

Dear shareholders, dear business friends,

In the 2020 financial year, the net value of our operating investments and financial assets rose by EUR 2 million to EUR 387 million (+ 0.5%). The net value per share increased by approx. EUR 2 to EUR 80.8 per share; an increase of 2.7%. We bought back 100,256 of our own shares for EUR 5.8 million, thus reducing the number of shares outstanding to 4,789,889.

The net value per share ("NAV") has developed as follows in comparison to the DAX share index over the past five years:

	NAV	DAX	NAV	DAX
2020	80,6	13.719	5%	4%
2019	76,7	13.249	11%	25%
2018	69,1	10.559	-3%	-18%
2017	71,3	12.918	2%	13%
2016	70,1	11.481	10%	7%
2015	63,9	10.743		
Cumulative			26%	28%

In the past five years, the NAV per share rose by 26% and the DAX by 28%. Our total return suffered from the fact that we have not achieved any appreciation in the operational investment portfolio since 2015. In 2020, the estimated value of our operational investments halved to EUR 10 million and we had to reimburse the buyer of K + S EUR 3.6 million due to a lost patent lawsuit. At the end of 2015 we estimated the value of the operating investments at EUR 216 million, while the net inflow in the last 5 years was lower due to the taxes paid and other transaction costs.

Our performance also suffered from the fact that we invested too cautiously over the past 5 years. Our average cash over the past 5 years has been around 35%. Without cash and operating investments, the investment quota in shares was only 50%, so that the return on shares alone was around twice as high as the DAX. The DAX index not only takes into account the price increase, but also assumes a tax-free reinvestment of dividends (2.7% in 2020).

Our total funds developed as follows compared to the previous year:

<b>Mio. EUR</b>	<b>31.12.2019</b>	<b>31.12.2020</b>
Financial Portfolio	233	269
Cash/Xetra Gold	132	108
Operating Companies	20	10
<b>Total</b>	<b>385</b>	<b>387</b>
per share in EUR	78,7	80,8

Our operating investments generated a net loss in 2020. The market value of our equity investments at the end of the year was EUR 311 million; a profit of EUR 76 million not shown in the balance sheet compared to the acquisition costs of EUR 235 million. Through sales and dividend payments, we realized an additional profit of EUR 6.3 million in 2020. The cash in the holding company and in the non-operating companies amounted to EUR 66 million (17% of our total net worth). In addition, we invested EUR 42 million in Xetra Gold (value increase 13% in 2020).

The largest equity positions developed as follows in 2020:

	Worth	Additions	Increase (incl. Dividend)
<b>Xetra Gold</b>	42	4,6	4,6
<b>India</b>	35	12,2	4,9
<b>Japan</b>	34	-1,6	-0,4
<b>Summerset Group</b>	19	0,0	5,7
<b>Inv. AG TGV</b>	18	0,0	2,6
<b>Brederode SA</b>	17	-1,0	2,4
<b>Berkshire Hathaway</b>	16	0,0	-1,1
<b>Ryman Healthcare</b>	16	0,6	-0,1
<b>Grupo Catalana Occidente</b>	12	5,9	2,9
<b>TCS Group Holding</b>	12	1,8	3,9
<b>Fairfax Finl Holdings</b>	8	5,6	-0,1
<b>Total</b>	<b>229</b>	<b>28</b>	<b>25</b>

We achieved the greatest increases in value at the New Zealand retirement home operator Summerset Group (+ EUR 5.7 million) and at Invest AG (+ EUR 2.6 million). In addition to increasing value, we invested EUR 28 million in our biggest positions in 2020.

In the next few years there will probably only be growth in the emerging countries in India and Asia, so we have partially relocated our investment focus there. We would like to invest in private equity transactions again, but are still waiting for the purchase prices to weaken. The focus of our investment philosophy is capital preservation, so we will continue to invest cautiously.

We value openness and look forward to your suggestions and suggestions for improvement. We are always grateful for transaction proposals.

With best regards

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a horizontal line and a small flourish.

Reimar Scholz  
Chief Executive Officer