



JACOBS
UNIVERSITY

2019 ANNUAL REPORT

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Annual Report of Jacobs University Bremen

CONTENTS

4 KEY PERFORMANCE INDICATORS (KPI)

5 I. GENERAL INFORMATION ABOUT JACOBS UNIVERSITY BREMEN gGMBH

I.I Business Model

I.II Strategy

I.III Management Systems

6 II. BUSINESS REPORT

II.I Macroeconomic and Industry-Specific Framework Conditions

II.II Business Performance

II.III Development of the Business Units

II.IV Earnings Position

II.V Net Asset Position

II.VI Financial Position and Cash Flow Statement

II.VII Management Summary

11 Income & Loss Statement

12 Statement of Financial Position

14 NOTES

KEY PERFORMANCE INDICATORS (KPI)

	Unit	2019	2018
Annual profit or loss	EUR million	-2.3	27.8
Undergraduate Education (SBF 1)	EUR million	16.2	14.1
Graduate Education/Special Programs (SBF 2)	EUR million	4.0	3.8
Research & Transfer (SBF 3)	EUR million	10.9	11.0
Business Solutions (SBF 4)	EUR million	19.4	65.1**
Average number during the business year			
Human Resources			
Academic personnel	Number	262	255
Sales and service	Number	165	159
Total	Number	433	414
Bachelor's degree graduating class: pass rate*	in %	n.a.	85.4
Academic master's graduating class: pass rate*	in %	n.a.	87.1
Graduates in graduating class	Number	340	343
Of this total, bachelor	Number	254	195
Of this total, master	Number	71	89
Of this total, PhD	Number	15	59
Number of enrolled students in fall semester	Number	1,649	1,460
Of this total, in preparatory programs	Number	65	74
Of this total, bachelor	Number	1,015	867
Of this total, freshmen bachelor	Number	407	319
Freshmen discount rate	in %	29.4	29.4
Of this total, master	Number	230	224
Of this total, freshmen master	Number	84	103
Of this total, PhD	Number	247	259
Visiting students	Number	92	36

* Publication of the year after the end of the semester

** Including the assumption of loan by the Free Hanseatic City of Bremen amounting to 45.9 million euros.

I. GENERAL INFORMATION ABOUT JACOBS UNIVERSITY BREMEN gGMBH

I.I BUSINESS MODEL

Jacobs University Bremen gGmbH (hereinafter also referred to as JUB) is an educational institution with students from more than 120 nations, offering academic training according to the Anglo-Saxon model of education. The university has a strong international and English-language focus and its objective is to educate young people from all continents to become global citizens with a sense of responsibility and leadership qualities. Students, professors, and research associates work together on both the acquisition and transfer of knowledge. In its research and teaching activities, JUB collaborates with corporate and business partners throughout the world.

The university offers Bachelor, Master, and PhD degree programs. Jacobs University confers the academic degrees of Bachelor of Arts, Bachelor of Science, Master of Arts, Master of Science, and PhD, as well as the title of professor.

JUB has its own campus. This is where the lecture halls, seminar rooms, library, and research areas, as well as the colleges with their own serveries are located. The four colleges offer accommodation directly on campus, particularly for undergraduate students. Having the research, educational, and residential facilities in one location is extremely popular and represents a significant competitive advantage over most other universities. Due to the large number of students and academic staff from different countries, the degree programs are characterized by a strong international focus and a high degree of intercultural understanding.

I.II STRATEGY

Strategically, JUB is in a transition phase from a successful restructuring to sustainable long-term revenue and earnings growth. The four-year restructuring phase from 2014 to 2017 was also used to reposition itself at program level. As part of this reorientation, the Jacobs Foundation in Zurich, the Free Hanseatic City of Bremen and JUB signed a trilateral agreement in 2013 in which the main objectives, tasks and support for the restructuring phase were defined. In 2018, JUB focused on expanding its core business, and developed its revenue sources further in the area of executive education and events.

In addition to pursuing operational objectives, a growth strategy was launched in 2018 to develop further revenue potential and implemented with selected short and medium-term measures in 2019. In December

2019, President and Chairman of the Executive Board, Prof. Dr. Michael Hülsmann, handed over the strategy he had already started to his successor, Prof. Dr. Antonio Loprieno. The latter will both supplement the strategy with an academic profile, develop a concept for long-term sponsorship and outline the resulting implications for the period up to 2030. The aim is to develop a common vision with regard to competitive differentiation, to hone the academic focus and adapt it to market developments, and to develop long-term financial sustainability.

Prof. Dr. Michael Hülsmann served as President and Chairman of the Executive Board until November 2019 and was responsible for sales and all academic areas. Prof. Dr. Antonio Loprieno took over as President and Chairman of the Executive Board in December 2019 and is primarily responsible for the academic areas. From August 2018 to the end of August 2020, Dr. Michael Dubbert was responsible for the business administration departments of the university as an additional managing director.

I.III MANAGEMENT SYSTEMS

Various key performance indicators (KPIs) and figures are used to monitor JUB's performance.

The revenues and earnings of the four strategic business fields (SBFs) are particularly relevant as financial performance indicators. These include revenue from bachelor program tuition fees and related discounts (discount rate) in SBF 1 (Undergraduate Education), revenue from pre-degree programs, master programs, and visiting programs, as well as associated discounts in SBF 2 (Graduate Education / Special Programs) and revenue from research in SBF 3 (Research & Transfer). SBF 4 (Business Solutions) includes proceeds from grants and donations, as well as revenue from the sale of goods and services to companies.

The net income/loss for the year is also used as a financial performance indicator.

As a non-financial performance indicator, the number of new students (freshmen) and the portion of their income-based student financing deferred for bachelor and graduate programs is used for management purposes.

II. BUSINESS REPORT

II.I MACROECONOMIC AND INDUSTRY-SPECIFIC FRAMEWORK CONDITIONS

Most of the students in the 2019 fiscal year came from the regions of Europe and Asia, which saw economic output decline year-on-year according to the EU Commission's fall 2019¹ forecast. At the same time, the demand for education is increasing². However, growth rates are weaker than in previous years. The politico-economic risks associated with the global economic outlook will determine growth in subsequent years.³ Due to the demographic development and the constant improvement of educational opportunities in developing countries, the university landscape is expected to see rising student numbers. Protectionist tendencies in some of the target markets are leading to an increasingly long lead time for student visa approvals or are affecting the number of visas granted and thus the awarding of study places.

The management believes that educational institutions with a broad academic portfolio will prevail in the global university market. Universities that have been on the market for a long time, and who can ensure that all disciplines offered are fully utilized due to the number of students, have a particular advantage. With its wide range of academic disciplines and its international focus in particular, and its placement in relevant national and international rankings, JUB aims to position itself exceptionally well in a global comparison. It is pursuing these ambitious goals even though it has only been active on the market for a short period compared to its competitors and has below-average basic financing. JUB's guiding principles are, on the one hand, interdisciplinarity in teaching and research, and interactivity through a networked teaching/learning environment, which contribute to its appeal beyond its own campus.

II.II BUSINESS PERFORMANCE

The growth trajectory will continue in the new cohorts: Comprising over 98 nations, the class of 2019/2020 is the largest since the university was founded. In the fall semester 2019, the enrollments were as follows:

Status	2019	2018	Change to the previous year
Enrolled	1,649	1,460	+ 13%
Of this total			
In preparatory programs	65	74	- 12%
Undergraduate	1,015	867	+ 17%
Master	230	224	+ 3%
PhD	247	259	- 5%
Visiting students	92	36	+ 156%

The provision of fair, modern and innovative student financing is an integral part of the university's self-image and aspiration. In order to ensure that student financing remains sustainable in the long term, a cooperation with financing partner Brain Capital GmbH, based in Vallendar, was started in 2018. On the one hand, this external professionalization can improve the service offered to students and alumni. On the other hand, it opens up new financing options in order to leverage growth potentials. This is an income-based financing system that is not calculated on the basis of parents' income ("JUStudyAtEase") but which offers students in the 2019 cohort and above financing for part of their tuition fees on the basis of their expected future income. The payments are calculated on the basis of the graduate's annual salary as soon as they reach a certain income threshold after graduation. The majority of students in 2019 have already made use of the student financing and accepted this new financing offer very well.

- 1 EU Commission Economic Forecast of Fall 2019: https://ec.europa.eu/germany/news/20191107-herbstprognose-2019_de
- 2 Freshmen in Germany by 2019/2020. Statista, <https://de.statista.com/statistik/daten/studie/4907/umfrage/studienanfanger-in-deutschland-seit-1995/>
- 3 European Commission, Summer 2019 Economic Forecast: Growth clouded by external factors, https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/summer-2019-economic-forecast-growth-clouded-external-factors_en

To ensure that the university's alumni also benefit from this partnership, the university is also working with Brain Capital GmbH based in Vallendar with respect to their existing student loan payments. In this context, JUB transferred its outstanding receivables from alumni tuition financing to Jacobs Education Financial Funding Eins GmbH (abbreviated: JEFF1). Brain Capital GmbH is the sole owner of JEFF1 and manages the company's business on the basis of a service agreement. As part of the partnership, JUB has extensive participation and veto rights in JEFF1. From a financial standpoint, JUB will continue to bear the default risk, which means that receivables from students will continue to be recognized on JUB's balance sheet. In addition, JEFF1 issues profit participation rights that have been fully acquired by JUB. Any additional proceeds above the revenue from the sale of the receivables will flow to JUB via profit participation rights.

II.III DEVELOPMENT OF THE BUSINESS UNITS

The fifteenth undergraduate class of students successfully completed their bachelor studies with a degree after three years of study with a success rate of 85.4%. They formally graduated on June 7, 2019. The "Class of 2019" comprised a total of 340 graduates, including 254 with bachelor degrees (previous year: 195), 71 with master degrees (previous year: 89) and 15 PhDs (previous year: 59) compared to 343 graduates in the previous year. This is equivalent to a growth rate of +30% in the number of bachelor degree holders compared to the previous year. The downward trend in the master programs is due, on the one hand, to the marketing of two currently active study programs and, on the other hand, to a changing market environment due to the reform in the training of psychotherapists, which also affects on first-year psychology master students. For PhDs, a cooperation project was completed as planned.

At the start of the semester in fall 2019, the largest cohort of new students since the university was founded commenced their studies. This positive development was driven in part by the "JUStudyAtEase" student financing. For the first time, a new cohort of students was able to choose from the full range of offers. The organizational realignment of the Executive Board and the Management Board means that the Strategic Business Units will be managed as Strategic Business Fields during the fiscal year. A credit line was established for the initial measures resulting from the derivation of the strategy and further growth. The following focal points for the business fields are defined for the fiscal year.

Undergraduate Education (SBF 1)

The university's core business consists of its course offerings comprising 16 three-year bachelor programs, which make up the largest part of the offering. During the fiscal year, the reorientation of sales and the new student financing offers succeeded in generating growth of +28% with 407 new students compared to 319 in 2018.

Some of the bachelor students are granted a discount on the regular tuition fees according to their educational background, their social involvement and their economic situation. The discount rate targeting is an operational instrument to ensure that the increase in the number of students leads to a disproportionate growth in sales. This measure was successfully implemented in the fiscal year: The discount rate of 29.4% for new students was maintained at the previous year's level, while observing the high academic standards, with an above-average increase in new students. The increasing number of students and the actively managed discount rate resulted in a significant increase in revenue of 15% from EUR 14.1 million in 2018 to EUR 16.2 million in 2019 compared to the previous year's forecast of EUR 15.9 million in this area.

Graduate Education / Special Programs (SBF 2)

This business field includes the master programs, the pre-degree programs and the exchange programs with partner universities. In the master area, the number of freshmen decreased by 18% year-on-year from 103 in 2018 to 84 in 2019. In the pre-degree segment, the growth achieved in the previous year could not be maintained, and the number of first-year students fell from 74 in 2018 to 65 in 2019 (-12%). To counter the decline in both areas, new programs are being developed in the strategy process. On the sales side, a lower discount rate compensated for the decline in new students. Accordingly, SBF 2 revenues increased by 5% from EUR 3.8 million in the previous year to EUR 4.0 million.

Research & Transfer (SBF 3)

The business field of Research & Transfer comprises the university's research activities with external, primarily public, research funding bodies, such as the German Research Foundation, and research partnerships with the private sector. Applications for third-party funding are submitted when collaborating with public research funding bodies. If approved, these funds can be used for the proposed research projects. Third-party funds are used for material and personnel costs, as well as for investments. At EUR 10.9 million, the business field's revenues in 2019 were on a par with the previous year and thus below budget expectations.

Business Solutions (SBF 4)

The Business Solutions business field is responsible for the areas of development and sales that go beyond traditional university education, including executive education and fundraising.

In the previous year, SBF 4 included the one-time effect of EUR 45.9 million from the debt financing by the Free Hanseatic City of Bremen, resulting in proceeds of EUR 65.1 million for this business field. In 2019, this business field's revenues, including the grant from the Jacobs Foundation, amounted to EUR 19.4 million. In 2019, revenues of EUR 1.5 million were generated with companies, compared to EUR 1.7 million in the previous year. Next to Germany, the focus in 2019 continued to be on China. Given the high level of dependency on the market and key customers, the further development of the division also involves entering markets outside China and Germany. Work on this started during the calendar year. Donations of EUR 1.4 million were raised, compared to EUR 1.2 million in the previous year. In the areas of Executive Education and Donations, revenues and earnings for the fiscal year were significantly lower than the previous year's forecasts, although they remained constant compared to the previous year.

II.IV EARNINGS POSITION

Grants for ongoing operations, consisting of grants from the Jacobs Foundation and donations, amounted to EUR 10.2 million (previous year: EUR 55.6 million). The change to the previous year mainly results from the assumption of debt financing for the loan by the Free Hanseatic City of Bremen, which resulted in a one-off income of EUR 45.9 million in 2018. Grants from the Jacobs Foundation in 2019 amounted to EUR 8.8 million (previous year: EUR 8.6 million). This payment results from the contractually agreed annual payments of CHF 10.0 million from the Jacobs Foundation until 2027. Other donations amounted to EUR 1.4 million, +17% above the previous year's level of EUR 1.2 million. These mainly consist of non-earmarked grants and scholarships. In addition, donations were received from private individuals and companies as well as from members of the "Friends and Family Club" and "President's Table" funding groups.

Revenues from research and teaching increased once again, as planned, from EUR 28.6 million to EUR 30.8 million. The revenues of SBF 1 in the bachelor segment increased from EUR 20.3 million to EUR 23.1 million and from EUR 5.1 million to EUR 5.2 million in SBF 2, the master segment. Gross revenues from teaching (tuition fees as well as room and board) amounted to EUR 28.2 million (previous year: EUR 25.4 million). With the rise in student numbers, the discounts from the financing packages (Financial Aid Packages) for undergraduates increased from EUR 6.1 million to only EUR 6.8 million: For the current cohort starting in fall 2019 in the undergraduate segment, the discount rate of 29.4% remained at the previous year's level despite increasing student numbers and is still well below the target figure of 30%. At EUR 1.0 million, the financing packages for graduates remained at the previous year's level.

Research revenue was slightly lower than planned and amounted to EUR 11.0 million in the financial year (previous year: EUR 11.1 million). At EUR 2.6 million, other revenue is slightly higher than the EUR 2.3 million achieved in 2018.

Sundry other operating income declined slightly from EUR 6.6 million to EUR 6.4 million. This primarily includes income from the use of the special item (EUR 1.4 million), income from the reversal of other provisions (EUR 2.1 million) and income from the reduction of value adjustments for student receivables (EUR 2.6 million).

At EUR 25.8 million, personnel expenses are below the previous year's figure of EUR 26.5 million. The higher expenses in 2018 include one-time special effects, which are attributable to provisions for vacation, bonuses and legal disputes.

Depreciation and amortization of intangible assets and property, plant and equipment fell from EUR 6.5 million to EUR 4.3 million in the year under review, thus remaining at the level of previous years. In 2018, a higher level of depreciation and amortization was applied, primarily due to better knowledge regarding estimates of the useful life and the resulting adjustment of depreciation and amortization.

Various other operating expenses declined from EUR 32.4 million to EUR 21.9 million. The change is due to one-time effects in 2018. Accordingly, a provision for anticipated losses from contingent liabilities in connection with the financing of student receivables was created in the amount of EUR 2.9 million, of which EUR 1.6 million was used in 2019. Maintenance expenses decreased from EUR 3.3 million to EUR 1.7 million, as expenses for the formation of a provision for deferred maintenance in the previous year were charged to this post. In addition, the previous year's creation of value adjustments on student receivables resulted in expenses of EUR 6.9 million, which were incurred in the 2019 financial year exclusively through a reversal.

In total, this results in a net loss for the year of EUR 2.3 million (previous year: Net profit of EUR 27.8 million). The operating business with students continued to develop positively. The revenue for Transfer, Executive Education and Donations remained below the budgeted growth plans. At the same time, personnel expenses rose more steeply than planned in the context of growth. The net loss for the year of EUR 2.3 million is below the result forecast in the previous year.

II.V NET ASSET POSITION

Total assets increased from EUR 104.9 million in the previous year to EUR 105.9 million. The increase is due in particular to an increase in receivables resulting from the new study financing with Brain Capital. Fixed assets remained almost constant at EUR 86.4 million, down from EUR 86.6 million, due to additions and scheduled depreciation. Cash on hand, bank balances fell to EUR 2.4 million (previous year EUR 7.7 million). Receivables and other assets had already decreased in the previous year due to an advance purchase price payment by JEFF1 to JUB and increased from EUR 10.0 million to EUR 16.7 million with the new cohort of freshmen. JUB has deferred the purchase price for the unpaid student receivables. The remaining purchase price will be paid by the companies JEFF1 and JEFF2 in line with their liquidity.

Equity amounted to EUR 37.0 million (previous year EUR 39.4 million) and includes the profit brought forward from 2018. The special item for investment grants fell due to utilization of EUR 1.4 million (previous year: EUR 1.9 million) to a balance of EUR 42.7 million (previous year: EUR 44.0 million). Provisions decreased from EUR 9.7 million at the end of 2018 to EUR 5.6 million. The decline is due, among other things, to the partial utilization for contingent liabilities from pending transactions. In addition, provisions for maintenance measures in the amount of EUR 1.9 million were released due to the conversion of office space into student accommodation. Other liabilities increased from EUR 6.1 million to EUR 12.8 million. The credit facility agreed with Commerzbank was granted to JUB in the amount of EUR 6.0 million by the balance sheet date and EUR 6.5 million was not made available as the precondition for the release of the guarantee was not fulfilled from the point of view of Bremer Aufbau-Bank. The Jacobs Foundation, Zurich, therefore pre-financed its grant from 2020 in the form of a partial payment of EUR 6.5 million as an interest-free loan for further growth already in 2019.

II.VI FINANCIAL POSITION AND CASH FLOW STATEMENT

The university's payment obligations were met in the fiscal year 2019 at all times. At the beginning of 2019, liquidity amounted to EUR 7.7 million – primarily as bank balances – and by the end of the year amounted to EUR 2.4 million. The existing credit facility was not used as of the reporting date.

During the fiscal year, the university received an 80% deficiency guarantee from Bremer Aufbau-Bank GmbH. This is divided into two tranches. The first tranche of the guarantee of EUR 4.8 million was issued for a credit line of EUR 6.0 million. This has already been established and is being used for further growth. Due to the change of President, the strategy development and implementation of the operationalization process was suspended and continued in 2020. For this reason, the release of the second tranche was also postponed. The Jacobs Foundation provided an interest-free loan of the same amount to bridge the gap and to continue its growth path, which is to be repaid as soon as the assessment phase and the release of the guarantee for the second tranche have been completed.

The President and Chairman of the Executive Board, Prof. Dr. Antonio Loprieno, outlined his strategy to the main stakeholders and shareholders of the University, stating that the only viable and promising model for the future of JUB is to integrate the University into the Bremen university landscape in the form of a new sponsorship. The Jacobs Foundation is willing to keep supporting JUB financially even after the necessary restructuring in line with the new strategy by making individual partial payments to JUB ahead of time, offsetting them against its existing outstanding payment obligations. This will allow the Jacobs Foundation to meet its outstanding payment obligations in full, but earlier than previously agreed, and at the same time terminate the grant agreement and the trilateral agreement.

The Jacobs Foundation, Zurich, had contractually agreed to support the university from 2018 to 2027 up to a maximum amount of CHF 100.0 million, of which annual payments of CHF 10.0 million are planned. A trilateral agreement was reached to make the payments to previous call-off years more flexible. This will apply as soon as the Free Hanseatic City of Bremen declares subordinations with regard to its notice of re-conveyance for parts of the campus property to finance investments on the campus that can be capitalized on the balance sheet.

As of July 7, 2020, the partners in the trilateral agreement, the Jacobs Foundation, the Free Hanseatic City of Bremen and JUB, will amend their agreements and relationships as follows:

Grant agreement and company shares: The Jacobs Foundation undertakes to fulfill its current total payment obligations to JUB under the grant agreement, which currently amount to CHF 63 million, in full ahead of schedule. JUB will receive the first installment of CHF 40 million, subject to the condition precedent of the so-called "pre-complete" agreement being signed by all three parties by July 8, 2020. JUB will receive the second installment of CHF 23 million under the condition precedent that all JUB shares of the Jacobs Foundation are effectively transferred to a new shareholder to be defined in the strategy process. The Jacobs Foundation reserves the right to transfer its shares to JUB itself if no suitable purchaser has acquired the shares from the Jacobs Foundation by December 31, 2020. The Jacobs Foundation must transfer the two installments within two weeks of the following conditions precedent.

CASH FLOW STATEMENT	12/31/2019	12/31/2018
	EUR K	EUR K
Result for the period	-2,330	27,781
Cash flow from operating activities	-8,124	-1,020
Cash flow from investing activities	-3,645	-1,321
Cash flow from financing activities	6,491	0
Changes to cash and cash equivalents affecting cash flow	-5,278	-2,341
Cash and cash equivalents on January 1	7,693	10,034
Cash and cash equivalents on December 31	2,415	7,693

Trilateral agreement: With regard to the trilateral agreement, all obligations of the Jacobs Foundation end upon fulfillment of the conditions precedent and the installments payable by the Jacobs Foundation. As described above, this applies to the grants as well as to the reporting obligations and the right to appoint members to the Board of Governors.

Financing agreement: The credit line with Commerzbank will be adjusted to the effect that the second tranche of EUR 6.5 million will no longer be drawn down, and thus also not the 80% guarantee of Bremer Aufbau-Bank GmbH deposited as collateral. JUB will invest an amount of EUR 6 million of installment 1 in a fixed-term deposit account at a bank in Germany no later than ten days after receipt of installment 1 until at least June 30, 2023. It may only use this amount before June 30, 2023 for the final repayment of the credit line. After June 30, 2023, it will be free to use this amount as soon as Commerzbank confirms that the state guarantee has not been drawn upon and can no longer be drawn upon.

The funding provided by the Free Hanseatic City of Bremen for 2018 to 2023 is fundamentally different. By taking over the loan in 2018 and thus before it falls due in 2023, liquidity will be sustainably improved by EUR 2.5 million per year due to the elimination of repayment, interest and guarantee commission. It will use hedging instruments such as subordination for capital expenditures that can be capitalized in the balance sheet to support further capacity expansions on campus.

II.VII MANAGEMENT SUMMARY

The second year of the growth trajectory embarked upon was implemented as expected in the core business of students and teaching. The new bachelor cohort in particular exceeded forecasts. The growth in Transfer and Executive Education as well as the acquisition of large non-earmarked donations remained below budget expectations. The net loss for the year amounted to EUR 2.3 million. The increase in revenue and earnings, excluding the previous year's special effect from the debt financing, was achieved by an increase in the number of students, the offer of new student financing at a discount rate which remained unchanged from the previous year.

Operating expenses amounted to EUR 52.7 million in 2019 and exceeded the budgeted figures for the previous year. The significantly higher personnel expenses were due to the fact that hiring was brought forward. In addition, active cost management in the area of operating costs made it possible to partially compensate for the lack of revenue in the income area.

The strategy development for 2020-2030, which began in 2018, will be continued in 2020. This strategy will provide important impulses for realizing the targeted growth of the business plan and for leveraging additional revenue potential.

INCOME & LOSS STATEMENT

	2019 EUR	2018 EUR
1. Grants for ongoing operations	10,185,419.85	55,622,402.11
2. Revenues from research and education	30,746,169.37	28,561,214.34
3. Other revenues	2,590,249.78	2,263,452.86
4. Other miscellaneous operating income	6,440,711.38	6,645,791.64
	49,962,550.38	93,092,860.95
5. Cost of materials		
a) Cost of raw materials, consumables, and supplies, as well as goods purchased	-7,089.80	2,642.93
b) Cost of services purchased	191,377.52	518,765.45
	184,287.72	521,408.38
6. Personnel costs		
a) Wages and salaries	21,958,526.45	22,779,688.11
b) Social security costs and expenses related to pension plans and for support (of this total, pension costs of EUR 30,576.18; previous year EUR 30,576.18)	3,851,140.53	3,678,812.74
	25,809,666.98	26,458,500.85
7. Depreciation and amortization of intangible fixed assets and tangible assets	4,331,410.70	6,469,160.33
8. Other operating expenses	21,909,614.82	32,414,323.40
9. Income from investments	17,374.52	17,374.52
10. Other interest and similar income	13,680.00	805,044.20
11. Interest and similar expenses	9,183.85	230,439.73
12. Income taxes	51,038.47	11,560.81
13. Earnings after taxes	-2,301,597.64	27,809,886.17
14. Other taxes	28,345.44	28,646.98
15. Net loss for the year (previous year: Net income)	-2,329,943.08	27,781,239.19

STATEMENT OF FINANCIAL POSITION

ASSETS

	12/31/2019 EUR	12/31/2018 EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights acquired for consideration	2,494,651.58	2,225,156.51
2. Advance payments	75,355.15	61,387.47
	2,570,006.73	2,286,543.98
II. Property, plant and equipment		
1. Real estate and buildings	80,582,699.10	81,376,455.10
2. Technical equipment and machinery	525,450.00	639,781.00
3. Other equipment, furniture, and office equipment	1,670,636.80	2,169,882.52
4. Advance payments and construction in progress	814,710.34	87,377.29
	83,593,496.24	84,273,495.91
III. Investments		
1. Shares in affiliated companies	25,000.00	25,000.00
2. Loans to affiliated companies	33,000.00	33,000.00
3. Investments	1,600.00	1,600.00
4. Marketable securities	153,979.87	4,000.00
	213,579.87	63,600.00
	86,377,082.84	86,623,639.89
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables, and supplies	39,190.00	36,911.00
2. Finished goods and goods for resale	22,349.65	17,538.85
3. Advance payments	831.85	26,750.00
	62,371.50	81,199.85
II. Accounts receivable and other assets		
1. Trade receivables	14,297,663.63	7,414,433.30
2. Other assets	2,436,309.06	2,560,600.25
	16,733,972.69	9,975,033.55
III. Cash on hand, bank balances	2,415,224.35	7,693,292.85
	19,211,568.54	17,749,526.25
C. ACCRUALS AND DEFERRALS	281,591.56	486,803.93
D. DIFFERENCE ON THE ASSETS SIDE FROM ASSET OFFSETTING	36,178.27	0.00
	105,906,421.21	104,859,970.07

LIABILITIES

	12/31/2019 EUR	12/31/2018 EUR
A. EQUITY		
I. Capital stock	33,000.00	33,000.00
II. Capital reserves	11,562,119.88	11,562,119.88
III. Profit carried forward before appropriation	27,781,239.19	0.00
IV. Annual net profit / annual net deficit (-)	-2,329,943.08	27,781,239.19
	37,046,415.99	39,376,359.07
B. SPECIAL ITEM FOR INVESTMENT GRANTS	42,672,780.03	44,046,536.61
C. PROVISIONS		
1. Tax provisions	47,893.32	15,456.90
2. Other provisions and accrued liabilities	5,596,120.25	9,641,602.18
	5,644,013.57	9,657,059.08
D. LIABILITIES		
1. Trade payables	2,262,429.07	1,723,444.05
2. Other liabilities	12,833,311.32	6,135,963.75
(of this total, tax liabilities of EUR 687,199.10; previous year EUR 307,511.177)		
(of this total, as a result of social security EUR 0,00; previous year 17,781.76)		
	15,095,740.39	7,859,407.80
E. ACCRUALS AND DEFERRALS	5,447,471.23	3,920,607.51
	105,906,421.21	104,859,970.07

NOTES

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