel that ensures availability at each author's target audience of academics who use new technology in an increasingly networked digital environment. We are committed to standards of editorial integrity and independence, and our editorial policy only applies academic quality as a criterion for publishing, not adherence to any political, religious or other non-academic viewpoints.

Principle 3 BUSINESS INTEGRITY

Brill companies insist on integrity and fairness in all aspects of business and expect the same in our relationships with all those with whom we do business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. We do not engage in the practice of facilitation payments to speed up or secure the performance of a routine government action. Employees must avoid conflicts of interest between their private activities and their part in conducting company business. Employees must also declare potential conflicts of interest. All business transactions on behalf of a Brill company must be reflected accurately and fairly in the accounts of the company in accordance with established procedures and are subject to audit and disclosure. As a publicly listed company, Brill is committed to following all rules around insider trading.

Principle 4 POLITICAL ACTIVITIES

Of companies

Brill companies act in a socially responsible manner within the laws of the countries in which we operate in. Brill companies do not make payments to political parties, organizations or their representatives. Brill companies do not take part in party politics. However, when dealing with governments, Brill companies have the right and the responsibility to make our position known on any matters, which affect us and our stakeholders, which is in accordance with our values and the Business Principles.

Of employees

Where individuals wish to engage in community activity, including standing for election to public office, they will be given the opportunity to do so; however, we do not use Brill's assets, including our time at work, to further personal political activities or interests.

Principle 5 CORPORATE SUSTAINABILITY

We create value for the global community and specifically the scholarly community by being a reputable publisher who facilitates the scholarly process in selected scholarly disciplines. Specifically, we believe that editorial integrity and freedom of press is in full service of the free flow of scholarly information.

Acting efficiently, in the meaning of creating output using the minimal required amount of resources in the broadest sense, is of direct benefit to the scholarly process as well as to society at large, and therefore supportive to Brill's long-term reputation and continuity.

Our corporate sustainability policy can only be successful if it ties in with our core capabilities and the long-term interests of our stakeholders. Consequently, we focus on just those initiatives where we feel we can make a difference. At the same time, we strive for high standards and permanent improvement in all general facets of responsible corporate citizenship – and we expect the same from our vendors and contractors.

Principle 6 COMMUNICATION, ENGAGEMENT

Brill companies recognize that regular dialogue and engagement with our stakeholders is essential.

We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality. In our interactions with employees, business partners and local communities, we seek to listen and respond to them honestly and responsibly. Brill staff is committed to responsible use of digital communications and social media in line with Group policies.

Principle 7 COMPLIANCE

We comply with applicable laws and regulations of the countries in which we operate. Brill's tax policy is aimed at achieving an efficient tax structure while paying fair amounts due in the constituencies where it does business.

Implementation

To create a coherent framework for conduct of business within the Brill Group, these General Business Principles have been detailed further into the following documents:

1. Corporate Governance Policy (refer to separate Chapter)
2. Code of Conduct
3. Vendor Policy
4. Remuneration Policy (refer to separate Chapter)
5. Corporate Sustainability (refer to separate Chapter)
6. Risk Management Policy (refer to separate Chapter)
7. Whistleblower Policy
8. Code of conduct on Insider Trading

For documents listed above which are not included in this report, please refer to brill.com.

At Brill we believe that our ability to create sustainable value for all stakeholders is essential to the long-term viability of the company. We recognize the following areas of value creation:

Authors – Publishing Service Value

We are proud that every year, an increasing number of prominent scholarly authors select Brill as their publisher of choice. This choice is a vital one to the development of an author's scholarly field and individual career. Authors select Brill for the reputation of its brand, journal titles and book series. Independence, long-term commitments and strict peer review are key to maintaining a strong reputation. Authors know that the scholarly teams that curate the research we publish have been selected based on the quality of their contribution to the field. Brill provides tools and support to maintain an efficient and high-quality publishing process, based on a deep know-how of publishing and the publishing experience. Authors and editors must be served in the best possible way. Brill has the investment capabilities for more complex and capital-intensive projects. Authors know that Brill has access to the world's premier research libraries through its distribution system and that Brill will work with them or their institution in various commercial models according to their preference.

Librarians and funders – Account Service Value

Our publications can be found in the most eminent institutions in each field in which we publish. In working with these institutions, we strive to offer flexible and attractive models that enable libraries and funders to work with us efficiently. We offer our content through platforms which enable them to provide library patrons with easy access to our publications. We provide librarians with data and tools to evaluate the use of our services to their patrons and to calibrate their purchasing decisions. We offer funders flexible models to subsidize scholarly research of choice, either in traditional or in Open Access structures. We work

with global distribution partners that enable efficient ordering processes. In 2017, we invested in constructing a new digital platform that will further enhance ease of access and communication with Brill, readers and clients.

Readers – Content and Usability Value

For our readership, ease of access and ease of use is the primary consideration. We support scholars in performing their critical task of progressing their scholarly field. Online readers do not search for content from a brand or supplier but rather by subject or keyword and then prioritize results based on the reputation of the journal title or book collection. On our platforms, a large majority of internet traffic originates from Google (Scholar) searches. Increasingly we see readers accessing our platforms from mobile devices. Our job is to make the experience seamless, enabling a fast and effective search experience and when the reader arrives at our platform, a comprehensive and efficient research experience. Where applicable, readers will be offered additional purchase options relevant to their interest.

For those readers preferring the print format we aim for quality and service by working with Printing On Demand providers who are quality leaders in their region. Those customers preferring the print option value a high-quality product which is available for use within a short period of time. The implementation of a multisite POD structure further delivered value in that context. Only in exceptional cases offset printing is considered the preferred method of production.

This applies mainly to major reference works and when technical or economic considerations indicate special binding requirements or larger print runs.

Investors - Economic Value

The economic value created for our investors is determined by the company's ability to profitably grow the business. The resulting value creation is a precondition to maintain our investor's confidence and support in

case of additional capital requirements. A focused investor relations policy remains vital to communicate the value created and to manage expectations.

Growth

The scholarly research community realizes a steadily growing output in the form of scholarly books and journal articles. Brill's ability to grow the business rests on being granted the right to publish a stable or increasing proportion of the high-quality research that is produced, and to successfully bring the resulting publications to the market. In doing so Brill must remain intimate with changing market preferences for alternate business models and ensure appropriate geographical coverage, for example in Asia.

In addition, Brill invests in self-generated publication initiatives such as dictionaries, encyclopedia, other reference works or primary sources where it believes synergies can be created from Brill's reputation, its author community and its existing portfolio of products and services. These opportunities can represent significant value due to their unique and proprietary nature and associated recurring revenue streams.

Profitability

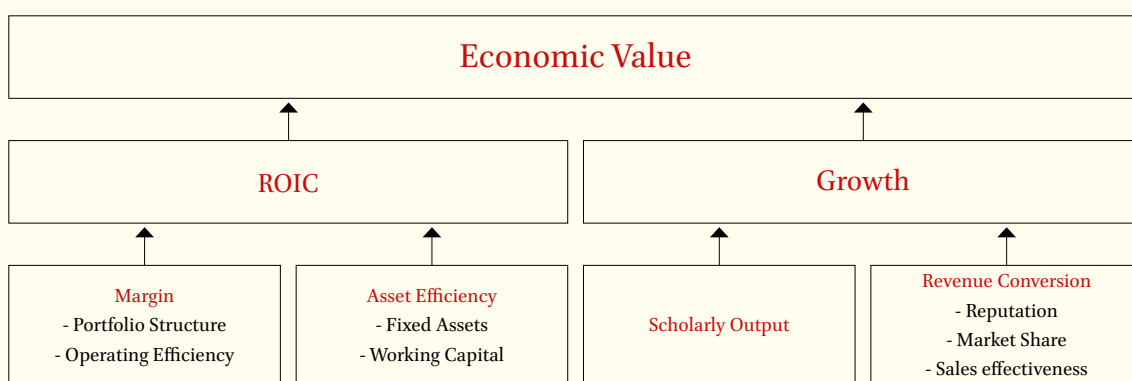
Profitability at Brill, as stated by the Return on Invested Capital or ROIC is driven by two key factors:

Margin – measured as Net Operating Profit Less Adjusted Taxes (NOPLAT) divided by Revenues. We believe that, even more than the required continuous operating efficiency improvements, product portfolio structure is paramount to long-term improvement of margin.

Asset Turnover – as measured by the average amount of invested capital required to support the revenue. We actively seek to optimize capital deployment to keep ROIC at target levels.

Our ROIC performance therefore is driven both by our ability to generate profitable revenue as well as by controlling the balance sheet, and our KPI system is geared towards monitoring these drivers.

In 2017, Brill reported mixed results on its economic value drivers. Revenue grew by 13%, of which 11% through acquisitions - and asset turnover increased from 1.5x to 1.7x. However, NOPLAT margin dropped and consequently ROIC declined from 13.0% to 11.1% which still exceeds our after tax weighted average cost of capital. (For details, please refer to note 23 to the Consolidated Financial Statements).



Staff – Development Value

Brill has a unique company culture and working environment which is an asset for attracting and retaining talent, despite the company's limited size. Staff values their employment because of the internationally oriented company culture combined with high professional standards, development opportunities, and global exposure. Brill develops these factors through job rotation, delegation of authorities, training – both on the job as well as formalized training – and periodic team and general staff events. During 2017 we devoted special attention to the cultural integration of the Schönningh & Fink team in Paderborn (GER), for example through extensive integration workshops, mutual visits and a joint staff event with Leiden staff.

Global Community – Community Value

We create value for the global community and specifically the scholarly community by playing our role as a reputable publisher who facilitates the scholarly process in selected scholarly disciplines in a responsible and efficient manner, in the meaning of creating output using the minimal required amount of resources in the broadest sense. We believe that this is of direct benefit to the scholarly process as well as to society at large, and therefore supportive to Brill's long-term reputation and continuity.

At Brill we believe that our corporate sustainability policy can only be successful if it ties in with our core capabilities and the long-term interests of our stakeholders. Consequently, we focus on a few initiatives where we feel we can make a difference. At the same time, we strive for permanent improvement in all general facets of responsible corporate citizenship.

For further details on our Corporate Sustainability policy, please refer to the relevant chapter in this report.

REMUNERATION POLICY

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 do not receive any performance-related remuneration or shares and do not 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, if necessary using the advice of a third party. Remuneration was adjusted in 2017.

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. This is in line with the principles and the best practice provisions of the Dutch Corporate Governance Code. The policy with respect to the remuneration of the Management Board is designed to enable a qualified and expert person to be attracted and retained. The Supervisory Board, if necessary with the aid of an external expert, conducts annual reviews to establish whether the Management Board's remuneration is in line with the market development. The remuneration for 2017 has a fixed portion and two performance-related variable components of which one is for the current year and the second for a three-year horizon.

As part of its remuneration policy and in line with the Code, Brill monitors and reports on the company's pay ratio. This indicator compares the salary of the Managing Director (Fixed + variable components) against the average salary of all employees. In 2017, the pay ratio was 5,6. Brill deems the height of the pay-out ratio to be appropriate given the size and profile of the company.

The Supervisory Board decided to increase the Managing Director's fixed remuneration as of 1 January 2017 by 2%. Furthermore, current policy holds that the company partly funds the Managing Director's pension premiums, provided that the Director contributes 30% of the premiums due. The new rules with regard to capped contributions for salaries above EUR 100 thousand did not lead to additional costs.

The Supervisory Board has agreed with the Managing Director to maintain the amount for pension premium which existed before the cap and have him provide for personal savings. The company does not grant loans, advances, or guarantees to the Managing Director.

A The Supervisory Board sees variable remuneration as a meaningful part of the remuneration package of the Managing Director. The targets and performance conditions reflect the drivers for growth and value creation in the short, medium and long-term. Variable compensation, determined by performance metrics, therefore, is a significant part of total remuneration. From 2009, the variable component of remuneration related to short-term targets has been a maximum of 40% and for the three-year, long-term objective, a maximum of 40% of the base salary in the year that the objective was agreed.

B The policy of the company relating to the contract of employment is in line with best practice provision of the Code. The applicable notice period is four months and is in line with standard practice.

C As usual, in 2017 the variable remuneration of the Managing Director was dependent on a combination of short-term and long-term performance criteria. Details on the performance criteria and performance assessment regarding 2017 are included in the financial statements.

D No rights are allocated to the Managing Director for the acquisition of options or shares. The Managing Director's holding of Brill certificates of shares is considered a long-term investment which he committed to not sell or pledge during his employment.

Following his retirement in May 2018, the Managing Director has committed to keep his certificates for at least another year.

E The Supervisory Board has made an agreement with the Managing Director about ownership of and transactions in securities other than those issued by Brill.

Risk Management policy

The risk management policy of the company is updated in the context of the company's strategic plan. Over time, the company adopted an approach consistent with its scale, ambitions and organization structure.

Risk management is integral to Brill's overall management structure. Risks classified as having strategic impact are discussed with the Supervisory Board annually to enable the Board to make proper evaluations regarding Brill's results and prospects. Furthermore, the Board evaluates the entire risk management framework on an ongoing basis.

Brill's policy requires that mitigating measures applied to each risk are commensurate to the level of impact and the risk appetite that Brill defines regarding the specific risk category.

Risk Management

Management of risk at Brill is generally executed through three categories of risk management tools:

Organization and Governance – The organizational structure and culture of Brill must support identification of risk and avoidance of risk by taking well informed decisions on a timely basis. This requires certain levels of delegation and empowerment. 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 to achieve their objectives with a reasonable measure of assurance
- financial statements adequately reflect the business' financial position and development

Business Policies – The framework of business policies must ensure that Brill can:

- Capture business opportunities
- Avoid undue risk of losses to company assets
- Execute on its strategy

Risk management is in the hands of the Management Team of Brill, under the end responsibility of the Managing Director. Day to day supervision lies with the EVP Finance and Operations, and execution is delegated as follows. Design, implementation and execution of financial control measures is carried out by the Controller, whereas the design, implementation and execution of IT related controls are carried out by the team that is accountable for administration of the system. Specific measures and improvements are implemented, driven by a combination of management'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. Due to the small scale of operations and the high degree of centralization of accounting, Brill does not have an internal auditor. The decision to abstain from appointing an internal auditor is reviewed annually by the Supervisory Board.

Risk Classification

To assign risk management accountability correctly 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 participant's propensity to purchase Brill's product, to use Brill as their publisher of choice 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 and cybersecurity risks.

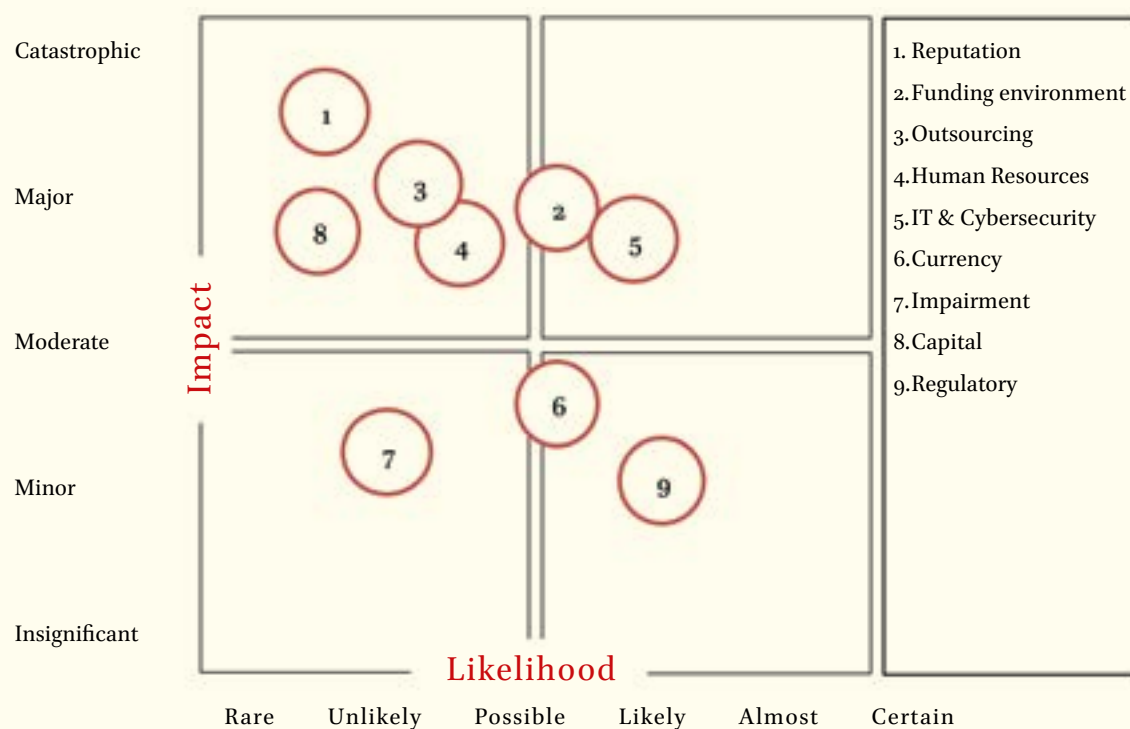
- Financing – the risk relates to an event or trend that impairs Brill’s ability to attract sufficient funds to finance working capital or long-term investments and therefore its ability to operate as a going concern and execute its business strategy.
 - Regulatory – the risk relates to changes in legislation or governance with effect on Brill’s current business arrangements, on Brill’s stakeholders and 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 on 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:

Nature of risk



Discussion of specific risks with impact at the strategic level

The risks set out in this overview have been classified per the system described above and 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 risks at the strategic impact level to illustrate our assessment of our risk profile and the level of risk that the company is willing to take:



The risk appetite ratings in the following table should be interpreted as ranking measures rather than as an absolute, calibrated, proportional measure of risk. Risk appetite per category is based on an annual management assessment.

Nature of the Risk	Description of the Risk	Objective threatened	Risk Appetite (1=lo & 5=hi)	(Type of) Mitigation in place
Market	1. <i>Reputation:</i> Various events may impact the company's reputation versus its stakeholders which is the cornerstone to Brill's ability to run and develop the business	Strategic objective to expand in current and adjacent segments	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, Communication policy, Investor relations policy, Code of conduct policy.
	2. <i>Funding environment:</i> Our customers and authors depend on their respective governments' and societies' willingness to support Humanities and Social Sciences for funding of their purchases at Brill and their collaboration with Brill	Expand in current and adjacent segments	3	<i>Business policies:</i> Increased focus on repeatable business, expansion into adjacent market segments, tap alternative funding sources (ERC)
Operations	3. <i>Outsourcing:</i> failed outsourcing may impact business continuity or quality and pricing of services used leading to reduced competitiveness.	Enhance operating capacity	1	<i>Organizational:</i> quality of Brill staff <i>Control measures:</i> SLA's, vendor selection process <i>Business policies:</i> insurance, contingency and back-up measures
	4. <i>HR Risk:</i> we may not be able to attract and retain the right staff	Achievement of strategic plan	2	<i>Business policy:</i> Develop Brill reputation and culture as attraction and retention mechanism
	5. <i>IT and cybersecurity risk:</i> Deficiencies in our IT general controls may lead to reduced efficiency, business continuity and increased risk of fraud or exposure to cybersecurity risks	Enhance operating capacity	2	<i>Control measures:</i> Segregation of duties, IT user & access management policies <i>Business policies:</i> Contingency and back up measures, security measures, communication on IT and cybersecurity risks
Financing and other	6. <i>Currency:</i> Significant swings in the USD / EUR exchange rate may impact our results	Improve financial performance	2	<i>Business policies:</i> Hedging policy (refer to financial statements)
	7. <i>Impairment risk:</i> The company carries substantial intangible assets on its balance sheet. Deteriorating business performance may lead to impairments which could cause substantial erosion of equity.	Improve financial performance	2	<i>Internal controls:</i> Annual review of the value of intangible assets <i>Business policies:</i> Conservative valuation calculations when doing acquisitions, reduction of assets required to run the business



Silvery Javan Gibbon (*Hylobates moloch*), Tapos,
Java, 1 August 1827. Draftsman: Pieter van
Oort. Source: Naturalis Biodiversity Center,
Archive of the Natuurkundige Commissie voor
Nederlands-Indië. Public Domain Mark 1.0.

Nature of the Risk	Description of the Risk	Objective threatened	Risk Appetite (1=lo & 5=hi)	(Type of) Mitigation in place
	8. <i>Capital</i> : Investors may not be willing to fund Brill's strategic plan	Expand in current and adjacent segments	1	<i>Business policies</i> : Investor relations policy, focus on financial performance improvement <i>Internal Controls</i> : Framework of controls aimed at financial reporting reliability.
Regulatory	9. <i>Regulatory</i> : EU Open Access policy may impact our ability to further grow our journal business	Expand in current and adjacent segments	2	<i>Business policies</i> : In addition to our journal subscription business we develop our database (subscription) business which is not touched by this policy. Also, we keep developing a portfolio of Open Access publication options to prepare for changing market demand and possible paradigm shifts .

Risk management and internal control in 2017

In 2017 Brill made some progress in further enhancing the company's framework of internal controls, based on recommendations made by the external independent auditor following discussion with management and the Supervisory Board. Specific improvements were made in segregation of duties regarding key IT systems and clarification of rules around end-user IT. We enhanced visibility of certain implemented controls and enhanced reporting systems to support management and external reporting. Improvements in controls concerning client access to our online databases are included in the scope of our program to renew Brill's online platform which has its main improvement impact in 2018.

Notwithstanding the above, certain risks relating to outsourcing and technology management materialized during 2017. The delay in the go-live of our new online platform caused delayed business benefits in terms of digital revenue that can now be realized later. An error in EDI implementation for the ordering process between a major US customer and our logistical provider caused over – ordering during 2016

and 2017 and consequently, excessive returns during 2017. In addition, we reported omissions in our royalty accruals which we identified in the first half year, leading to additional expenses in 2017.

The 2017 interim review performed by the external independent auditor reported some progress on the issues and recommendations for improvement that were outstanding by the end of 2016. However, the external independent auditor identified additional opportunities for improvement also considering the increased complexity of the business. Furthermore, some issues have not been solved in 2017 and are now deferred to 2018. In general, the improvement opportunities center around IT General Controls and the visibility and formalization of implemented control measures, as well as on the balance in the framework of internal controls.

Detail from: Jost Amman, Kunstbüchlin. Frankfurt am Main, 1599. The book is to be found in the Arkyves database.

Glasgow, University Library, Stirling Maxwell 87



1. Publishing Program 2017

In the publishing department, 2017 has seen a lot of new activity.

The publishing houses Ferdinand Schöningh and Wilhelm Fink (S&F) joined early in the year and almost doubled Brill's cooperation with scholars in the German speaking countries. We expect this market to -over time- develop a strong interest for predominantly English language publications for a global market. The combination of Brill's product for the international institutional market in English and S&F's list which is currently geared to a market of individual book buyers in German offers interesting synergetic potential. Especially the student and retail oriented trade list under the UTB umbrella opens new market approaches for Brill. It makes us a more prominent player for the German academy, offers good potential for cross selling and retail coverage in Germany and better opportunities to gain market share in Open Access publication programs. Thematically, the combination is also promising, particularly in philosophy, modern history, art history, theology and canon law. The acquisition of mentis Verlag strengthens the philosophy list further and will help Brill cover a larger part of this important field.

In the first year of integration, good progress has been made in defining the rules of our common publishing practice and start implementing programs to standardize and leverage economies of scale. Adjusted for some delays in moving the program to Brill's electronic platforms, revenue of S&F met expectations and the staff in Paderborn deserves a compliment for publishing a vibrant front list.

Moreover, the team of publishers have secured the new edition of *Huizenga's Herbst des Mittelalters* and is working on attracting other major publication projects. We hope that based on our successful acquisition of S&F and mentis Verlag and the respectful integration of the combined programs, Brill will be able to attract

other high-quality publishing companies in the "DACH" market who look for help in establishing a digital presence and a global reach.

Mid-year we acquired Sense Publishers, a first acquisition in the field of the Social Sciences. In the first six months a great number of new books were published in their special field of Educational Studies. Right from the start the publishing staff began to acquire continuity product such as major reference works and journals, based on Brill's successful practice in these formats. We are confident that the list will keep developing swiftly to become a cornerstone in this much larger market, which is somewhat new to Brill. The Social Sciences have a slightly different publication culture; there is more journal orientation and the research is often data driven. This will offer good opportunities to give new energy to some product formats in Brill's humanities programs. Obviously, some smaller programs of Brill which border the Social Sciences, such as regional studies, cultural studies, gender studies, sociology of religion are the first to benefit from these synergies. As with our strategy for the DACH market, also the Social Sciences are expected to offer good leads for further acquisitions going forward.

As in almost every year, Brill managed to take over separate publishing assets, such as Arkyves (art history database, see the article on Digital Humanities in the brochure *Brill in 2017*) and the full rights to the *International Encyclopedia of Comparative Law*.

Meanwhile, the existing Brill organization saw important new products across the board and welcomed new talent in Linguistics, Asian Studies, History of Sciences and Digital Humanities. In addition to books and journals, the product formulas *Critical Reading* (anthologies of key papers in specific fields), *Brill's Research Perspectives* (long review articles sold as journals as well as books) and *Primary Sources Online* saw promising new titles.

The Asian Studies list maintained its momentum and the contemporary Chinese Studies program kept developing well. Also, the development of the East Asian linguistics list offers good opportunities, including harvesting of dictionaries and grammars published by Brill in the past. The primary sources collections of historic Asian newspaper and gazettes were expanded. The bibliography of Asian Art (ABIA) was relaunched.

In the History program, the Luther collection played an important role. The Encyclopedia of Early Modern History saw two new volumes and is on track to publish the full 15 volumes. On a contemporary note, an agreement with the casa de las Americas in Havana opened the door for a first primary source collection; Cuban History and Cultural Relations was marketed successfully through a campaign making use of salesforce.com software. Other collections such as Weapons of Mass Destruction and other U.S Intelligence, among others on Asia and all based on released CIA files, continue to build Brill's reputation in modern history. The same goes for the SHAFR guide, which contains the annotated bibliography of U.S. foreign relations since 1600.

In the Law list several developments are worth mentioning; in our negotiations with the consortium of Dutch universities (VSNU), all law journals have been made available for Open Access articles from Dutch authors as part of a lump sum deal for all subscription based journals of Brill. It will be interesting to watch how many submissions this option will trigger in the next couple of years. If successful, the consortium may want to negotiate an overall agreement with Brill along the same lines.

After many years of co-publishing, the exclusive rights have been acquired for the International Encyclopedia of Comparative Law. For China, several legal publications have been published. Some of these appear as Brill Research Perspectives. This formula and brand is now exclusively reserved for Brill to roll out across all disciplines, Law being the piloting publishing unit.

The Middle Eastern, Islamic and African Studies team developed publishing plans for the area in general and for Iran Studies in particular. Our bid for Open Access projects, resulting from research paid for by the European program Horizon 2020, was successful. Also in other publishing programs we have been granted multi-year commitments from research groups in France, The Netherlands and Germany for Open Access publications.

In the unit which covers Art, Religion, Philosophy and Classical Studies, many projects appeared and many reference works are in progress. Special mention is given to the Peshitta, a text critical edition of the Syriac Bible. This and other long-standing series are digitized for on line publication. Ongoing major works such as the Textual History of the Bible will provide the scholarly setting of a coherent cluster of reference works. The major History of Global Christianity project is being revitalized for publication in 2018 and beyond. Also in Art & Architecture, the relaunch of Arkyves and the cooperation with the Harvard Semitic Museums are of note. New projects for Jewish art and Archaeology have been started and the first volume of the Encyclopedia of Jewish History and Culture, a translation from German, saw the light in 2017. The Art Sales Catalog database showed the holdings of the museums in Boston and Philadelphia which have added their collections in 2017.

In Philosophy, we are working across the Leiden and Paderborn teams to create a multi-lingual program of journals, books and reference works. A few new journals under which *Revue de Synthèse* joined the list and the mentis Verlag acquisition in early 2018 will foster our presence in the field. Meanwhile the Classical Studies program keeps featuring classical philosophy, a/o. in *Philosophia Antiqua*, and carries large numbers of reference works, companions, handbooks and journals. The concept of digitizing long-standing series of monographs was successfully applied to the Mnemosyne Supplements.

The impressive Brill Dictionary of Ancient Greek by Franco Montanari is being marketed on a continuous basis and grew its online presence based on an improved license to libraries. The dictionary will have to be reprinted in 2018.

2. Financial Report 2017

2017 was a record year in terms of revenue. Brill is now closer to the objective to achieve sufficient scale for structural improvements in profitability. However, we also incurred several significant one-off effects. As a result, EBITDA and net profit came out lower compared to 2016.

In 2017 we elected to change the classification of our investment in product development costs from Inventories (under IAS 2) to Intangible Assets (under IAS 38). This is intended both to provide the user of these statements with greater transparency as to our investment level and to bring reporting more in line with the digital reality, meaning that the content is an asset that can be employed both to produce print books and to sell digital licenses. The change is only a reclassification and has no impact on results.

Furthermore, following the two acquisitions made in 2017, we assessed our approach towards accounting for acquired intangible assets. Further to this assessment we elect to amortize acquired intangible assets in line with their useful life, where this can be reliably established. Pursuant to this change, an amount of EUR 82 thousand was recognized as amortization in the 2017 income statement.

Revenue

In 2017, Brill's revenue increased by 13% to EUR 36.4 million (2016: 32.2 million). This growth, breaking down into 2% organic (3% when adjusting for the returns issue) and 11% acquisition, compares to 4% reported growth in 2016. Key drivers for our organic growth in 2017 were digital publications including e-books, major reference works, journal subscriptions and primary sources, whereas print books declined due to excess returns (EUR 0.2 million) and changing market preferences.

(in EUR million)	Revenue	% of total Growth	Year on Year Growth
Revenue 2016	32.2	100.0%	
Acquisitions	3.5	11.0%	n.a.
Print books	-0.4	-1.2%	-3.1%
e-books	0.8	2.4%	9.4%
Journals	0.2	0.7%	2.4%
Primary Sources	0.1	0.4%	10.8%
Other	-0.0	-0.2%	n.a.
Revenue 2017	36.4	113.1%	113.1%

Revenue generated through digital products was EUR 18.3 million or 50% of total, versus EUR 17.0 million or 53% in 2016¹; an increase of EUR 1.3 million or 8%. The acquisition of Schönigh & Fink brought the percentage of digital product down as this company is in its early stages of publishing e-books. Revenue generated through subscriptions was EUR 13.8 million or 38% of total, up from 13.4 in 2016; an increase of EUR 0.4 million or 3%.

Across combined print and digital formats, books grew by 18% and journals by 2% reflecting acquisitions, successful sales efforts but also continued new book title output, growth in subscription value and new journal title development. A persistent trend in the print monograph format remains hyper-specialization where it becomes harder to achieve the same print runs per title as before. In other words, we need more title output to realize the same level of revenue.

The balance of major sales deals (i.e. over EUR 100 thousand per order) versus last year was neutral. We successfully closed deals with new clients, for example in Canada and South America but also with existing e-book customers – notably in China.

Growth in Asia was particularly strong, amongst others because of our increased presence and visibility in the region. During the year we opened an office in Beijing; partly because of that we saw strong growth in the

Chinese market. Growth in the Americas was impacted by excess book returns due to erroneous over – ordering by one of our largest distributors in 2016 and 2017. Corrected for this effect, underlying total growth in North America was 6% and for total Brill was 3%. e-Book sales showed double digit growth in our core markets North America, Western Europe and Asia. The decline in Middle East revenue is due to the large deal we had in Lebanon in 2016.

Cost of goods sold, personnel costs, and other operating costs

Total Cost of goods sold increased by 13% from EUR 11.2 million to EUR 12.6 million mostly due to acquisitions, growth in product development costs and content digitization costs. In addition, we updated our amortization schedule to reflect a persistent, market driven shift in the phasing of the sales pattern of book titles, leading to accelerated, non-cash costs of EUR 0.3 million. Despite underlying volume growth of 10%, journal costs were flat versus 2017 because of typesetting savings. Overall, we saved EUR 0.4 million in cash typesetting spend versus 2016, an achievement that is already showing in our working capital and which will benefit profits in years to come.

Cost of goods sold was impacted by significant non-recurring items of EUR 0.4 million (2016: EUR 0.5 million). These items partly originate from integration expenses made for digitizing content of acquired businesses, from additional royalty obligations, and from the one time component of the accelerated amortization of content and inventory mentioned above. Going forward we expect the growth of content amortization to abate because of savings in typesetting.

Personnel costs increased by EUR 1.5 million or 15% in 2017 (2016: 3%). The increase was caused by 13% acquisition effects, and 3% organic increases in salary costs (a total of changes in FTE, Collective Labor Agreement adjustments and mix).

¹Note 2016 aligned with a changed measurement of digital versus print journals starting 2017

Other operating costs increased by EUR 1.7 million or 24% mainly due to acquisitions. The organic increase of EUR 0.5 million or 8% is partly caused by operational expansion (office costs, IT, support cost) but also by non-recurring items of EUR 0.2 million which include acquisition related expenses, corporate governance related costs and increased audit fees.

Depreciation and amortization, and financing revenues and costs

At EUR 0.8 million, depreciation and amortization other than recognized in Cost of Goods Sold were 16% higher than 2016. Taking a modified approach versus the past, Brill now amortizes acquired publishing rights in line with estimated remaining useful life, in as far this useful life can reliably be estimated (e.g. in a purchase price allocation exercise). Refer Note 4 and 5 to the Consolidated Financial statements for details. This change caused most of the increase in amortization. As of 2018 we expect further increases in amortization of intangible assets given our current investment activities. Financing income reversed into financing cost because of foreign currency results amounting to EUR -0.2 million (2016: EUR +0.1 million).

Profit and profit per share

The above developments had an adverse impact on EBITDA, which ended at EUR 4.2 million, 8% below last year. As mentioned above, EBITDA was impacted by significant non-recurring items in revenue and cost which total EUR 0.8 million.

The lower EBITDA, higher amortization and adverse exchange rate results resulted in lower Net profit. Net profit amounted to 6% of revenue (2016: 9%).

The number of outstanding shares remained the same relative to 2016. Consequently, earnings per share amounted to EUR 1.21, down by 19% from 2016 (EPS 2016 EUR 1.49).

Operating Working capital and Cash flow

Excluding acquisition effects, inventories declined further because of our POD policy. Deferred income increased by EUR 0.3 million or 4%. As a result, we could again show a modest improvement in working capital. Tax payments were below last year because of a one-off effect in 2016 relating to settlement of our re-investment reserve.

Investments increased to EUR 7.1 million from 5.8 million last year, mostly due to acquisitions and capital investments. This effect was mitigated somewhat because of lower investments in content – partly a result of lower typesetting expenditure.

Return on Invested Capital

Return on Invested Capital (ROIC) declined to 11.1% versus 13.0% in 2016. Despite the high investment level, asset turnover improved due to the revenue growth and improvements in working capital. Operating margin however declined because of the addition of low NOPLAT margin revenue (S&F), one-off expense items and project activity.

Solvency and Liquidity

The balance sheet total (EUR 48.9 million) increased relative to 2016 (EUR 47.0 million). Equity amounted to EUR 27.4 million at the end of 2017 (EUR 27.5 million at the end of 2016). Solvency declined to 56.0% in 2017 (2016: 58.6%), so solvency remained at the high end of our target range of 40-60%.

Because of the high investment level, acquisitions and the lower results, mitigated somewhat by improved working capital, our liquidity at year end declined from EUR 6.3 million in 2016 to EUR 3.8 million in 2017.

Stock exchange listing

The Supervisory Board and the Management Board regularly evaluate whether the public listing is in the interest of the company. A stock exchange listing fosters

well-spread ownership and a sustainable business model, which aligns well with Brill's long-term orientation. Because of the listing, Brill's holders of certificates of shares have the benefit of certain liquidity, which is of importance to smaller parties. Liquidity provider NIBC takes positions and thereby ensures continuous pricing, which to some extent mitigates excessively sharp price fluctuations. This is important because small trade volumes could otherwise lead to major price swings, causing an undesirable dynamic that may be completely unrelated to the actual course of events within Brill. In 2017, Brill again took part in various meetings with interested current and potential investors.

Dividend

Brill maintains a dividend policy which is aimed at steady or increasing dividend. Furthermore, we wish to adhere to our corporate solvency policy of 40-60%. In line herewith and supported by the strategic progress made in 2017 we will propose to the General Meeting of Shareholders that will be held on 17 May 2018, an all-cash ordinary dividend for 2017 of EUR 1.32 per share plus a one-time extraordinary dividend of EUR 3.00 per share. As a result, per year end 2018 our solvency should be in the range of 40-50%. This proposal reflects the strength of our balance sheet at the end of the year and our confidence in further improving results in the future.

Outlook

Brill's annual reports do not include numerical statements about future developments in terms of revenue and results. Our focus is on further development of the publishing program and getting the value out of our recent investments, whereas longer term we seek to expand and enhance the portfolio in terms of faster growing, recurring revenue streams.

In 2018, compared to 2017, we expect reduced levels of capital investment as we are finishing the largest programs from our strategic roadmap. Given the strength of our balance sheet and our prospects we have determined that an adjustment in our capital structure is appropriate; which is why we have decided to propose an additional dividend to the AGM and to negotiate an expanded financing package with our banks – to be implemented in 2018. We will continue to invest modest amounts in R&D relating to Digital Humanities, developing concepts that we can realistically market within foreseeable timeframes. As always, revenue will be balanced towards the end of the year and will partly depend on our success in realizing our planned publishing calendar and in landing a few larger orders. It should be noted that the staffing growth we experienced in 2017 and inflationary pressure on salary costs will have a significant impact on our staffing expense in 2018, even though we currently do not expect significant staff growth in 2018. We expect that the recent weakening of the US dollar will negatively impact our revenue in 2018 however the impact will be dampened somewhat by our hedging policy.

Overall, the company is cautiously optimistic about the future, especially about growing revenue and improving profits in 2018, our 335th year.

3. Human Resources

Organization

The key internal factor determining the success of the company is its personnel. It is therefore important to recruit and retain skilled and motivated professionals. Brill's policy, which is aimed at controlling the costs of personnel, optimizing work processes, providing clear job definition, and offering professional development, is closely monitored by management and the Supervisory Board, and measures are taken when necessary.

Brill is managed by its Management Board. Currently this Board exists of one Managing Director, who is also - in his capacity of acting Executive Vice President Publishing - responsible for Publishing, Business Development and HR policy. The Management Team includes the Managing Director, the EVP Sales & Marketing and the EVP Finance & Operations. Starting January 1 2018, the Management Team includes a newly appointed Chief Publishing Officer. Brill's subsidiaries have statutory directors who are locally based and who combine this role with their primary sales or publishing roles. They have regular meetings with the Management Team.

The Management Team meets every two weeks and focuses on setting the organization's objectives and coordinating publishing activities, sales and marketing, production, distribution, financing, administration, automation of work processes, management information, and human resources management.

Brill's Publishing Directors each head up a Publishing Unit. They report to the EVP Publishing, and as of January 1 2018, to the CPO. Publishing Directors and (Senior) Acquisitions Editors are responsible on a rotating basis for coordinating and optimizing cooperation with other departments.

Key Figures Human Resources

The workforce increased significantly relative to the preceding year and amounted to 164.9 FTEs (2016: 133.3 FTEs) at year end. This increase was anticipated and mainly the result of acquisitions (21 FTEs), expansion of our Asian presence and underlying growth in our publishing and sales & marketing teams. Average FTE was 160.5 versus 131.7 in 2016.

FTE's	Year end 2017	Year end 2016
Publishing Activities	65.9 [40.0%]	49.3 [37.0%]
Operations *	48.8 [29.6%]	43.8 [32.9%]
Sales & Marketing	35.8 [21.7%]	27.8 [20.9%]
Other **	14.4 [8.7%]	12.4 [9.3%]
Total	164.9 [100%]	133.3 [100%]

* Departments for desk editing, bibliographic support, electronic publishing technology, data management, production management, distribution and IT.

** General Management and the departments of Finance & Control, Legal, and Human Resources.

The split of FTE by country was as follows:

FTE's	Year end 2017	Year end 2016
The Netherlands	112.4	108.2
United States	19.8	19.1
Germany	23.9	1.0
Asia	5.8	2.0
Other	3.0	3.0
Total	164.9 [100%]	133.3 [100%]

In terms of the ratio of men to women, the share of women decreased in 2016 from 60.3% to 59.8%.

The share of part-time workers showed a decrease and made up 34.6% (2016: 39.7%) of the workforce in 2017. Sickness leave showed an improvement from 4.2% in 2016 to 3.3% in 2017.

The age structure of the workforce changed relative to 2016 and was as follows:

AGE	2017	2016
20 - 29 years	9.5%	11.0%
30 - 39 years	27.9%	26.7%
40 - 49 years	26.8%	24.7%
50 - 59 years	24.0%	26.7%
Older than 60 years	11.7%	10.9%

The average age increased in the year under review from 44.8 at the end of 2016 to 45.1 at the end of 2017. The outflow of FTE in 2017 was 8.7%, whereas the inflow was 27.9%:

FTE's outflow	2017	2016
Retirement	1.0	1.7
Brill initiative		
Temporary contracts	6.6	3.1
Other	2.6	0.7
Own initiative		
Employment 0-2 years	2.0	0.7
Employment 2-5 years	0.9	1.0
Employment 5-10 years	2.9	2.0
Employment 10-15 years	0.0	0.0
Total FTE outflow	13.9	9.2
Total outflow in %	8.7%	7.0%
FTE's inflow	2017	2016
Acquisitions / divestment	20.7	0.0
Temporary position	3.0	
Permanent contracts	17.7	
Other		
Temporary contracts	12.2	8.1
Permanent contracts	12.0	5.8
Total FTE inflow	44.9	13.9
Total inflow in %	27.9%	10.5%

In 2017, Brill's pension plan continued to be operated by Pensioenfonds PGB. The pension plan is what is referred to as a collective defined contribution (CDC) plan including a conditional indexation scheme. The pension plan is considered a Defined Contribution pension plan for accounting and reporting purposes. No additional arrangements have been set up for senior management.

Report by the Works Council

The year 2017 made a good start with the addition of the new German colleagues in Paderborn. From the beginning the Works Council has been in touch with their German counterpart, the Betriebsrat, through Skype and in person. The council also had regular meetings with its Boston liaison. Although officially the council does not represent the colleagues abroad it values regularly speaking with them, as business in the other offices and in Leiden have a mutual impact.

Constitution of the Works Council

Elections were organized but not executed since there were five candidates for the five available positions. Maarten Frieswijk and Stijn Wieger van der Heide stepped down and Debbie de Wit (vice-chair) and Carmen Loh joined as new members. Together with Tessel Jonquière (chair), Tom Weterings (secretary) and Wies van Leeuwen they constitute the Works Council May 2017–April 2019.

Requests for Advice

Several Requests for Advice were handled this year. In the first two months, two requests were finalized that had already been initialized in 2016, on the acquisition of Schöningh & Fink and the return to the public system (UWV) regarding the long-term disability insurance (*Beëindiging Eigenrisicodragerschap WGA*).

In June the council received the request to advice on the acquisition of Sense Publishers. The council stressed a concern about the workload involved with a

take-over, given that the implementation of all Schöningh & Fink business was still underway, but was otherwise enthusiastic about the new venture.

In September the council advised positively on the succession plan for Herman Pabbruwe, who will retire in 2018. The Supervisory Board made a good case for the appointment of two statutory directors: a CEO and a CFO/COO. The council was especially pleased with the intention to also appoint a Chief Publishing Officer to complement the Executive Team.

Recurring

Recurring issues during the monthly meetings with Management were the corporate governance discussion with the shareholders, the challenges around the office renovation and regular updates on Triple-C, RSuite and the integration of acquired companies. At the top of the list were topics concerning HR, such as the finalization of the Working from Home pilot, changes within the job-grading system, the current and new Collective Labor Agreement, posting of the company regulations, vacancies and response to job openings. In general, concerns were expressed regarding the workload of the HR department and the ensuing delays.

Internal cooperation

As before, the council had an open and substantive working relationship with the CEO, Herman Pabbruwe, through monthly meetings. The council met the Supervisory Board in two regular meetings, in February and November, all in a spirit of confidence. In February the council used its enhanced right of recommendation for the re-appointment of Catherine Lucet as Supervisory Board member. Incidental meetings with HR director Ina de Lange and the EVPs Peter Coebergh and Olivier de Vlam, as well as with some of the project leaders of the major projects under discussion, were constructive and pleasant.

The future

A topic that is high on the 2018 agenda is the new General Data Protection Regulation. The council looks forward to its cooperation with Herman Pabbruwe during his final months in office, but also to meeting with the new CEO and Executive Committee as of May, in order to continue the pleasant cooperation.

4. Corporate Strategy

Mission

Brill's mission is to be a leading international academic publisher in the humanities and social sciences, international law, biology and natural history. Through its mission, Brill meets a need for multimedia information amongst specialist academic target groups and markets. Providing quality service to authors and researchers is the core business. To achieve its mission, the company must grow consistently, mainly by increasing its market share in the fields in which it is active as well as in adjacent niches. The overriding objective is to maximize Brill's value creating potential for all stakeholders, including the global community that provides Brill its license to operate.

Strategy

To achieve Brill's mission, the corporate strategy centers around three goals:

- *Expand market position*

We build on our leading position as the publisher of choice for many academic researchers in the Humanities, Social Sciences and International Law. Additionally, we aim to enter adjacent segments where Brill's key assets (reputation, distribution, infrastructure) can be leveraged. These goals could be achieved organically or through acquisition. Adjacent areas which seem likely for development would include those where Social Sciences and Natural and Life Sciences have natural touching points with subjects in which we are strong traditionally such as language, philosophy and ethics, religion and history. Brill actively explores acquisition opportunities based on clear priority setting. Furthermore, we will expand the formats in which we publish – for example in digital humanities – and more actively manage the business models offered.

- *Develop market presence*

We are investing in our marketing and sales execution capability to be closer to our client and achieve improved market coverage. This entails expanding the sales force, notably in the Asian and US markets but also enhancing our communications to raise awareness of the depth and breadth of our portfolio. Communication and sales efforts will be more concentrated around the signature titles that define Brill's reputation. Digital marketing and social media are increasingly employed to improve efficiency and effectiveness of our marketing operation.

- *Invest in Operations*

We continue to invest Brill's digital business capabilities to facilitate value creation. Strategy-driven roadmaps for investment are in place for key business applications used in the business, for our content management process and for our online publishing platforms. We support our operations with standard software applications that are widely used in the business and which are provided by reputable partners, such as Klopotek, RSuite, Pubfactory and Highwire. IT operations are structured to optimize risk and efficiency through a combination of on-premise and cloud models, the balance of which is permanently reassessed.

We believe that following through on these strategic tenets during the timeline of the plan will enable us to operate within our objective EBITDA margin range of 15-20% and achieve a long-term average organic growth slightly more than the market growth, with a return on invested capital showing material headroom to our weighted average cost of capital.

5. Corporate Sustainability

Brill's Corporate Sustainability policy plays a vital role in the value creation process. Brill focuses on two areas:

- A leading or participating role in areas where Brill's core capabilities can be leveraged to further the development of the *global scholarly community*
- Permanent improvement in those areas that promote general *corporate responsibility*

Develop global scholarly community

As an independent publisher, Brill strives to make a constructive contribution to the creation of an (equally) accessible free and open information society. The demand for reliable information that is scrutinized in terms of quality and objectivity is very high. Because the company operates at its own risk and expense, it does not have to answer to any government or organization for its decision to publish or refrain from publishing a given work. Publishing practices and products are assessed by actively seeking the opinions of globally highly-esteemed researchers (peer review) and internationally active librarians (library advisory committees) and researchers (peer review).

Brill's sustainability policy also manifests itself in the company's Developing Countries Program. Brill not only actively participates in existing programs, but also takes initiatives that are developed in cooperation with professional publishers and international organizations. Examples in this regard are: Research4Life, INASP, Association of Commonwealth Universities, and Publishers for Development. As part of Research4Life Brill is currently taking the lead in setting up a new program focusing on International Law and dubbed: 'Global Online Access to Legal Information' (GOALI). This is done in close cooperation with academic libraries, such as Yale and Cornell Law School Libraries, the Library of the International Labour Organisation (ILO) in Geneva as the lead UN entity, and other academic publishers and key stakeholders.

As part of its research capacity building strategy, 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. Brill's endeavors in this context tie in with existing initiatives, such as Research4Life and INASP's Author Aid, an online mentoring system of international academics and researchers that promotes coaching and the exchange of knowledge between developed and developing countries in a very practical and effective manner. To advance accessibility and distribution, Brill offers discounts on its Open Access fees to academics and scientists in developing countries as part of its Brill Open Program.

As a well-established international company with a long-standing history, Brill attaches great importance to its historic reputation in the Netherlands and beyond. The city of Leiden and its university deserve a special mention in this regard. The Brill Fellowship available at the Scaliger Institute, makes it possible for researchers to study the special collections of Leiden University's library and is just one example of the way in which the company manifests its loyalty to the city and its university. Brill also contributes to Leiden's annual VeerStichting symposium and fosters and maintains good relations with Dutch heritage institutes. The company has granted corporate sponsorship to the Siebold Museum (Japan Studies) and the newly re-opened Rijksmuseum Boerhaave (History of Science), both in Leiden.

Actively contributing to these initiatives supports the future development of the global scholarly community and Brill's network within that community. Therefore, we strongly believe that an active policy in this regard is in the interest of all stakeholders.

Corporate responsibility

As a reputable company with a long history, Brill takes its responsibilities as a corporation to heart. The company strives to be reliable, honest, predictable, and cooperative. Creating value and long-term relationships with authors and users are key policy objectives.

Authors can be sure that their books and articles will be easy to find and always remain available. Brill uses the services of internationally preferred suppliers selected based on price and quality. In addition, our print suppliers have Forest Stewardship Council (FSC) certification. The universal 'Brill' typeface, the use of which saves time and money, was developed as an efficient and therefore paper-friendly font family. Brill's vendor policy contains unequivocal provisions pertaining to social conditions (the exclusion of child labor, for example) and the substances and materials to be used. Brill's General Business Principles are clear about our values and their impact on the conduct of our business. Brill aims to be a reliable, responsible and attractive employer (refer Value Creation at Brill).

To formalize its commitment to sustainability, Brill joined the UN Global Compact in 2016, subscribing to its Ten Principles of doing Sustainable Business in an increasingly changing global world. It is the world's largest Corporate Sustainability initiative that calls on companies to align their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption. In 2017 Brill submitted its first update report to the UN.

Brill's tax policy is aimed at achieving an efficient tax structure while paying fair amounts due in the constituencies where it does business. The transfer pricing arrangements put in place within the group are aimed at being sustainable within the context of the current OECD initiatives and concerns which have emerged in the global community.

6. Responsibility Statement

The Managing Director of Koninklijke Brill nv 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. In addition, the Managing Director is responsible for the preparation of the Director's Report which is included in the Annual Report 2017.

In the Annual Report, the Managing Director endeavors to present a true and fair view of the financial position of the Group at the balance sheet date and the development of the Group in the year under review. In the section Risk Management, management identified the main risks that are currently known to management which could affect the achievement of Brill's strategic objectives or which 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 assurance 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 Managing Director confirms that to his knowledge:

(Statement according Corporate Governance Code)

- the Annual report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable 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 a going 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 5:25c par c2)

- the 2017 financial statements give a true and fair view of the assets and liabilities, the financial position, and the profit or loss of Brill and the companies jointly included in the consolidation; and;
- the 2017 Annual Report likewise gives a true and fair view of Brill's position and the position of its affiliated companies on the balance sheet 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, April 4, 2018

Herman A. Pabbruwe
Managing Director

Activities

Of the total number of outstanding shares as at December 31, 2017 (nominal value of EUR 0.60), 1,834,463 bearer depository receipts were issued and 39,981 registered shares were included in the shareholders' register. The bearer depository receipts are represented by a single depository receipt certificate. The work associated with the administration of the shares is performed by SGG Management (Netherlands) NV (Claude Debussylaan 24, 1082 MD in Amsterdam), the trust office's administrator. The costs of administration amounted to EUR 64.7 thousand in 2017 (EUR 108.7 thousand in 2016 – note final figures, updated from last year's preliminary figures). The trust office's chairman receives a remuneration of EUR 9 thousand on an annual basis and the other two board members each receive a remuneration of EUR 7.5 thousand on an annual basis.

The Board convened a meeting of holders of depository receipts for shares Brill, which was held on February 16, 2017, in Amsterdam. In this meeting, the Board discussed with the holders of depository receipts its proposal for a new voting policy to refrain 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. In relation thereto, the general meeting of Brill has been requested to vote on a renewed agreement for the issuance of preference shares.

In the year under review, the Board met two times physically. During its first meeting on February 16, 2017, which took place shortly after the meeting of holders of depository receipts for shares, the Board discussed the proposal that was made to the meeting of holders

of depository receipts for the new policy to refrain from the exercise of the voting rights to the shares held by the trust office in Brill for which no voting proxies were received or for which the trust office did not receive any voting instructions. The Board unanimously approved this new policy and resolved that this new policy be started once the general meeting of Brill approved the renewed agreement for the issuance of preference shares. Further, the Board unanimously resolved to increase the remuneration, starting as from the financial year 2017, to EUR 9 thousand for the chairman and EUR 7.5 thousand for each of the other two board members. Finally, the Board unanimously resolved to appoint Mr. Marco Nieuwe Weme as chairman of the Board starting at the end of the meeting of holders of depository receipts for shares in Brill. During the Board meeting held on April 13, 2017, the 2016 annual report and financial statements, the company's strategy and its implementation and the general course of events within the company were discussed. In addition, the agenda for the General Meeting of Shareholders was discussed and the way in which the Board would vote in the meeting was decided. The decision was made to refrain from voting in relation to all motions tabled.

In the company's General Meeting of Shareholders which took place on May 16, 2017, 98% of the company's issued capital was represented. The trust office granted authorization to holders of 59.3% 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. For the depository receipts of shares for which the trust office received a voting instruction (3.2% of depository receipts), the trust office casted a vote in the meeting.

Board composition

At December 31, 2017, the composition of the trust office's board was as follows:

Name	Appointed	In office until	Position
Marco P. Nieuwe Weme, Prof. LL.M.	2016	2020	Chairman
Joost C. Kuiper, LL.M.	2014	2018	Member
Yvonne C.M.T. van Rooy, LL.M.	2016	2020	Member

Corporate Governance

The trust office's Board does not adhere to the principle of the current Dutch Corporate Governance Code regarding the protective nature of the depositary 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 in terms of size and special position.

The trust office will always issue voting proxies to depositary 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 depositary 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 depositary receipt holders the opportunity to make recommendations in the event of board vacancies. The Board will not take such recommendations into account when making decisions, however, if, in the opinion of the Board, a nominated candidate does not believe in the importance of the protective function of the depositary 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 depositary 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 depositary receipts for shares means that the interest of depositary 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 depositary 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 behavior. Except in the event of special circumstances, the Board does not intend to convene meetings of depositary receipt holders.

Declaration of Independence

The Board of Stichting Administratiekantoor Koninklijke Brill, the trust office, 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, April 4, 2018

Stichting Administratiekantoor Koninklijke Brill
The Board

The purpose of Stichting Luchtman, a foundation named after the founder of the Company, is to serve the interests of the company and those of companies affiliated with it in a group, as well as those of businesses maintained by the company and/or by companies affiliated with it in a group, in such a way as to ensure that the interests of the company and the group companies and businesses referred to, as well as the interests of all parties involved, are safeguarded to the greatest extent possible and factors that could adversely affect the independence and/or the continuity and/or the identity of the company and the group companies and businesses referred to are resisted to the greatest extent possible. Stichting Luchtman endeavors 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, particularly the right to vote conferred by those shares.

Stichting Luchtman has been granted a call option that gives it the right, in the event of hostile action or imminent hostile action against the company, to take a number of cumulative preference shares equal to, at most, 100% of the shares and depositary 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 depositary receipts are listed on the Euronext Amsterdam NV exchange.

In 2017, the composition of the foundation's board was as follows:

Name	Appointed	Current term until	Position
Piet G.J. van Sterkenburg	2006	2018	Chairman
Herman P. Spruijt	2001	2020	Vice chairman
Joris P. Backer, LL.M.	2008	2020	Secretary/treasurer
Rudy P. Voogd, LL.M.	2005	2017	Member (until 1 July 2017)
Tanja Bender	2017	2020	Member (from 1 July 2017)

The Board of the foundation aims to meet at least once a year. One meeting in person took place in 2017 (April 19). In this meeting, the company's 2016 results, the implementation of the strategy, financing, acquisitions, market developments, and the general course of events within the company were discussed. Mr. Spruijt and Mr. Backer were reappointed for a three-year term. A telephone conference took place on 12 July in which the Managing Director informed the Board about the progress made in the on-going consultation of stake holders leading to the proposal to approve a

new option agreement between the company and the Stichting. This agreement was indeed signed on 23 June 2017, following the affirmative vote in the AGM.

Mr. Rudy Voogd retired from the board at the expiration of his last term. The Board and the company have expressed their debt of gratitude to Mr. Voogd for his support and expert advice during twelve years of service.

Declaration of Independence

The Board of Stichting Luchtman hereby declares that, in its opinion, the requirements that apply to the independence of the directors of Stichting Luchtman as referred to in Section 5:71, subsection 1 under c, of the Financial Supervision Act have been met.

Leiden, April 4, 2018

Stichting Luchtman,
The Board



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Religion and the Arts:
History and Method

Diane Apostolos-Cappadona

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*Biblical Studies,
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and the (Im)Personal*

Maia Kotrotsis

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*Disaster Diplomacy
and Its Foreign Policy
Implications*

Ilan Kelman

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Water Culture in
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Dylan Kelby Rogers

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Major Research
Issues in SLA
*Edited and Introduced by
Michael H. Long
with contributions by
Gisela Granena and Yucel Yilmaz*

Gisela Granena and Yucel Yilmaz

BRP

Imago Decidendi
*On the Common Law
of Images*

Peter Goodrich

The growth of scholarly literature continues to accelerate at an exponential rate. Staying current on a variety of subjects is becoming increasingly difficult for scholars, even within their own discipline. In response to this trend, Brill introduced a new family of journals, Brill Research Perspectives.

These reference journals combine the verification of peer review, the high usage of reference works, and the pedagogy of textbooks. Designed for research communities in the Humanities, International Law, and Social Sciences, these journals distil the vast body of literature in a field into a more digestible format while linking to the primary sources.

Brill Research Perspectives publish 2-6 issues annually across multiple subject areas. In years to come, additional journals will be added to Brill Research Perspectives. Over time, the formula may amount to some fifty titles. Each issue consists of one uniquely focused article of 70-100 pages. To facilitate the efforts of researchers and educators alike, each journal issue will also be available as a book in both print and electronic format. Taken together, Brill Research Perspectives will constitute a multidisciplinary reference library devoted to key research areas.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION,
BEFORE APPROPRIATION OF PROFIT**

In thousands of euro's

	31-12-2017	31-12-2016*
Assets		
Non - current assets		
Tangible fixed assets	488	303
Intangible fixed assets	31,574	29,186
Financial assets	12	0
	<u>32,074</u>	<u>29,489</u>
Current assets		
Inventories	3,236	3,045
Trade and other receivables	9,154	8,002
Income tax to be received	334	34
Derivative financial instruments	346	117
Cash and cash equivalents	3,787	6,304
	<u>16,857</u>	<u>17,502</u>
Total assets	<u>48,931</u>	<u>46,991</u>
Equity and liabilities		
Equity attributable to owners of Koninklijke Brill nv		
Share capital	1,125	1,125
Share premium	343	343
Retained earnings	23,900	23,577
Other reserves	-226	-308
Undistributed profit	2,260	2,797
	<u>27,402</u>	<u>27,534</u>
Non – current liabilities		
Provisions	45	0
Deferred tax liabilities	3,775	3,693
	<u>3,820</u>	<u>3,693</u>
Current liabilities		
Trade and other payables	8,787	6,789
Deferred income	8,713	8,439
Provisions	100	0
Derivative financial instruments	105	422
Income tax to be paid	4	114
	<u>17,709</u>	<u>15,764</u>
Total liabilities	<u>48,931</u>	<u>46,991</u>

*) 2016 restated for reclassification from inventories to intangible assets, refer Note 5.

**CONSOLIDATED INCOME STATEMENT AND STATEMENT OF
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

In thousands of euro's

	2017	2016
Gross profit		
Revenue	36,394	32,177
Cost of goods sold	-12,551	-11,158
	<u>23,843</u>	<u>21,019</u>
Expenses		
Selling and distribution expenses	-6,476	-5,745
General and administrative expenses	-14,052	-11,562
Operating profit	<u>3,315</u>	<u>3,712</u>
Finance income	19	147
Finance expenses	-269	-46
Profit before income tax	<u>3,066</u>	<u>3,813</u>
Income tax expense	-806	-1,016
Profit attributable to shareholders of Koninklijke Brill NV	<u>2,260</u>	<u>2,797</u>
Other comprehensive (expense) income – items that might be reclassified to future profit or loss statements		
Exchange rate differences in translation of foreign operations	-116	-24
Cash flow hedges	263	-108
	<u>147</u>	<u>-132</u>
Income tax relating to these items	-66	27
	<u>81</u>	<u>-105</u>
Total comprehensive income for the period attributable to shareholders of Koninklijke Brill NV	<u>2,341</u>	<u>2,692</u>
Earnings per share (EPS)		
Basic and diluted earnings per share attributable to shareholders of Koninklijke Brill NV	1.21	1.49

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED DECEMBER 31, 2017**

In thousands of euro's

	2017	2016*
Cash flow from operating activities		
Profit before income tax	3,066	3,813
Adjustments for		
Amortization and Depreciation fixed assets	962	861
Amortization Content	3,461	3,148
Finance income – net	250	-102
Loss on divestment	-	217
Change in operating assets and liabilities		
Change in working capital	554	1,520
Change in provisions	0	-104
Cash generated from operations	8,293	9,353
Interest paid	-28	-34
Income tax paid	-1,222	-1,494
Net cash flow from operating activities	7,043	7,825
Cash flow from investing activities		
Investment in tangible fixed assets	-359	-71
Investment in intangible fixed assets (non-content)	-1,671	-976
Investment in Content	-3,090	-3,465
Payments for acquisitions, net of cash acquired	-1,866	-95
Payments for acquisitions relating to other periods	-100	-890
Net cash flow from investing activities	-7,086	-5,496
Cash flow from financing activities		
Dividend paid to company shareholders	-2,474	-2,324
Net cash flow from financing activities	-2,474	-2,324
Net cash flow	-2,517	5
Cash and cash equivalents as per January 1st	6,304	6,299
Net cash flow	-2,517	5
Cash and cash equivalents as per December 31st	3,787	6,304

*) 2016 restated for reclassification from inventories to intangible assets, refer Note 5

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In thousands of euro's, as per 31 December

	Share capital	Share premium	Retained earnings	Currency Translation reserve	Currency Hedge reserve	Undistri- buted Profit	Total equity
Balance as per January 1st 2016	1,125	343	23,569	-123	-80	2,332	27,166
Total comprehensive income for the period							
Profit for the year	0	0	0	0	0	2,797	2,797
Other comprehensive income	0	0	0	-24	-81	0	-105
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>-24</u>	<u>-81</u>	<u>2,797</u>	<u>2,692</u>
Total contributions by and distribution to owners							
Dividends paid over prior year	0	0	0	0	0	-2,324	-2,324
Retained earnings prior year	0	0	8	0	0	-8	0
Total contributions by and distribution to owners	<u>0</u>	<u>0</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>-2,332</u>	<u>-2,324</u>
Balance as per December 31st, 2016	<u>1,125</u>	<u>343</u>	<u>23,577</u>	<u>-147</u>	<u>-161</u>	<u>2,797</u>	<u>27,534</u>
Total comprehensive income for the period							
Profit for the year	0	0	0	0	0	2,260	2,260
Other comprehensive income	0	0	0	-116	197	0	81
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>-116</u>	<u>197</u>	<u>2,260</u>	<u>2,341</u>
Total contributions by and distribution to owners							
Dividends paid over prior year	0	0	0	0	0	-2,474	-2,474
Retained earnings prior year	0	0	323	0	0	-323	0
Total contributions by and distribution to owners	<u>0</u>	<u>0</u>	<u>323</u>	<u>0</u>	<u>0</u>	<u>-2,797</u>	<u>-2,474</u>
Balance as per December 31st, 2017	<u>1,125</u>	<u>343</u>	<u>23,900</u>	<u>-263</u>	<u>36</u>	<u>2,260</u>	<u>27,402</u>

OTHER INFORMATION

Earnings per share (EPS)

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	2017	2016
Net income	2,260	2,797
Weighted average number of shares issued	1,874,444	1,874,444
Earnings per share attributable to shareholders of Koninklijke Brill NV (in EUR)	1.21	1.49

Dividend paid and proposed

Dividend	2017	2016
Dividend paid		
Dividend paid for 2015: EUR 1.24		2,324
Dividend paid for 2016: EUR 1.32	2,474	
Proposed dividend for 2017 (not included as a liability per December 31st 2017)		
Ordinary Dividend to be paid for 2017: EUR 1.32	2,474	
Exceptional Dividend to be paid for 2017: EUR 3.00	5,623	
Total dividend to be paid for 2017	8,097	
Profit distribution proposal 2017		
Ordinary dividend on ordinary shares	2,260	
Added to retained earnings	0	
Net profit	2,260	

Remuneration of the Managing Director and Supervisory Board

Brill is managed by a statutory director (Managing Director), supervised by the Supervisory Board. The members of the Supervisory Board receive an annual remuneration. They do not receive cash or other deferred incentive payments, such as stock options or shares, nor do they accumulate pension entitlements with Brill.

The remuneration of the Managing Director, as detailed in the remuneration policy consists of a fixed and a variable component. The variable component entails a short-term variable incentive, maximized at 40% of the fixed component and a three-year long-term variable component maximized at 40% of the fixed component. The Managing Director has no remuneration in stock options or shares. In addition, Brill pays 70% of the pension premium in the employee pension plan (see note 2.18) for the Managing Director.

Remuneration pay-out to the Supervisory Board and Managing Director in 2017 was as follows:

Remuneration of the Supervisory Board	2017	2016
Mr. S. Perrick	34,000	15,000
Mr. R. Hoytema van Konijnenburg	29,011	25,812
Mrs. C. Lucet	28,123	25,108
Mr. A.R. baron van Heemstra	0	20,483
	<u>91,134</u>	<u>86,403</u>
Remuneration of the Managing Director (pay-out)	2017	2016
<i>Fixed</i>		
Salary	260,000	255,000
Pension premium paid by Brill	75,136	73,837
<i>Variable</i>		
Anniversary payment		10,625
Incentive plan (concerning performance of previous year)	63,750	55,000
	<u>398,886</u>	<u>394,462</u>
Total remuneration of Supervisory Board and Managing Director	<u>490,020</u>	<u>480,865</u>

In 2018, the following amounts relating to variable remuneration will be paid out. In relation to the 2017 target achievement, an amount of EUR 129 thousand was recognized in the accounts of 2017 of which EUR 77 thousand is for the long-term target and EUR 52 thousand is for the short-term for pay-out in 2017. The short-term variable income to the Managing Director is granted according to performance criteria which in 2017 were based on increase of revenue, increase of EBITDA, ROIC and two non-financial targets. The increase of revenue was met at 70% and accordingly the Managing Director was awarded a pay-out of 3% on this target. The ROIC target was met at 70% and accordingly the Managing Director was awarded a pay-out of 1.5%. The EBITDA target was not met, resulting in 0% pay-out. One of the two non-financial targets was fully met resulting in a pay-out to the Managing Director of 12.5%. Finally the Supervisory Board used its discretion to award a further 3% making the total short-term portion 20%.

Events after balance sheet date

On November 29, Brill announced the acquisition of mentis Verlag, a German publisher in the field of philosophy, effective January 1st, through a purchase of business activities. Brill expects mentis to add around EUR 0.2 million in revenue. Total consideration will be EUR 0.2 million. Two staff joined Brill in relation with the acquisition, of which one fulltime.

The long-term (3 year) variable income to the Managing Director is granted according to performance criteria which were based on growth of revenue. The 2015-2017 target (pay-out 2018) of 20% autonomous growth over three years was not met in 2017, the 2016-2018 target (pay-out 2019) of 2.6% average organic growth of revenue was met in 2016 and 2017 and the 2017-2019 target (pay-out 2020) regarding acquisition volume was not met in 2017. In view of the retirement of the Managing Director, the Supervisory Board used its discretionary power to award 30% for the achievement of the 2016-2018 plan.

With these amounts, all remaining entitlements relating to long-term incentives of the Managing Director have been settled.

Other related party transactions

There are no other related party transactions.

There are no other events after balance date that give additional information about the actual situation as per balance sheet date with relevant financial impact on the company.

Profit appropriation 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 pay-out 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 Managing Director.
- D. The Supervisory Board, consulting with the Managing Director, 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 pay-out to holders of (certificates of) ordinary shares.

INFORMATION FOR SHAREHOLDERS

The Brill share

Since July 1997, Koninklijke Brill NV has been listed on Euronext Amsterdam. The register of shareholders of Koninklijke Brill NV is managed by:

SGG Management (Netherlands) BV

Claude Debussylaan 24

1082 MD Amsterdam

T +31 20 52 22 555

SGG also acts as administrator of the Stichting Administratiekantoor Koninklijke Brill. Registered shareholders can send changes of address notifications and questions on shareholding or dividend payments to the above-mentioned trust office.

In the context of the Financial Supervision Act, the following holders of share certificates, on December 31, 2017, 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
Axxion SA	6%	20 July, 2016
Teslin participaties	6%	22 February, 2013
J.P. van Slooten	5%	13 July, 2016
Brokat Media Support BV	5%	18 December, 2012
Stichting Administratiekantoor Arkelhave Capital	5%	16 December, 2016
Stichting John en Marine Van Vlissingen Foundation	5%	11 August, 2015
GVB Capital Management	3%	26 June, 2012
Add Value Fund NV	3%	18 July, 2012

Number of shares

The number of shares outstanding with a nominal value of EUR 0.60 was 1,874,444 on December 31, 2017 (on December 31, 2016 1,874,444). Of the total number of shares outstanding as of December 31, 2017, 1,834,463 certificates were issued and 39,981 registered shares were recorded in the share register.

Holdings of Management and Supervisory Board members

Herman A. Pabbruwe
8,311 shares (Managing Director)

The Managing Director, before his appointment and for his own account and risk, acquired share (certificates) in Brill via his bank with the consent of the Supervisory Board. It has been agreed with the Supervisory Board that the Managing Director will not dispose of or encumber these certificates, possibly increased by stock dividend for which a standard instruction has been given, during his active employment.

Profit appropriation

Management proposes an ordinary cash dividend of EUR 1.32 and an extraordinary distribution from the reserves of EUR 3.00 per (certificate of) ordinary share of EUR 0.60 nominally. Refer to separate chapter 'Shareholder information'. If the Annual General Meeting accepts the dividend proposal, the 2017 profit in the amount of EUR 2,260 thousand will be appropriated as follows:

<i>Profit appropriation proposal</i>	2017
Dividend on ordinary shares	2,260
Retained Earnings	0
Net profit	2,260

Leiden, April 4, 2018

Supervisory Board

Steven Perrick
Catherine Lucet
Robin Hoytema van Konijnenburg

Managing Director

Herman A. Pabbruwe

Annual General Meeting of Shareholders

May 17, 2018 (2.00 PM at Brill premises)

Publication of Results First Half Year 2018

August 23, 2018 after stock market close

Trading Update Third Quarter 2018

November 15, 2018 after stock market close

Announcements of Results 2018

March 14, 2019 after stock market close

Publication Annual Report 2018 on corporate website (brill.com)

April 4, 2019

Trading Update First Quarter 2019

April 18, 2019 after stock market close

Annual General Meeting of Shareholders

May 16, 2019 (2.00 PM at Brill premises)

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: About / Investor Relations. In addition, information may be requested via the following address.

KONINKLIJKE BRILL NV

Investor Relations

P.O. Box 9000

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Edited by Lynn Catterson



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Lotteries, Art Markets, and Visual Culture in the Low Countries, 15th-17th Centuries

Sophie Raux



BRILL

REVIEWS IN THE HISTORY OF COLLECTING IN ART MARKETS 14

“Go west young man,
and grow up with the country”

Digital Humanities at Brill





“Go west young man, and grow up with the country”

Digital Humanities at Brill

As a technology-savvy publisher in the Humanities, Brill has been active in the Digital Humanities (DH) community for a number of years. One of the earliest initiatives was the development of the Brill typeface, branded as “the Brill”, a set of fonts which supports the publication – online as well as in print – of special character sets. The typeface is based on the XML standard and designed and developed by John Hudson, an expert in the field. As a niche publisher in the area of smaller and endangered languages, Brill required sophisticated software to offer high quality rendition of transliterated and original script for our authors. “The Brill” can be used free of charge for non-commercial use, but is also available by commercial license.

Five years ago, the company inventoried our efforts in the DH to date and reiterated our ambition to remain a service oriented publishing house seeking to develop and implement new technologies in the interest of providing enhanced products and services.¹ Or in other words, and paraphrasing the title of this article: We see the fertile farmland of the Digital Humanities as an ideal space to engage with scholars willing to work in non-traditional ways and to go a little further.

At that time, a few book series and journals spread across several disciplines served the DH community, and Brill cooperated with participating scholars by sponsoring special projects that fall within the DH category. Such initiatives typically originated in Brill’s Publishing Units and blossomed independently of each other. Consequently, there was no standardized approach to manage the various undertakings, and little cross-fertilization or long-term product development was realized.

Detail from: Jost Amman, *Kunstbüchlin*.
Frankfurt am Main, 1599. The book is to be
found in the Arkyves database.
Glasgow, University Library, Stirling Maxwell 87

Since then, four core technologies have been identified which are likely to have a significant influence on research activities in the Humanities and Social Sciences. Spatial software and Geographic Information Systems, pattern and image recognition, semantic technologies and statistical analysis will impact research strategies in a number of ways and thus the form and nature of resulting publications. Publications will offer novel features and elements as well as new user interfaces. The addition of data sets, software and multi-media, it is perceived, will increasingly influence the publication culture in the Humanities and Social Sciences. Publications will have to comply with user demands and FAIR principles (Findable, Accessible, Interoperable, and Re-usable). Needless to say, scholarly findings must be reproducible and verifiable. Brill is committed to playing a leading role in the innovation of publishing in the fields we cover and actively seeks partnerships within the scholarly community in this endeavor.

At the end of 2016 a decision was taken to appoint one of our Publishing Directors as Program Director for Digital Humanities, tasked with coordinating all business development activities of the company in the DH area. Five main objectives lie ahead: 1) Monitor new initiatives at Brill; 2) develop internal expertise; 3) create partnerships with leading DH centers globally, and 4) acquire new projects, together with Acquisitions Editors. These activities result in the fifth and perhaps most important task: 5) Build an infrastructure for the support of DH publications at Brill.

1 ‘Exploring new opportunities in support of the digital humanities’, in: *Brill in 2013* (Leiden 2014) 47-55. https://brill.com/fileasset/downloads_static/static_investorrelations_brill_in_2013.pdf

An important step in the process was the appointment of a software engineer as a Digital Publishing Specialist (DPS) in 2017. The DPS serves as a development liaison to key scholars engaged in advanced Humanities and Social Science research as well with Brill's technology development. The DPS helps identify trends in DH, and provides digital scholarship support to our efforts to conceptualize and commercialize new DH tools, publications and services.

The DPS collaborates with Brill's Program Director for DH, Acquisitions Editors and Program Managers to determine, define and utilize synergies within product development. He conceptualizes and tests product ideas in this joint effort and will be responsible for setting standards and documenting protocols for advanced digital product development at Brill. Data storage and data management are also included in the DPS' portfolio. A number of projects have been selected to test this concept, all of which are related to the four core technologies identified.

Arkyves

The Arkyves database is a treasure trove and “toolbox” for those interested in the history of culture, underpinned by the Iconclass standard. Following a period of initial progress, development slowed down some years ago, due to the lack of resources available to its editors. At the same time, Brill perceived ample opportunity to improve the database and to create satellite products and services to be based on the Iconclass standard. In 2017, Brill was able to acquire Arkyves, and one of its former owners and developers joined us as Digital Publishing Specialist. This immediately created room to begin work on long anticipated improvements, which will see fruition in 2018. Arkyves' enhanced profile will offer a robust search interface, design improvements, the possibility to add new content in an automated way, increased interactivity,

Metabotnik of Jost Amman, Kunstbüchlin. Frankfurt am Main, 1599. Glasgow, University Library, Stirling Maxwell 87

ARKYVES is a unique database of images and texts, an aggregator platform, and a set of software codes which enables the description of images and the study of imagery. The database contains more than 500,000 images, texts, etc. from libraries and museums in many countries, among them the Rijksmuseum in Amsterdam, the Netherlands Institute for Art History (RKD), the Herzog August Bibliothek in Wolfenbüttel, and the university libraries of Milan, Utrecht and Glasgow.

The addition of more collections is foreseeable in the near future. The database contains a link to the images which are available in Open Access, and is hosted on a IIF (International Image Interoperability Framework) compliant server.

Very rich, but standardized subject information is offered as all collections share the use of ICONCLASS, the most widely accepted multilingual classification system for the

description and retrieval of subjects in art and iconography represented in images (works of art, book illustrations, reproductions, photographs, etc.). Iconclass was developed by Henri van de Waal (1910-1972), Professor of Art History at the University of Leiden. His ideas for a systematic overview of subjects, themes and motifs in Western art, which later became the Iconclass system, took shape in the early 1950s. The complete Iconclass system was finished in the years after 1972 by a large group of scholars and was published between 1973 and 1985 by the Royal Netherlands Academy of Arts and Sciences (KNAW), of which Van de Waal was a member. Iconclass is used by museums and art institutions around the world and the system is available as Linked Open Data (LOD). The multilingual Iconclass Browser serves as a search tool that allows an indexer to find the concepts to tag an image. Needless to say, it can also be used to establish the correct meaning of a notation.



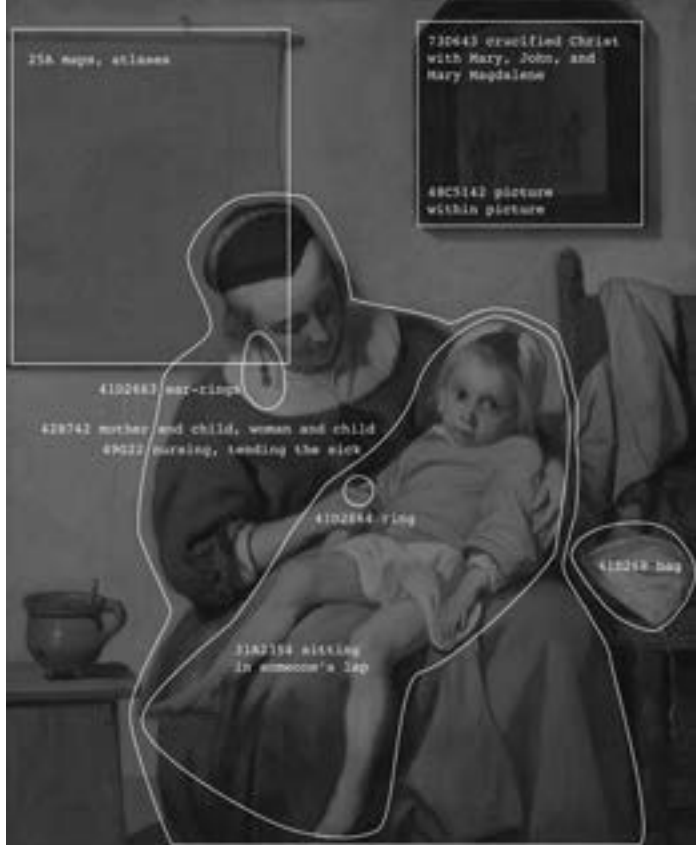


Gabiël Metsu, *The Sick Child*, (c.1664 - c.1666)

oil on canvas, h 32.2cm x w 27.2cm

In 1663 the plague raged throughout Amsterdam, killing one in ten citizens. Dating from around this time is Metsu's poignant portrayal of a sick child, rendered in powerful, bright colours against a grey background. The scene is reminiscent of a pieta, a representation of the Virgin Mary holding her son's dead body in her lap. The painting of the Crucifixion on the back wall also recalls Christ's suffering. Source: Rijksmuseum, Amsterdam. Public Domain Mark 1.0.

To prepare the Arkyves database for the use of image recognition technology, a 'library' of tagged picture details has to be created. The black and white copy of Metsu's painting offers an impression of the pictorial elements to be stored in such a library.



integrated geo-context and Metabotnik (a tool to create huge zoomable images). Moreover, the design of an image recognition tool in combination with an app, the enhancement of the Iconclass browser, and the update of the browser for harvesting Iconclass metadata (HIM-browser) are features in development.

The image recognition tool compares scanned images with images available in the Arkyves database. Based on the search results, the tool will suggest Iconclass notation. This can also be done in an automated way for large collections of scanned images. Image recognition will also be used by means of an app that offers the possibility to compare photos of images taken with the camera of your smartphone with the images in the Arkyves database to inform the user what is depicted.

Applications and new technologies in the area of Computer Vision and Artificial Intelligence will help create rich tool sets that improve the productivity of those who work in the field of cultural heritage. The products, which will be developed in the future, will either make Brill's content smarter, and therefore more commercially attractive or will be sold separately as software as a service.

Making Sense of Illustrated Handwritten Archives/MONK

Large and important parts of our cultural heritage are stored in archives that are difficult to access. Documents and notes are written in historic handwriting difficult to discern and are weakly structured, precluding access to a wider public, or even to scientists and other experts. Computer-based recognition of connected-cursive script is, in general, distinctly beyond the scope of current technology.

The Making Sense project will investigate this challenging problem by attempting to interpret the notes and illustrations in the archive of the *Natuurkundige Commissie voor Nederlands-Indië*. It is one of the premier collections of Naturalis Biodiversity Center in Leiden, which holds one of the most important natural history collections in Europe. The archive comprises a wide range of unpublished, handwritten documents, publications and biological and geological specimens, gathered and described between 1820 and 1850 on the islands Java, Timor, Ambon,

Ternate, Sulawesi, New Guinea, Sumatra and Borneo in the former Dutch East Indies, now the Indonesian Archipelago. This collection remains an important knowledge-base for natural scientists, historians of science and exploration, and other scholars.

Correctly interpreting illustrated handwritten historical archives is not without challenges. For handwriting recognition, Brill employs the MONK system, a state-of-the-art machine learning handwriting recognition system. The handwritten archives are supplemented with the circumstances of the committee's voyages, and contextual information of the species,

Intermediate Leaf-nosed Bat (*Hipposideros larvatus*), notes (in German) and sketch by Heinrich Boie, Mount Parang, Java, 13 February 1827. Source: Naturalis Biodiversity Center, Archive of the *Natuurkundige Commissie voor Nederlands-Indië*. Public Domain Mark 1.0.





Pringilla oryzivora



Cuculus flarus



Eolius longus ♀



Ardea Cinnamomea



Gallinula rubiginosa ♀



Pastor Cristatellus



Columba Malaccensis



Pastor Jalla



Columba tigrina

Buiten zorg.



Malurus Marginalis



Napothera pyroptera



Ploceus barbatulus Sw.



Oriolus chinensis



Alcedo omnicolor Gün.



Centropus affinis Herf.



Columba bitorquata



Eolus griseus Sw.



Ocypterus leucorhynchus

G. von Kautsky

Eventscapes: Providing Spatio-Temporal Access to the Prize Papers

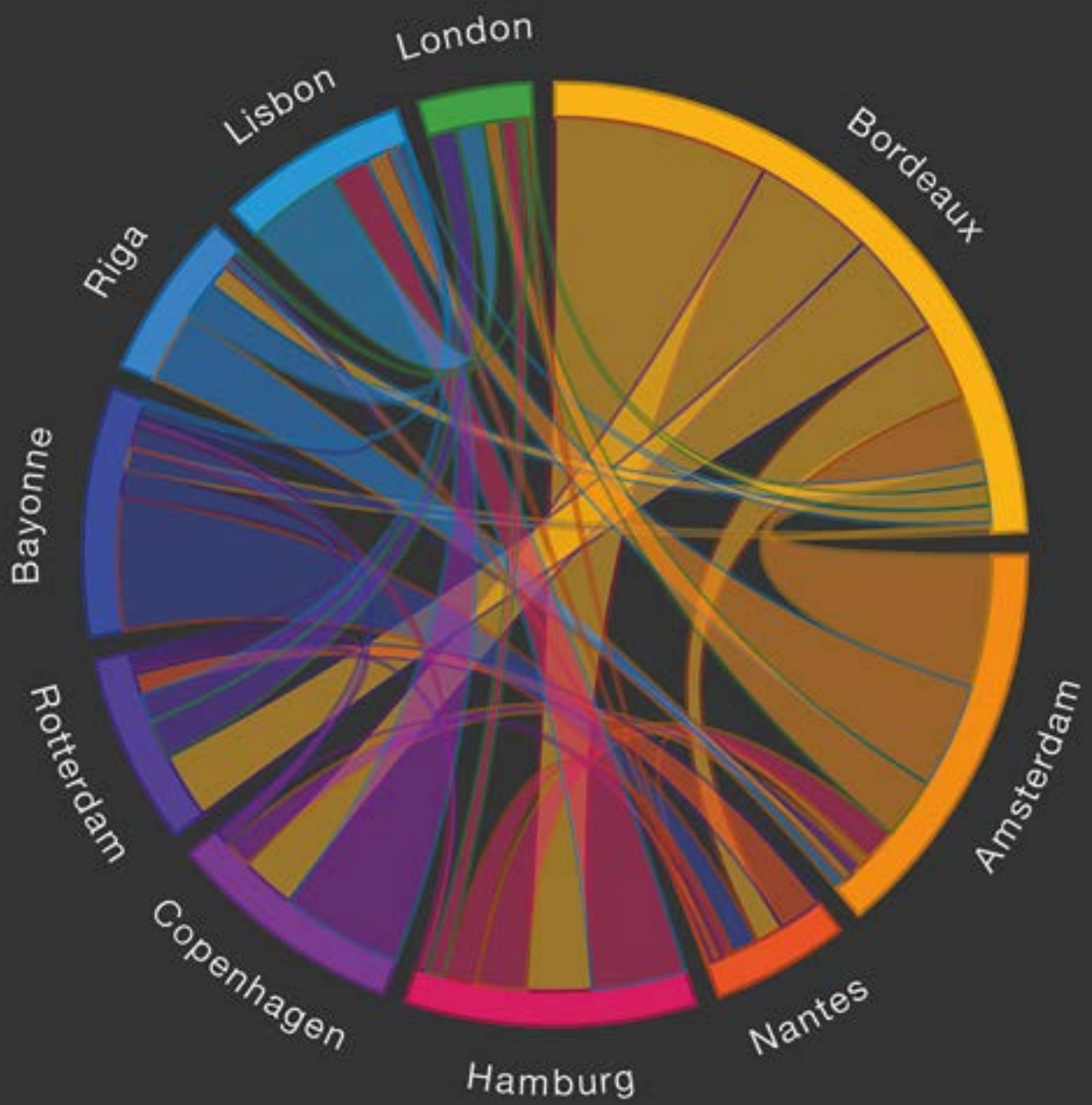
locations and habitats which will be used to support the handwriting recognition of the historic collection of Naturalis. MONK will be extended with layout formatting and ontologies. Furthermore, the Naturalis taxonomic expertise, in combination with history of science methods, are used to bootstrap, train and refine the system. The project aims to develop a technologically advanced and user-centered digital environment that provides access to archives containing handwritten notes and illustrations. This technological tool, combining both image and textual recognition, allows, for the first time, an integrated study of underexplored scientific heritage collections and archives in general.

Brill is one of the founding partners of the Making Sense project. Financial support comes from both Brill and the Netherlands Organisation for Scientific Research NWO. Other partners contribute in kind and include Leiden University (the Leiden Centre of Data Science (LCDS) and the Leiden Institute of Advanced Computer Science (LIACS)), Groningen University (Artificial Intelligence and Cognitive Engineering (ALICE)), the University of Twente's Department of Science, Technology, and Policy Studies (STePS), and Naturalis Biodiversity Center. As an outcome of the project, Brill will license the MONK software to the market as a service. Product ideas range from text mining of municipal archives and historic correspondence to the analysis of mediaeval manuscripts.

This project, also funded by NWO and Brill, focusses on an important set of digitized historical documents stemming from what is called the Prize Papers Archive, considered to be one of the world's most important maritime archives.²

The British fought many naval wars, during which many enemy ships were seized. Documents pertaining to tens of thousands of these appropriated ships ("prizes") have been preserved. Every ship's file contains at least one document in English: the interrogations by the Prize Courts of the captain and a number of other crew members of ships taken as lawful prizes. Providing a wealth of information about ships and their crews, the interrogations give unprecedented insight in the workings of the maritime sector during the Age of Sail. Over the last years, a vast amount of these interrogations has been digitized and published by Brill as *Prize Papers Online*. In order to provide greater access to this valuable historical collection, a flexible and potentially adaptable dashboard which will function as intermediary between the interrogations and their users will be developed. In realizing the dashboard, the documents will be more accessible for further analysis. Potentially, researchers, curators of digital collections, but also the interested public, will be able to use the dashboard to detect and contextualize spatio-temporal patterns in the form of digital maps and linked timelines - an "eventscape". This allows the user to confirm or reject earlier hypotheses, while newly discovered patterns can be novel food for thought. The dashboard will be integrated in the Prize Papers Online product.

2 Brill in 2013, 30-31. https://brill.com/fileasset/downloads_static/static_investorrelations_brill_in_2013.pdf



Another example of a visualization of historical shipping routes, based on a sample of the Prize Papers dataset (graphic by Yuhang Gu (University of Twente)).



Bucco multicolor Vieig
n. 290.

Virtual Interiors as Interfaces for Big Historical Data Research

The eventual goal of the project is to develop an elaborated proposal for a larger project that will generate a generic digital solution for dealing with digitized historical document collections from a space-time perspective. The dashboard and the proposal build on the historical knowhow of Huygens ING, a research institute of the Royal Dutch Academy of Arts & Sciences on History and Culture, cutting edge visualization techniques provided by the University of Twente's Department of Geoinformation Processing, the expertise of a digital heritage expert at the University of Twente's Department of Science, Technology, and Policy Studies (STePS), and Brill's strengths in scholarly publishing. The project ties in with our growing program in historic cartography, following the acquisition of Hes & De Graaf publishers some years ago.

The Semantic Web needs interfaces for critical, trustworthy readings of Big Data for humanities research, cultural heritage and creative industries. (Re-)using data on the production and consumption of cultural goods, geodata, maps and building plans of the Dutch Golden Age, the "Virtual Interiors" project will unlock the research potential of large historical data sets in a geospatial context. Virtual reconstructions of interiors of houses and their locations in Amsterdam during the Dutch Golden Age will not only provide insight in socio-spatial aspects of the cultural production and consumption of the creative industries, but also contribute to the development of spatial humanities and digital hermeneutic methods. The Amsterdam case study focuses on the implementation of these methods by enhancements of GIS with applications of "deep/thick maps" and historic reconstructions in virtual 3D/4D spaces with multiple perspective views and visual representations of uncertainty.

However, the question of how we tell, edit and represent "stories" in virtual reconstructions with incomplete/inconsistent data has relevance far beyond the historic case of Amsterdam. Contextualizing these virtual historic reconstructions with sustainable annotations provides input for the creation of more generic, multidimensional "hyper-spaces" that serve as interactive interfaces for research in the Digital Humanities, cultural heritage, creative industries and beyond. Sustainable solutions for identifying and annotating locations and events in continuously changing configurations in multidimensional virtual spaces are both conceptual and technical challenges for augmented reality applications and games. Finally, the dissemination and preservation of these enriched reconstructions as enhanced publications (Brill's part in the project) support research in the cultural heritage and creative industries. Brill's partners in the consortium of this NWO-funded project are Huygens ING, University of Amsterdam (Media & Culture; History of Art), and the Netherlands Institute of Sound and Vision.

Red-throated Barbet (*Megalaima mystacophanos*),
Buitenzorg, Java, May 1827. Draftsman: Pieter van Oort.
Source: Naturalis Biodiversity Center, Archive of the
Natuurkundige Commissie voor Nederlands-Indië.
Public Domain Mark 1.0.

Enhancing Societal Impact of Academic Publications

The central goal of academic publishers is the dissemination of research results. Their audiences can generally be divided into two categories. Academic publications are firstly made accessible to the scholarly community, so that these texts can form the input for new academic inquiries. Secondly, research outcomes are also distributed among professionals outside of academia within the (semi-)public and private sectors. It may be observed, nevertheless, that the primary focus of publishers shifts increasingly toward the first category of readers, at the expense of readers outside of academia. This development is partly related to the unprecedented proliferation of scholarly publications, and to the fact that academic publications often make use of a highly specialized academic language. For non-academic readers, it becomes progressively difficult to identify publications that are of actual relevance to their field of work. (This may be considered in contradiction with the generic goal of Open Science, of reaching a wider audience.) This NWO funded project aims to examine the factors underlying the limited use of academic publications among non-academic readers in a detailed manner. In addition, this project seeks to develop a prototype of a practical application which can automatically recognize societal relevance. This application can ultimately form the basis for a recommendation service to support publishers in their efforts to reach non-academic audiences. The application will be based on technologies in the field of text and data mining, and will make use of keywords, abstracts, stylistic properties and usage data. Brill will contribute its journal *Logos*' content to the project, in which we cooperate with Leiden University (Centre for Digital Scholarship & Centre for the Arts in Society) and Boom Publishers.

Bridging the Gap: Digital Humanities and the Arabic-Islamic Corpus

Despite some pioneering efforts in recent times, the *longue durée* analysis of intellectual history in the Islamic world remains a largely unexplored field of research. Researchers of Islamic intellectual history still tend to study a certain canon of texts, made available by previous Western researchers of the Islamic world largely based on considerations of the relevance of these texts for Western theories, concepts and ideas. Indigenous conceptual developments and innovations are therefore insufficiently understood, particularly as concerns the transition from premodern to modern thought in Islam. This project seeks to harness state-of-the art Digital Humanities approaches and technologies to make pioneering forays into the vast corpus of digitized Arabic texts that has become available in the last decade. This is done along the lines of four case studies, each of which examines a separate genre of Arabic and Islamic literary history (jurisprudence, inter-faith literature, early modern and modern journalism, and Arabic poetry). This project seeks to develop a web-based application that will

- enable easy access to existing Arabic corpora on GitHub and other online repositories and offer the opportunity for researchers to upload their own corpus;
- offer a set of tools for Arabic text mining and computational analysis, and
- provide opportunities to link search results to the datasets in Islamic and Middle Eastern Studies of Brill, as Europe's leading publisher in this area.

The project is managed by the Netherlands eScience Center, the Dutch national center of excellence for the development and application of research software, and will be inserted into two ongoing ERC projects (European Research Council) on Islamic intellectual history housed at the Department of Philosophy and Religious Studies at Utrecht University.



Flying Lizard (*Draco volans*),
Java, probably drawn in 1821 by
G.L. Keultjes, for C.G.C. Reinwardt.
Source: Naturalis Biodiversity
Center, Archive of the
Natuurkundige Commissie
voor Nederlands-Indië.
Public Domain Mark 1.0.

Draco volans

Keultjes

In Conclusion

Brill is consistently working toward creating a sustainable Digital Humanities infrastructure, focusing on four core technologies, either by enhancing existing products (e.g. Arkyves, Eventscapes), creating new products or services (e.g. MONK handwriting recognition software-as-a-service), or engaging with infrastructural projects, such as building a framework for a generic dashboard to access published data. We do so in international consortia, and/or in dialog with Brill's authors. We are aware that our published data is among our most valuable assets, and that the requirement to store and maintain these assets is paramount. Data governance and management plans, secure servers, initiatives like IIF, need our constant attention. Given the potential of (open and) accessible data, we rely increasingly on machine learning and discoverability.

With the deployment of dedicated Brill staff, progress in our explorations and interventions in the DH landscape is underway. And in our endeavor to live up to our ambition to be a leading player in the publishing side of DH, we'll continue to look "west", and grow up with our constituency in academia.

Colophon

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Detail of a visualization of

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based on a sample of the

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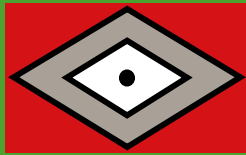
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