# Jubii Europe N.V.

**Annual report**
For the financial year ended September 30, 2020

# Key Figures

| | | Year ended September 30, 2020 | Year ended September 30, 2019 |
|---|---|---|---|
| EBITDA[1] | In kEUR | (527) | (1,661) |
| EBIT[1] | In kEUR | (527) | (1,661) |
| One-off items[2] | in KEUR | 0 | (1,029) |
| EBITDA and EBIT excluding one-off items | in KEUR | (527) | (632) |
| Net loss | In kEUR | (543) | (2,051) |
| | | | |
| Shares (total outstanding)[3] | number | 311,576,344 | 311,576,344 |
| Earnings/loss per share (diluted and undiluted) | in EUR | (0.00) | (0.00) |

| | | Year ended September 30, 2020 | Year ended September 30, 2019 |
|---|---|---|---|
| Cash, cash equivalents and other investments | in mln EUR | 7.8 | 9.5 |
| Cash ratio (Cash, cash equivalents and other investments/total liabilities) | number | 103.6 | 6.9 |
| | | | |
| Shareholders' equity | in mln EUR | 7.7 | 8.2 |
| Equity ratio (Shareholders' equity/total assets) | in percent | 99.2 | 85.6 |
| Total assets | In mln EUR | 7.8 | 9.6 |
| Employees[4] | number | 0.2 | 0.2 |

[1] EBITDA is Earnings Before Interest, Taxes, Depreciation, Amortization and Impairment, EBIT is Earnings Before Interest and Taxes. In the annual report for the financial year ended 30 September 2019 EBITDA and EBIT were reported based on the consolidated figures of the Jubii Europe Group. This annual report for the year ended 30 September 2020 only includes separate financial statements as no subsidiaries remained per the reporting date. Both reported EBITDA and EBIT are therefore unconsolidated figures of Jubii Europe N.V.

[2] The provision for the Dutch tax authorities´ request for repayment of input VAT for the period 2013 until 2018. Please see Note 12 for further explanation.

[3] Excluding treasury shares.
[4] Employee figures are presented on full time equivalent basis.

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*This report to the shareholders should be read in conjunction with the financial statements and notes thereto. This report contains certain forward-looking statements and information relating to Jubii Europe based on the beliefs of Jubii Europe as well as assumptions made by and information currently available to Jubii Europe. When used in this document, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" and similar expressions, as they relate to Jubii Europe or its management, are intended to identify forward-looking statements. These statements, which reflect Jubii Europe's current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Investors are cautioned that forward-looking statements contained in this section involve both risk and uncertainty. Several important factors cause actual results to differ materially from those anticipated by these statements.*

*In 2014 the Annual General Meeting of Shareholders of Jubii Europe NV (ISIN NL0000233195) amended the Company's Articles of Association to extend the financial year 2014/2015 to the twenty-one months ended September 30, 2015 and subsequently to have the company's financial year run from the first day of October up to and including the last day of September of the following calendar year. Therefore these financial statements relate to the financial year ended 30 September 2020 and include the comparative information of the previous financial period ending 30 September 2019.*

# Management Board Report

## Message from the CEO

Dear Shareholders,

In the financial year 2019/2020 Jubii Europe N.V. moved forward with the winding up of the remaining group companies, which are Jubii Europe N.V. and the German subsidiary Jubii Europe GmbH i.L.

The liquidation of the German subsidiary Jubii Europe GmbH i.L. is finalized and the deregistration of the company from the trade register has taken place on 2 April 2020.

On 5 November 2019 the Company has filed a lawsuit against the Dutch tax authorities´ decision to reject its VAT deduction right and claim reimbursement of input VAT plus interest and fines of KEUR 1,185, which was paid on 8 October 2019. The court has not yet determined, when the first hearing will take place.

As despite all efforts to sell Jubii Europe N.V. no option could be realized, the management has decided, in coordination with the Supervisory Board, to initiate the Company´s formal liquidation process. From today´s perspective the liquidation process should be finalized in summer next year.

Thank you for your trust and support.

Dr. Fred Wilsdorf

Chief Executive Officer

## Business Development

As the entire Jubii Europe Group is being liquidated, the business activities in the financial year 2019/2020 were focused on a proper winding up. These financial statements relate to the financial year ended 30 September 2020 and include the comparative information of the previous financial period ending 30 September 2019.

## Economic Development

Jubii Europe's business was unaffected by general market trends in the business year 2019/2020 as the Company no longer offered any products and services. As a result, the Company was not in direct competition with other internet or media companies.

### Result analysis

*EBITDA*

In the annual report for the financial year ended 30 September 2019 EBITDA and EBIT were reported based on the consolidated figures of the Jubii Europe Group. This annual report for the year ended 30 September 2020 only includes separate financial statements as no subsidiaries remained per the reporting date. Both reported EBITDA and EBIT are therefore unconsolidated figures of Jubii Europe N.V.

During the financial year 2019/2020, the EBITDA amounted kEUR (527) compared to kEUR (1,661) in the financial year 2018/2019.

In financial year 2019/2020 general and administration expenses amounted to kEUR (527) compared to kEUR (632) for the financial year 2018/2019. The Ordinary expenses for the winding up amounted to kEUR (463) in financial year 2019/2020 compared to kEUR (606) for the financial year 2018/2019 including kEUR (19) nondeductible input VAT (kEUR 70 in 2018/2019) and expenses with respect to the final liquidation of the German subsidiary of kEUR (64), which was kEUR (26) in the comparison period.

During 2019/2020 the net finance income (expense) amounted to (kEUR 16) compared to (kEUR 170) in 2018/2019.

This resulted in a net loss before tax of kEUR (543) for the period ending September 30, 2020 compared to a net loss before tax of kEUR (2,051) ending September 30, 2019.

The earnings per share in 2019/2020 was EUR (0.00) compared to EUR (0.00) in 2018/2019.

### Balance sheet analysis

Total assets decreased from EUR 9.6 million as at September 30, 2019 to EUR 7.8 million as at September 30, 2020. Cash and Cash equivalents and other investments amounted to EUR 7.8 million as of September 30, 2020 (EUR 9.5 million as of September 30, 2019). The decrease is mainly attributable to the cash used for the reimbursement of input VAT of about EUR 1.2 million and the cash used in operating activities. Total liabilities as at September 30, 2020 amounted to EUR 0.08 million compared to EUR 1.4 million as at September 30, 2019.

### Cash flow analysis

The cash flow statements comprise of movements in cash and cash equivalents with an original maturity below three months.

## Employees

By the end of the business year 2019/2020, the number of full-time equivalents employees was 0.2 (0.2 as of September 30, 2019). The remaining employee is ensuring the proper liquidation process of Jubii Europe.

## Corporate Governance Statement

Jubii Europe N.V. ("Jubii Europe" or the "Company") endorses the importance of good corporate governance, which is understood to include honest and transparent acting on the part of the management, correct supervision of the Company's corporate governance and accepting responsibility for the supervision carried out. This section of the Company's annual report provides an outline of its corporate governance structure. Dutch listed companies have to apply the Dutch Corporate Governance Code 2016. The Dutch Corporate Governance Code 2016 can be found at www.commissiecorporategovernance.nl. Jubii Europe applied to the code to most points, where it deviated from the code these deviations are specifically discussed and explained in the subsection entitled "Deviations from the Dutch Corporate Governance Code" below.

The corporate governance principles Jubii Europe employs are anchored in the Company's Articles of Association, the By-Laws of its Management Board, the By-Laws of its Supervisory Board and other documents. Jubii Europe has a written code of business principles and a written whistle-blowing policy. All of these documents and other information that Jubii Europe is required to publish or deposit pursuant to provisions of company law and securities law, are posted in a separate corporate governance section on the Company's website.

Substantial changes to Jubii Europe's corporate governance structure in the future, if any, will be submitted to the General Meeting of Shareholders for discussion.

**Management Board**

**Role and procedure**

*Management responsibilities*

The management responsibility is vested in the Company's Management Board. This includes among other things responsibility for determining and achieving the Company's objectives, strategy and policies and the development of results. Jubii Europe's Management Board reports on these matters to its Supervisory Board and to the General Meeting of Shareholders. In discharging its role, Jubii Europe's Management Board focuses on the Company's interests, taking into consideration the interests of its stakeholders. Jubii Europe's Management Board has only focused on long-term value creation of the Company where relevant and possible for the Company given its ongoing winding-up process. Jubii Europe's Management Board provides the Supervisory Board with all the information necessary to exercise its duties in a timely fashion.
Jubii Europe's Management Board is responsible for complying with all relevant legislation and regulations, managing the risks associated with the Company's activities and its financing. The Management Board reports on these matters to and discusses the internal risk management with the Supervisory Board. The Management Board does not work with an executive committee.

*Decision making process with regard to the removal of the Management Board*

Members of the Management Board can be removed by the General Meeting of Shareholders only by a resolution adopted with a majority of at least two-thirds of the votes cast representing at least fifty percent of the issued capital, unless such proposal has been made by the Supervisory Board or, as the case may be, the meeting of shareholders of the class entitled to draw up the binding nomination upon the appointment of the Management Board member concerned.

*Authorisation of the Management Board to repurchase shares*

The Management Board, subject to the prior approval of the Supervisory Board, has been authorised by the General Meeting of Shareholders to repurchase up to 50% of the Company's issued share capital on behalf of the Company for a period of 18 months as of February 13$^{th}$, 2020 at a repurchase price between the nominal value of the shares concerned and an amount of 110% of the highest price of the class B shares officially quoted on any of the official stock markets the Company is listed on any of 30 banking days preceding the date the repurchase was effected or proposed.

*Composition and appointment*

Mr. Fred Wilsdorf, the Company's Chief Executive Officer ("CEO"), is currently the sole member of the Management Board. He has been appointed for an indefinite period of time and Jubii Europe NV is of the opinion that this cannot be changed unilaterally by the Company into a fixed-term position.
Pursuant to the Company's Articles of Association Jubii Europe's Management Board must consist of one, two or three members who are appointed by the Company's General Meeting of Shareholders. The meeting of holders of Jubii Europe's class AB shares has the right to make a binding nomination for filling one seat on the Company's Management Board. The person appointed in this seat is referred to as a managing director AB. Mr. Wilsdorf is a managing director AB. The meeting of holders of Jubii Europe's class AA shares may determine that a second Management Board member must be appointed and if so determined, it will have the right to make a binding nomination with respect to the second seat. The person appointed in that seat would be referred to as a managing

director AA. If the meeting of holders of class AA shares has determined that there must be a managing director AA, the meeting of holders of class AB shares may determine that the Management Board shall consist of three managing directors. In that case, the third managing director will neither be a managing director AA nor a managing director AB and in respect of this seat no binding nomination rights exist. A nomination for appointment of a managing director AA or AB prepared by the shareholders of the relevant class will be binding. This binding nomination must contain at least two nominees. The General Meeting of Shareholders can override the binding nature of such nomination only by a two-thirds majority representing more than one-half of the Company's issued share capital.
Jubii Europe's Management Board has not appointed a Chief Financial Officer ("CFO"). However, Fred Wilsdorf, the current CEO, is the former CFO of Jubii Europe. In the light of the liquidation of the Company and the expertise and experience of Mr. Wilsdorf the Company decided against increasing the size of the Management Board.

*Diversity*
Currently, the Management Board consists of one member only, and there is no intention to appoint a second member. Considering the very limited scope of the activities of the Company and it being in a de facto winding down process, the Supervisory Board does not actively pursue a diversity policy, nor will it do so in the near future.

**Remuneration**
Jubii Europe always placed a high importance on attracting and retaining qualified directors and personnel, whilst safeguarding and promoting the Company's medium and long-term interests. The Remuneration Policy for members of the Company's Management Board has always been reflective thereof. However, during the last couple of years, that policy was already interpreted in the light of the winding-up process. For the benefit of the shareholders the main goals were and are to optimize the utilization of the assets of the company as well as the cost efficiency of the winding-up process. In 2020 Jubii Europe adopted a new Remuneration Policy, reflecting the provisions of the Shareholders Rights Directive. The changes were procedural and provide for more transparency. The remuneration itself was not adjusted. It can be found on the Company's corporate website.
The Remuneration Policy for the members of Jubii Europe's Management Board includes fixed and variable components. The new Remuneration Policy is available on the corporate website of the Company.
An overview of the remuneration of Mr. Fred Wilsdorf, who is currently Jubii Europe's sole Management Board member, can be found on page 36.

**Conflicts of interest**
Any member of Jubii Europe's Management Board is required to immediately report to the Chairman of the Supervisory Board any conflict of interest or potential conflict of interest that is or could be of material significance to the Company or to the member of the Management Board. Where the Supervisory Board decides that a particular transaction must be treated as a transaction in which a Management Board member has a conflict of interest, the Supervisory Board shall also decide on the internal decision-making process to be followed in respect thereof, provided that the relevant board member will be excluded from taking part in deliberations and/or decision-making on subjects in which he has a conflict of interest within the (narrow) meaning of Section 2:129(6) of the Dutch Civil Code. If no resolution can be adopted by the Management Board because of the fact that its sole member, Mr. Wilsdorf, would be conflicted in the meaning of Section 2:129(6) of the Dutch Civil Code, the Supervisory Board will resolve. All transactions in which there are conflicts of interest with a Management Board member are agreed on terms that are customary in the market. Decisions to engage in transactions in which conflicting interests of a Management Board member are involved, but which are of material significance to Jubii Europe and/or to the Management Board member, require the approval of the Supervisory Board. During this financial year such transactions did not take place.

**SUPERVISORY BOARD**
*Tasks and procedure*
Jubii Europe's Supervisory Board's responsibility is to supervise the policy of the Company's Management Board and the general affairs of Jubii Europe and its business as well as to assist the Company's Management Board by providing advice. In doing so, the Supervisory Board is guided by the Company's interests and takes into account the relevant interests of its shareholders. The Supervisory Board is responsible for the quality of its own functioning.

*Decision making process with regard to the removal of Supervisory Board members*
Members of the Supervisory Board can be removed by the general meeting of shareholders by a resolution

adopted with a majority of at least two-thirds of the votes cast representing at least fifty percent of the issued capital, unless the proposal concerned has been made by the meeting of shareholders of the class entitled to draw up the binding nomination upon the appointment of the Supervisory Board member concerned.

**Independence**

*Composition and appointment*

The members of the Supervisory Board are appointed by the General Meeting of Shareholders for a period of four years. Jubii Europe's Supervisory Board members may serve for a maximum of twelve years on the Supervisory Board. As of 2018, according to the Dutch Corporate Governance Code, any reappointment after eight years may only take place for a period of two years and the reasons for such reappointment will be provided in the Report of the Supervisory Board.

Jubii Europe's Supervisory Board consists of four members, two are supervisory directors AA and two are supervisory directors AB.

The meeting of holders of the Company's class AA shares has the right to make binding nominations for the appointment of supervisory directors AA and the meeting of holders of the Company's class AB shares has the right to make binding nominations for the appointment of supervisory directors AB. A nomination for the appointment of a supervisory director AA or AB made up by the shareholders of the relevant class will be binding. This binding nomination must contain at least two nominees. The General Meeting of Shareholders can override the binding nature of such nomination only by a two-thirds majority representing more than one-half of the issued share capital.

The expertise and composition requirements of Jubii Europe's Supervisory Board are being set out in the Supervisory Board Profile which is annexed to the By-Laws of the Company's Supervisory Board. The Supervisory Board is responsible for promoting, within the limits of its powers, that the size of Jubii Europe's Supervisory Board is at all times such that the Board as a whole can perform its duties effectively and responsibly and that each individual member of the Company's Supervisory Board is able to make a contribution by his or her specific qualities.

The composition of Jubii Europe's Supervisory Board is such that its members can act critically and independently of one another, and of the management and any particular interest. It is acknowledged however that under the Company's Articles of Association the meeting of holders of its class AA shares and the meeting of holders of its class AB shares have special nomination rights with respect to the appointment of Supervisory Board members this reflects that Jubii Europe bears certain characteristics of a joint venture between the holders of its class AA and AB shares justifying that the Company's Supervisory Board members are selected from persons occupying functions (as a director, officer or otherwise) with a holder of class AA or AB shares or parties related thereto.

Under the criteria of the Dutch Corporate Governance Code, as of May 28, 2009 none of the current Jubii Europe's Supervisory Board members qualify as independent. Ms. Consuelo Barbé and Mr. Ignacio Gaspar Sintes, both supervisory directors AA, are employed by Telefónica SA. Mr. Dannhoff, the chairman of the Supervisory Board, and Mr. Caumanns are both supervisory directors AB, and are employed by Bertelsmann SE & Co. KGaA.

In deviation of the provisions of the Dutch Corporate Governance Code, Mr. Caumans was appointed during the Company's 2018 Annual General Meeting of Shareholders for a third period of four years given his business expertise and involvement with the Company from a shareholder's perspective over a number of years. It was considered important for the Company to have continuity in the Supervisory Board especially since the Company is in a de facto winding down process.

**Role of the Chairman of the Supervisory Board**

The Chairman and Vice Chairman (if any) of Jubii Europe's Supervisory Board are appointed by the meeting of holders of the Company's class AB shares. The Chairman is not a former member of the Management Board.

The duties of the Chairman of Jubii Europe's Supervisory Board include preparing the agenda and chairing Supervisory Board meetings, monitoring the satisfactory functioning of the Supervisory Board and its Committees, arranging the adequate provision of information to the Supervisory Board members, ensuring that there is sufficient time for making decisions, being the main contact point on behalf of the Supervisory Board for the Management Board, initiating the evaluation of the functioning of the Supervisory Board and the Management Board and as Chairman ensuring the orderly and efficient conduct of General Meetings of Shareholders.

**Composition and role of the Committees of the Supervisory Board**

Due to its reduced size as of May 28, 2009 Jubii Europe's Supervisory Board has decided against establishing any Committees for the time being. The tasks and duties are instead carried out by the Supervisory Board as a whole.

**Conflicts of interests**
Any member of Jubii Europe's Supervisory Board is required to immediately report to the Chairman of the Supervisory Board any conflict of interest or potential conflict of interest that is of material significance to the Company or to the member of the Supervisory Board concerned. Where the Supervisory Board decides that a particular transaction must be treated as a transaction in which a Supervisory Board member has a conflict of interest, it will also decide on the internal decision-making process to be followed in respect thereof, provided that the relevant board member will be excluded from taking part in deliberations and/or decision-making on subjects in which he has a conflict of interest within the (narrow) meaning of Section 2:140(5) of the Dutch Civil Code. All transactions in which there are conflicts of interest with a Supervisory Board member are agreed on terms that are customary in the market. Decisions to engage in transactions in which conflicting interests of a Supervisory Board member are involved, which are of material significance to Jubii Europe and/or to the Supervisory Board member concerned require the approval of the Company's Supervisory Board.
Jubii Europe's Supervisory Board is also responsible for decision-making concerning the handling of conflicts of interest of members of the Management Board, large shareholders and the external auditor in relation to the Company.
Acknowledging that none of the current Supervisory Board Directors are independent at the current time under the criteria of the Dutch Corporate Governance Code Jubii Europe's Supervisory Board closely monitors the Company's dealings with its larger shareholders Telefónica SA, Bertelsmann SE & Co. KGaA and their respective affiliates.

**Remuneration**
The remuneration of the members of the Supervisory Board, if any, is determined by the General Meeting of Shareholders. No shares and/or rights to shares in Jubii Europe's capital are granted to Supervisory Board members by way of remuneration.

**Diversity**
Considering the very limited scope of the activities of the Company and it being in a de facto winding down process, the Supervisory Board does not actively pursue a diversity policy, nor will it do so in the near future. However, the General Meeting of Shareholders appointed Ms. Consuelo Barbé as Supervisory Board member in its extraordinary General Meeting of Shareholders held on 31 March 2020, as successor of Mr. Manuel Crespo de la Mata. Consequently, the Company has 75% male and 25% female Supervisory Board members per the end of the financial year 2019/2020, i.e. as of 30 September 2020. It is not intended that these percentages will change in the near future.

**The shareholders and the general meeting of shareholders powers**
Good corporate governance assumes full participation of shareholders in the decision-making process in the General Meeting of Shareholders. It is in the Company's interest that as many shareholders as possible participate in the decision-making process in the General Meeting of Shareholders and that the General Meeting of Shareholders plays a full role in the system of Jubii Europe's "checks and balances".

The most important powers of Jubii Europe's General Meeting of Shareholders are:
- adoption of the Company's Dutch statutory annual accounts;
- granting release from liability to the Company's Management Board and Supervisory Board members;
- appointment, suspension and removal of the Company's Management Board and Supervisory Board members;
- adoption of a policy on remuneration of the Company's Management Board members and determination of the remuneration of its Supervisory Board members;
- appointment and removal of the external auditor, provided that such resolutions require a two third majority if the proposal is not made by the combined meetings of holders of shares AA and AB in which case a simple majority will be sufficient;
- approval of decisions of the Company's Management Board on significant changes to Jubii Europe's identity or character (within the meaning of those terms under Section 2:107a of the Dutch Civil Code) or the identity or character of Jubii Europe's business, in any case concerning the transfer of (nearly) the Company's entire business, the entering into or terminating of joint ventures which are of fundamental importance to Jubii Europe and the acquiring or disposing of participations the value of which equals or exceeds one third of the sum of the Company's assets according to its latest adopted consolidated balance sheet;
- (delegation to the Company's Management Board of) the power to issue shares in the Company's capital and exclude pre-emptive rights of existing shareholders in connection to such an issuance. A resolution to exclude pre-emptive rights requires a two third majority of the votes cast if less than fifty per cent (50%) of the capital is present or represented at the General Meeting of Shareholders. It being understood that the exercise of such delegated power by the Management Board is subject to approval by the Supervisory Board;
- authorization of the Company's Management Board to make Jubii Europe repurchase shares in its own

capital, it being understood that upon authorization the exercise of such power by the Management Board is subject to approval by the Supervisory Board; and

- approval of any amendments to the Company's Articles of Association, dissolution, statutory merger and statutory demerger, provided that such resolutions require a two third majority if the proposal is not made by the combined meetings of holders of shares AA and AB in which case a simple majority will be sufficient.

Furthermore, any substantial modification to Jubii Europe's corporate governance structure will be presented to the General Meeting of Shareholders for discussion.

**The right to place an item on the agenda**

Shareholders who pursuant to the law are entitled thereto, shall have the right to request to the Management Board or the Supervisory Board that items be placed on the agenda of the General Meeting of Shareholders. These requests will generally be honored by the Management Board or the Supervisory Board if the request is received by the CEO or the Chairman of the Supervisory Board in writing at least 60 days before the date of the General Meeting of Shareholders.

**Provision of information**

Jubii Europe informs all shareholders and other parties within the financial market equally and simultaneously about affairs that could influence the share price. The contacts between the Management Board on the one hand and the press, financial analysts and individual investors on the other hand are carefully handled and structured and Jubii Europe does not carry out any dealings that affect the independence of the analysts with regard to the Company and vice versa.

Jubii Europe's Management Board and Supervisory Board must provide the General Meeting of Shareholders with all relevant information that it needs for the exercise of its powers. If, during a General Meeting of Shareholders, information that could affect the share price is provided or answering shareholders' questions leads to such sensitive information being provided, this information shall be made public immediately.

**Risk Management**

Jubii Europe has adapted its formerly comprehensive and effective risk management to the new company situation (liquidation process). The risk management as it was applied until February 2009 has been described in the annual report 2008. Please refer to this report to get more detailed information.

After the step by step termination of all products and services the risk situation remarkably changed. Therefore, Jubii Europe's risk management was adjusted accordingly. The fact that the company ceased its operations and is no longer in competition to other service providers but being shut down made certain risk precautions dispensable.

Still the aim of the risk management applied is to identify, monitor and control potential risks early on. The system is also designed to actively counteract any risks that manifest themselves.

Risk management and internal control are core business responsibilities and an integral part of company management. The Management Board ensures the company's compliance with all relevant legislation and regulations. It reports to the Supervisory board on the internal risk management and control systems as well as significant changes or planned improvements to these systems and is responsible for these systems. The system of risk management and internal control covers not only the financial controls that are essential for proper and timely reporting on the financial condition of the group but also all other operations of importance in achieving the winding-up of Jubii Europe. See also chapters Financial Risk, Finance and Employees below.

With this program, Jubii Europe systematically compiles significant risks that could affect the Company. The following is a list of key risks or areas of risk among the identified basic risks to which the Company is exposed from a current perspective. During the financial year 2019/2020 there were no known major failings in the internal risk management and control systems.

**Legal Regulations/Litigation**

Jubii Europe is exposed to several risks related to legal regulations and litigation. Beyond that Jubii Europe has to be prepared for several risks related to the liquidation process.

**Financial Risks**

Since the Company no longer creates revenues, risks in the performance of financial instruments could potentially harm the Company. Financial instruments consist primarily of cash, cash equivalents, investments and accounts receivable. The Company's main objective is to ensure the safety of these investments until their maturity date. These risks are counteracted by selecting business partners with a good credit rating and holding the cash equivalents and deposits mainly with German banks, which are regularly monitored for full coverage by the depositor's guarantee fund ("Einlagensicherung"). In light of the latest financial crisis, the monitoring cycles have been shortened to allow an even quicker response to changes in the risk structure. Another financial risk is related to the negative interest rate. Reference is made to the financial notes to the financial statements on page 35.

**Finance**
The CEO, Fred Wilsdorf, is the only person with bank mandate. However, the four-eyes principle is still in place as the payments are induced by the service provider for bookkeeping.

**Employees**
There is a certain risk that the remaining staff does not have the specific knowledge to meet legal requirements in the different countries. Besides the fluctuation and termination of employment contracts may have resulted in the loss of required know how during the liquidation process.

These procedures are regularly evaluated and expanded to accommodate new requirements.

**The audit of the financial reporting and the position of the external auditor**
**Financial reporting**
Jubii Europe's Management Board is responsible for the quality and completeness of the financial information that is made public. The Company's Supervisory Board has to ensure that the Management Board fulfils this responsibility. None of the Supervisory Board members has a competence in accounting and auditing as required by the Audit Committee Decree 2016. The Supervisory Board does believe however that the expertise of its members is sufficient for the Supervisory Board to discharge its supervisory duties in financial and audit-related matters.

**Role, appointment, remuneration and assessment of the functioning of the external auditor**
Jubii Europe's external auditor is appointed by the Company's General Meeting of Shareholders each year to audit the annual accounts for the then current financial year. A nomination for appointment is made by Jubii Europe's Supervisory Board. The remuneration for the external auditor will forthwith be approved by Jubii Europe's Supervisory Board after consultation with the Management Board. Besides the annual assessment, the Management Board and the Supervisory Board have thoroughly assessed the external auditor in 2019/2020. Their conclusions were satisfactory and discussed in the Supervisory Board.

**Relationship and communication of the external auditor with Jubii Europe's corporate bodies**
The external auditor shall in any event attend the meeting of the Supervisory Board once a year. The external auditor reports his findings concerning the audit of the financial statements to the Management Board and the Supervisory Board.

**Deviations from the Dutch Corporate Governance Code**
As indicated above, Jubii Europe endorses the importance of good corporate governance and applies the Dutch Corporate Governance Code to most points. Deviation from certain code provisions follows from or is justified by specific aspects of Jubii Europe's legal structure, shareholder structure and other circumstances, including but not limited to the following aspects in which Jubii Europe differs from most other Dutch listed companies: (i) Jubii Europe was founded and in certain respects still operates as a joint venture company between two (groups of) large shareholders; and (ii) Jubii Europe is a company whose registered office is in the Netherlands, but whose shares are solely listed in the German General Standard, and not on any Dutch stock exchange. As a consequence of the latter Jubii Europe believes there are instances where non-compliance with code provisions specific to the Dutch environment is justified.

Below is an overview of the matters where Jubii Europe deviates from the best practice provisions of the Dutch Corporate Governance Code (numbers in brackets below refer to the numbers of the relevant code provisions):

- Jubii Europe has not developed a long-term value creation strategy, given the ongoing liquidation process of Jubii Europe (1.1.1 through 1.1.4)
- Jubii Europe's current CEO, Mr. Fred Wilsdorf, has been appointed for an indefinite period of time. The Company believes this cannot be unilaterally changed and that given the liquidation process of Jubii Europe such change would not be beneficial to the Company. Due to the strategic decision which has been taken in 2008 the variable part of Mr. Fred Wilsdorf's remuneration for 2019/2020 has not contained a long-term incentive. Further details can be taken from the Annex Remuneration Policy which is also available on the corporate website of the Company. Without prejudice to Section 2:132 (3) of the Dutch Civil Code, Mr. Wilsdorf had a German law employment agreement with Jubii Europe GmbH i.L. (2.2.1; 3.1.2; 3.2.3), which was terminated in accordance with the final liquidation of the company at the end of February 2019. Mr. Wilsdorf currently holds a board agreement or employment contract with Jubii Europe N.V. with the same conditions as previous agreed upon (except for the severance payment, which is under the new Remuneration Policy now capped at one year's salary).
- In the event of (potential) conflicts of interest between Jubii Europe and members of its Management Board or Supervisory Board, the Company's Supervisory Board will decide on the internal decision-making process

to be followed in respect thereof, provided that the relevant board member will be excluded from taking part in deliberations and/or decision-making on subjects in which he has a conflict of interest within the (narrow) meaning of Section 2:129(6) or Section 2:140(5) of the Dutch Civil Code. Jubii Europe does not acknowledge that transactions with Bertelsmann or Telefónica or their respective affiliates that are of minor importance to Jubii Europe must per se be treated as transactions involving conflicts of interests. (2.7.3; 2.7.5)

- All of Jubii Europe's Supervisory Board members occupy or occupied functions (as a director, officer or otherwise) or are otherwise engaged with a holder of class AA or AB shares or parties related thereto. Accordingly, the Supervisory Board members do not qualify as "independent" within the meaning of the relevant code provisions; however, otherwise the Supervisory Board members meet all criteria for independence set forth in the relevant code provisions (2.1.7 through 2.1.9)
- Nominations for appointments to Jubii Europe's Management Board and Supervisory Board are made by the holders of the Company's class AA shares or the holders of its class AB shares. Under the Company's Articles of Association, said classes of shareholders hold the power to make up binding nominations with respect to managing and supervisory directors AA and AB respectively, as discussed in the above subsections of this report in more detail. Jubii Europe's Supervisory Board is not charged with making such nominations and has not established a nominations committee. (2.2.4; 2.2.5)
- One Supervisory Board member (Mr. Caumanns) was appointed during the Company's 2018 Annual General Meeting of Shareholders for a third period of four years in deviation of the relevant code provision, as it is important for the Company to have continuity in the Supervisory Board especially since the Company is in a de facto winding down process. (2.2.2)
- Jubii Europe's Supervisory Board has not adopted a diversity policy for the composition of the Management Board and the Supervisory Board considering the very limited scope of the activities of the Company and it being in a de facto winding up process. (2.1.5; 2.1.6)
- Members of the Management Board or the Supervisory Board can be appointed and removed by the General Meeting of Shareholders only by a resolution adopted with a majority of at least two-thirds of the votes cast representing at least fifty percent (50%) of the issued capital, unless (i) in case of an appointment of a member of the Management Board or Supervisory Board, such proposal for appointment was made by the meeting of shareholders of the class entitled to draw up the binding nomination, or (ii) in case of a removal of a member of the Management Board or Supervisory Board, such proposal for removal of a Management Board member was made by the Supervisory Board or, as the case may be, the meeting of shareholders of the class entitled to draw up the binding nomination upon the appointment of the Management Board member respectively the Supervisory Board member concerned. This is in deviation of the threshold prescribed by the Corporate Governance Code but justified because of the joint venture characteristics of the Company. (4.3.3)
- The members of the Supervisory Board do not receive any remuneration from the Company (3.3.1)
- Jubii Europe does not have an internal auditor function of its own which the Company believes is justified given the size and complexity of its past business, the ongoing liquidation process and the duties and involvement of its external auditors. (1.3.1 through 1.3.5)
- Because of its size the Company no longer employs a company secretary. (2.3.10)
- The Management Board has not drawn up a Code of Conduct for the Company, nor given an explanation on the values of the Company in its Report of the Management Board due to the ongoing liquidation process. (2.5.2; 2.5.4)
- Based on the current status of the liquidation, it is justified that the financial reporting is not prepared on a going concern basis (1.4.3)
- The Management Board has not drawn up a procedure for reporting actual or suspected irregularities for the Company due to the ongoing liquidation process. (2.6.1)

In addition, some of Jubii Europe's policies deviate from the formal text of specific provisions of the Dutch Corporate Governance Code where the Company does believe, however, that its policies are in conformity with the spirit of such code provisions. Those differences are apparent from textual differences between certain provisions in the By-Laws of Jubii Europe's Management Board and Supervisory Board on the one hand and best practice provisions in the Dutch Corporate Governance Code on the other. In the case of such differences, the text of said By-Laws prevails. Jubii Europe believes such differences do not require any further explanation in this annual report and such differences are not further discussed herein.

### Further information on Capital stock and Shareholder Structure

The Jubii Europe share price varied frequently in the financial year 2019/20. The top share price of EUR 0.035 was reached on September 3, 2020. The lowest notation of 0.021 was reached on March 25, 2020. At the end of the financial year 2019/2020, the share price was EUR 0.032.

| | | **1/10/2019-09/30/2020** |
|---|---|---|
| Highest rate (September 3, 2020) | EUR | 0.035 |
| Lowest rate (March 25, 2020) | EUR | 0.021 |
| Closing rate (Sep. 30, 2020) | EUR | 0.032 |
| Market capitalization (Sep. 30, 2020) | EUR | EUR 9,970,440 |

*Based on Xetra closing dates*

### Capital Stock

The company's capital stock consists of AA, AB and B shares, each with a par value of EUR 0.01. The average and absolute number of issued and outstanding shares, including 723,656 treasury shares with a nominal value of EUR 7,236.56, totals 312,300,000. The number of voting shares outstanding amounts to 311,576,344 as of September 30, 2020. The treasury shares were the result of both issuance and acquisition in the context of an indemnification from Spray Ventures in 2002.

### Shareholder Structure

| | **Number of shares as of September 30, 2020** | % of voting rights | % of shares | **Number of shares as of September 30, 2019** | % of voting rights | % of shares |
|---|---|---|---|---|---|---|
| Telefónica SA | 100,000,000 | 32.1% | 32.0% | 100,000,000 | 32.1% | 32.0% |
| Reinhard Mohn GmbH / G+J Medien GmbH/ Jahr VVG mbH& Co. KG | 62,270,000 | 20.0% | 19.9% | 62,270,000 | 20.0% | 19.9% |
| Christoph Mohn Internet Holding GmbH | 37,730,000 | 12.1% | 12.1% | 37,730,000 | 12.1% | 12.1% |
| JUBII Europe N.V. (treasury shares) | 723,656 | 0.0% | 0.2% | 723,656 | 0.0% | 0.2% |
| Free float** | 111,576,344 | 35.8% | 35.8% | 111,576,344 | 35.8% | 35.8% |
| **Total** | **312,300,000** | **100.0%** | **100.0%** | **312,300,000** | **100.0%** | **100.0%** |

****** the AFM (Netherlands Authority for the Financial Markets) informed Jubii Europe on December 20, 2012 that the stake of Ennismore Fund Management, London, UK, in the voting rights exceeded the threshold of 10% as of December 17, 2012 and amounted to 10.01% on that date

## In Control Statements

### Internal risk management and control systems

For the purpose of complying with provision 1.4.3 of the Dutch corporate governance code related to internal risk management and control systems, the Management Board states with reference to the substantiation provided in this Report of the Management Board, that, to the best of its knowledge:

- (i) the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- (ii) the afore mentioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- (iii) based on the current state of affairs, it is justified that the financial reporting is not prepared on a going concern basis. Further information about basis of preparation is provided in the note 2.b financial statements; and
- (iv) 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.

Jubii Europe N.V.'s internal processes are structured to ensure that the design and operation of the Company's internal risk management and control systems are both appropriate and effective. Due to the scaled down activities of the company, the internal audit function and compliance function have been discontinued as these were no longer considered vital for the identification and management of risks.

At year-end, the Management Board and the Supervisory Board of Jubii Europe N.V. review and evaluate the effectiveness of the internal risk management and control systems during the last financial year. In this respect, Jubii Europe N.V. applies criteria established under the "Internal Control – Integrated Framework 2013" of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The objective of these systems is to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, they can only provide reasonable, but not absolute, assurance against material misstatement or loss.

### Declaration regarding Non-financial information Decree:

The Company does not have any policies in relation to environmental, social and employee matters, respect for human rights and anti-corruption and anti-bribery matters due to its ongoing liquidation process. The Company does not envisage any principal risks related to those matters.

Furthermore, the Company does not have any non-financial key performance indicators relevant to the particular business of the Company, due to the ongoing liquidation process of the Company.

### Responsibilities in respect of the financial statements and annual report

The Management Board is responsible for preparing the financial statements and the annual report in accordance with applicable Dutch law and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Management Board is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs, and of the profit or loss, of the respective companies included in the consolidation. They are responsible for maintaining proper accounting records, for safeguarding assets, and for taking reasonable steps to prevent and detect fraud and other irregularities. The Management Board is also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent and reasonable. Applicable accounting standards have been followed and Jubii Europe N.V.'s financial statements, which are the responsibility of Mr. F. Wilsdorf, the sole member of the Management Board, are prepared using accounting policies which comply with IFRS.

As required by section 5:25c (2)(c) of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*) and on the basis of the foregoing the Management Board has confirmed that to the best of its knowledge:

- the financial statements give a true and fair view of the assets, liabilities, our financial position as of 30 September 2020 of the result of our operations for the financial year for the period ended 30 September 2020.
- the Management Report gives a fair review of the position at the balance sheet date, the development and performance of the business during the financial year of Jubii Europe N.V., together with a description of the principal risks and uncertainties that Jubii Europe N.V. faces.

Management Board
Dr. Fred Wilsdorf, CEO, Jubii Europe N.V.

## Outlook

As despite all efforts to sell Jubii Europe N.V. no option could be realized. Management has decided, in cooperation with the Supervisory Board, to initiate the Company´s formal liquidation process. From today´s perspective the liquidation process should be finalized in summer next year.

## Subsequent events

On 5 October 2020, Jubii Europe N.V.´s management has announced publicly its decision to initiate the formal liquidation process of the Company which is taken in cooperation with the Supervisory Board.

Haarlem, the Netherlands
November 26, 2020

The Management Board
Jubii Europe N.V.

## Report of the Supervisory Board

The Management Board of Jubii Europe N.V. kept the Supervisory Board well informed about the status of the shutdown process of the Company during the period under review, October 1, 2019, to September 30, 2020. The progress of the foresaid process was discussed on the basis of monthly reports, routine meetings between the Management Board and the Chairman of the Supervisory Board as well as specific reports presented at the Supervisory Board meetings. The Supervisory Board held one ordinary physical / on-site meeting and another ordinary meeting in the form of a conference call in the financial year under review. In the course of these meetings the reports of the Management Board always comprised a detailed description of the liquidation processes, e.g. on the proceedings of the lawsuit with respect to the outcome of the VAT audit by the Dutch tax authorities for the period 2013-2018, on the termination of contracts, the liquidation of affiliated entities and the financial effects of the foresaid processes. The Supervisory Board was thus able to conclude that the shutdown process was being managed properly.

Summary of the shutdown process

The Company proceeded with the shutdown process. Since the decision of the Extraordinary Shareholder Meeting in 2008 to wind down the activities of the affiliated entities of the Company, the Company was able to sell 16 of its affiliated companies and to liquidate all other affiliated entities. The deregistration of the German subsidiary Jubii Europe GmbH i.L. from the trade register has taken place during the reporting period. Jubii Europe N.V. therefore is the only company not in liquidation yet. Consequently, the Company has not developed a long-term value creation strategy.

The overall progress with regard to the shutdown process helped further reduce the complexity and the remaining risks related with the shutdown process.

Changes to the Management Board and the Supervisory board

In the financial year 2019/2020 no changes have been made on the Management Board level. On the Supervisory Board level Mr. Crespo de la Mata´s term ended effective on the 2020 Annual General Meeting of Shareholders and Ms. Consuelo Barbé was appointed as his successor at the 2020 Extraordinary General Meeting.

For information of the members of our Supervisory Board as referred to in Best Practice Provision 2.1.2 of the Dutch Corporate Governance Code 2016, reference is made to page 21 of the annual report.

The Supervisory Board does not comply with the independence criteria set forth in Best Practice Provisions 2.1.7 through 2.1.9. In the corporate governance statement on page 10 of the annual report it is explained in detail that none of the members can currently be regarded as independent.

Considering the very limited scope of the activities of the Company and it being in a de facto wind down process the Supervisory Board does not actively pursue a diversity policy. Its members have been appointed upon nomination by the holders of AB and AA classes of shares.

The Supervisory Board has not established any committees.

For the reasons set out in the in control statement the Company's risk management operates without an internal audit function. The Supervisory Board has assessed this situation during the financial year 2019/2020 and decided not to make any recommendations to the Management Board that such an internal audit function should be established.

Activities of the Supervisory Board

Jubii Europe's Supervisory Board's responsibility is to supervise the policy of the Company's Management Board, the general affairs of the Company as well as its business. Furthermore, the Supervisory Board assists the Company's Management Board by providing advice and guidance. In pursuit of these tasks, the Company's Supervisory Board is guided by the Company's interests and takes into account the relevant interests of its shareholders. The Company's Supervisory Board is responsible for the quality of its own functioning. The Supervisory Board was involved in the passing of resolutions as and when required by the Company's Articles of Association and By-Laws.

The Supervisory Board specifically discussed the shutdown process of the Company and lent it its unreserved support. It also discussed the Company's internal risk management and control systems. The risk management focused on the financial policy of the Company. Together with the Management Board the Supervisory Board ensured that the financial reserves of the Company were invested in a secure manner. Further, the Supervisory Board reviewed the current proceedings of the lawsuit with respect to the outcome of the VAT audit by the Dutch tax authorities for the period 2013-2018.

In the financial year 2019/2020 the Supervisory Board held, as stated above, two meetings. As part of its efforts in the field of corporate governance the Supervisory Board has decided to meet once a year, without the Management Board being present, to discuss the functioning of the Supervisory Board and the performance of its individual members and the Management Board. In the financial year 2019/2020, it met for that purpose in November 2019. In that meeting the performance and role of the members of the boards were discussed and evaluated. The members of the Supervisory Board, having discussed their roles and performances and the Supervisory Board's activities in the past fiscal year, came to the conclusion that the Supervisory Board functions properly and in accordance with applicable laws and regulations. Hence, the members of the Supervisory Board saw no need for improvement measures, and, accordingly, no such measures have been undertaken. The same applies to the functioning of the Management Board. The results of this discussion had been set forth in the minutes of the Supervisory Board meeting held in November 2019. The conclusions of this meeting have been discussed with the Supervisory Board members individually and subsequently with Mr. Wilsdorf. Furthermore, the Chairman of the Supervisory Board is regularly discussing recent business and other developments pertaining to the Company with Mr. Wilsdorf.

At one Supervisory Board Meeting Mr. Caumanns did not attend due to other important duties. The other Supervisory Board members were always present at the Supervisory Board meetings.

## Remuneration Report

Management Board

Introduction

Since 28 May 2009 Mr. Wilsdorf holds the position as CEO of the Company.

The remuneration policy for the remuneration of members of the Management Board as in force until the date of the 2020 Annual General Meeting was adopted in 2005. At the 2020 Annual General Meeting of Shareholders a new Remuneration Policy was adopted, reflecting the provisions of the Shareholders Rights Directive. The changes were procedural and provide for more transparency. The remuneration itself was not adjusted. The new Remuneration Policy can be found on the corporate website of the Company. This shut down process is taken into consideration as the scenario analysis used. Given that the Company has not generated revenues, and operates in wind-down mode, for several years now, the Company no longer pursues any long-term value creation goals. Hence, the Remuneration Policy is not meant to, and does not, contribute to any long-term value creation of the Company. As set out in the Remuneration Policy under 1.1., the remuneration structure is set up in a way to promote the Company's interests in the medium- and long term, and shall not encourage a Management Board member to act in his own interests with disregard to the Company's interests and does not "reward" failure of the Management Board member upon termination of employment or service. In the light of the current shutdown process of the Company, the overall and, at this point in time, sole goal of the Management Board is the orderly and smooth conclusion of the shutdown process. The shutdown process is to be managed such that for the benefit of all stakeholders the assets are utilised in the most efficient way. Short and long-term goals are therefore focused on the shutdown of the Company only.

Mr. Wilsdorf's remuneration includes a variable component. The payment of this component is linked to the success of the CEO to shape the shutdown process for the benefit of the shareholders; it does not contribute to a long-term value creation for the Company. This success is defined by (1) optimizing the utilization of the assets of the Company (2) disposing of the Company's assets or, as the case may be, collecting the Company's accounts receivable and settling its liabilities in a manner that, taking into account the Company's current status, is most beneficial to the Company; and (3) cost and time efficiency during the process. In this context after the Supervisory Board had decided at its meeting in November 2014 that a written bonus agreement with objective success criteria should be reached with Mr. Wilsdorf, such an agreement has been concluded and approved in the Supervisory Board's meeting of December 3, 2015. After the litigation vs. Telia Company had come to an end, achieving the financial targets set out in the Company's annual budget constitute the sole remaining performance criterion of Mr. Wilsdorf's bonus agreement. Mr. Wilsdorf's remuneration package for the financial year 2019/2020 is up for resolution by the Supervisory Board in its meeting of November 26, 2020.

Without prejudice to Section 2:132 (3) of the Dutch Civil Code, Mr. Wilsdorf had an employment contract with Jubii Europe GmbH i.L. under German law. This contract contains a notice period of three months for Jubii Europe GmbH i.L. and has been terminated in accordance with the final liquidation of this legal entity as of the end of February 2019. Mr. Wilsdorf had received a compensation for foregoing his entitlement to statutory unemployment insurance in Germany which is not considered a severance payment. Subsequently, Mr. Wilsdorf holds a board agreement or an employment contract with Jubii Europe N.V. with the same conditions as previously agreed upon (except for the severance payment, which is under the new Remuneration Policy now capped at one year's salary as included in paragraph 7 of the new Remuneration Policy).

The total remuneration of Mr. Wilsdorf for the financial year 2019/2020 amounts to KEUR 188, divided in a fixed remuneration of KEUR 112, a variable part /bonus of KEUR 20, a holiday payment of KEUR 14 and the aforementioned compensation for waiving his right to German statutory unemployment insurance of KEUR 42. In percentages, the fixed (including holiday payment and compensation) versus variable remuneration part is 86.3% (fixed) versus 16.7% (variable) when one-off compensation payment is excluded.

The remuneration granted is in line with the new Remuneration Policy. There have been no deviations to the governance process as set out in paragraph 3 of the Remuneration Policy.

As set out above, given the current shutdown process the Remuneration Policy is not meant to contribute and does not contribute to long-term value creation of the Company. All targets forming part of Mr. Wilsdorf's bonus agreement, as approved by the Supervisory Board, are financial in nature.

Please find below an overview of the remuneration received by Mr. Wilsdorf over the past five years. As the Company does not have any other employees, naturally, there is no overview of the average remuneration of other employees.

**Overview of Mr. Wilsdorf's remuneration over the past five years:**

| | 2019/2020 | 2018/2019 | 2017/2018 | 2016/2017 | 2015/2016 |
|---|---|---|---|---|---|
| Total remuneration | T€ 188* | T€ 205* | T€ 142 | T€ 140 | T€ 172 |

*Including T€42 and T€ 60 with respect to aforementioned termination of Mr. Wilsdorf's employment contract with Jubii Europe GmbH i.L.) in total remuneration for the financial year 2019/2020 and 2018/2019, respectively.

No remuneration has been subject to a claw back within the meaning of article 2:135 (8) of the Dutch Civil Code, in full or partially.

Supervisory Board

In accordance with the provisions of the new Remuneration Policy regarding the remuneration of the Supervisory Board members, the members of the Supervisory Board were not entitled to receive any remuneration. There are no contractual arrangements in place between the Company and the members of the Supervisory Board.

This remuneration report does not address aspects of the Dutch Civil Code regarding the remuneration report that are not relevant for Jubii Europe.

The financial statements included in this annual report were drawn up by the Management Board and audited by KPMG Accountants N.V. which has given an unqualified opinion. The Supervisory Board has approved the annual report, including the financial statements. The financial statements will be submitted for shareholder approval at the Annual General Meeting of Shareholders. We recommend to our shareholders that they adopt the financial statements.

Haarlem, the Netherlands
November 26, 2020

Dr. Martin Dannhoff

Chairman of the Supervisory Board

## Supervisory Board

(During the year ended September 30, 2020)

**Dr. Martin Dannhoff** (1961, German national)
Senior Vice President Corporate Legal, Bertelsmann SE & Co. KGaA.
Member of the Supervisory Board since May 28, 2009, current term ending in 2021
Chairman of the Supervisory Board since January 1, 2010

**Ignacio Gaspar Sintes** (1970, Spanish national)
Executive at Telefónica, S.A.
Member of the Supervisory Board since May 22, 2014, current term ending in 2022

**Consuelo Barbé Capdevila** (1967, Spanish national)
Executive at Telefónica, S.A.
Member of the Supervisory Board since March 31, 2020, current term ending in 2024

**Jörn Caumanns** (1973, German national)
Executive Vice President M&A, Bertelsmann SE & Co. KGaA
Member of the Supervisory Board since January 01, 2010, current term ending in 2022

# Financial Statements

# For the financial year ended September 30, 2020

## Jubii Europe N.V. Statement of Financial Position
**(Before proposed appropriation of result)**

| In thousand Euro | Notes | September 30, 2020 | September 30, 2019 | October 1, 2018 |
|---|---|---|---|---|
| | | | | |
| **ASSETS** | | | | |
| | | | | |
| Participating interest | 4 | 0 | 0 | 0 |
| **Total financial fixed assets** | | **0** | **0** | 0 |
| **Total non-current assets** | | **0** | **0** | **0** |
| | | | | |
| Due from subsidiaries | 4 | 0 | 0 | 2,779 |
| Cash and cash equivalents | 6 | 7,768 | 9,541 | 5,187 |
| Other investments | 6 | 0 | 0 | 5,200 |
| Prepaid expenses and other current assets | 7 | 9 | 87 | 69 |
| **Total current assets** | | **7,777** | **9,628** | **13,235** |
| | | | | |
| **Total assets** | | **7,777** | **9,628** | **13,235** |
| | | | | |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| | | | | |
| Share capital | | 3,123 | 3,123 | 3,123 |
| Share premium | | 1,482,092 | 1,482,092 | 1,482,092 |
| Treasury shares | | (2,052) | (2,052) | (2,052) |
| Accumulated deficit | | (1,474,918) | (1,472,867) | (1,472,123) |
| Unappropriated result | | (543) | (2,051) | (744) |
| **Total shareholders' equity attributable to owners of the Company** | 11 | **7,702** | **8,245** | **10,296** |
| | | | | |
| Due to subsidiaries | | **0** | **0** | 2,763 |
| Accounts payable | | 29 | 7 | 8 |
| Other short-term liabilities | 12 | 46 | 1,376 | 168 |
| **Total current liabilities** | | **75** | **1,383** | **176** |
| **Total liabilities** | | **75** | **1,383** | **2,939** |
| **Total shareholders' equity and liabilities** | | **7,777** | **9,628** | **13,235** |
| | | | | |

The accompanying notes are an integral part of these financial statements

## Jubii Europe N.V. Statement of Comprehensive Income

| In thousand Euro (except share data) | Notes | Year ended September 30, 2020 | Year ended September 30, 2019 |
|---|---|---|---|
| | | | |
| **Gross profit/(loss)** | | **0** | **0** |
| | | | |
| | | | |
| General and administration | 14 | (527) | (632) |
| Other operating expenses | 12 | (0) | (1,029) |
| | | | |
| **Total operating income** | | **(527)** | **(1,661)** |
| **Profit/(loss) from operations** | | **(527)** | **(1,661)** |
| | | | |
| Interest income/(expense) | 16 | (16) | (170) |
| Other finance income/(expense) | 16 | 0 | 0 |
| **Net finance expense** | | **(16)** | **(170)** |
| | | | |
| **Share of profit of equity-accounted investees, net of tax** | 8 | **0** | **(220)** |
| | | | |
| **Profit/(loss) before tax** | | **(543)** | **(2,051)** |
| | | | |
| Income tax/(income tax benefit) | | 0 | 0 |
| **Net profit/(loss) from continuing operations** | | **(543)** | **(2,051)** |
| | | | |
| **Net profit/(loss) for the period attributable to owners of the Company** | | **(543)** | **(2,051)** |
| Foreign currency translation differences from foreign operations | | 0 | 0 |
| **Other comprehensive income for the period, net of income tax** | | **0** | **0** |
| | | | |
| **Total comprehensive income (loss) for the period attributable to owners of the company** | | **(543)** | **(2,051)** |
| Basic / diluted profit per share (Euro) | | 0.00 | 0.00 |
| Weighted average number of shares outstanding | | 311,576,344 | 311,576,344 |

The accompanying notes are an integral part of these financial statements

## Jubii Europe N.V. Statement of Cash Flows

| In thousand Euro | Notes | Year ended September 30, 2020 | Year ended September 30, 2019 |
|---|---|---|---|
| | | | |
| **Cash flows from operating activities** | | | |
| Profit/(loss) before tax | | **(543)** | **(2,051)** |
| | | | |
| **Adjustments for:** | | | |
| Other operating expenses | | 0 | 1,029 |
| Financing expense | 16 | 16 | 170 |
| Share of profit of equity-accounted investees, net of tax | 8 | 0 | 220 |
| | | | |
| Change in accounts receivable and other receivables | | 0 | 0 |
| Change in prepaid expenses and other current assets | | 78 | 3 |
| Change in accounts payable | | 22 | (2) |
| Change in due to/due from subsidiaries | | 0 | (203) |
| Change in provisions and other short-term liabilities | | (1,332) | 2 |
| Interest paid | | (14) | (14) |
| Income tax paid | | 0 | 0 |
| **Net cash used in operating activities** | | **(1,773)** | **(846)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Change in other investments | | 0 | 5,200 |
| **Net cash (used) / provided in investing activities** | | **0** | **5,200** |
| | | | |
| | | | |
| **Cash flows from financing activities** | | | |
| **Net cash (used) / provided in financing activities** | | **0** | **0** |
| | | | |
| **Effect of exchange rate changes on cash and cash equivalents** | | **0** | **0** |
| | | | |
| Decrease/Increase in cash and cash equivalents | | (1,773) | 4,354 |
| **Cash and cash equivalents, beginning of the period** | 6 | **9,541** | **5,187** |
| Thereof from continued operations | | 9,541 | 5,187 |
| **Cash and cash equivalents, end of the period** | 6 | **7,768** | **9,541** |
| Thereof from continued operations | | 7,768 | 9,541 |

The accompanying notes are an integral part of these financial statements

## Jubii Europe N.V. Statement of Shareholders' Equity

| In thousand Euro (except share data) | Notes | Class AA shares | | Class AB shares | | Class B shares | | Share premium | Legal reserve | Treasury shares | | Accumulated deficit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares | EUR | No. of shares | EUR | No. of shares | EUR | EUR | EUR | No. of shares | EUR | EUR |
| **Balance as at October 1, 2018 (previously reported)** | | **62,000,000** | **620** | **62,000,000** | **620** | **188,300,000** | **1,883** | **1,482,092** | **0** | **(723,656)** | **(2,052)** | **(1,472,123)** |
| Impact of IFRS adoption | | | 0 | | 0 | | 0 | 0 | 0 | | 0 | 0 |
| **Balance as at October 1, 2018** | | **62,000,000** | **620** | **62,000,000** | **620** | **188,300,000** | **1,883** | **1,482,092** | **0** | **(723,656)** | **(2,052)** | **(1,472,123)** |
| Appropriation of the net result of previous year | | | | | | | | | | | | (744) |
| Net profit for the year | | | | | | | | | | | | |
| Translation loss | | | | | | | | | | | | |
| Total comprehensive income | | | | | | | | | | | | |
| **Impact of IFRS adoption** | | | **0** | | **0** | | **0** | **0** | **0** | | **0** | **0** |
| **Balance as at September 30, 2019** | | **62,000,000** | **620** | **62,000,000** | **620** | **188,300,000** | **1,883** | **1,482,092** | **0** | **(723,656)** | **(2,052)** | **(1,472,867)** |
| Appropriation of the net result of previous year | | | | | | | | | | | | (2,051) |
| Net profit/(loss) for the year | | | | | | | | | | | | |
| Translation loss | | | | | | | | | | | | |
| **Total comprehensive income** | | | | | | | | | | | | |
| **Balance as at September 30, 2020** | **11** | **62,000,000** | **620** | **62,000,000** | **620** | **188,300,000** | **1,883** | **1,482,092** | **0** | **(723,656)** | **(2,052)** | **(1,474,918)** |

| In thousand Euro (except share data) | Notes | Unappropriated result | Total |
|---|---|---|---|
| | | EUR | EUR |
| **Balance as at October 1, 2018 (previously reported)** | | **(744)** | **10,296** |
| Impact of IFRS adoption | | 0 | 0 |
| **Balance as at October 1, 2018** | | **(744)** | **10,296** |
| Appropriation of the net result of previous year | | 744 | 0 |
| Net profit for the year | | (2,051) | (2,051) |
| Translation loss | | 0 | 0 |
| Total comprehensive income | | **(2,051)** | **(2,051)** |
| Impact of IFRS adoption | | **0** | **0** |
| **Balance as at September 30, 2019** | | **(2,051)** | **8,245** |
| Appropriation of the net result of previous year | | 2,051 | 0 |
| Net profit/(loss) for the year | | (543) | (543) |
| Translation loss | | 0 | 0 |
| **Total comprehensive income** | | **(543)** | **(543)** |
| **Balance as at September 30, 2020** | **11** | **(543)** | **7,702** |
| | | | |

The accompanying notes are an integral part of these financial statements

## Notes to the Financial Statements

## 1. Corporate information

Jubii Europe N.V. ("Jubii Europe" or the "Company" / ISIN NL0000233195) is a former operator of an international network of websites being wound down. The Company commenced operations in the year 1997 and the companies existing before 2000 were reorganized as subsidiaries of Jubii Europe N.V. in January 2000. The registered office of the Company is in Haarlem, The Netherlands (Jubii Europe N.V., Fonteinlaan 7, 2012 JG Haarlem, The Netherlands).

In December 2008 the extraordinary shareholders' meeting decided to wind up the Jubii Europe group and immediately management commenced the shutdown process. The liquidation of the remaining subsidiary Jubii Europe GmbH i.L. is finalized and the deregistration of the company from the trade register has taken place on 2 April 2020. With the finalization of liquidation of the German subsidiary Jubii Europe GmbH i.L. the management has decided, in coordination with the Supervisory Board, to initiate the Company´s formal liquidation process.

These financial statements relate to the financial year ended 30 September 2020 and include the comparative information of the previous financial period ending 30 September 2019.

As the Company is not a parent anymore at the reporting date with the finalization of the liquidation of the remaining subsidiary, the financial statements for the year ended 30 September 2020 including comparatives are separate financial statements.

## 2. Significant accounting policies

### a) Statement of compliance

Jubii Europe has prepared financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. They also comply with the financial reporting requirements included in Section 9 of Book 2 of the Netherlands Civil Code, as far as applicable.

**Adoption of IFRS**

Until financial year 2018/2019, Jubii Europe N.V. formally applied Dutch accounting standards (Dutch GAAP) in the company financial statements. The Company used the option provided in section 2:362 (8) of the Dutch Civil Code to set the principles for the recognition and measurement of assets and liabilities and determination of the result in the company financial statements as the same as those applied for the consolidated EU-IFRS financial statements.

In financial year 2019/2020 the last subsidiary of the Company was deregistered and consequently no consolidated financial statements are required anymore. The Company decided to apply EU-IFRS in the company financial statements as per financial year 2019/2020. The conversion from Dutch GAAP to IFRS had no impact on shareholders' equity and/or results, as the Company had historically already applied the same principles for the recognition and measurement as under IFRS.

### b) Basis of preparation

The financial statements are presented in Euro, rounded to the nearest thousand. The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

As a consequence of ongoing declining revenues management started to evaluate different options for the business in 2008. At the end of this strategic review process the Management Board and Supervisory Board finally made the proposal to wind up the group. The extraordinary shareholders' meeting approved this proposal with an according resolution in December 2008. As moving forward with the winding up of the remaining subsidiaries, the liquidation of the last subsidiary Jubii Europe GmbH i.L. is finalized and the deregistration of the company from the trade register has taken place on 2 April 2020. Following the liquidation of the last subsidiary, the management has decided, in coordination with the Supervisory Board, to initiate the Company´s formal liquidation process. This preparation of liquidation plan is still ongoing and liquidation is expected to be completed within 12 months after the date of this report. Accordingly, the financial statements are not prepared on a going concern basis.

Consequently, based on the requirements of IAS 1.25, management evaluated the policies for recognition and measurement of assets and liabilities and the methods and significant assumptions used to measure assets and liabilities and revise them if required to provide relevant information that faithfully present the liquidation circumstances. Similarly, the relevance of the disclosure requirements of IFRSs were evaluated and some disclosures were omitted due to irrelevance under the circumstances.

The management make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The financial statements have been prepared on the historical cost basis. All assets and liabilities are reclassified as short term in consideration of the non-going concern basis of accounting. All assets were tested for impairment as of 30 September 2020, without necessarily waiting for indicators under applicable IFRS. No impairment has been identified as of 30 September 2020.

### c) Basis of accounting for participating interests

As of 30 September 2020, the Company has no participating interests. As the Company is not a parent anymore at the reporting date with the finalization of the liquidation of the last subsidiary, the financial statements for the year ended 30 September 2020 including comparatives are separate financial statements. The participating interests were significant influence is exercised over the business and financial policy are accounted for using the equity method on the basis of net asset value. In cases where the Company guarantees for the debts of the respective participating interest, a provision is recognized. This provision is primarily recognized to the receivable on the participating interest and for the remainder will be presented under provisions.

The share in the result of participating interests consists of the share of Jubii Europe in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between Jubii Europe and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealized.

### d) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

The assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated to Euro at foreign exchange rates ruling at the end of reporting period. The revenues and expenses of foreign operations are translated to Euro at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on revaluation at period end are recognized directly in a separate component of equity, the translation reserve. In the case of a disposal or liquidation of a subsidiary, the associated translation reserve is released and recognized in the income statement.

### e) Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit nor differences relating to investments in subsidiaries to the extent that they will likely not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### f) Share capital

*Share premium*

The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares (income above par).

*Treasury shares*
When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

### g) Financial instruments

#### i. Financial assets

**Initial recognition and measurement**
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.
The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash, short-term deposits, prepayments and other current assets, other receivables and all balances approximate their fair values.

**Subsequent measurement**
The subsequent measurement of financial assets is as follows:
*Financial assets at amortised cost (debt instruments)*
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Derecognition**
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
· the rights to receive cash flows from the asset have expired
· the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

<u>Financial assets carried at amortised cost</u>

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**ii. Financial liabilities**

**Initial recognition**
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade accounts payable and other short-term liabilities and all balances approximate their fair values.

**Subsequent measurement**
The measurement of financial liabilities is as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**iv. Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

According to IFRS 7 the financial assets shown in the statements of financial position cash and cash equivalents (2020-EUR 7.8 million; 2019-EUR 9.5 million), other investments (2020- nil; 2019-nil) and other current financial assets (2020- nil; 2019-0.043 million) are allocated to the category "Loans and Receivables". The book value of these financial assets equals their historical costs and their fair values.

The financial liabilities entirely contain accounts payables of EUR 0.003 million (2019- EUR 0.003 million) and other current liabilities of EUR 0.085 million (2019- EUR 0.19 million). The book value of these financial liabilities equals their historical costs and their fair values.

**h) Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

**i) Expenses**

Costs are recognized as General and Administrative expenses.

**j) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

As of September 30, 2020 and September 30, 2019 the Company has only one rent contract for which the company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less in accordance with IFRS 16.5. Accordingly, the Company has no right-of-use assets and lease liabilities as of 30 September 2020.

### k) Cash, cash equivalents and other investments

Cash in the statement of financial position comprises bank balances and call deposits, cash equivalents consist of short-term deposits with an original and remaining maturity of less than three months. Other investments consist of other deposits with a maturity between 3 months and 1 year.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### i) Fair value measurement

The Company measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

☐ In the principal market for the asset or liability, or

☐ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

☐ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

☐ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

☐ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For both financial years ending September 30, 20 and September 30, 2019 the company has measured neither assets nor liabilities at fair value. Due to the fact that all liabilities are considered short-term, their fair values equal approximately their book values for disclosure purposes. Therefore, the company does not present any further details and notes required by IFRS 13 and IFRS 7.

**j) Related Parties**

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the company. This includes, amongst others, the relationship between the company and its subsidiary, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

## 3. Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:
All new and amended standards and interpretations published by the IASB and the IFRIC that are effective for fiscal years beginning on or after 1 January 2019 and are required to be applied in the EU were applied in preparing the financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The company adopted IFRS 16 Leases with the date of initial application of 1 October 2019. The company has only one rent contract for which the company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less in accordance with IFRS 16.5. Accordingly, there is no effect of adoption of IFRS 16 on financial statements as of and for the year ended 30 September 2020.

The Company does not expect any of the newly adopted IFRS to have any material impact on the financial statements or performance of the Company.

## 4. Participating interests

As of 30 September 2020, the Company has no participation in other companies. As of 30 September 2019, the Company had the following participating interest;

| Company | Ownership | Country of incorporation | Statutory seat |
|---|---:|---:|---:|
| Jubii Europe GmbH i.L. | 100 % | Germany | Gütersloh |

The movement of the participating interests of the Company is as follows;

| In thousand Euro | 2019/2020 | 2018/2019 |
|---|---:|---:|
| **Balance as at October 1** | **0** | **0** |
| Movements: | | |
| Result from participating interests | 0 | (220) |
| Offset with receivables on participating interests | 0 | 220 |
| **Balance as at September 30** | **0** | **0** |

## 5. Financial risk management

By using its financial instruments, the Company is exposed to credit, liquidity and market risk. This note presents information about the exposure to each of the aforementioned risk categories.

The Company's management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Management Board reviews and agrees policies for managing each of the above-mentioned risks which are summarized below.

**Market risk**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and currency risk.

**Currency Risk**
The functional currency of the Company is primarily the Euro (EUR). As of September 30, 2020 and September 30, 2019 no significant amounts of financial assets or financial liabilities were denominated in a currency other than the company’s functional currency.

**Interest rate risk**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposits with floating interest rates (see note 6).

Financial instruments affected by market risk include deposits. The sensitivity analysis below relates to the positions as at 30 September 2020 and 30 September 2019 and shows the effect of the assumed changes in the interest rates on the net interest expense for one year.

The sensitivity on the income statement is the effect of the assumed changes in interest rates on the net interest expense for one year, based on the floating rate non-trading financial assets held at September 30, 2020 respective September 30, 2019.

**Interest rate sensitivity**
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate other investments). There is only an immaterial impact on the Company's equity.

| | Increase/decrease in basis points | Effect on profit before tax |
|---|---|---|
| **2020** | | |
| EUR | +100 | +0.1 Mio EUR |
| | -100 | -0.1 Mio EUR |
| | | |
| **2019** | | |
| EUR | +100 | +0.1 Mio EUR |
| | -100 | -0.1 Mio EUR |

**Credit risk**
Credit risk is the risk of a financial loss if a customer or party to another financial instrument fails to meet its obligations. Accounts receivable are typically unsecured. The Company maintains reserves for potential credit losses. An overview of these reserves is given in note 7. The Company’s objective is furthermore to ensure the safety of its investments at maturity date. This is achieved by selection of counterparties with a good credit rating and holding a majority of the cash equivalents and deposits with German banks, which are regularly monitored for full coverage by the depositor’s guarantee fund. As of September 30, 2020, all the cash is deposited in Germany at Commerzbank AG and the interest rate on bank deposits is negative.

As of September 30, 2020 and as of September 30, 2019, the items’ maximum credit risk was equal to their respective carrying amounts.

All credit risks were appropriately accounted for by recognizing impairment losses. As a consequence, the assets for which no impairment losses were recognized are of good credit quality, and there are no indications for any losses.

**Liquidity risk**
Liquidity risk is the risk that the Company is unable to meet its financial obligations if they fall due. An overview of the maturity of cash, cash equivalents and each class of the Company's investment is presented in note 6.

Financial liabilities (September 30, 2020 and September 30, 2019) are all due within 1 year.

**Capital management**

Capital includes equity attributable to the owners of the parent plus share premium less accumulated deficit, unappropriated result, treasury shares and translation reserves.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to maximize shareholder value. Since 2010 the focus of capital management changed to ensure a maximum of capital return to shareholders under the ongoing liquidation process.

## 6. Cash, cash equivalents and other investments

Cash, cash equivalents and other investments are made up of the following:

| In thousand Euro | **September 30, 2020** | **September 30, 2019** |
|---|---|---|
| Cash | 768 | 941 |
| Cash equivalents | 7,000 | 8,600 |
| **Subtotal Cash and Cash Equivalents** | **7,768** | **9,541** |
| Other investments due within one year | 0 | 0 |
| | | |
| **Subtotal other investments** | **0** | **0** |
| **Total** | **7,768** | **9,541** |

Cash consists of bank balances and call deposits, cash equivalents consist of short-term deposits with an original and remaining maturity of less than three months and other investments consist of deposits. Interest on short-term deposits is calculated based on fixed interest rates.

## 7. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

| In thousand Euro | **September 30, 2020** | **September 30, 2019** |
|---|---|---|
| **Other financial assets** | | |
| Current prepaid expenses | 9 | 54 |
| **Subtotal other financial assets** | **9** | **54** |
| Other short-term receivables | 0 | 33 |
| **Total** | **9** | **87** |

Other short-term receivables consist of VAT receivables from tax offices in respect to Jubii Europe GmbH as of 30 September 2019. The VAT receivables were collected by Jubii Europe NV from the Tax office in financial year 2019/2020.

## 8. Related party transactions

The Company engages in various related party transactions with Bertelsmann SE & Co. KGaA and their subsidiaries. These transactions are booked on separate accounts and are generally settled within thirty days of the relevant transaction. The billing rates are set at rates which are at arms-length.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year for information regarding outstanding balances at September 30, 2020 and at September 30, 2019:

| In thousand Euro | | Services (other revenues) to related parties | Services from related parties | Amounts owed by related parties | Amounts owed to related parties |
|---|---|---|---|---|---|
| | | | | | |
| Entities with significant influence over the Company: | | | | | |
| Bertelsmann SE & Co. KGaA and subsidiaries | 2019/ 2020 | 0 | (38) | 0 | 5 |
| | 2018/ 2019 | 0 | (34) | 0 | 9 |

### Services from related parties

The services from related parties mainly consisted of bookkeeping, HR and IT services that the company was provided with by subsidiaries of Bertelsmann SE & Co. KGaA.

The services from related parties are made at market prices which approximate fair value. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

## 9. Remuneration of key management personnel

The remuneration for the financial year 2019/2020 and the financial year 2018/2019 of key management personnel were as follows:

| In thousand Euro | Fixed annual salary | | Compensation | | Bonus | | Vacation | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019/2020 | 2018/2019 | 2019/2020 | 2018/2019 | 2019/2020 | 2018/2019 | 2019/2020 | 2018/2019 | 2019/2020 | 2018/2019 |
| short-term employee benefits | 112 | 112* | 42 | 60* | 20 | 20* | 14 | 13* | 188 | 205* |

**Comparative period benefits are presented including amounts paid by subsidiaries.*

A compensation payment amounting to KEUR 102 was paid to key management personnel during the year 2019/2020 (2018/2019: nil). The payment is conditional on future services to be provided and therefore accounted for as costs over the service period. KEUR 42 of this compensation payment is expensed in financial year 2019/2020 while KEUR 60 is expensed in financial year 2018/2019.

## 10. Remuneration of the Supervisory Board

### Remuneration package

No member of the Supervisory Board received remuneration in respect of their function as member of the Supervisory Board of the Company in 2019 and 2020. Former members of the Supervisory Board did not receive any remuneration in these years either.

### Options / shares

No share options rights in the Company are granted to or acquired by members of the Supervisory Board. No member of the Supervisory Board of Jubii Europe reported to hold shares in the Company.

## 11. Shareholders' equity

**Issued capital**

The Company's Class AA and AB shares have been issued as registered shares. These registered shares carry special voting and binding nomination rights. Of the shareholders, only holders of Class AA and AB registered shares also have the right to make binding nominations of the Management Board and the Supervisory Board as well as for the positions of Chairman and Deputy Chairman of the Supervisory Board.

The Class AA shares have a par value of EUR 0.01. Of the 250,000,000 shares authorized, 62,000,000 are issued and outstanding on September 30, 2020, and September 30, 2019. These shares are owned by Telefónica S.A., the successor of its subsidiary LE Holding Corp., which was liquidated in 2011.

The Class AB shares have a par value of EUR 0.01. Of the 250,000,000 shares authorized, 62,000,000 are issued and outstanding on September 30, 2020, and September 30, 2019. These shares are owned by Reinhard Mohn GmbH (24,347,400), G+J Medien GmbH (former Fireball Internet GmbH) (14,260,000) and Christoph Mohn Internet Holding GmbH (23,392,600), also initial shareholders and founders of the Company.

The Class B shares have a par value of EUR 0.01. Of the 500,000,000 shares authorized, 188,300,000 are issued on September 30, 2020, and September 30, 2019, respectively, and 187,576,344 are outstanding on September 30, 2020, and September 30, 2019, respectively.

**Unappropriated result**

The General Meeting of Shareholders will be informed about the appropriation of the 2019/2020 loss after tax in the amount of KEUR (543) to be added to the other reserves/accumulated deficit.

## 12. Other short-term liabilities and current tax liabilities

Other short-term liabilities and current tax liabilities comprise:

| In thousand Euro | September 30 2020 | September 30, 2019 |
|---|---|---|
| Accrual for salary and salary related cost | 10 | 8 |
| Accrual for professional services | 26 | 171 |
| VAT Payable | 0 | 1.185 |
| Other accrued expenses | 10 | 12 |
| **Accrued expenses and other current liabilities** | **46** | **1.376** |

**VAT Payable**

As reported the Dutch tax authorities started a tax audit in 2017 with respect to sales tax (VAT) for the period 2013-2018. On 26 February 2019, the final assessment was issued and, accordingly, the Dutch tax authorities requested from Jubii Europe N.V. a repayment of kEUR 1,155 for input VAT in the period under examination, inclusive interest until the release of the assessment and fines. Additionally, as of 1 February 2019 the Dutch tax authorities withdraw Jubii Europe N.V.´s VAT identification number.

On 27 February 2019 Jubii Europe N.V. objected to the Dutch tax authorities´ decision. On 27 September 2019 the Dutch tax authorities rejected the appeal and announced that they adhere to their assessment that Jubii Europe N.V. has no VAT deduction right. Accordingly, Jubii Europe N.V. recorded a short-term liability for VAT payment amounted to KEUR 1,185 in the financial statements as of 30 September 2019 and paid KEUR 1,185 on 8 October 2019 for reclaimed input VAT plus interest until the final assessment and fines.

Irrespective of this payment, Jubii Europe N.V. considers carefully together with their Dutch tax advisor whether to instigate legal proceedings against the Dutch tax authorities´ decision or not. On 5 November 2019 Jubii Europe N.V. has filed a lawsuit to comply with the statutory period. The court has not yet determined when the first hearing will take place.

## 13. Contingent asset and liabilities

**Contingent assets**

On 5 November 2019, the Company has filed a lawsuit regarding the decision of the Dutch tax authorities that the Company has no VAT deduction right. As the court has not yet determined when the first hearing will take place, the Company did not recognise the VAT receivable and therefore disclosed this as a contingent asset. Further details are disclosed in note 12.

**Commitments**
The Company has entered into operating lease agreements in Germany and the Netherlands.

In the course of the liquidation process the Company terminated formerly existing lease agreements and entered into new lease agreements with more suitable conditions. The headquarter offices were moved within Haarlem to a smaller premise.

| Future minimum lease payments in thousand Euro | September 30, 2020 |
|---|---|
| Less than 1 year | 4 |
| Between 1 and 5 years | 0 |
| More than 5 years | 0 |
| | 4 |

**Indemnity and Insurance**
The Company shall indemnify and hold harmless each member of the Management Board and of the Supervisory Board in accordance with Article 26.A of the Articles of Association of the Company. For this purpose, the Company has contracted Directors & Officers insurance.

### 14. General and administration expenses

General and administration expenses comprise of:

| In thousand Euro | Year ended September 30, 2020 | Year ended September 30, 2019 |
|---|---|---|
| Ordinary expenses | -527 | -632 |
| **Total** | **-527** | **-632** |

The ordinary expenses mainly include personnel expenses, expenses for service provider for bookkeeping, expenses for listing of the Company and expenses for legal and tax services.

### 15. Personnel expenses

Personnel expenses comprise of:

| In thousand Euro | Year ending September 30, 2020 | Year ending September 30, 2019 |
|---|---|---|
| Wages and salaries | 146 | 76 |
| Social security payments | 11 | 6 |
| Other* | 42 | **0** |
| **Total** | **199** | **82** |

Other personnel expenses comprise of compensation payment to key management personnel as of 30 September 2020. Please refer to note 9 for further explanations.

The Company employed the following employees on a full-time equivalent basis as at September 30, 2020 and as at September 30, 2019, respectively.

| | Year ending September 30, 2020 | Year ending September 30, 2019 |
|---|---|---|
| Germany | 0 | 0 |
| The Netherlands | 0.2 | 0.2 |
| **Total** | **0.2** | **0.2** |

### 16. Net finance income

The finance income comprises of:

| In thousand Euro | Year ending September 30, 2020 | Year ending September 30, 2019 |
|---|---|---|
| Interest expenses | (16) | (170) |
| Other finance income (expense) | - | - |
| **Net finance expense** | **(16)** | **(170)** |

For the year ended 30 September 2019, interest expense is interest calculated on the Dutch tax authorities´ request for repayment of input VAT for the period 2013 until 2018 and interest paid for bank deposits amounting to KEUR 156 and KEUR 14, respectively.

### 17. Income tax

Income tax expenses / benefits recognized include the following:

| In thousand Euro | Year ending September 30, 2020 | Year ending September 30, 2019 |
|---|---|---|
| Current income tax (expenses) / income | 0 | 0 |
| **Income tax** | **0** | **0** |

The income tax expenses differ from the amount computed by using the statutory rate of the Company of 25 percent (2018/2019: 25 percent) as follows:

| | % | September 30, 2020 In thousand Euro | % | September 30, 2019 In thousand Euro |
|---|---|---|---|---|
| **Profit/(loss) before tax** | | (543) | | (2,051) |
| Income tax using the Company’s domestic tax rate | (25) | 136 | (25) | 513 |
| Non-deductible expenses | | 0 | | (7) |
| Effect of tax rates in foreign jurisdictions | | 0 | | 0 |
| Changes in loss carry forwards without recognition of deferred tax assets | 25 | (136) | 25 | (506) |
| Other | | 0 | | 0 |
| **Taxation on income in** statement of comprehensive income | | 0 | | 0 |

The following tables show the tax losses and their maturity:

| In thousand Euro | September 30, 2020 |
|---|---|
| Tax losses expiring 2020 | 312,741 |
| Tax losses expiring 2021 | 331 |
| Tax losses expiring 2022 or later | 365,391* |
| **Total** | **678,463** |

*Includes liquidation losses of Jubii Europe GmbH amounting to TEUR 356,901.

| In thousand Euro | **September 30, 2019** |
|---|---|
| Tax losses expiring 2019 | 7,771 |
| Tax losses expiring 2020 | 312,741 |
| Tax losses expiring 2021 or later | 8,257 |
| **Total** | **328,770** |

Deferred tax assets have not been recognized in respect of the tax losses shown in the table above as management does not consider it probable that sufficient taxable profits will be available to utilize the tax losses.

## 18. Earnings per share

Basic earnings per share are calculated using the weighted average number of common shares outstanding during the year. Diluted earnings per share are similar to basic earnings per share except that the weighted average of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares resulting from options and other potentially dilutive instruments had been issued. There are no such dilutive options or instruments at 30 September 2020 and at 30 September 2019.

## 19. Auditor fees

The fees paid to the Company's external auditor are as follows:

| In thousand Euro | **KPMG Accountants N.V. 2019/2020** | **Other KPMG Network 2019/2020** | **Total KPMG Network 2019/2020** | **KPMG Accountants N.V. 2018/2019** | **Other KPMG Network 2018/2019** | **Total KPMG Network 2018/2019** |
|---|---|---|---|---|---|---|
| **Audit services (fee)** | | | | | | |
| Audit | 35 | 0 | 35 | 35 | 0 | 35 |
| Tax services | 0 | 0 | 0 | 0 | 0 | 0 |
| | **35** | **0** | **35** | **35** | **0** | **35** |
| **Non-audit services** | | | | | | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| | **35** | **0** | **35** | **35** | **0** | **35** |

## 20. Related parties

Related party transactions not on an arm's length basis have not occurred.

## 21. Subsequent Events

On 5 October 2020, Jubii Europe N.V.´s management has announced publicly its decision to initiate the formal liquidation process of the Company which is taken in cooperation with the Supervisory Board.

Haarlem, the Netherlands
November 26, 2020

**The Management Board**
**Jubii Europe N.V.**

**Approved by the Supervisory Board of Jubii Europe N.V.**
Haarlem, the Netherlands
November 26, 2020

__________________________________
Dr. Martin Dannhoff (Chairman)

__________________________________
Jörn Caumanns

__________________________________
Consuelo Barbé Capdevila

__________________________________
Ignacio Gaspar Sintes

# Other Information

**Class AA shares and Class AB shares**
The Company's Class AA and AB shares have been issued as registered shares. These registered shares carry special voting and binding nomination rights. Of the shareholders, only holders of Class AA and AB registered shares have also the right to make binding nominations of the Management Board and the Supervisory Board as well as for the positions of Chairman and Deputy Chairman of the Supervisory Board.

The Class AA shares are owned by Telefónica S.A. which has been the successor of its subsidiary LE Holding Corp., which was liquidated in 2011.
The Class AB shares are owned by Reinhard Mohn GmbH (24,347,400), G+J Medien GmbH (14,260,000) and Christoph Mohn Internet Holding GmbH (23,392,600).

**Profit appropriation provision**
The appropriation of losses takes place in accordance with Article 37 of the Articles of Association. The Company's policy on reserves and dividends is determined and can be amended by the Supervisory Board upon proposal of the Management Board. The allocation of losses remaining after allocation to reserves is determined by the Management Board, with the approval of the Supervisory Board. Amounts can be withdrawn from the distributable reserves by virtue of a resolution of the Management Board which has been approved by the Supervisory Board.

**Independent Auditor's Report**
We refer to the accompanying Independent Auditor's Report as set forth on the following page.

# Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Jubii Europe N.V.

## Report on the audit of the financial statements for the year ended 30 September 2020 included in the annual report

### *Our opinion*

In our opinion the accompanying financial statements give a true and fair view of the financial position of Jubii Europe N.V. as at 30 September 2020 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

### *What we have audited*

We have audited the financial statements for the year ended 30 September 2020 of Jubii Europe N.V. (the Company) based in Haarlem.

The financial statements comprise:

1 the statement of financial position as at 30 September 2020;

2 the following statements for the year ended 30 September 2020: the statements of comprehensive income, cash flows and shareholders' equity; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

### *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Jubii Europe N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Audit approach*

### *Summary*

| Materiality |
|---|
| — Materiality of EUR 50 thousand |
| — Materiality represents 0.6% of shareholders' equity |

| Key audit matters |
|---|
| — The initiation of the Company's formal liquidation process |

| Opinion |
|---|
| Unqualified |

### *Materiality*

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 50,000 (2018/2019: EUR 50,000). The materiality is determined with reference to shareholders' equity (0.6%). We consider shareholders' equity as the most appropriate benchmark as the Company is in the process of liquidation and shareholders' equity reflects the amounts attributable to the owners of the Company as at 30 September 2020. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 2,500 which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

## *Our key audit matter*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.

The matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

## The initiation of the Company's formal liquidation process

### Description

As disclosed in note 2b) to the financial statements, in the year ended 30 September 2020 management has decided in coordination with the Supervisory Board to initiate the Company's formal liquidation process. The preparation of the liquidation plan is still ongoing. The financial statements are not prepared on a going concern basis.

Consequently management evaluated the accounting policies for recognition and measurement of assets and liabilities. The methods and significant assumptions used to measure assets and liabilities were revised if required to provide relevant information that faithfully present the liquidation circumstances.

We do not consider that the initiated liquidation process results in a significant level of judgement and/or a high risk of significant misstatement in the financial statements. However, due to the importance of this event for the shareholders, it has had a significant effect on our overall audit strategy and allocation of resources in planning and completing our audit.

### Our response

The primary procedures performed to address this key audit matter included the following:

- Took notice of the "Ad hoc announcement regarding Jubii Europe N.V.'s liquidation" as published by the Company on 5 October 2020.
- Read the board minutes and read the draft liquidation plan as prepared by the Management Board.
- Evaluated the appropriateness of the Company's accounting policies based on the requirements of IAS 1.
- Assessed the adequacy of the disclosures in respect of the initiated liquidation process.

### Our observation

The results of our procedures regarding the initiation of the Company's formal liquidation process were satisfactory. We considered that the disclosure in note 2b) to the financial statements meets the requirements of IAS 1.

## Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### *Engagement*

We were engaged by the General Meeting of Shareholders as auditor of Jubii Europe N.V. as of the audit for the year 2000 and have operated as statutory auditor ever since that financial year.

### *No prohibited non-audit services*

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

## Description of responsibilities regarding the financial statements

### *Responsibilities of the Management Board and the Supervisory Board for the financial statements*

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

## *Our responsibilities for the audit of the financial statements*

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 26 November 2020

KPMG Accountants N.V.

J. te Nijenhuis RA

Appendix:
Description of our responsibilities for the audit of the financial statements

## Appendix

### Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of the Management Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

# Quarterly Financial Information

*(unaudited)*

| In thousand Euro (except per share data) | Quarter ended March 31, 2016 | Quarter ended June 30, 2016 | Quarter ended September 30, 2016 | Quarter ended December 31, 2016 |
|---|---|---|---|---|
| Revenues | 0 | 0 | 0 | 0 |
| EBITDA [1] | (177) | (358) | (192) | (215) |
| EBIT [1] | (177) | (358) | (192) | (215) |
| Net profit | (178) | (355) | (215) | (214) |
| | | | | |
| Net profit / (net loss) per share basic and diluted in Euro | 0.00 | 0.00 | 0.00 | 0.00 |

| In thousand Euro (except per share data) | Quarter ended March 31, 2017 | Quarter ended June 30, 2017 | Quarter ended September 30, 2017 | Quarter ended December 31, 2017 |
|---|---|---|---|---|
| Revenues | 0 | 0 | 0 | 0 |
| EBITDA [1] | (581) | (131) | (2,479) | (199) |
| EBIT [1] | (581) | (131) | (2,479) | (199) |
| Net profit (loss) | (581) | (132) | (2,441) | (338) |
| | | | | |
| Net profit / (net loss) per share basic and diluted in Euro | 0.00 | 0.00 | (0.01) | 0.00 |

| In thousand Euro (except per share data) | Quarter ended March 31, 2018 | Quarter ended June 30, 2018 | Quarter ended September 30, 2018 | Quarter ended December 31, 2018 |
|---|---|---|---|---|
| Revenues | 0 | 0 | 0 | 0 |
| EBITDA [1] | (174) | (132) | (219) | (163) |
| EBIT [1] | (174) | (132) | (219) | (163) |
| Net profit (loss) | (39) | (333) | (34) | (163) |
| | | | | |
| Net profit / (net loss) per share basic and diluted in Euro | 0.00 | 0.00 | 0.00 | 0.00 |

| In thousand Euro (except per share data) | Quarter ended March 31, 2019 | Quarter ended June 30, 2019 | Quarter ended September 30, 2019 | Quarter ended December 31, 2019 |
|---|---|---|---|---|
| Revenues | 0 | | | |
| EBITDA [1] | (1,352) | (198) | (168) | (189) |
| EBIT [1] | (1,352) | (198) | (168) | (189) |
| One-off items[2] | (1,029) | 0 | 0 | 0 |
| EBITDA and EBIT excluding one-off items | (323) | (198) | (168) | (189) |
| Net profit (net loss) | (1,481) | (219) | (188) | (194) |
| | | | | |
| Net profit / (net loss) per share basic and diluted in Euro | 0.00 | 0.00 | 0.00 | 0.00 |

| In thousand Euro (except per share data) | Quarter ended March 31, 2020 | Quarter ended June 30, 2020 | Quarter ended September 30, 2020 | Quarter ended December 31, 2020 |
|---|---|---|---|---|
| Revenues | 0 | 0 | 0 | |
| EBITDA [1] | (190) | (113) | (35) | |
| EBIT [1] | (190) | (113) | (35) | |
| Net profit (loss) | (194) | (115) | (40) | |
| | | | | |
| Net profit / (net loss) per share basic and diluted in Euro | 0.00 | 0.00 | 0.00 | |

[1] EBITDA is Earnings Before Interest, Taxes, Depreciation, Amortization and Impairment, EBIT is Earnings Before Interest and Taxes. For all quarters up to the Quarter ended September 30, 2019 these are presented on a consolidated based for the consolidated Jubii Europe Group. Starting with the Quarter ended December 31, 2019 these are presented for Jubii Europe N.V. on an unconsolidated basis.
[2] The provision for the Dutch tax authorities´ request for repayment of input VAT for the period 2013 until 2018. Please see Note 12 for further explanation.

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